

**HARYANA VIDHAN SABHA**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(2018-2019)**

**SEVENTY EIGHTH REPORT**

**ON THE**

**REPORT OF THE**

**Comptroller and Auditor General of India**

**ON**

**Revenue Sector**

**for the year ended 31<sup>st</sup> March, 2015**



**(Presented to the House on 27th February, 2019)**

**HARYANA VIDHAN SABHA SECRETARIAT,**  
**CHANDIGARH**  
**2019**



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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE****CHAIRPERSON**

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

**MEMBERS**

- |    |                                     |        |
|----|-------------------------------------|--------|
| 2. | Shri Parminder Singh Dhull, M.L.A   | Member |
| 3. | Shri Jai Tirath, M.L.A              | Member |
| 4. | Prof. Dinesh Kaushik. M.L.A.        | Member |
| 5. | Shri Bakhshish Singh Virk, 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 |

**SECRETARIAT**

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

1. I, the Chairperson of the Public Accounts Committee, having been authorized by the Committee in this behalf, present this Seventy Eighth Report on the Report of the Comptroller and Auditor General of India on Revenue Sector for the year ended 31<sup>st</sup> March, 2015.

2. The Report of the Comptroller and Auditor General of India on Revenue Sector for the years ended 31<sup>st</sup> March, 2015 was laid on the Table of the House on 14<sup>th</sup> March, 2016.

3. The Committee examined the Report of the Comptroller and Auditor General of India on Revenue Sector for the year ended 31<sup>st</sup> March, 2015 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 13<sup>th</sup> February, 2019.

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 13<sup>th</sup> February, 2019

**GIAN CHAND GUPTA**  
CHAIRPERSON







## **REPORT**

### **GENERAL**

1. The Committee for the year 2018-2019 was nominated on 24<sup>th</sup> April, 2018 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 06<sup>th</sup> March, 2018, authorizing him to nominate the Members of the Committee on Public Accounts for the year 2018-2019.

2. The Committee held total 76 meetings during the year at Chandigarh and other places upto 13<sup>th</sup> February, 2019 till the finalization of the Report.

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**REVENUE SECTOR**

**For the year ended 31 March, 2015**

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## EXCISE AND TAXATION DEPARTMENT

### [ 1 ] 1.4 Evasion of tax detected by the Department:

The details of cases of evasion of tax detected by the Excise & Taxation Department, cases finalised and the demands for additional tax raised as reported by the Department are given in Table 1.4.

**Table 1.4**  
**Evasion of Tax**

(Rs. in Crore)

Sr. No.	Head of revenue	Cases pending as on 31 March 2014	Cases detected during 2014-15	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalization as on 31 March 2015
					Number of cases	Amount of demand	
1	Tax on sales trade/ VAT etc.	37	2,097	2,134	2,071	15.12	63
2	State excise	695	3,117	3,812	3,092	01.99	720
3	Tax on goods and passengers	1,474	12,688	14,162	7,567	10.83	6595
<b>Total</b>		<b>2,206</b>	<b>17,902</b>	<b>20,108</b>	<b>12,730</b>	<b>27.94</b>	<b>7,378</b>

It would be seen from the table that the number of cases pending at the end of the year has slightly increased in the case of State Excise and excessively in the case of Tax on Goods and Passengers as compared to the number of cases pending at the start of the year.

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

#### **SALES TAX:**

All 63 cases have been disposed off by creating an additional demand of Rs.1816.34 Lakh. Out of which an amount of Rs.317.68 Lakh stand recovered, leaving of balance of Rs.1498.66 Lakh.

#### **EXCISE:**

Out of total 720 cases, 701 cases have been disposed off by creating an additional demand of Rs. 25.72 Lakh. Out of which an amount of Rs.13.74 Lakh stand recovered, leaving of balance of Rs.12 Lakh. Remaining 19 cases are still under process. Concerned DETCs has148 been directed to dispose off these cases at the earliest.

#### **PGT:**

Out of total 6595 cases, 6532 cases have been disposed off by creating an additional demand of Rs. 60.91 Lakh stand recovered. Remaining 64 cases are still under process. Concerned DETCs has been directed to dispose off these cases at the earliest.

The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands to augment the State revenue under intimation of the Committee.

[ 2 ] **1.6.3 Non production of records to audit for scrutiny:**

During the year 2014-15 as many as 1,618 assessment files, refund cases, returns, refunds registers and other relevant records were not made available to audit involving tax effect off 908.44 crore. Break up of these cases is given in Table 1.6.3.

**Table 1.6.3**  
**Details of non-production of records**

(Rs. in crore)			
Name of the Office/Department	Year in which it was to be audited	Number of cases not audited	Tax amount / refunds
Assessment cases			
DETC (ST) Faridabad (East)	2014-15	59	15.42
DETC (ST) Gurgaon (East)	2014-15	79	34.67
Refund Cases			
11 DETCs (ST) <sup>5</sup>	2014-15	1,480	858.35
	<b>Total</b>	<b>1,618</b>	<b>908.44</b>

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

The details regarding non production of assessment files is given as under:-

Sr. No.	Name of Office	Total no. of files which were not produced before audit	No. of files which have been audited	No. of files which are available in office and will be produced before audit during their next visit	Miscellaneous Reasons
1	Faridabad (South)	31	07	24	0
2	Gurugram (North)	02	01	0	1 (handed over to audit party for audit)
3	Faridabad (East)	28	0	25	3 (sealed by Vigilance)
4	Gurugram (South)	6	1	5	0
5	Gurugram (East)	70	5	65	0
	<b>Total</b>	<b>137</b>	<b>14</b>	<b>119</b>	<b>4</b>

The details regarding non production of refund files is given as under :-

Sr. No.	Name of Office	Total no. of files which were not produced before audit	No. of files which have been audited	No. of files which are available in office and will be produced before audit during their next visit	Miscellaneous Reasons
1	Ambala	341	84	213	Efforts are being made to trace 44 refund files.

2	Kurukshetra	19	10	09	0
3	Kaithal	178	0	178	0
4	Karnal	60	0	60	0
5	Sirsa	81	0	81	0
6	Sonepat	110	0	110	0
7	Faridabad (E)	77	0	77	0
8	Faridabad (W)	231	50	85	Efforts are being made to trace 96 files.
9	Faridabad (South)	62	0	11	Efforts are being made to trace 51 files.
10	Faridabad (North)	168	0	37	Efforts are being made to trace 131 files.
11	Gurugram (E)	52	0	52	0
12	Gurugram (W)	75	33	42	0
13	Gurugram (South)	30	16	0	Efforts are being made to trace 14 refund files.
	<b>Total</b>	<b>1484</b>	<b>193</b>	<b>955</b>	<b>336</b>

**The Committee has desired that sincere and pragmatic efforts be made to trace the untraced records/files to be produced before audit for scrutiny before the next meeting of the Committee otherwise FIR be got registered in the matter under intimation of the Committee.**

**[ 3 ] 2.2.8 Absence of provision for finalization of assessment besides cancellation of Registration Certificate (RC):**

Rule 14 of HVAT Rules, provides for procedure of cancellation of RC and the dealer is required to surrender RC, used and unused declaration forms obtained from the department along with application for cancellation. However, there was no provision in the Act regarding finalisation of assessment besides cancellation of RC.

During test check of records of the office of DETC (ST) Sirsa in April 2015, it was noticed that two dealers closed down their business w.e.f. 31 March, 2014 and 1 November 2014 respectively and applied for cancellation of RC (April 2014/November 2014). The AA cancelled the RCs (November 2014/ February 2015) without getting the unused declaration forms surrendered or finalising the assessments. It was further noticed that during 2013-14, the dealers had filed their returns involving turnover of sale of Cigarettes worth Rs.83.45 crore. Non finalisation of assessments besides cancellation of RCs resulted in non realisation of tax of Rs.17.52 crore (at the rate of 21 *per cent*). Had the provision for finalisation of assessments besides cancellation of RC been made, the amount of Rs.17.52 crore could have been recovered from the dealers.

During exit conference, the department admitted the audit observation and stated that assessment would be finalised at the earliest possible and necessary provision would be

made in the Act. The department also stated that instructions would be issued to the assessing authorities in due course.

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

The audit has pointed out that there is no provision under the Haryana Value Added Tax Act, 2003 regarding finalization of assessment at the time of the cancellation of registration and according to the audit non-availability of this provision in the Statute has resulted into non-realization of tax of Rs.17.52 Crore in case of two dealers of Sirsa, Haryana. The objection of the audit is untenable being preposterous. The mechanism and the machinery for framing assessment under the Act have been well defined in section 15 of the Act. Section 15(3) of the VAT Act, 2003 clearly stipulates that no order shall be passed after expiry of three years from the close of the year to which assessment relates which means the order can be passed within three years and there is no bar to pass assessment order at the time of the cancellation of the registration. It is admitted fact that the framing of assessment requires some time for the Assessing Authority as it involves the examination of the case/record as well as procurement of various documents, for allowing concessions and deductions, from the dealer and the dealer usually takes time to furnish the required documents. It is always in the interest of the revenue that the Registration Certificate is cancelled immediately lest it is misused for passing on the ITC claim etc. Moreover passing of Assessment orders at stage of cancellation in these two cases would not have made much difference as these were unscrupulous dealers. In view of the above the objection may please be dropped. However the para wise reply is as under:

**1. M/s Shree Trading Co., Sirsa TIN 6122916970, A.Y. 2013-14:**

In reply to audit objection, it is submitted that at the time of objection raised by the audit, the assessment was not finalized for the year 2013-14. Now, the assessment of the firm has been finalized by the then Assessing Authority wherein addl demand of Rs. 181775231/- under the HVAT Act 2003 has been created vide order dated 30.3.2017. Recovery proceedings have been initiated under the Land Revenue Act. An amount of Rs.2,00,000/- has been recovered from the sureties (Rs.1,00,000/- from each surety). A detail of the properties owned by the proprietor (Sh. Harish Biyani) was sought but no property has been found in his name as intimated by Tehsildar and M.C, Sirsa, Haryana. It is also pertinent to mention here that FIR No.544, dated 29.07.2016 has also been lodged against the dealer. Since the Assessment has been framed in this case so the para may please be dropped.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firms to augment the State revenue under intimation of the Committee.**

**2. M/s Vinay Traders, Sirsa TIN 6122919799, A.Y. 2013-14**

In reply to audit objection, it is submitted that at the time of objection raised by the audit, the assessment was not finalized for the year 2013-14. Now, the assessment of the firm has been finalized by the then Assessing Authority wherein additional demand of Rs. 19,77,75,622/- under the HVAT Act 2003 has



been created vide order dated 30.3.2017. Recovery proceedings have been initiated under the Land Revenue Act. A detail of the properties owned by the proprietor (Sh. Vinay) was sought but no property has been found in his name as intimated by Tehsildar and M.C, Sirsa, Haryana. The sureties are untraceable. Since the Assessment has been framed in this case so the para may please be dropped.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firm to augment the State revenue under intimation of the Committee.**

**[ 4 ] 2.2.9 Non registration of works contractors:**

Under Section 48 of HVAT Act the assessing authority may call for information/ database from other departments/Corporation/persons relevant to any proceedings or useful for tax administration and Section 16 provides for levy of tax and penalty equivalent to tax determined during assessment of unregistered dealers.

During test check of records of offices of five DETCs (ST), it was noticed that the department had not established any system for cross verification of information available with other departments to detect unregistered dealers and evasion of tax.

Further, audit cross verified the information collected from 11 offices and found that 605 unregistered dealers (Works Contractors) had exceeded the threshold limit of taxable turnover for registration as they had received payments for execution of works contracts during 2009-10 to 2013-14, but did not get themselves registered under HVAT Act. Failure to put in place a system for collection of information from other departments, which would help facilitate the process of identifying, registering and assessing unregistered dealers which resulted in non realisation of tax of Rs.35.66 crore besides penalty of Rs.35.66 crore.

During exit conference, the department admitted the audit observation and stated to make registration of works contractors mandatory in consultation with other contractee departments.

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

This Para pertains to unregistered contractors who have executed work contracts in the Districts of Sonapat, Jhajjar, Jagadhari, Faridabad and Gurugram allotted by different Govt. agencies like Municipal Committee, Executive Engineer, Haryana State Agriculture and Marketing Board and Housing Board. The no. of Para's raised by the audit (district wise) with details of assessed cases/tax /penalty calculated is as under:-

Name of District	No. of Paras	No. of cases assessed	Addl. Demand created
Sonapat	36	Nil	N.A.
Jhajjar	61	33	32374073
Jagadhari	174	32	3917741
Faridabad (E, W, N, S)	170	Nil	N.A.
Gurugram (E, W, N, S))	181	11	25118151
Total	622	76	61409965

The remaining cases are under process and result thereof will be communicated in due course.

**The Committee has desired that a special campaign be launched for the registration of all works contractors in consultation with the all contractee departments and action taken report be submitted to the Committee at the earliest.**

**[ 5 ] 2.2.10 (ii) Reduction in number of scrutiny cases:**

Upto the assessment year 2010-11, an average of 50,000 cases were being assessed under scrutiny every year. To streamline the work and make scrutiny assessment effective, the department decided (16 July 2013) to reduce the number of cases for scrutiny by excluding categories viz.: (a) gross turnover (GTO) exceeding five hundred lakh rupees in a year, (b) claim of input tax exceeding ten lakh rupees in a year, (c) claim of sales made in the course of inter-State trade and commerce or in the course of export of goods out of the territory of India or in the course of import of goods into the territory of India exceeding twenty five lakh rupees in a year, (d) cases selected at random, (e) cases in which the dealer fails to complete the returns in material particulars after being given an opportunity for the same and cases of cancellation of RC. State Government capped the maximum number of cases for scrutiny to 5,000 annually for whole state, besides the AAs could select 10-15 cases of its choice. District-wise cases were to be selected by a committee headed by DETC of each district. Besides, each assessing authority could select 10-15 cases of his choice. Further, ITC was to be allowed after 100 *per cent* verification upto the stage of actual payment of tax. It was emphasised that the scrutiny cases were to be dealt with strictly in accordance with instructions dated 14 March 2006 and 16 July 2013.

Audit observed that selection criteria was not proper because the selection could not be fair as the selection of 10-15 cases was to be made by AAs as per their choice and a committee headed by DETC of each district. Thus, it was left at the discretion of AAs and DETCs to select or not to select any case. No objective criteria were laid down to enable the selection and this pick and choose method was fraught with risk of misuse of discretion. Scrutiny of 105 cases of offices of six DETCs (ST) showed no effectiveness and improvement in quality of scrutiny assessment as per irregularities tabulated below:-

**Irregularities in assessment of scrutiny cases assessed during 2014-15**

(Rs. in lakh)

Sr. No.	Name of DETC	Tax / interest			Nature of irregularities/Remarks
		Leviabale	Levied	Short levied	
1	Jagadhri	12.20	0	12.20	In one case Rs. 12.20 lakh were deposited voluntarily against due tax for the assessment year 2012-13 and the same amount of tax deposited on same bank challans was found adjusted against the tax assessed for the assessment year 2011-12.
2	Gurgaon (West) and Jagadhri	29.26	0	29.26	In three cases {Gurgaon (West) (1); Jagadhri (2)} interest of Rs. 29.26 lakh was not levied on short payment of tax.

3	Gurgaon (West) and Jagadhri	159.87	131.56	28.31	In three cases tax of Rs. 28.31 lakh was short assessed due to application of incorrect rate of tax.
4	Jagadhri	03.82	0	03.82	Surcharge at the rate of five per cent of tax was leviable w.e.f. 2 April 2010. The surcharge was not levied in two cases.
5	Gurgaon (West), Jagadhri and Sonipat	90.58	0	90.58	In seven cases, the AAs had short reversed ITC on stock transfer/tax free sale.
6	Jagadhri	39.52	0	39.52	In two cases, the AA failed to levy tax on miscellaneous income of Rs.1.67 crore and surrendered income of Rs. 1.35 crore.
7	Ambala, Faridabad (West), Gurgaon (West), Jagadhri, Jhajjar and Sonipat	0	0	0	Despite clear guidelines/instructions for 100 per cent verification of purchases/sales upto the stage of actual payment of tax, the AAs allowed benefit of ITC in 41 cases without cross verification of purchases/sales.

Under the earlier system, out of 2275 test checked cases, audit observations were raised in 182 cases (eight *per cent*) whereas out of 105 test checked cases (pertaining to assessment year 2011-12 assessed during 2014-15), audit observations were raised in 48 cases (46 *per cent*). Thus, even after reducing the number of assessment from 50,000 to 5000, no improvement was noticed in the assessment. Moreover, audit observations noticed in the new system were similar to the observations in the previous system of selection.

During exit conference, the department agreed to issue instructions to all the field offices to cross verify the purchases/sales and payment of tax in all the cases.

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

The Audit party had raised an objection that selection criteria of cases for scrutiny assessment as per Government instruction dated 16.03.2013 was not proper on the plea that selection could not be fair as the selection of 10-15 cases was to be made by AAs and this pick and choose method was fraught with risk of misuse of discretion. Further scrutiny of 105 cases of offices of six DETCs(ST) showed no effectiveness and improvement in quality of scrutiny assessment as per irregularities in assessment of scrutiny cases assessed during 2015.

In reply to the audit memo it is submitted selection criteria of scrutiny cases was not revised by the Government since 2006-07. So, there was a need to revise the selection criteria for selection the cases for scrutiny assessment. For this, a Committee of three Addl. Excise & Taxation Commissioners at the level of the Head Office was constituted and after taking into consideration all inputs from the field offices, the criteria was revised due to the fact that as on 1.04.2003 only 57014 dealers were registered in the State of Haryana whereas as on 01.04.2017 the number of dealers were increased from 57014 to **229179** but the number of sanctioned posts of Assessing Authorities were same as on 1.4.2003.

Further the quality assessment in the assessment cases pertaining to the assessment year 2011-12 was more effective with respect to the cases for the year 2010-11. The average addl. demand created in the scrutiny cases for the year 2011-12 which were finalized during the financial year 2014-15 is

**Rs.40.81** lacs whereas in the previous years the average addl. demand was below 8 lacs per cases. The year-wise addl. demand created and average per case in the State is as under:-

	2010-11	2011-12	2012-13	2013-14	2014-15
Addl. Demand created (Fig. in lacs)	96055	130909	133055	397531	336648
No. of cases selected for scrutiny	53068	56688	52396	55705	8250
Average addl. demand per case	1.81 Lac	2.31 Lac	2.54 Lac	7.59 Lac	40.81 Lac

It is clear from the above table the quality assessment in lower number of scrutiny assessment cases was made by the Assessing Authorities in the State.

The criteria of selecting 10-15 cases of the choice of AA was added due to the fact that any case where huge revenue is involved and do not fall in any criteria as approved by the Government such case can be taken for scrutiny assessment. Moreover, the final list of the cases falling under this criterion was to be shortlisted by a Committee consisting of DETC and three senior most ETOs of the district. The case in which higher revenue involves, only such case was being shortlisted by the Committee and not as supposed by the AA. So, there was no discretion with any Assessing Authority to select a case under this criteria.

As regards 100% verification of input tax in the scrutiny cases, it is mentioned that previously the input tax was not being verified by the AAs, so, a condition was raised to verify the input tax. In most of the cases selected for scrutiny assessment which involves big turnover, the input tax was verified. But the cases pointed out by the Audit Party were decided in the last months of the financial year so the verification of purchases could be completed due to shortage of time. Now the verification of input tax has been made in such cases without any discrepancy.

In view of the above facts, it is clear the criteria for selecting the cases for scrutiny assessment was proper and the audit para may kindly be dropped.

**1. M/s Richi Richi Agro Foods Pvt. Ltd., Ambala 06051032832, A.Y. 2011-12:**

The audit party has raised objections that benefit of stock transfer against F form can be allowed for maximum of one month transaction but assessing authority allowed the same for the transactions made for 2or 3 months respectively, the dealer had not shown sale of by-products from milling of paddy and non levy of tax on the sale of Plant and Machinery worth Rs. 1786500/-

In view of pointed out audit objection, it is submitted that the case has been sent to Deputy Excise and Taxation Commissioner-Cum-Revisonal Authority to take suo moto action vide endst. No. 3712/ dated 06.08.2018. Case is fixed for 15.10.2018. Results of the same will be communicated later on.

**15. M/s ETA Star Gurgaon (West) TIN 06891935246,A.Y. 2011-12:**

The audit observed that the assessing authority had failed to levy an interest or Rs. 563937/- on delayed deposit of tax. It is submitted that the order has been

rectified vide order dated 07.05.2015 u/s 19 of HVAT Act, 2003 and interest of Rs.563937/- has been levied upon the dealer u/s 14 (6) of HVAT Act, 2003 for late payment of tax during the year, The dealer is now under liquidation as per order dated 08.01.2016 of the Hon'ble High Court of Madras and the claim is being filed before the Official Liquidator, High Court of Madras for recovery, as per the reply received from Official Liquidator letter no. 1132/2016 AR IV dated 31.07.2018.

**16. M/s Star Alubuild Pvt. Ltd., Gurgaon (W), TIN 06441924096 A.Y. 2011-12:**

The assessment order dated 24.03.2015 has already been revised by Revision Authority by its order 1-E/dated 11.09.2015 creating additional demand for Rs. 2286195/- of HVAT Act, 2003. The dealer case is now pending in appeal before Haryana Tax Tribunal Chandigarh. The case is listed for hearing on 03.10.2018.

**17. M/s V3S Infratech Ltd. Gurgaon (North) 06691931670, A.Y. 2011-12:**

The audit pointed out that The dealer is a work contractor and had opted to pay lump sum in lieu of tax under section 9 of HVAT Act 2003./rule 49 provide that lump sum tax will be calculated @4% on total valuable consideration receivable for the execution of contract. As per returns filed by dealer, the dealer had executed the work of Rs.192858511 and the tax was payable Rs.81000571/- @ 4.20% including surcharge. The assessing authority assessed G.T.O of Rs.182479143/- and tax Rs.7664124/- by following deduction of Rs.10379368/- for which the payment was to be received. Tax was to be calculated on gross payment which was receivable from contratee. It resulted into short assessment of tax Rs.435933/-(8100057-7664127) beside interest.

In response to the audit objection raised by audit party it is informed that the case has been sent to Revisional Authority cum DETC (I) vide letter no. 3115 dated 05.09.2018.

**18. M/s Shivam Auto Tech Ltd. 06751921161, A.Y. 2011-12.**

1. The audit team noticed that the dealer had made stock transfer out of turnover of expanded unit amounting to Rs. 39576644/- and Rs.132432773/- during the assessment year 2010-11 and 2011-12.The Assessing Authority reversed input tax credit Rs.2249229/- (377211+1872018) during the year 2010-11 and 2011-12 instead of Rs.3982887/- (670993+3311894) and hence that It resulted into excess benefit of input tax credit of Rs. 1733658/- (3982887-1733658).

2. Benefit of ITC of Rs. 49031498/- was allowed without cross verifications of purchases.

3. The assessing authority during assessment years 2011-12 allowed excess ITC of Rs. 1515602/- as against claimed in VAT-R2.

4. Copy of entitlement to avail tax concession was also not found place on file to check availability of balance amount of tax concession.

It is hereby submitted that the case file has been sent for revision by the revisional authority vide letter no. 1134 dated 29.05.2018 for necessary action. The updated status shall be intimated once the revisional proceedings are finalized.

**24. M/s Veekay Polycoats Pvt. Ltd. Gurgaon (South) 06051918539  
A.Y. 2011-12:**

In reply to audit it is submitted that in regard to captioned matter, para reply of audit queries are as under:-

1. Incorrect reversal of ITC on account of stock transfer. The audit party point out that the in out reversal of stock transfer excess benefit of ITC given to the dealer.

In response of the audit objection case sent to the DETC (Inspection) Gurugram (North) for Suo Moto action vide letter No 1723/S-4/Dated 05.09.2018.

**27. M/s Pandit Automobiles Pvt. Ltd. Jagadhri TIN 06331611283,  
A.Y. 2011-12.**

Original assessment in this case was framed by the AA vide order dated 03.03.2015.

Point wise reply on the audit observation is as under:

1. The assessing authority had given the benefit of tax deposited of Rs. 6005442/- on submission of challan deposited by dealer. On verification of tax deposit amount, it is noticed that benefit of tax deposit of Rs. 1239534/- (334784+884750) against challan No. 74 dt 30.11.2012 and 117 dt 5.1.2013 was allowed in 2011-12 while the benefit of Rs. 1219534/- against these challans was also claimed in annual return (R-2) for the assessment year 2012-13. In assessment year 2011-12 original copy of challan were produced and in 2012-13 photo copy of same challan were produced. The assessing authority failed to raise the additional demand of Rs. 1219534/- and penalty of Rs. 3658602/- under section 38 of HVAT Act, 2003 was also leviable as the dealer tried to get the double benefit of tax deposit against same challan which were submitted by dealer.

In reply to audit observation it is intimated that the DETC-cum-Revisional Authority vide order dated 28/03/2016 has disallowed the amount of tax of Rs.1219534/- from the claim of voluntary payments. In addition to this, interest u/s 14 (16) was also levied and total demand of Rs. 2913114/- was crated. The dealer has deposited the amount vide GRN No. 0018365543 dated 29/03/2016. The Revisional Authority directed to take punitive action as per law. Further penalty of Rs. 37,18,602/- u/s 38 of HVAT Act 2003 has been levied vide order dated 21.09.2018.

2. Interest on delay payments amounting to Rs. 1165025/- as detailed in annexure was not levied.

In reply to audit observation it is intimated that the case was sent to Revision Authority-cum-DETC who has levied interest of Rs. 386718/- on the delayed payments as per Act/Law which stands recover.

3. Input tax credit of Rs. 300753/- (310753-10000) on purchase of demo car was allowed on which only 10000/- was assessed on sale of two demo car. Input tax credit is not allowed on demo car as these are purchased for resale.

In reply to audit observation it is intimated that the Revisional Authority added the sale of demo cars to taxable turnover and tax has been levied @13.125% instead of lumpsum tax so benefit of ITC has rightly been allowed on purchase of demo car.

4. Input tax credit of Rs. 58890025/- was allowed on purchase of Rs. 448685904/- without cross verification of sale/purchase list of VAT dealers.

In reply to audit observation it is intimated that admittedly all the purchases were not verified at the time of assessment, however ITC to the dealer on the purchases has been allowed after examination of tax invoices produces by the dealer at the time of assessment. The dealer has also submitted VAT C-4 certificates in support of his claim of Input Tax Credit. Letters have also been sent to the concerned districts for verification.

5. The dealer had shown other receipt of Rs.16609711/- but the assessing authority neither explained it in assessment order nor assessed tax on it.

In reply to audit observation it is intimated that the details of the other receipts has been given by the dealer in the balance sheet placed on record.

6. Tax on sale of pre-owned car was to be assessed Rs. 333180/- (6346300x5.25%) as per entry no. 68 of schedule 'C' but the assessing authority assessed lump sum tax Rs. 224000/- on sale of 54 vehicle. It resulted into under assessment of tax amounting to Rs. 109180/- (333180-224000).

In reply to audit observation it is intimated that tax on sale of Pre owned cars has rightly been levied as per schedule G of HVAT Act, 2003 since the dealer is dealing in sale and purchase of Pre owned cars and entry no. 68 of Schedule C is not applicable in this case.

7. Input tax credit of Rs. 286460/- was allowed on purchase of paint but there is no sale of paint. It was used in maintenance of pre-owned car or in job work.

In reply to audit observation it is intimated that the Revisional Authority has reversed ITC of Rs. 286460/- on purchase of Paint by the order dated 28.03.2016.

8. No check list was prepared by Taxation Inspector as per guidelines issued by E. T. C.

In reply to audit observation it is intimated that after receipt of the returns, summary of the return is prepared by the record keeper which contains all the details related to assessment. This summary is then checked by the Taxation Inspector before it is put up before the Assessing Authority for assessment. Hence, check list was not prepared separately

9. No dispatch number was found mentioned on notice (N-2),

In reply to audit observation it is intimated that Dispatch No. on VAT N-2 has not been mentioned as prevalent practice however notice has been duly served on 19.11.2013.

10. The detail of used declarations forms i.e.-D-I, D-2,C,F,H,E-1 and E-II issued to the dealer and balance forms should be submitted with the returns but the same were not found in the assessment file.

In reply to audit observation it is intimated that admittedly the dealer has not submitted account of declaration at the time of assessment. The dealer produces register of declaration maintained by him at the time of issuing of declarations and AA accordingly issues declaration to a dealer after satisfying himself of the consumption of the declaration issued earlier.

In view of the above facts the para deserves to be dropped.

**28. M/s Vibhu Composite Works Yamuna Nagar, 06331612932, A.Y. 2012-13:**

Original assessment in this case was framed by the AA vide order dated 05.12.2014. In reply to audit observation, it is intimated that the assessment has been framed as per the provisions of the Act and the Rules and as per the instructions issued by the Higher Authorities from time to time. The parawise reply is as under:-

1. All purchases totaling more than Rs one lakh from a single VAT dealer in a year should be cross verified. Scrutiny of assessment file revealed that the AA mentioned in order that the dealer furnished copies of invoices and at randomly checked and the case was finalised without cross verification of purchases worth Rs. /-within a year and benefit of ITC of Rs.731296/- was allowed without cross verification from list of selling dealer.

In reply to audit observation it is intimated that ITC to the dealer on the purchases has been allowed after examination of tax invoices produced by the dealer at the time of assessment. It is not possible to verify all the purchases however most of the local purchases have now been verified from the respective files. Letters were written to the respective D.E.T.C.s for verification of purchases.



2. No check list was prepared by Taxation Inspector as per guidelines issued by E. T. C.

In reply to audit observation it is intimated that after receipt of the returns, summary of the return is prepared by the record keeper which contains all the details related to assessment. This summary is then checked by the Taxation Inspector before it is put up before the Assessing Authority for assessment. Hence, check list was not prepared separately.

3. The account of used and balance declarations forms i.e.-D-I, D-2, C, F, H, E-1 and E-II issued to the dealer should be submitted with the returns but the same were not found in the assessment file.

In reply to audit observation it is intimated that admittedly the dealer has not submitted account of declaration at the time of assessment. The dealer produces register of declaration maintained by him at the time of issuing of declarations and AA accordingly issues declaration to a dealer after satisfying himself of the consumption of the declaration issued earlier.

4. Section 8 of CST Act, 1956 provides that in case of sale of goods to unregistered dealer, the rate of tax shall be at the rate applicable to the sale or purchase of such goods in the appropriate State. Surcharge under section 7A was not levied on ISS without 'C' form which resulted into short levy of tax Rs.127283/- (2545674x5%).

In reply to audit observation it is intimated that JETC(R)-cum-Revisional Authority levied surcharge vide order dated 05.12.2014 creating an additional demand of Rs. 127283/-. The dealer has filed an appeal against the order of Revisional Authority which is fixed for hearing on 28.09.2018 before Hon'ble Haryana Tax Tribunal.

5. The dealer had furnished partly blank sale lists (LS-2) which were accepted by the A.A. while finalizing the assessment. In the absence of commodity of goods, liabilities of tax cannot be ascertained.

In reply to audit observation it is intimated that admittedly the dealer has not mentioned name of the commodity in LS-2 however the dealer deals in manufacturing of toilet systems for railway coaches and supplies the same to Indian Railway which is covered by entry no. 72 of schedule C of HVAT Act, 2003. No other sales have been conducted by the dealer under the CST Act. Hence rate of tax has rightly been applied.

In view of the above facts, the para deserves to be dropped.

**29. M/s Chauhan Paper Pvt. Ltd. 06401610129. A.Y. 2011-12:**

Original assessment in this case was framed by the AA vide order dated 20.03.2015. The audit party made the following observation:

1. The dealer deals in manufacturing of exercise books and trading of paper. The dealer had made sale of exercise books of Rs. 271326926/- under VAT in which paper and other material was consumed which was

purchased from local dealer and interstate. Further stock was transferred out of state of Rs. 28646337/-. The input tax was to be reversed proportionally Rs. 3128980/- (4366746x29973263/418637049) which was not reversed by A.A.

In reply to audit observation it is intimated that in reply of audit para the case was sent to DETC-cum-Revisional Authority on the basis of audit objection. During the revision, it was observed that, the dealer has made total purchase of Rs. 509555958/-, out of which local purchases from VAT dealer is 83176111/-. The local purchase of paper amounting to Rs. 83176111/- was used by dealer in trading on which tax has been deposited. It is further intimated that the dealer has made taxable sale amounting to Rs. 105453470/- under the VAT Act and Rs. 13210314/- under the CST Act. The dealer sold exercise note book for Rs. 271325067/- The dealer has manufactured exercise books from the paper purchase from the outside the state which is qualitatively different from the paper purchased from within the state. The paper purchased from within the state was sold as such as copier paper. The dealer has not claimed any ITC on the other consumables which were purchased from VAT dealers and used in manufacture & sale of Exercise books.

2. No check list was prepared by Taxation Inspector as per guidelines issued by E. T. C.

In reply to audit observation it is intimated that after receipt of the returns, summary of the return is prepared by the record keeper which contains all the details related to assessment. This summary is then checked by the Taxation Inspector before it is put up before the Assessing Authority for assessment. Hence, check list was not prepared separately.

3. The detail of used declarations forms i.e.-D-I, D-2,C,F,H,E-1 and E-II issued to the dealer and balance forms should be submitted with the returns but the same were not found in the assessment file.

In reply to audit observation it is intimated that admittedly the dealer has not submitted account of declaration at the time of assessment. The dealer produces register of declaration maintained by him at the time of issuing of declarations and AA accordingly issues declaration to a dealer after satisfying himself of the consumption of the declaration issued earlier.

4. No Economic Activity Code (EAC) was mentioned in the returns(R-2).

In reply to audit observation it is intimated that EAC code has not been mentioned on the returns, but not mentioning of EAC does not affect the tax liability of the dealer. The EAC number of the main commodity deal in by the firm is 12503.

5. All purchases totaling more than Rs one lakh from a single VAT dealer in a year should be cross verified. Scrutiny of assessment file revealed that

the case was finalised without cross verification of purchases worth Rs. 83176112/- within a year and benefit of ITC of Rs.4363746/- was allowed without cross verification.

In reply to audit observation it is intimated that ITC to the dealer on the purchases has been allowed after examination of tax invoices produced by the dealer at the time of assessment. It is not possible to verify all the purchases however most of the local purchases have been verified from the respective files.

- 6 'F' forms for stock transfer of Rs. 28646337/- are not found placed in file. In absence of 'F' forms concession of tax of Rs.1503933/- (28646337\*5.25%) cannot be allowed.

In reply to audit observation it is intimated that 'F' Forms produced by the dealer have been placed on the file.

7. The case was assessed under scrutiny but no speaking order was passed.

In reply to audit observation it is intimated that the assessment order is a well speaking order because all aspects relating to assessment is mentioned in the order.

**30. M/s Syno Chem.. Organics Pvt. Ltd Jagadhari TIN. 0691617366 A.Y. 2011-12:**

Original assessment in this case was framed by the AA vide order dated 05.03.2015. The audit party made the following observation:

- 1 All purchases totalling more than Rs one lakh from a single VAT dealer in a year should be cross verified. Scrutiny of assessment file revealed that the case was finalised without cross verification of purchases worth Rs. 103146349/- within a year and benefit of ITC of Rs.4354091/- was allowed without cross verification.

In reply to audit observation it is intimated that Admittedly all the purchases were not be verified at the time of assessment. However claim of ITC on purchases is allow to the dealer after examination of tax invoices produced by the dealer at the time of assessment. Most of the local purchases have now been cross verified from the respective files. The dealer has also submitted VAT C-4 certificates in support of his claim of Input Tax Credit.

- 2 As clarified by ETC on 22.4.2013 ITC on purchases of DEPB Licence is not admissible if it is used to import the goods from out of India. The AA allowed ITC of Rs. 51971/- on purchase of DEPB of RS.1034295/- for use in import of goods. Further the AA allowed ITC on credit note of Rs. 4272645/- which had not been shown in books of accounts. This resulted into excess benefit of ITC Rs.231422/- (4272645x4.2=179451+51971)

In reply to audit observation it is intimated that the dealer claimed ITC on DEPB License and credit notes. The case has been sent to

DETC-Cum-Revisonal Authority on 05.09.2018 for taking suo-moto action and the case was fixed for hearing on 14.09.2018. The dealer requested for adjournment and the case is fixed now hearing on 24.09.2018.

3. The account of used and balance declarations forms i.e.-D-I, D-2, C, F, H, E-1 and E-II issued to the dealer should be submitted with the returns but the same were not found in the assessment file.

In reply to audit observation it is intimated that admittedly the dealer has not submitted account of declaration at the time of assessment. The dealer produces register of declaration maintained by him at the time of issuing of declarations and AA accordingly issues declaration to a dealer after satisfying himself of the consumption of the declaration issued earlier.

4. No Economic Activity Code (EAC) was mentioned in the returns(R-2).

In reply to audit observation it is intimated that the perusal of the record reveals that economic activity code 10803 has already been mentioned in R-2.

5. The case was assessed under scrutiny but no speaking order was passed and interest on delay payment of tax was not levied.

In reply to audit observation it is intimated that the assessment order has been duly passed and served upon the dealer. Regarding non levying of interest, it is intimated that the case has been sent to DETC-cum-Revisonal Authority on 05.09.2018 for taking suo-moto action and the case is now fixed for hearing on 09.10.2018.

6. The dealer sold goods against form 'C' and the same was allowed without verification on production of incomplete column of declaration forms 'C' No 04 V 399193 of Rs.471114/-which were found blank. Without mentioning total amount in column of form for which concessional rate claimed, declaration form has no value. It resulted into irregular benefit of tax concession of Rs. 5241/-(47114 x 11.125%

In reply to audit observation it is intimated that all the details have been mentioned on the backside of the declaration.

7. No check list was prepared by Taxation Inspector as per guidelines issued by E. T. C.

In reply to audit observation it is intimated that after receipt of the returns, summary of the return is prepared by the record keeper which contains all the details related to assessment. This summary is then checked by the Taxation Inspector before it is put up before the Assessing Authority for assessment. Hence, check list was not prepared separately.

32. **M/s Shaktiman Cement Ltd. Yamuna Nagar, TIN 06591607551 A.Y. 2011-12:**

The audit party made the following observation:

During scrutiny of assessment case file has revealed that the dealer purchased PET COKE worth Rs. 1,38,53,122/- from IOCL, Panipat and used the same as

fuel in manufacturing of Cement. While finalising assessment the Assessing Authority accepted plea of the dealer that pet coke is used to manufacture Clinker (raw material of cement) and allowed ITC on PET COKE. The contention of the AA was wrong because PET COKE has got use in manufacturing only as fuel and wrong plea of the dealer was accepted by the AA. Thus, it has resulted under assessment of tax Rs. 7,23,129/- $\{Rs.706486=13456872@5.25\%+(Rs. 16643=396250 @ 4.2\%)\}$  besides interest.

(B) As per section 2(zg) of Haryana Value Added Tax Act, 2003, sale price means the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed at the time of sale as cash or trader discount according to the practice, normally prevailing in trade, but inclusive of any sum charged for anything done by a dealer in respect of the goods at the time of or before the delivery thereof and the and the expression 'purchase price' shall be constructed accordingly.

Further, it was noticed that as per certified balance sheet (places on the file) the dealer had received fright receipts worth Rs. 48,86,619/-. As per section 2(zg) of Haryana Value Added Tax Act, 2003, the said receipts are part of sale and liable to tax. While finalizing the assessment the Assessing Authority had not levied the tax on said receipts. It has also resulted under assessment of tax amounting to Rs. 6,41,369/- (4886619 @ 13.125%) besides interest.

In reply to audit observation, it is intimated that original assessment was framed by the AA vide order dated 02.12.2014. The case of the dealer was sent to Jt. Excise and Taxation Commissioner-cum-revisional authority Ambala (Range) who vide order dated 07.11.2016 has revised the order of Assessing Authority in view of the audit observation on petcoke and a demand of Rs.7,23,129/- has been created.

In view of the above notice for recovery was issued for 27.06.2017 and 16.02.2018. Notices for recovery have also been to the sureties of the dealer for 19.02.2018. The dealer has preferred an appeal before the Hon'ble Haryana Tax Tribunal, Haryana, Chandigarh which was fixed for hearing on 20.09.2018 which has been adjourned for 27.11.2018.

(B) Regarding the issue of freight receipts, the case was remitted to the Assessing Authority for re-examine the issue. In this regard notice has been issued to the dealer for disposal of remand case for 28.05.2018 which could not be served. The case was fixed for 12.09.2018 and the case is adjourned for 22.10.2018.

### **36. M/s Unique Wood Ind. Jagadhari TIN 06211609700 A.Y. 2011-12:**

Original assessment in this case was framed by the AA vide order dated 20.02.2015. Point-wise reply on the audit observation is as under:

- 1 All the purchases totaling more than Rs one lakh from a single VAT dealer in a year should be cross verified. Scrutiny of assessment file revealed that the case was finalised without cross verification of purchases worth Rs. 13269437/-within a year and benefit of ITC of

Rs.634345/- was allowed on verification of invoice from purchase list (LP-7) without cross verification from list of selling dealer.

In reply to audit observation it is intimated that all the purchase were not verified at the time of assessment. However ITC to the dealer on the purchases has been allowed after examination of tax invoices produced by the dealer at the time of assessment. Most of the local purchases have now been verified from the respective files.

- 2 Scrutiny of trading account revealed that during the assessment year the dealer declared additional income of Rs. 13500000/- to income tax authority but no information was collected from income tax authority to levy VAT.

In reply to audit observation it is intimated that scrutiny of balance sheet of the firm show that the additional income of Rs. 1,35,00,000/- have been shown in the profit & loss account and not in the trading account of the firm so no tax was levied. However, case has been sent to DETC-Cum- Revisional authority on 14.09.2018 and case is now fixed for hearing on 08.10.2018.

3. The account of used and balance declarations forms i.e.-D-I, D-2,C, F,H,E-1 and E-II issued to the dealer should be submitted with the returns but the same were not found in the assessment file.

In reply to audit observation it is intimated that admittedly the dealer has not submitted account of declaration at the time of assessment. The dealer produces register of declaration maintained by him at the time of issuing of declarations and AA accordingly issues declaration to a dealer after satisfying himself of the consumption of the declaration issued earlier.

4. No Economic Activity Code (EAC) was mentioned in the returns (R-2).

In reply to audit observation it is intimated that EAC code has not been mentioned on the returns, but not mentioning of EAC does not affect the tax liability of the dealer. The EAC number of the main commodity deal in by the firm is 13402.

- 5 No check list was prepared by Taxation Inspector as per guidelines issued by E. T. C.

In reply to audit observation it is intimated that after receipt of the returns, summary of the return is prepared by the record keeper which contains all the details related to assessment. This summary is then checked by the Taxation Inspector before it is put up before the Assessing Authority for assessment. Hence, check list was not prepared separately.

- 6 The Assessment order should be issued within fifteen days of finalization of assessment but the order was issued after 37 days (on 13.4.2015). Reason for delay may be furnished to audit.

In reply to audit observation it is intimated that the copy of assessment order could not be served earlier due to the fact that there was shortage of staff which caused delay in typing and service of the order.

**48. M/s Riba Textile Ltd. Gohana, Sonapat TIN 06263006223, A.Y. 2011-12:**

1. The audit has objected that the input tax has not been reversed by the assessing authority on the sale of tax free goods proportionately.  
  
In reply to the audit para it is submitted that the the case file has been sent to the revisional authority for suo moto action and the Revisional Authority had reversed input tax credit worth Rs.308421/- vide order dated 27.06.2018.
2. Audit objected that the refund was allowed without verification. In reply it is stated that most of the purchases have been verified from concerned districts and copy of the cross verification letters are placed on the file.
3. The dealer has sold tax free towels mainly in the course of export and the goods sold within the state are old machines and DEPB licences. Hence the dealer has rightly mentioned Nil in the VAT R-3
4. The assessment order issued and served upon the dealer has been signed by the assessing authority. There are three copies of the order out of which one is signed by the assessing author] and the remaining two are blank.
5. The audit objected that no purchase tax levied on the purchases from unregistered dealer. In reply to the para it is submitted that case file sent to the Revisional Authority for revision. The case was decided by the Revisional Authority vide order dated 27.06.2018 and no purchase tax was levied. perusal and examination of the case file has revealed that the dealer has purchased both tax free and taxable goods without payment of tax from within the State. The observations made by the audit shall be examined in respect levy of purchase tax on purchases of taxable goods while revising the original order.
6. The assessment has been framed as per the statute of HVAT Act, 2003 by the then Assessing Authority and the checks mentioned in the check list have been complied in principle while framing the assessment. However, explicit check list is not placed on the file.
7. It is submitted that used and balance declaration forms issued to the dealer were checked at the time of assessment.

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

**The Committee has desired that the matter pending for decision with the assessing authority/appellate authority or for recovery be decided/concluded in a time bound manner to augment the state revenue under intimation of the Committee.**

[ 6 ]     **2.2.11.1 Underassessment/irregular refund of tax due to application of incorrect rate of tax:**

The rates under HVAT Act, 2003 have been prescribed as per Schedule A to G. However, under Section 7(1) (a) (iv) of the Act, any commodity other than the commodities classified in any of the schedules, is taxable at the rate of 12.5 per cent w.e.f. 1st July, 2005. Surcharge at the rate of five per cent of the tax was also leviable w.e.f. 2nd April, 2010. Further interest is also leviable under Section 14 (6) in case of default of payment of tax.

Under Section 20 of the Act refund of Input tax shall be admissible to a VAT dealer in respect of the tax relating to the goods which have been sold in the course of export of goods out of the territory of India or on account of difference of rate of tax on the goods sold at lower rate within state or interstate trade or commerce.

Audit noticed (between January 2013 and May 2015) that in 49 cases in 16 DETCs (ST)9, the dealers sold unclassified items i.e. Building Materials, Machinery Parts, Paneer, Hospital equipments, Soap, Noodles etc. valuing Rs. 235.50 crore between 2008-09 and 2012-13. While finalising assessment between February 2012 and December 2014, the AAs levied tax at the rate of zero to four/five per cent instead of applicable rate of tax of four/five and 12.5 per cent. This resulted in underassessment of tax of Rs.14.98 crore. In addition irregular refund of Rs.92 lakh had been issued in seven cases.

During exit conference, the department admitted the audit observation in all the cases.

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

1.     **M/s India Coop Lab and Construction, Ambala Cantt. TIN 06391045158 A. Year 2009-10:**
  1.     Audit Party has raised objection that during execution of works contract material transferred to HUDA and Panchayti Raj is not in proper ratio resulted into excess refund of Rs. 34190/-.
  2.     The Audit Party has raised objection regarding excess labour allowed during assessment resulted into excess grant of refund of Rs. 220354.00.

**Para is admitted on both issues.**

The case was sent for taking suo-moto action to the Deputy Excise and Taxation Commissioner-cum-Revisional Authority Ambala vide this office memo. No. 2778/CC(W-5), dated 24.05.2018 who vide his order no. 184 dated 18.09.2018 remanded back the case to Assessing Authority with the direction to pass a speaking order on this issue of transfer the material to HUDA and Panchayati Raj on proportionate basis after verification from the account books. The Assessing Authority now vide her order dated 26.09.2018 created an additional demand of Rs. 60706.00 against the dealer on the issues of transfer of material to HUDA, Panchyati Raj and excess benefit of labour and expenses. Tax demand notice in form VAT N-4 has been served upon the dealer and recovery proceeding are initiated accordingly.



**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**3. M/s GMR Products P. Ltd, Ambala TIN 6371045169, A.Y. 2008-09:**

The audit party has raised objection that the Assessing Authority allowed deduction of Rs. 35159107/- on account of loss, which resulted short assessment of tax of Rs. 4903774/- but the dealer has shown gross profit of Rs. 65137787/-.

In reply to the audit objection, it is submitted that the case has been sent to the Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No. 4279 dated 31.01.2017 for taking Suo Moto action. Revisional Authority has remanded the case back to the AA vide order no. 121/DETC dated 28.02.2018.

In the light of the direction given by Revisional Authority, AA has decided the case afresh vide order no. 159A dated 25.06.2018 by creating demand of Rs. 4903774/- under HVAT Act 2003. The demand notice in form VAT N4 alongwith copy of order has been served to the dealer vide dispatch no. 3228 dated 05.07.2018.

The dealer has filed CWP No. 20100 of 2018 in Hon'ble Punjab & Haryana High Court. The same was dismissed on 06.09.2018 and directed to the dealer to file appeal before Appellate Authority on or before 24.09.2018. Efforts are being made to recovery of arrear.

**The Committee has recommended that a detailed inquiry be got conducted in the matter as to how the Assessing Authority has created demand of above Rs.49.00 lakh only after the case has been remanded back to him by the Revisional Authority and action taken report be submitted to the Committee at the earliest**

**6. M/s S.S. Associates, Ambala TIN 6041033080, A.Y. 2010-11:**

Objection raised on material transferred in execution of work at full rate of tax expect bitumen, where the short tax charged of Rs.1978957/-.

In the reply of audit objection it is submitted that The case was sent to the Revisional Authority cum Dy. Excise & Taxation Commissioner (ST), Ambala for taking suo-moto action vide No 1145/20.6.17. Ld. Revisional Authority has decided the case vide order no. 163/DETC dated 25.06.2018 and created an additional demand of Rs. 264004/- on this issue. The notice on form VAT N4 alongwith copy of order has been served to the dealer and the dealer has deposited Rs. 264004/- vide GRN 37072449 dated 06.07.2018. The para may kindly be dropped.

The audit party has raised objection that the contractor who opted lump sum in lieu of tax could be purchase against D-1 form, but the dealer is regular contractor and made purchase against declaration form D-1 worth Rs.33848185/-. It resulted in short payment of additional tax Rs.3025413/- alongwith the penalty of Rs.4538119/-.

The case was sent to the Revisional Authority cum Dy. Excise & Taxation Commissioner (ST), Ambala for taking suo-moto action vide No 1145/20.6.17. Ld. Revisional Authority has decided the case vide order no. 163/DETC dated 25.06.2018 and created an additional demand of Rs. 3025412/- on this issue. The notice in form VAT N4 alongwith copy of order has been served to the dealer on 05.07.2018. The dealer preferred an appeal against the orders of revisional authority (copy attached) the case has not been fixed on any date by the Haryana Tax Tribunal yet.

**The Committee has desired that State interest be protected in the matter pending adjudication before Hon'ble Haryana Tax Tribunal and outcome in the matter be also intimated to the Committee for its consideration/information.**

**7. M/s Shree Ganesh Enterprises Ambala, TIN 6581041222,  
A.Y. 2010-11:**

The audit raised objection that the Soap Noodles are taxable at general rate of tax. The AA assessed the sale of soap noodles of Rs. 304854807/- @ 5.25% resulting into short levy of tax of Rs. 758190/-(9627912X7.875%).

In reply to audit, it is submitted that the case was decided by the Assessing Authority under section 15(2) of the Haryana Value Added Tax Act, 2003 vide demand No 47 dated 15.02.2012. The order of the same was served to the dealer on 02.03.2012. On perusal of the file, it is found that the dealer is a trader of oil, oil cake and soap noodles. The audit party has raised objection that Soap Noodles is unclassified goods. On perusal of assessment file for the year 2010-11, it is found that dealer has sold the rice bran oil at the rate of 5.25% under HVAT Act which is rightly assessed as entry No. 95 of Schedule C i.e. "Vegetable oil including gingill oil and bran oil".

In view of the above submission, Audit Objection may kindly be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**9. M/s Sunbeam Hi-tech Medicare, Faridabad (East) TIN 6701209160,  
A.Y. 2009-10:**

The dealer was assessed commercial rate of tax @4.2% against VAT D-1 whereas the goods manufactured by the dealer can-not be sold against VAT D-1 as there was no use in the manufacturing goods manufactured by the dealer.

In reply to the audit memo, it is submitted that the dealer is engaged in manufacturing & sale of hospital equipments as well as auto parts made of sheet metal components. Sale amounting to Rs.2,94,32,289/- was made against VAT D-1 @4.2% of auto parts and this fact that the dealer is manufacturing of Auto Parts is also verified from the registration record of the dealer. On the Page 2, the order of assessment, the AA while making calculation of tax has made clear cut

of the 'Sale of Auto Parts against VAT D-1" worth Rs.29432289/- which was oversighted by the audit party. Therefore, Audit memo may please be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**10. M/s Speco Tech Roofing and Ceiling Faridabad (East), TIN 6101214146, A.Y. 2009-10:**

The audit raised objection that the case was assessed to tax @4% whereas roofing sheets/false ceiling products are taxable @ 12.5%.

In reply to audit memo, it is submitted that the dealer purchased steel coils from within the state as well as from outside the state of Haryana. These coils are bent/punched to various standard sizes by pressing between rigid rollers by a roll forming machine. The process of corrugation involves pressing that sheets through powerful press to make the sheets very rigid, stiffed & potable without any fabrication or welding undertaken on these sheets and as such these sheets are sold in different sizes and such products are nothing but steel sheets without transformation into a new and different commodity and continue to remain as iron and steel as per provision of section 14 of the CST Act. Moreover, in case of Smt. B. Narasamma Vs. Deputy Commissioner, Commercial taxes, Karnataka & Anr. (TS-311-SC-2016-VAT) dated 11.08.2016, the Hon'ble Supreme Court held that the products such as 'Iron & Steel' are declared goods within the meaning of section 14 of the Central Sales Tax Act and that mere cutting, bending or merely subject to some processing or finishing or merely joined together remain commercially the same goods and does not make these items lose their identity as declared goods.

Hence, in view of above, the audit memo may please be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**11. M/s Mitaso Comtel Ltd, Faridabad (South), TIN 06701220315 A.Y. 2009-10:**

In reply to the audit objection it is submitted that the dealer is a manufacturer of different sizes of components. He also deals in iron, steel & scrap.

The audit raise the objection that the benefits of sale against form D1 was wrongly allowed to the dealer for rupees 25823335/-. As per audit objection (version) the dealer sold shelter against form D1 and the shelters are unclassified items and has got no use in manufacturing.

As per record available on assessment file of the dealer it is very much clear that dealer has made sale of different size components of machinery against D1 to M/s Gallium Industries Ltd, for amounting Rs.2,58,23,335/-. M/s Gallium Industries Ltd is a manufacturing unit of Machinery and entitled to use D-1 Forms. As per LS-2 the dealer sold 371 shelters in the course of Inter-State Sale and as

per Balance Sheet the dealer Sold 391 shelters during the year. It is clear from the facts available on the file the dealer sold all shelter in course of Inter- State Sale. The dealer made all sale (100%) against D-1 to M/s Gallium Industries Ltd., bearing TIN No. 06651203707.

In the light of above referred facts & observations the audit para may be please dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**18. M/s Shint Plastic, Faridabad (North) TIN 931312193, A.Y. 2010-11:**

The audit has raised objection that the dealer deals in manufacturing and trading of plastic components which being unclassified item, are subject to tax @ 12.5% plus surcharge @ 5%. The A.A., however, levied @ 5.25% percent tax on the sale.

Para is not admitted. The case was decided by Revisional Authority-cum- DETC, Faridabad(West) and demand for Rs 10,45,243/- was created on dated 15.03.2016 and recovery proceedings were started. But aggrieved with the Revised orders, the dealer filed an appeal via STA no. 387/16-17 before Hon'ble Tax Tribunal, Chandigarh under section 33 of HVAT,2003. The case was fixed for 176.09.2018 before the Hon'ble Tax Tribunal Chandigarh. Next date of hearing is awaited. The decision of the Hon'ble Tax Tribunal will be intimated to your office as and when the case is decided.

**The Committee has desired that State interest be protected in the matter pending adjudication before Hon'ble Haryana Tax Tribnal and outcome in the matter be also intimated to the Committee for its consideration/information.**

**19. M/s Elkay International, Faridabad (West) TIN 67901330894, A.Y. 2010-11:**

The audit has raised objection that as per entry no 74 readymade garments are taxable @ 5.25% whereas the AA has levied tax @4.2% and input t tax less reversed on the material consumed in job work.

In reply to audit memo, it is intimated that the case was sent for revision to the Dy. Excise & Taxation Commissioner-cum- Revisional Authority, Faridabad for taking Suo-moto Action and the then revisional authority had revised the order dated 29.11.2012 creating an additional demand of Rs. 716239/-. The dealer filed an appeal before the Haryana Tax Tribunal. The Hon'ble Haryana Tax Tribunal has set aside the orders of revisional authority vide order dated 22.09.2017(copy attached).

As regards 2nd point, total consumables used in the year are for Rs 189122/-. This is total store consumed in whole production and not only in job work. The Assessing Authority has reversed the amount accordingly.

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

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**20. M/s Century Engineering Co. P. Ltd Faridabad (West) TIN 6791300628, A.Y. 2009-10:**

The audit has raised objection that the dealer was assessed @ 4% instead of 12.5% of sale of CI castings components. It is resulted into under assessment of tax amounting to Rs. 12227929/-.

In reply to audit para, it is submit that the dealer has sold Castings which are covered under entry No. 17 of Schedule 'C'. The then assessing authority levied tax accordingly i.e @ 4%, so there is no under assessment of the tax as reported by the audit party.

In view of the above facts para may be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**21. M/s Surendra Mallable P. Ltd., Faridabad (West) TIN 6251303740, A.Y.2009-10:**

The dealer has sold components and the case has been assessed levied tax @ 4%. Component is unclassified goods and taxable @ 12.5%.

Para is admitted. In reply to the audit memo it is intimated that the case has been sent to the Revisional Authority-cum-DE.T.C. (Inspection) for taking Suo-Moto action and . The case is fixed for dated 11.09.2018. Outcome thereof shall be intimated on the receipt of result from the Revisional Authority.

**The Committee has recommended that the proceedings to settle the matter pending in revision be concludued in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**22. M/s Khan Enterprises, Faridabad (South) TIN 06401323494, A.Y. 2009-10, 9992711074:**

The dealer is engaged in manufacturing and trading of electrical goods except cables. The audit party raised objection of under assessment of tax amounting to Rs. 3490812/- (5159677-1668865). The case sent to Revisional Authority for suo-moto action and the case was decided by the Ld. Dy. Excise & Taxation Commissioner (Inspection) cum-Revising Authority, Faridabad vide order dated 08.12.2014 and demand created Rs. 5196677/-. The dealer has closed down his business. Notices were issued to the surety. Out of which Rs. 25000/- has been recovered from one surety vide DD No. 049850 dated 02.09.2014. The second surety has closed down his business and not traceable. The arrear of the said firm has been declared to be recovered under Land Revenue Act, 1887. Letters have been sent to the District Revenue Officer, Faridabad, Estate Officer, HUDA Faridabad and Commissioner, Municipal Corporation, Faridabad for the any agricultural land or other immovable property in the name of Proprietor. A letter

also has been sent to District Magistrate, Aurangabad as the proprietor has shown his permanent address in RC Village, Sasaram District Aurangabad. Efforts are being made for recovery.

**The Committee has desired that a thorough inquiry be got conducted as to who is responsible for not taking action against the surety for the recovery when the case had already been decided in 2014, to fix the responsibility of the erring officer/official and action taken report be submitted to the Committee. Besides, the Committee has also desired that sincere and pragmatic efforts be made to recover the outstanding demand.**

**23. M/s Indo Nippon Foods Ltd, Gurgaon (North) TIN 06041816840, A.Y. 2009-10:**

The audit has raised an objection that the dealer has assessed @ 4% & 5% on sale of Cream whereas cream is unclassified item and was to be assessed at general rate of tax.

In reply to the said audit objection, it is submitted that the goods manufactured and sold by the dealer which is commercially known as Non-Dairy Whip Topping with the brand name of "Bells" is used as bakery ingredients for dressing/topping, ingredient, garnishing and filling of desserts like cakes etc is being produced by vegetable oil preparation in which vegetable oil is blend with some foods grade chemical to prepare a vegetable oil preparations. The product is commercially called "Non-Dairy Whip Topping".

This is covered while Entry No. 102(4) of the Schedule C attached to the Haryana VAT Act, 2003 and leviable tax @ 4% & 5% as provided u/s 7 of the Haryana VAT Act, 2003 and has been correctly assessed accordingly while framing the assessment. The relevant entry of said schedule is reproduced as under:-

**Entry No. 102(4):-**

Animal or vegetable fats boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified; inedible mixtures or preparations of fats and oils of chapter 15.

This is further stated that this issue has been decided in the case of M/s Rich Gravis Product (P) Ltd V/s Commissioner Commercial Tax, U.P., Lakhnow by the Hon'ble tax tribunal U.P. (full bench), wherein it was decided that the item Whip Topping Non-Dairy Cream fall under entry no. 4 part C of Schedule 2 appended to U.P. VAT Act and leviable tax @ 4%. Further in the case of M/s Devashree Foods (P) Ltd, New Delhi it has been clarified by the department of Trade & Taxes Government of N.C.T. of Delhi that the Non-Dairy Whip Topping under the Delhi Value Added Tax, 2004 is covered entries no. 74,75 & 84 of the 3rd Schedule and also leviable tax @ 5% .

The goods specified manufactured and sold by the dealer are exactly same as specified in the above judgment/clarification. Moreover the goods specified in Entry No. 102(4) of the Schedule C attached to the Haryana VAT Act, 2003 is also exactly the same which has been verified in the above said judgment/clarification and no adverse view is in the notice of undersigned uptill now by any

authority of Haryana State, therefore the assessment has been rightly and correctly has been made @ 4% & 5% using the concept of uniformity of tax in various States.

In view of the above submission, it is requested that the audit Para may please be dropped.

**The Committee has recommended that the matter be re-examined thoroughly before sending it to the Revisional Authority and thereafter, a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**24. M/s Dhingra Construction co. Gurgaon (East) TIN 6541821318,  
A.Y. 2008-09:**

In reply to the audit objection it is submitted that the assessment in this case for the year 2008-09 was framed by the AA Gurgaon (East) vide order dated 30.03.2012 in two parts:

1. Under VAT Act for work contract done in Haryana.
2. Under CST Act for interstate work contract.

The assessee's co. has not opted for lump-sum scheme but for regular dealer scheme, which is there as per provision of section 9 of HVAT Act, hence assessment has been framed according to the provision of HVAT Act and following the judgment of M/s Gannon Dun Kerley & CO. and other VS. State of Rajasthan & other reported as 88 STC 204(SC).

The auditor has raised objection that assessee (Contractor) cannot purchase the material at the strength of VAT D-1 forms because contractor are not authorized to purchase at the strength of D-1 form (on concessional rate of tax).

- (a) The contention of the auditors is that contractor is not a manufacturer. In this respect attention may be drawn to clause (i) of VAT D-1 rules and provisions of rule 17(i) of HVAT Act, where it is categorically mentioned:
  1. "Use in the manufacturer of goods (including packing of goods manufactured by me/us) for sale". Further as per sub clause (ii) clause (ze) of Section 2 of HVAT Act "(ze) Sale" means any transfer of property in goods for cash or deferred payment or other valuable consideration except a mortgage or hypothecation of or a charge or pledge on goods; and includes-
  2. The transfer of property in goods (whether as goods or in some other form) involved in the execution of a work contract". As per sub clause(i) of VAT D-1 rules, D-1 can be used for the purpose of manufacturing for sale and as per definition of sale involved in the execution of work contract. The dealer is categorically a works contractor covered in sub clause (i) clause (ze) of section 2 of HVAT Act (in the definition of sale).

On the issue of who is a manufacturer, it is stated that it has been held by Hon'ble Financial Commissioner & Principal Secretary, Govt. of Haryana, Excise &

Taxation Department U./s 56(3) in the case of M/s Shree Industries, Faridabad vide clarification dated 18.06.2007, at page 2 of para 3 of the clarification:

“Manufacture” means processing of goods resulting into production of different commercial goods including bye products and waste products”

This clarification has been relied upon in the judgment of Hon’ble Supreme Court of India 46 STC 63, 4PHT 697, 96 STC 211, 6 STC 379.

In this case D-1 is used for purchasing rori, bajri, crusher etc. i.e. raw material and then it is converted into hot ready mix, concrete mix etc. for use in road construction and hence commodity is different and according to this clarification the contractor who is manufacturing raw material in hot mix plant is a manufacturer and hence covered in clause (i) of D-1 Rules 17(i).

Hon’ble Financial Commissioner clarification has further clarified:

“provision of section 7(4) of HVAT Act read with rule 17(i) authorizes a manufacturer to purchase goods required for use in manufacturing at concessional rate after furnishing a declaration in form VAT D-1. It would be clear from the above provisions that a manufacturer will be entitled to purchase the goods specified in his registration for use in manufacturer of goods for sale after paying to seller VAT @ 4% on furnishing declaration in form VAT D-1 to a seller if the tax otherwise leviable is higher than 4%.

In this respect attention may be drawn to the decision of Hon’ble Supreme Court of India in the case of State of U.P. and other Vs. PNC Construction Co. Ltd. and other reported as 09 VSTC page 115 relevant page 116m where Hon’ble Supreme Court has held: “Held- affirming the decision of the High Court that withdrawal of the recognition certificate was erroneous, at it was contrary to the definition of “Sale” in section 2 (h) of the U.P Trade Tax Act, 1948 which include the transfer of property of goods whether as goods or in some other form, and applied to transfer of goods involved in the execution of work contract.

In view of above explanation the para needs to be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**26. M/s Addidas India Marketing Ltd, Gurgaon (South), TIN 6811926269, A.Y. 2009-10:**

The audit has objected that on submission of C forms earilier demand raised without C form was deleted but tax @ 2% was not levied on ISS and nenfit of concessional tax allowed on production of C form of previous year.

In reply to audit para, it is submitted that the case has sent to the DETC-cum-Revisional Authority, Gurugram (West) for further examination vide dated 15.7.2015 u/s 34(1) of HVAT Act, 2003. The Revisional –cum-DETC is examining the case and remains in process till date, but not finalized. The Dy. Excise & Taxation Commissioner(Inspection) has been requested to finalized the case at the earliest. Result will be intimated after completion of revision process if any.



**The Committee has recommended that the proceedings to settle the matter pending in revision be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**27. M/s Ishwar Singh Associates, Hissar, TIN 06081534645  
A.Y. 2011-12:**

The audit raised objection that the dealer is a regular works contractor. The dealer claimed and allowed ITC of Rs.3718681/- as regular contractor so the dealer had not opted lump-sum scheme. While finalizing assessment the dealer was assessed to tax @4% on account of Material transferred in execution of work contract of NBCC, Police Housing Corporation HUDA, Housing Board, HSRDC, Hisar, Rohtak and Gurgaon taking the deemed sale to Govt. Department worth Rs.147487474/-. Above department are not Govt. Department so full rate of tax i.e. 12.5% plus surcharge was leviable. Therefore, application of lower rate of tax has resulted into underassessment of tax of Rs.13458232/- (147487474 X 9.125%).

The case file was sent to the Dy. Excise & Taxation Commissioner (ST)-Cum-Revisonal Authority, Hissar for Suo-moto action. In this respect a demand of Rs.2,17,04,493/- has been created for assessment year 2011-12 vide Revisonal Authority order dated 11.02.2015. The TDN & Challan has been served upon the dealer on 20.02.2015. Aggrieved with the order passed by the Revisonal Authority, the dealer preferred in appeal before the Hon'ble Haryana Tax Tribunal, Chandigarh vide order dated 16<sup>th</sup> March, 2018 in STA 1113/2014-15 who has quashed the Revisonal order passed by the Revisonal Authority, Hisar. Lump-sum dealer wrongly filed R-1 moreover case decided u/s 15(1) of HVAT Act 2003 as deemed assessment. Haryana Tax Tribunal observed that Revisonal Authority has no jurisdiction in the present case of deemed assessment. Hence, the para may kindly be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**29. M/s Naveen Plastic Hisar, TIN 6871534550, A.Y. 2011-12:**

The dealer is a trader of Pet Scrap. The Assessing Authority has levied the tax on pet scrap @ 5.25%. The audit has pointed out that Pet Scrap is an unscheduled item. Hence, taxable at general rate of tax i.e. 12.5% & surcharge.

In reply to the audit para, it is submitted that the case file has been sent to the Revisonal Authority on 04.09.2018. The case is fixed for hearing on 29.01.2019. As and when case was decided by the Revisonal Authority, result will be intimated to the Audit.

**The Committee has recommended that the proceedings to settle the matter pending in revision be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**30. M/s Jamna Auto Industries Ltd, Jagadhari TIN 6151601003,  
A.Y. 2010-11:**

The audit has raised an objection that the dealer is a manufacturer of leaf spring (auto mobile parts). leaf spring, prepared after machining, polishing and painting,

are finished goods having a particular commercial purpose. The dealer was assessed general rate of tax on ISS without 'C' form and 4% was levied without mentioning the name of commodity on local sale in Haryana state instead of 13.125%.

The dealer is a manufacturer of leaf spring. During the year 2010-11, the dealer sold loose leaf springs and scrap of iron and steel leviable to tax @4% under the Haryana Value Added Tax, 2003. So, being declare goods the Assessing Authority rightly assessed tax @4% on these sales. This view point has been upheld by Hon'ble Haryana Tax Tribunal in STA No. 942 of 2004-2005 in case of M/s Friends Auto India Ltd., Faridabad V/s State of Haryana. So, far as the levying tax under the CST Act 1956, in this regard it is submitted that the goods sold in Inter State Sales are leaf spring assembly which is automobile parts and taxable @13.125%. The dealer at the time of assessment had not submitted the C forms hence the Assessing Authority levied tax @13.125% in the absence of C forms being motor parts. In view of the above the para may be dropped.

**The Committee has recommended that the proceedings to settle the matter pending in re-assessment be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**31. M/s Bharat Construction Co., Jagadhari TIN 06451616164,  
A.Y. 2009-10:**

In reply to audit observation, it is intimated that the dealer is engaged in the business of works contract. During the year 2009-10 the dealer has executed works contract for Government as well as non-Government agencies. Assessment in this case was framed by the assessing authority vide order dated 28.03.2013. Audit Party pointed out certain discrepancies in the assessment order. In view of the audit observation case has been sent to The Jt. Excise & Taxation Commissioner(Range)-Cum-Revisonal Authority, Ambala vide letter No. 2097 dated 15.05.2018 for taking suo-motu action in the said case. The case was fixed for hearing before Jt. ETC-cum-Revisonal Authority on 28.08.2018 which is still pending.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**32. M/s Eco Protection Engineers B/garh, Jhajjar TIN 6501706298,  
A.Y. 2009-10:**

The Audit has raised objection that the daler is work contractor and executed work for NBCC assessed tax @ 4%. NBCC not a Govt. Department, so the dealer was liable to be tax as full rate of tax i.e. 12.5%.

The audit para is admitted and after that the case was reassessed as per provisions of the act & after allowing applicable deductions on account of labour charges, hire charges etc. The assesseeing authority vide its reassessment order dated 05-08-2014 demand No. 242A created an additional demand of Rs. 894000/- under HVAT ACT (Comprising tax & interest Rs. 519711 & 374192

respectively) & Rs. 341120 under CST ACT (Comprising Tax Rs. 208000/- & interest Rs. 133120/-) As the office of company was closed the re-assessment order & demand notice were issued. As the firm stand closed. Later a notice for recovery of arrear was sent to registered address of company at Chennai, Tamilnadu vide No.1798/T.I.(W-5) dated 19-08-2016. Further, the arrear has been declared recoverable under Punjab Lane Revenue Act, 1887 vide this office letter as the said arrear has not been recovered under the normal course of recovery. In this regard Dy. Commissioner –cum- District Collector Jhajjar has been requested vide this office memo. No. 1150 dated 06-11-2018 to issue a recovery certificate to the Dy. Commissioner, Chennai to recover the said arrear from the directors of M/s Eco Protection Engg. Pvt. Ltd., who are permanent resident of Chennai and running business in Chennai, Tamilnadu. Simultaneously, a warrant of attachment of account NO. CBCA097 of M/s Eco Protection Engg. Pvt. Ltd. is also issued to the Bank Manager, Corporation Bank, T.Nagar, Chennai vide this office letter No. 1185 dated 19-11-2018.

In view of the above audit para may kindly be dropped.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firms to augment the State revenue under intimation of the Committee.**

**34. M/s Eco Builders B/garh, Jhajjar TIN 06291703358, A.Y. 2010-11:**

The audit party pointed out on rate of tax that dealer is running a hot mix plant and sold the goods after mixing.

In reply of the audit para it is submitted that the case was sent to the DETC-cum-Revisional Authority and the said order has been revised by the Revisional Authority vide order dated 08.04.2015 and an additional demand amounting to Rs. 8410550/- has been created. Copy of the order is enclosed.

The dealer preferred an appeal against the order of Revisional Authority and his appeal was partially accepted by the Hon'ble Tax Tribunal vide its order STA-11-12/ 2015-16 dated 20.12.2017. (copy enclosed). In its order the Hon'ble Tax Tribunal held that impugned revisional order dated 08.04.2015 is modified to this extent that tax element shall be deductive from the turnover for calculating the tax amount and that interest on additional demand created for the first time by the revisional authority shall be leviable from 08.04.2015 the date of impugned revisional order only and not from any earlier date. Further, it was directed by the HTT that Revisional Authority shall make recomputation accordingly and same has been revised by Revisional Authority-cum-DETC(I), Sonapat Camp at Bahadurgarh vide its D.No. 3, dated 21.03.2018. In which demand has been created amounting to Rs. 6199266/- including interest. The copy of order alongwith demand notice (VAT N-4) dispatched by registered post on 24.07.2018 vide I.V.R. No. 8272374291261. Since, the dealer has not deposit the due amount, hence a recovery notice dated 12-11-2018 has been issued and served upon the surety by registered post (copy of notice enclosed).

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

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firm to augment the State revenue under intimation of the Committee.**

**35. M/s Jaideep Khadi Julana, Jind TIN 6832010939, A.Y. 2009-10:**

The dealer is a manufacturer of agriculture implements. The Audit party has pointed out that no material consumed to produce finished goods. The dealer purchased Iron Bar and other Iron goods and sold the same as it is.

In reply to the audit para, it is stated that the dealer is manufacturer of Agriculture Implements as per RC issued by the Department. Agriculture implement are made totally from Iron i.e. Bar, angle etc. and no extra item other than iron need to be consumed for manufacturing as agriculture items. It is mentionable that Taxation Inspector concerned conducted an enquiry from nabouring dealers regarding nature of business of this dealer. It is found that this dealer use to manufacture agriculture implements and stands closed for the last 8/9 years. The proprietor of this firm has given an affidavit also that he conducted business of manufacturing agriculture implements in this firm.

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

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**36. M/s Ishwer Industries, Julana, Jind TIN 6222011129, A.Y. 2009-10:**

The delaer is a manufacturer of agriculture implements. The Audit party has pointed out that no material consume to produced finished goods. The dealer purchased Iron Bar and other Iron goods and sold the same as it is.

In reply to the audit para, it is stated that the dealer is manufacturer of Agriculture Implements as per RC issued by the Department. Agriculture implement are made totally from Iron i.e. Bar, angle etc. and no extra item other than iron need to be consumed for manufacturing as agriculture items. It is mentionable that Taxation Inspector concerned conducted an enquiry from nabouring dealers regarding nature of business of this dealer. It is found that this dealer use to manufacture agriculture implements and stands closed for the last 8/9 years. The properitor of this firm has given an affidavit also that he conducted business of manufacturing agriculture implements in this firm. Hence, in view of the above facts, para may kindly be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**37. M/s Rajiv Kumar Goyal, Jind TIN 6862010389, A.Y. 2009-10:**

The audit has raised an objection that assessment case of this firm is not assessed.

In reply of the audit para, the case is assessed well in time vide order dated 23.03.2014 and copy of order has also been served upon the dealer. In view of the above facts, para may kindly be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**39. M/s Ashutosh Contr., Kaithal, TIN 06072109812, A.Y. 2011-12:**

The audit has pointed out that excess deduction of labour was allowed, Condition of 7(2)(b) not fulfilled i.e. Levied @ 4% without C-3).

In reply to the audit para, it is informed that the dealer is a regular contractor & the original assessment for the year 2011-12 was made by the then DETC vide demand No.63/11-12 dated 20/3/13 allowing refund of Rs.191299/- & ECF Rs.16065/-. The case was taken up fir taking suo moto action u/s 34 of HVAT Act, 2003 by the JETC® and created an additional demand of Rs.807782/- after disallowing the given refund Rs.191299/- vide order dated 20/10/15 and case sent to DETC-cumAA for examination on point of interest. Notice issued to the dealer for taking action u/s 17 in respect of interest and still pending.

Further the original assessment record for 2011-12 is under the custody of State Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance the order of Hon'ble Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016 titled as Reghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018, the Vigilance Department Ambala has denied for the same for want of permission form the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. this fact has already been conveyed to Ld. ETC, Haryana vide letter No. 2072/DTI dated 16.08.2018.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firm to augment the State revenue under intimation of the Committee.**

**40. M/s Ashutosh Contr., Kaithal TIN 6072109812, A.Y. 2012-13:**

The audit has raised an objection that claim of TDS was allowed without verification, details of total purchases not on file, copy of contract not on file, CADA not a Govt agency hence should be taxed @ 12.5%.

In reply to the audit para, it is informed that the dealer is a regular contractor & the original assessment for the year 2012-13 was made by the then DETC vide demand No.19/12-13 dated 09/07/13 allowing refund of Rs.300661/- & ECF Rs.3709/-. The case was taken up fir taking suo moto action u/s 34 of HVAT Act, 2003 by the JETC® and created an additional demand of Rs.261053/- after disallowing the given refund Rs.300661/- vide order dated 04/09/15 and case

sent to DETC-cum-AA for examination on point of interest. Notice issued to the dealer for taking action u/s 17 in respect of interest and still pending.

Record of this firm is under the custody of State Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance the order of Hon'ble Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016 titled as Reghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018, the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. this fact has already been conveyed to Ld. ETC, Haryana vide letter No. 2072/DTI dated 16.08.2018.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firm to augment the State revenue under intimation of the Committee.**

**42. M/s Modern Control and Switch gear, Panchkula TIN 6582505243, A.Y. 2008-09:**

The audit has raised objection that the dealer is a regular contractor and had done the work for Executive Engineer HUDA Electrical Division, Panchkula (non-government). The dealer was assessed @ 4% instead of 12.5%.

The case has been sent to the Dy. Excise & Taxation Commissioner (ST)-cum-Revisonal, Authority, who had decided the case vide D.No.2/VAT/2013-14 dated 06.09.2013 and created an additional demand of Rs.6,28,416/-.

Aggrieved with the order of DETC (ST)-cum-Revisonal Authority, the dealer had filed an appeal before the Hon'ble Tax Tribunal, Haryana, Chandigarh. Hon'ble Tax Tribunal has remanded the case to the Revisonal Authority vide order No. STA763/2014-15 dated 08.02.2017 with the direction to decide the case after allowing deduction on account of labour and service charges.

Keeping in view the observations of Hon'ble HTT, the Revisonal Authority has decided the case vide order dated 30.10.2017 and created an additional demand of Rs.311890/-.

Recovery proceedings have been started by issuing TDN on dated 22.12.2017 to the dealer through his counsel. The firm has already closed down its business premises. So, substitute mode of service made i.e. E mail dated 18.09.2018 to the proprietor and sureties of firm.

**The Committee has desired that sincere and pragmatic steps be taken to recover the outstanding demands from the firms to augment the State revenue under intimation of the Committee.**

**43. M/s Shiv Kumar Engg. and Contractor Panchkula TIN 6942503687, A.Y.2008-09 & 2009-10:**

The audit has pointed out that the dealer is a regular works contractor and during the assessment year 2008-09 and 2009-10 the dealer has made purchases of

cement against declaration in form VAT D1 amounting to Rs. 56,63,280/- and Rs.42,57,395/- respectively whereas the dealer was not entitled to purchase the same against VAT D1. The assessment cases for the year 2008-09 and 2009-10 were taken up in revision by the Revisional Authority and the same were remanded to the Assessing Authority with some observation. One of the observations of the Revisional Authority was to decide the issue whether the dealer misused VAT D-1. Both the remand cases have been decided by Assessing Authority vide orders dated 27.06.2017 and levied additional tax and penalty under section 7(5) of the Act for misuse of VAT D-1 aggregating Rs.12,03,447/- (tax Rs.4,81,379/- + penalty Rs.7,22,068/-) and Rs.9,04,607/- (tax Rs.3,61,879+penalty Rs.5,42,818/-) in the year 2008-09 and 2009-10 respectively. The dealer has preferred appeal against both the orders dated 27.06.2017 of Assessing Authority before the Joint Excise and Taxation Commissioner (Appeal) Ambala which is pending for adjudication and the date of hearing not fixed yet.

**The Committee has recommended that the proceedings to settle the matter pending in appeal before the appellate authority i.e. Joint ETC, be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**45. M/s A.K. Sood Engg. and Contractor Panchkula TIN 6652503798,  
A.Y. 2009-10:**

In reply to your audit objection, it is submitted that the case was sent for suo-moto action to DETC(ST), Panchkula by the concerned Assessing Authority The Revisional Authority vide its order dated 15.09.2014, received on 18.08.2015 remanded the case with the direction that the turnover of the dealer to be divided in the tax slabs on the basis of work done for Government and Non-Government works and assessment to be made afresh accordingly.

Remand case has been decided vide demand no. 295-A, dated 17.08.2017 and created an additional demand of Rs.1471714 under the VAT Act and Rs.398393/- under the CST Act. Aggrieved with the order dealer has preferred an appeal before the 1st Appellate Authority Ambala. The case is now fixed for hearing before the appellate authority on 03.10.2018.

**The Committee has recommended that the proceedings to settle the matter pending in appeal before the appellate authority i.e. Joint ETC, be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**46. M/s Hindustan Infrastructure, Panchkula, TIN 06682502278  
A.Y. 2009-10:**

The audit has pointed out that the benefit of C forms of Rs.8834878/- having tax involvement of Rs.927662/- was given wrongly (without C forms) to the dealer.

In reply to the audit para, it is submitted that the 'C' forms amounting to Rs.8834878/- were submitted by the dealer at the time of framing assessment and same were already placed on separate file. All 'C' forms are available and

claim against 'C' forms has been rightly allowed. The 'C' forms can be verified by any Competent Authority. Hence, para may please be dropped.

**The Committee has recommended that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**47. M/s Pusp Tractor, Panipat TIN 6882603921, A.Y. 2009-10:**

Audit has pointed out that the dealer was assessed to tax at concessional rate @ 4% and 5% on sale of Generator Set worth Rs. 11663368/- without VAT D-1 forms. It was further pointed out that Generator Sets being non-scheduled item were to be assessed @ 12.5%. By doing so there was under assessment of tax of Rs.984866/-.

In reply to audit para, it is stated that the assessment case of the dealer firm for the year 2009-10 was finalized by Assessing Authority vide order dated 06.03.2013. The assessment order was later revised by Revisional Authority vide order dated 16.11.2015 creating thereby an additional demand of Rs. 1774759/-. The dealer firm has challenged the order of Revisional Authority before Haryana Tax Tribunal. The case was listed on 24.01.2019 for hearing before Haryana Tax Tribunal but no judgement has been delivered on the said date. No intimation received regarding next date.

**The Committee has desired that State interest be protected in the matter pending adjudication before Hon'ble Haryana Tax Tribunal and outcome in the matter be also intimated to the Committee for its consideration/information.**

**48. M/s Parmanand Gaiinda Singh & Co., Panipat TIN 6752600452, A.Y. 2009-10:**

Audit had pointed out that the Assessing Authority had allowed sale of Generator Set worth Rs.15151994/- & 32321/- at concessional rate of tax @ 4% & 5% respectively without VAT D-1 forms. It was further pointed out that Generator Sets being non-scheduled item and were to be assessed @ 12.5%. Thus, there was under assessment of tax worth Rs.1290343/- in the case. Besides, the dealer was not assessed to tax on old car worth Rs. 18200/- @ Rs. 5000/- as per schedule 'G' of HVAT ACT 2003.

In reply to audit para, it is stated that the assessment case of the dealer firm for the year 2009-10 was finalized by Assessing Authority vide order dated 06.03.2013. The assessment order was revised by Revisional Authority vide order dated 16.11.2015 creating thereby an additional demand of Rs. 2322617/-. The dealer firm challenged the order of Revisional Authority before Haryana Tax Tribunal. Haryana Tax Tribunal has remanded the case to Revisional Authority for fresh decision in accordance with the law vide order dated 27.03.2018. Now, the remand case is lying pending with Revisional Authority for fresh decision. The case is fixed for hearing on 24.01.2019.

**The Committee has recommended that the proceedings to settle the matter pending in revision, be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**



**49. M/s The Sirsa Distt. Co-op, Milk Production Ltd, Sirsa TIN 11555, A.Y. 2010-11 & 2011-12:**

The assessing authority has levied the tax@5.25% on Paneer while the audit team has pointed out the incorrect rate of tax and has stated of levy of tax on paneer @13.125%.

In reply to audit objection, it is informed that the case has been sent to the Revisional Authority for taking suo moto action u/s 34 of HVAT Act2003 vide letter No. 1053/ETO/W-1 dated 27.7.2017. Next date of hearing is fixed for 04.02.2019.

**50. M/s The Sirsa Distt. Co-op Milk Products, TIN 11555, A.Y. 2011-12:**

The dealer is a manufacturer of Milk Products. The Assessing Authority has levied the tax @ 5.25% on white butter while the audit team has pointed out that the incorrect rate of tax and has stated of levy of tax on white butter @ 13.125%.

Para is admitted. In reply to audit objection, it is informed that the case has been sent to the Revisional authority for taking suo-moto action u/s 34 of HVAT Act2003 vide letter No. 1053/ETO/W-1 dated 27.7.2017. Next date of hearing is fixed for 04.02.2019.

**The Committee has recommended that the proceedings to settle the matter pending in revision, be concluded in a time bound manner and outcome of the matter be intimated to the Committee for its consideration.**

**51. M/s Sandeep Kumar Vijay Kumar, Sirsa, TIN 06292918768, A.Y. 2011-12:**

The dealer engaged in the trading of tobacco product etc. The audit team has pointed out about the under assessment of tax on amount of Rs. 54271864/- in the absence of C forms

In reply to the audit objection, it is submitted that the rectification has already been made under the CST Act 1956 after obtaining required C forms.

Hence, para may kindly be dropped.

**The Committee has observed that in the matter, the sale has been shown to an agency not actually in existence. The Committee has, therefore, recommended that on-line FIR be got registered against the dealer and the Assessing Authority within a period of seven days under intimation of the Committee**

**[ 7 ] 2.2.11.2 Underassessment due to allowing benefit against fake forms:**

Section 5 (3), 6 A and 8 (4) of the CST Act provides for levy of nil/concessional rate of tax on sales made against declaration forms H, F and C respectively. Under section 38 of HVAT Act penalty is leviable for submitting wrong documents to evade payment of tax.

Audit noticed that in nine DETCs (ST) offices, 16 dealers claimed (2006-07 to 2011-12) concessional rate of tax on sale/transfer of goods against declaration forms C, F and H valuing Rs. 37.91 crore and the same were allowed by the AAs while finalising assessments between September 2009 and March 2014 without verification of

transactions/forms as required vide instructions issued in March 2006. On cross verification by audit, from TINXSYS and the issuing offices, forms valuing Rs. 37.91 crore involving tax of Rs. 4.41 crore were not found issued by the said offices. Thus, allowing benefit against fake C, F and H declaration forms resulted in under assessment of tax of Rs. 4.41 crore besides penalty of Rs. 13.23 crore leviable under Section 38 of HVAT Act.

During exit conference, the department admitted the audit observation and assured to take necessary action as per provisions of the Act.

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

**1. M/s Bhushan Oil & Fats (P) Ltd., Ambala TIN 6951033404,  
A.Y. 2010-11 'C' form No. TN/G-0547880TN/G:**

Audit party has raised objection that the A.A has not verified 14 suspicious 'C' Forms amounting to Rs. 4,02,50,850/- at the time of assessment.

In reply of the audit para, it is submitted that the case was sent to DETC-cum-Revisonal Authority on account of concessional rate of tax wrongly allowed to the dealer. The Revisional Authority remanded the case back to the assessing authority with the direction to verify the 14 suspicious 'C' forms from the concerned Sale Tax authorities and pass a speaking order after confrontation to the dealer, if any adverse information received from the concerned Sale Tax authorities vide his order no. 99 dated 04.10.2017 endorsed vide no. 659/DETC dated 04.10.2017.

The letter were issued to the concerned authorities for verification of these C Forms by assessing authority regarding verification of C form as pointed out by the audit party. Out of these 14 'C' forms, 3 'C' forms amounting to Rs.3867569/- verified from the concerned authorities. In regards to balance 11 'C' forms amounting to Rs.36383281/-, the verification report has been received from the concerned authorities and found in-genuine.

The AA decide the remand case vide 880A dated 17.09.2018 and created an additional demand of Rs.1182457/- as tax and Rs.3547370/- as penalty u/s 38 read with section 9(2) of CST act 1956. Total comes to Rs.4729827/-.

Hence, the para may kindly be dropped.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently by using fake C-forms and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**2. M/s Rolex Sales (India) Gurgaon (West) TIN 6531933213,  
A.Y. 2011-12:**

Para stands admitted. In view of the above said memo it is submitted that the case was taken for reassessment u/s 17 of HVAT Act, 2003 on 04-12-15 and an additional demand of Rs.116376816/- under CST, 1956 has been created.

The recovery of the arrears is under process and the arrears have been declared under interstate arrears as owner is residing in Delhi. We are personally in contact with Commissioner, Delhi in pursuance of recovery of said arrear. The dealer is staying in Delhi and has reportedly gone abroad recently. Letters have been written to Passport Authorities of New Delhi seeking passport number of proprietor so details of his whereabouts as on this date can be ascertained.

In view of the above, the audit para may kindly be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**3. M/s Rolex Sales (India) Gurgaon (West) TIN 6531933213, A.Y. 2010-11:**

Para stands admitted. In view of the above said memo it is submitted that the case was taken for reassessment u/s 17 of HVAT Act, 2003 on 10-12-15 and an additional demand of Rs. 53504046/- under CST 1956 has been created.

The recovery of the arrears is under process and the arrears have been declared under interstate arrears as owner is residing in Delhi. We are personally in contact with Commissioner, Delhi in pursuance of recovery of said arrear. The dealer is staying in Delhi and has reportedly gone abroad recently. Letters have been written to Passport Authorities of New Delhi seeking passport number of proprietor so details of his whereabouts as on this date can be ascertained.

In view of the above, the audit para may kindly be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**6. M/s Shri Nath Industries, Bahadurgarh, Jhajjar TIN 0661702621, A.Y. 2010-11. 'C' form No. HP/A/2-3658101, 'C' form No. HP/A/2-2176139, 'C' form No. HP/A/2-1667273, 'C' form No. HP/A/2-1667272, 'C' form No. HP/A/2-2176138 and 'C' form No. HP/A/2-2356160:**

The audit party has pointed that there is a discrepancy in the 'C' Forms submitted by the dealer.

In reply to audit para it is submitted that case has been reassessed vide demand No. 15A/2010-11 dated 05-06-2018 created an additional demand Rs. 25367088/- (tax 6341772 + penalty Rs. 19025316/-) out of this dealer deposit Rs. 500000/- on 04-06-2018 vide GRN No. 0036515206 and Bank CIN No. 083719492 and for remaining amount recovery proceeding has been started.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**7. M/s Saraswati Petroleum Ltd., Bahadurgarh, Jhajjar TIN 06351702355, A.Y. 2010-11 'C' form No. 15 P-9210307:**

The audit party pointed out that some 'C' Forms submitted by the dealer were suspicious.

In reply to audit para it is submitted that case has been reassessed vide demand No. 15B/2010-11 dated 05-06-2018 created an additional demand Rs. 1392808/- (tax 348202 + penalty Rs. 1044606/-) Out of this dealer deposited Rs. 348202/- on 04-06-2018 vide GRN No. 0036579842 and Bank CIN No. 083655106 for remaining amount recovery proceedings has been started.

The dealer has also filed an appeal before first Appellate Authority (JETC, (A), Rohtak) and the appeal is fixed for 15.10.2018.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**8. M/s Green Valley Plywood Ltd, Bahadurgarh, Jhajjar  
TIN 0657701167, A.Y. 2010-11. 'C' form No. 'C' 16 P 624704:**

In reply to audit para it is submitted that case has been reassessed vide demand No. 15C/2010-11 dated 05-06-2018 created an additional demand Rs.30,26,008/- (tax 756502 + penalty Rs.2269506/-) out of this dealer deposit Rs.200000/- on 04-06-2018 vide GRN No. 0036470560 and Bank CIN No. 059099846 and for remaining amount recovery proceeding has been started.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently by using fake C-forms and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**9. M/s Shivam Matel Controls Pvt. Ltd., Bahadurgarh, Jhajjar  
TIN 06511703819, A.Y. 2010-11:**

In reply to Audit para, it is submitted that the assessment case of the firm for the year 2010-11 has been Revised by the Revisional Authority-cum-Dy. Excise Taxation Commissioner(I), Jhajjar vide orders dated 23-05-2018 and a demand of Rs. 6,15,124/- stands created against the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**10. M/s Artmica Laminates P. Ltd., Bahadurgarh, Jhajjar  
TIN 06311703832, A.Y. 2009-10:**

In reply to Audit para, it is submitted that the assessment case of the firm for the year 2009-10 has been Revised by the Revisional Authority-cum- Deputy Excise Taxation Commissioner(I), Jhajjar vide orders dated 24-05-2018 and a demand of Rs. 30,74,850/- stands created against the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**11. M/s Goyal Industries Narwana, Jind TIN 6062006076, A.Y. 2008-09:**

Audit party has suspected in audit para that 'C' form No. 14P-221201 for Rs. 2914650/- is not genuine. Audit para was conveyed on 01.01.2015 and assessments stand carried out on 31.05.2010. Time for the revision/re-assessment expired before the convey of audit objection i.e 01.01.2015. Hence, corrective measures could not be taken even at the time audit objection raised.

However, the concerned Assessing Authority has been directed to lodge the F.I.R. against the Prop./partner etc. regarding fake 'C' forms vide letter No. 74/ST-6 dt. 08-01-2018. The Assessing Authority has issued show cause notice to the dealer directing him either to deposit the amount of fake forms, otherwise an FIR shall be lodge against him for causing loss to Govt. Ex- chequer. The dealer has deposited Rs. 58,293/- on dated 10.08.2018 and Rs. 54,879/- on dated 21.09.2018. The dealer has given undertaking that rest of the amount shall be deposited soon.

In light of the above fact the para may kindly be dropped.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**12. M/s Dalip Rice Mill Narwana, Jind TIN 6922008610 AY 2006-07:**

Audit party has suspected in audit para that three 'F' forms for Rs. 2992924/- are not genuine. Audit para was conveyed on 01.01.2015 and assessments stand carried out on 03.09.2009. Time for the revision / re-assessment expired before the convey of audit objection i.e 01.01.2015. Hence, corrective measures could not be taken even at the time audit objection raised.

However, the concerned Assessing Authority has been directed to lodge the F.I.R. against the Prop./partner etc. regarding fake 'F' forms vide letter No. 74/ST-6 dt. 08-01-2018. The Assessing Authority has issued show cause notice to the dealer directing him either to deposit the amount of fake forms, otherwise an FIR shall be lodged against him for causing loss to Govt. Ex-chequer. The dealer has given undertaking that he will deposit the entire amount to the Govt. within a short period. He has requested to provide him some time because his young son has expired recently.

In light of the above fact the para may kindly be dropped.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover**

**the outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**13. M/s Laxmi Niwas Oil Mill, Narwana, Jind, TIN 06982011002  
A.Y. 2009-10:**

In reply to Audit Objection raised by the Audit Party, it is intimated that Sh. Anand Sagar, the then E.T.O-cum-Assessing Authority, Jind has allowed the benefit of consignment sales worth Rs. 40631837/- against 'F' forms issued by M/s Diamond Oil industry, Ahmedabad and M/s Radha Krishna Traders, Tamilnadu. Thereafter, a letter No. 17, dated 01.01.2015 received from the AG Audit Haryana, Chandigarh in this office in which it has been intimated that the 'F' forms are not genuine. Hence, the case is taken up for re-assessment and re-opened u/s 17 of HVAT Act, 2003. Now the case has been re-assessed with an additional demand of Rs 16,92,224 (tax = Rs. 4,23,056 + penalty Rs. 12,69,168) vide order of the Assessing Authority dated 03.08.2018. Recovery proceedings have been initiated by issuing tax demand notice (VAT-N4) alongwith a copy of order.

In light of the above fact the para may kindly be dropped.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently by using fake F-forms and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**14. M/s Shree Giri Raj Oil Industries, Jind TIN 6772008644, A.Y. 2010-11:**

In reply to Audit Objection raised by the Audit Party, it is intimated that Smt. Tripta Sharma, the then D.E.T.C-cum-Assessing Authority, Jind has allowed the benefit of consignment sales worth Rs. 10,56,985/- against 'F' forms issued by M/s H.P Sales Agency, Amritsar. Thereafter, a letter No. RS/0040/C/F forms/2015-16/1644-45, dated 20.08.2015 from Assistant Excise and Taxation Commissioner, Amritsar I & II, Punjab has been received through Accountant General, Haryana in which it has been intimated that the 'F' forms are not genuine vide letter No RS/0040/C/F forms/2015-16/SPL-01, dated 30.09.2015. Hence, the case is taken up for re-assessment and re-opened u/s 17 of HVAT Act, 2003. Now the case has been re-assessed with an additional demand of Rs.2,21,968 (tax = Rs. 55,492 + penalty Rs.166476) vide order of the Assessing Authority dated 14.08.2018. Recovery proceedings have been initiated by issuing tax demand notice (VAT-N4) alongwith a copy of order.

In light of the above fact the para may kindly be dropped.

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently by using fake F-forms and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**16. M/s K.C. Building Store Karnal TIN 6572223803, A.Y. 2011-12. 'C' form No. 16P- 400208, 16P- 443846 and 16P- 391065:**

As per audit observation the dealer has made interstate sale during 2011-12. Rs.7913782/- against following three C forms, produced by this dealers where water marks in these forms were not found:- 1. C Form No- 16P-400208 2. C Form No- 16P-443846 3. C Form No – 16P-391065. Therefore, it resulted into evasion of tax of Rs. 801832/- (13.125%-2%) besides three times penalty of Rs.2405496/-.

In reply to audit para was raised on the suspicion that there is no water mark on the C forms, of Rs. 7913782/- therefore, these may be ingenuine. In reply to the audit objection it is mentioned that the case for the year 2011-12 has been re-assessed on dated 03.01.2015 by creating an additional demand including interest of Rs. 1152348/- . Being aggrieved from the order, the dealer has filed an appeal before. The Joint Excise & Taxation Commissioner (A) Ambala, who has entertained the appeal of the dealer, in the mean time the dealer submitted online 'C' Forms before the Appellate Authority. The Appellate Authority remitted back the case to the Assessing Authority on dated 04.07.2018. Now, the online issued C forms are being reflected as issued to the dealer on Delhi VAT site i.e. dvat.gov.in.

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

**The Committee has desired that FIR be got registered against the dealer/firm for evasion of tax fraudulently by using fake C-forms and thereby caused loss to the State exchequer and simultaneously sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm and action taken report be submitted to the Committee.**

**17. M/s Shri Trading co. Sirsa TIN 06122916970, A.Y. 2011-12 'C' form No. R/C 2010-5212471, 'C' form No. R/C 2009-4111279, 'C' form No. R/C 2009-4111278 and 'C' form No. R/C 2009-4111280:**

In reply to audit objection, it is submitted that re-assessment of the firm for 2013-14 has been made under section 17 of Haryana Value Added Tax Act 2003 wherein an addl demand of Rs. 66845612/- has been created under the Haryana Value Added Tax Act by imposing tax and penalty. Further, FIR bearing No. 544, dated 29.07.2016 has also been lodged against the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax from dealer/firm at the earliest possible and action taken report be submitted to the Committee.**

**[ 8 ] 2.2.11.3(i) Evasion of tax due to suppression of sales/purchases and failure to levy penalty thereon:**

Section 38 of HVAT Act provides that if any dealer maintains false accounts or submit wrong accounts, returns or document to evade payment of tax the AA may levy penalty (three times) in addition to the tax evaded/avoided.

Audit noticed (between March 2011 and December 2014) from the records of offices of DETCs (ST) Sirsa and Bhiwani that seven dealers of district Sirsa paid tax at concessional rate on sale against declaration in form C valuing Rs.13.11 crore. On enquiry, the department found that actual movement of goods had not taken place. Consequently, the RA levied full rate of tax on the said sales and created additional demand of Rs.2.49 crore but failed to levy penalty of Rs.7.47 crore. Further, two dealers of district Bhiwani had suppressed the sale of Rs. 22.48 crore by undervaluing the goods sold. While finalising the assessment in March 2010, the AA levied tax on suppressed value of sale but failed to levy penalty of Rs.8.43 crore and nothing was mentioned in the order for non-levy of the penalty.

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

**1. M/s Baba Mungipa Mines & Minerals Co., Bhiwani  
TIN 06411107712, A.Y.2006-07:**

The audit objection raised on 17.03.2011 is related to non levy of penalty u/s 38 of the HVAT Act as an addition in Gross Turnover was made by the Assessing Authority on account of under valuation of sale price of boulders. Statements of employees of the dealers were recorded on 29.11.2007 wherein they disclosed the actual sale price of the boulders. The Assessing Authority detected that the returns were being filed with sale price of Rs. 2.60/- per cubic feet, whereas the market price of the product was determined at Rs. 5.60/- per cubic feet. The originally case was assessed by the then Assessing Authority vide order dated 30.03.2010 and demand created worth Rs. 23549455/-. The dealer preferred an appeal before the JETC (Appeal) against the order passed by the Assessing Authority. The Jt. Excise & Taxation Commissioner (A) vide his order dated 06.12.2010 held that the addition to the GTO/TTO was fully justified and do not require any interference at this level. Further the dealer preferred an appeal against the order passed by the Jt. Excise & Taxation Commissioner (Appeal) before Haryana Tax Tribunal and the case was remanded to the Assessing Authority vide order dated 13.03.2012 for fresh assessment. The order of remand was received in the O/o Dy. Excise & Taxation Commissioner on 09.05.2012. The remand case was not assessed within stipulated period of two years. No action can be taken at this stage since the case is time barred now.

At the time of audit of this case the facts regarding remand of the case was not in the notice of the audit party. DETC (ST), Bhiwani was requested vide this office memo no. 919/AA-I, dated 13.08.2018 to intimate the name of defaulting Assessing Authorities who failed to finalize the remand proceedings within the limitation period. Explanation to the five erring officers has been issued vide this office memo dated 28.09.2018. Disciplinary action under rule 7 of the HCS (Punishment and Appeal) Rules has been recommended against these officers.

Department has issued direction to all the DETCs to maintain a centralized as well as ward wise register of remand cases so that tracking of remand cases can be undertaken.

**The Committee has viewed it very serious that the case has been allowed to become time barred and thereby caused huge loss to the State exchequer. The Committee has, therefore, desired that besides the concerned Assessing Authority,**



**the responsibility of the concerned DETC also be fixed for his supervisory negligence and loss be recovered from him (Assessing Authority and DETC) at the earliest under intimation of the Committee.**

**2. M/s Rajpal & Co., Bhiwani TIN 06211108307, A.Y. 2006-07:**

The audit objection raised on 17.03.2011 is related to non levy of penalty u/s 38 of the HVAT Act as an addition in Gross Turnover was made by the Assessing Authority on account of under valuation of sale price of boulders. Statements of employees of the dealers were recorded on 29.11.2007 wherein they disclosed the actual sale price of the boulders. The Assessing Authority detected that the returns were being filed with sale price of Rs. 2.60/- per cubic feet whereas the market price of the product was determined at Rs. 5.60/- per cubic feet. The original case was assessed by the then Assessing Authority vide order dated 30.03.2010 and demand created worth Rs. 4657032/-. The dealer preferred an appeal before the JETC (Appeal) against the order passed by the Assessing Authority. The Jt. Excise & Taxation Commissioner (A) vide his order dated 06.12.2010 held that the addition to the GTO/TTO was fully justified and do not require any interference at this level. Further the dealer preferred an appeal against the order passed by the Jt. Excise & Taxation Commissioner (Appeal) before Haryana Tax Tribunal and the case was remanded to the Assessing Authority vide order dated 13.03.2012 for fresh assessment. The order of remand was received in the O/o Dy. Excise & Taxation Commissioner on 09.05.2012. The remand case was not assessed within stipulated period of two years. No action can be taken at this stage since the case is time barred now.

At the time of audit of this case the facts regarding remand of the case was not in the notice of the audit party. DETC (ST), Bhiwani was requested to vide this office memo no. 919/AA-I, dated 13.08.2018 to intimate the name of defaulting Assessing Authorities who failed to finalize the remand proceedings within the limitation period. Explanation to the five erring officers has been issued vide this office memo dated 28.09.2018. Disciplinary action under rule 7 of the HCS (Punishment and Appeal) Rules has been recommended against these officers.

Department has issued direction to all the DETCs to maintain a centralized as well as ward wise register of remand cases so that tracking of remand cases can be undertaken.

**The Committee has viewed it very serious that the case has been allowed to become time barred and thereby caused huge loss to the State exchequer. The Committee has, therefore, desired that besides the concerned Assessing Authority, the responsibility of the concerned DETC also be fixed for his supervisory negligence and loss be recovered from him (Assessing Authority and DETC) at the earliest under intimation of the Committee.**

**3. M/s J.C. Enterprises, Sirsa, TIN 6722918871, A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 24.1.2014 wherein dealer has been allowed refund of Rs. 2929035/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 2929359/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order which was dismissed by the Hon'ble State Tax Tribunal vide order dated 11.4.2017.

Further, a committee of Vigilance department and officials of DETC (ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that the all necessary action be completed/concluded within a month and seincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**4. M/s Bhim Chand Tara Chand, Sirsa TIN 6152918765,  
A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 1.1.2014 wherein dealer has been allowed refund of Rs. 2963286/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 2965530/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar

on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order which was dismissed by the Hon'ble State Tax Tribunal vide order dated 05.4.2018.

Further, a committee of Vigilance department and officials of DETC(ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that the all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**5. M/s R.D. Overseas, Sirsa TIN 6152919094, A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 8.1.2014 wherein dealer has been allowed refund of Rs. 1460490/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs.1460490/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016. It is also pertinent to mention here that dealer preferred an appeal against the Revisional order and same is pending.

Further, a committee of Vigilance department and officials of DETC (ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that the all necessary action be completed/concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**6. M/s Jitender trading co., Sirsa TIN 6732918998, A.Y 2011-12.**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 3.1.2014 wherein dealer has been allowed refund of Rs. 1475208/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 3034695/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order

Further, a committee of Vigilance department and officials of DETC (ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**7. M/s Jai Bhagwati Trading Co. Sirsa, TIN 6542918776, A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 1.1.2014 wherein dealer has been allowed refund of Rs. 432578/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 6370815/- was created by the Revisional Authority and the Assessing authority was directed to serve demand

notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order which was dismissed by the Hon'ble State Tax Tribunal vide order dated 05.4.2018. Against the said order, dealer filed CWP bearing No. 6994 of 2018 before the Hon'ble P&H Court

Further, a committee of Vigilance department and officials of DETC (ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**8. M/s Paras Trading Co. Sirsa, TIN 6562918867, A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 20.1.2014 wherein dealer has been allowed refund of Rs. 1916804/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 3537778/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order which is pending before the Hon'ble Haryana Tax Tribunal for adjudication. It is further informed that FIR bearing No. 529 dated 27-7-2016 has also been lodged.

Further, a committee of Vigilance department and officials of DETC(ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**9. M/s Bhupender Kumar Tushar Kumar, Sirsa TIN 6892918729, A.Y. 2011-12:**

In audit para, the audit pointed out that in the cases of district Sirsa, the department found that movement of goods has not taken place. Consequently, the Revisional Authority levied full rate of tax on the said sales but penalty u/s 38 was pending.

In reply to audit objection, it is informed that the original assessment of the firm was framed vide order dated 8.1.2014 wherein dealer has been allowed refund of Rs. 4417944/- which were issued to the dealer provisionally on quarterly basis and same was allowed in the final assessment.. The case was taken up for Revision by the then DETC (ST)-cum-Revisional Authority under section 34 of HVAT Act 2003. The case was finally decided by the then Revisional Authority vide order dated 11.11.2014 wherein demand of Rs. 4613128/- was created by the Revisional Authority and the Assessing authority was directed to serve demand notice along with copy of Revisional order and to recover the demand. The Assessing Authority was further directed to levy interest as per provisions of law at the time of recovery of demand. In the meanwhile, the complete original assessment record of the dealer was sealed by the Vigilance department Hisar on 20.5.2016 in compliance with the directions of Hon'ble Punjab & Haryana High Court in CWP No 6856 of 2016.

It is also pertinent to mention here that dealer preferred an appeal against the Revisional order which was dismissed by the Hon'ble State Tax Tribunal vide order dated 05.4.2018.

Further, a committee of Vigilance department and officials of DETC (ST) was constituted and the process of getting photocopies of sealed record was started after 20.9.2018 and the relevant record of the firm was taken from the vigilance department Hisar and now action for levy of interest and penalty has been initiated.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

[ 9 ]     **2.2.11.3 (ii) Evasion of tax due to suppression of sales/purchases and failure to levy penalty thereon:**

Section 38 of HVAT Act provides that if any dealer maintains false accounts or submit wrong accounts, returns or document to evade payment of tax the AA may levy penalty (three times) in addition to the tax evaded/avoided.

Audit noticed (April 2015), that four dealers under DETCs (ST) Fatehabad, Faridabad (West) and Gurgaon (West) had claimed benefit of ITC valuing Rs. 72.28 lakh on invalid purchases of Rs. 10.51 crore by submitting false returns/VAT C-4 certificates during 2005-06 to 2010-11. While finalising assessment between March 2012 and March 2014, the AAs disallowed the claim of ITC but failed to levy penalty of Rs. 2.17 crore.

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

1.     **M/s Ayush Metal Company, Faridabad (South) TIN 6661317725, A.Y. 2006-07:**

The audit party pointed out that penalty u/s 38 of the HVAT Act was not imposed on disallowed ITC of Rs.10,91,241/- . In reply to audit memo it is submitted that the provisional assessment was framed by Sh. V.K. Beniwal, ETO and created an additional demand of Rs.2311031/- under HVAT Act, 2003 vide order dated 05.03.2007 by disallowing by Input Tax Credit on the ground non-production of documents like VAT C-4, Trading Account etc and also created additional demand of Rs.15348/- under the CST Act on failure to produce 'C' Forms. The regular assessment of the dealer was framed on 08.03.2010 creating an additional demand of Rs.45,10,405/- under the VAT Act and Rs.131548/- under the CST Act which was challenged before the Appellate Authority. The case was remanded back on 08.05.2012 on the basis of the judgement delivered in the case of M/s Gheru Lal Bal Chand. A de-novo assessment was framed by the Assessing Authority on 24.06.2013 and created an additional demand of Rs.14,18,399/- under the VAT Act and Rs.157097/- under the CST Act. The order of Assessing Authority was silent about the initiation of penal action because input of Rs. 1514874/- passes on by M/s G.S. Enterprises was disallowed on account of failure to produce original tax invoices. Sh. S.S. Malik, Assessing Authority imposed a penalty of Rs.3272723/- on 02.11.2015 because during enquiry the dealer could not disclosed the name of the dealer nor could produce tax invoice/VAT C-4. The penalty action has been taken against the dealer ex-parte. The dealer preferred an appeal against this order and it was quashed on 23.02.2016 being barred by limitation of time.

Explanation to the erring officers who failed to impose penalty within the time limitation has been issued and disciplinary action under rule 7 of the HCS ( P & A) Rules has been recommended. Hence the audit para may kindly be dropped.

**The Committee has desired that responsibility of the Assessing Authority be fixed for causing loss to the State Exchequer by not mentioning about the initiation of penalty in the assessment orders under intimation of the Committee.**

**3. M/s Prithvi Singh Contractor, Fatehabad TIN 6871405249,  
A.Y. 2008-09, 2009-10 and 2010-11:**

**2008-09:** While framing the assessment for the assessment year 2008-09, Assessing Authority passed the order regarding disallowed of input tax as under.

The verification of input tax have been made and as a result of verifications the input tax of Rs. 40095/- on the purchases of Rs. 1002381/- and input tax of Rs. 55249/- on the purchases of Rs. 441996/- have not been verified and is thus input tax of Rs. 95344/- is not admissible to the dealer and same is disallowed.

It is pertinent to mention here that original assessment was framed by the Assessing Authority on 30.03.2012 and memo was raised by the audit party on 29.04.2015. Limitation within which penalty u/s 38 for failure to maintain correct account and documents is leviable within two year following the date when the assessment of tax becomes final for the period which the offence was committed.

**2009-10 and 2010-11:** While framing the assessment for the assessment year 2009-10 & 2010-11 Assessing Authority passed the order regarding disallowed of input tax as under.

The input tax amounting to Rs. 177047/- only is not being allowed for want of verification. The input tax amounting to Rs. 95660/- only is not being allowed for want of verification.

It is pertinent to mention here that original assessment was framed by the Assessing Authority on 22.01.2013 and memo was raised by the audit party on 29.04.2015. Limitation within which penalty u/s 38 for failure to maintain correct account and documents is leviable within two year following the date when the assessment of tax becomes final for the period which the offence was committed.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**4. M/s Shree Maha Laxmi Paper, Gurgaon (W) TIN 6421924010, A.Y. 2005-06:**

The audit party pointed out that ITC of worth Rs. 1742565/- on the purchases of Rs. 43564130/- from M/s J.K. Paper Traders, Karnal was disallowed by the Assessing Authority as the dealer could not furnish genuine tax invoices and VAT C-4 certificates. The dealer of Karnal was not functional as per report of Dy. Excise & Taxation Commissioner, Karnal. Hence, a penalty of Rs. 5227695/- is leviable u/s 38 of the HVAT Act. The audit objection was received on 23.04.2015.

In reply to audit objection it is submitted that the original assessment in the case was framed on 26.02.2009 by creating an additional demand of Rs. 2164320/- under the HVAT Act and Rs. 58888/- under the CST Act. The additional demand was created because the input tax credit claimed by the dealer was found bogus. The dealer went in appeal who remanded the case to the Assessing Authority on the basis of the judgement delivered in the case of M/s Gheru Lal Bal Chand. The



remand case has been decided on 31.03.2014 with an additional demand of Rs. 2164320/- under the VAT Act and Rs. 58888/- under the CST Act. The Assessing Authority held that the dealer has failed to prove the genuineness of the transaction with the so called Karnal Firm as well as the C-4 produce by him, hence the input credit on the purchases made from the Karnal dealer cannot be allowed. He also mentions that the DETC (ST), Karnal vide his letter dated 0095 /Ward-2, dated 21.10.2007 has categorically stated that no firm at TIN No. 06252231451 is working in district Karnal but penalty u/s 38 of the HVAT Act has not been imposed stating that question of connivance does not arise in this case as there is no bonafide and genuine selling registered dealer of Haryana. Both the findings of the Assessing Authority are contradictory to each other, therefore, DETC-cum-Revisional Authority has been advised to examine the case for revision.

**The Committee has desired that all necessary action be completed/ concluded within a month and sincere and pragmatic efforts be made to recover the outstanding demands from the firm/dealer to augment the State revenue under intimation of the Committee.**

**[10] 2.2.11.3(iii) Evasion of tax due to suppression of sales/purchases and failure to levy penalty thereon:**

Section 38 of HVAT Act provides that if any dealer maintains false accounts or submit wrong accounts, returns or document to evade payment of tax the AA may levy penalty (three times) in addition to the tax evaded/avoided.

Audit noticed that six dealers under four DETCs (ST), had suppressed the sales/purchases valuing Rs.22.37 crore and evaded the payment of tax of Rs.1.25 crore. While finalising assessment between March 2011 and November 2013, the AAs failed to levy tax of Rs.1.25 crore besides penalty of Rs. 3.75 crore even though the information of suppression was available on the file.

During exit conference, the department admitted the audit observation and assured to take action as per provisions of the Act.

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

**1. M/s Girish Logistics, Ambala, TIN 06451046871, AY: 2012-13:**

Audit party has raised objection, that the dealer had accounted for lesser purchases worth Rs. 33,57,386/- and hence resulted into excess refund of Rs.7,05,052/- (Rs. 33,57,386/- x 5.25% Plus 3 times penalty).

In reply to the audit objection, it is submitted that the case was sent for taking Suo Moto action to the Deputy Excise & Taxation Commissioner (ST)-cum-Revisional Authority, Ambala dated 16.06.2016.

Revisional Authority vide order no.154 dated 22.06.2018 decided the case by creating demand of Rs.1,92,043/-. The copy of order alongwith N4 has been served upon the dealer on 22.06.2018. Now, the arrear has been declared under Land Revenue Act and summon have been duly served upon the dealer. As per the directions of the Revisional Authority, the AA has issued penalty order vide

order no. 450A dated 30.10.2018, thereby creating a demand of Rs. 756129/-. VAT N4 has been issued to the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the at earliest possible under intimation of the Committee.**

**2. M/s L.G. Traders, Sirsa, TIN No. 06252915880, A.Y. 2013-14:**

The audit pointed out that as per verification letter of C-Forms placed on file, the dealer has made sale of worth Rs. 42979567/- whereas verification letter says that there is sale of Rs. 311563520/-. Hence, the dealer has suppressed sale of Rs.268583953/-. Therefore, there is short levy of tax of Rs.53716790/-.

In reply to audit objection, it is submitted that on the basis of audit objection for Q.E 31.3.2014, the scrutiny assessment of the dealer was framed by the then Assessing Authority on 29.3.2017 levying tax of Rs.12748203/- under the CST Act 1956. Being aggrieved with the orders, dealer preferred an appeal before the Jt ETC(A) Rohtak who remanded the case back to the Assessing Authority vide order dated 20.4.2018. The remand case has been disposed off with Nil demand observing that the letter of verification written by CTO, Bikaner intimated the turnover of Rs.311563520/- of dealer of Bikaner which is not the sum total of purchases made from L.G. Traders, Sirsa. It the Gross Turnover of dealer of Rajasthan. It is wrong to treat this turnover of dealer of Rajasthan as since made by M/s LG. Traders, Sirsa. Hence, para may kindly be dropped.

**The Committee has desired that the matter be re-examined thoroughly and a fresh and complete reply be submitted at the earliest for the consideration of the Committee.**

**3. M/s Combatic Global, Sonapat, TIN No. 06863008616, A.Y. 2010-11 and 2011-12:**

The audit objections raised in the year 2010-11 and 2011-12 are correlated. The audit party pointed out that the dealer had not submitted C-Forms of worth Rs. 13382906/- in the year 2011-12 and hence the refund of Rs.415293/- was allowed in excess. Secondly sale of DEPB of worth Rs.13382906/- in the year 2010-11 but issued VAT C-4 in favour of M/s Combatic Global, Carpet Pvt. Ltd. for Rs.1337675/-.

In reply to the audit objection, it is submitted that the case was sent for revision for the year 2011-12 and was taken for re-assessment for the year 2010-11 but after examination of the case it is found that the account of sale of Duty Entitlement Pass Book (DEPB) license runs in three years i.e. 2009-10, 2010-11 and 2011-12. The Assessing Authority has levied tax on the amount of DEPB receivables but actual sales are made in the next year. There is no suppression of sales. The year wise details are given as under:-

<b>(Amount in Rs.)</b>	
DEPB income during 2009-10	33821167/-
Less: DEPB Sold under CST Act.	21014454/-

Less: DEPB Sold under HVAT Act.	4494919/-
DEPB Receivable as on 31/03/2010 (2009-10)	8311794/-
DEPB balance as on 1/04/2010 (Taxed in 2009-10)	8311794/-
Add: DEPB income for 2010-11	18408787/-
Sub Total:	26720581/-
Less: DEPB Sold under HVAT during 2010-11 to Combitic Global Caplet Pvt. Ltd.	13337675/-
DEPB balance as on 31/03/2011	13382906/-
Total DEPB sold in 2011-12 against C-Form	13382906/-
Balance in the year 2011-12	Nil

The C-Forms for Rs.13382906/- are available on the file and all are verified from the TINXSYS.

Hence, the para may kindly be dropped.

**The Committee has desired that facts in the case under consideration be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.**

**4. M/s Ram Niwas, VPO Rajli, Garhi, Gannaur, Sonapat (D.N. & Date 535/09.10.2013), A.Y. 2011-12:**

The dealer is a work contractor. Audit objected that he has suppressed the receipt of Rs.22,86,091/- and avoided tax of Rs.1,33,592/- alongwith penalty of Rs.4,00,776/-.

In the reply audit memo it is submitted that reassessment under section 17 of HVAT act has been done vide order dated 23.08.2018 and created an additional demand to the tune of Rs.10,44,224/- on account of tax and penalty. Firm stand closed. Tax demand notice and challan has been served upon the dealer through registered post.

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

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**[ 11 ] 2.2.11.4 Underassessment due to non levy of tax/interest/surcharge and allowing excess benefit of tax concession:**

Under Section 8 of HVAT Act, a registered dealer is entitled to benefit of ITC on purchase of goods after payment of tax from VAT dealers of Haryana. ITC involved in closing stock at the end of the year is carried forward to next year. Input tax (carried forward) and closing stock should commensurate to each other.

Government clarified that w.e.f. 8 April 2011 tax on Knitted & Embroidered Fabrics is leviable at the rate of 12.5 per cent. Pipes of all varieties are taxable at the rate of four per

cent upto 14 February 2010 and five per cent thereafter. Section 14 (6) of HVAT Act provides for levy of interest for late/short payment of tax. The Government had clarified on 10 February 2014 that the contractors who had opted to pay lump sum in lieu of tax are also liable to pay surcharge under Section 7A. Under Section 61 read with Rule 69 (2) of HVAT Rules an industrial unit if it makes payment of fifty per cent of tax due along with returns will be treated as full payment of tax and benefit availed.

Audit noticed that the AAs had wrongly calculated the carry forward of tax, allowed wrong deduction of tax free sale, excess benefit of tax concession and did not levy interest and surcharge of Rs. 55 crore besides irregular refund of Rs. 0.04 crore as tabulated below:

Sr. No.	Number of DETCs	Number of dealers	Assessment years	Amount	Nature of irregularities
1.	6	54	2008-09 to 2013-14	Rs. 20.48 crore	Due to submission of wrong accounts by the dealers the AA calculated wrong carry forward of tax and failed to levy tax and penalty u/s 38. This resulted in non levy of tax and penalty of Rs. 20.48 crore.
2.	5	6	2010-11 to 2012-13	Rs. 3.47 crore	The AA allowed wrong deduction of tax free sale and failed to levy tax on sale of Embroidered Fabrics and HDPE pipes resulting in non levy of tax of Rs. 3.47 crore.
3.	8 <sup>14</sup>	14	2006-07 to 2011-12	Rs. 4.05 crore	The AAs failed to levy interest on short payment of tax {u/s 14 (6)} and late payment of additional demand {u/s 23 (1)} resulting in non levy of interest of Rs. 4.05 crore.
4.	8	15	2010-11 to 2011-12	Rs. 0.31 crore	The AAs failed to levy surcharge of Rs. 0.31 crore and allowed irregular refund of Rs. 0.04 crore additionally.
5.	1	1	2007-08 and 2008-09	Rs. 26.69 crore	The AA accounted for fifty per cent of benefit of tax concession against hundred per cent of Rs. 53.38 crore resulting in excess benefit of tax concession of Rs. 26.69 crore to the dealer.
Total		90		Rs. 55.00 crore	

During exit conference, the department admitted the audit observations and assured to take action as per provisions of the Act.

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

**5. M/s Goyal Engineers Ambala TIN 6421032774, A.Y. 2010-11:**

- Audit party has pointed out that dealer was allowed excess refund of Rs.10,012/- due to non-levy of surcharge.

The para on point no. 1 is admitted. The dealer is a regular works contractor. The case was sent to the Deputy Excise & Taxation Commissioner-cum-Revisonal Authority, Ambala for taking suo-Moto action vide memo No.142 dated-15.10.2015. Revisional Authority vide his order dated 27.04.2018 has created an additional tax of Rs. 10,012/-.

- Audit party has pointed out that dealer was allowed inadmissible ITC worth Rs. 7,207/- ( 5,337+1,870) due to non reversal of ITC on account of purchases of computer and LED TV.

The observation of the audit on point no. 2 is admitted. Revisional Authority reversed the input tax of Rs. 7207/- on purchase of Computer & LEDTV

3. Audit party has pointed out that during the assessment the assessing authority not reduce the tax from the refund on account of closing stock worth Rs.196875/-.

The observation of the audit on point no. 3 is admitted. Revisional Authority creating the additional demand of Rs. 196575/- vide demand No.138 dated 27.4.2018 on account of closing stock of taxable goods which was refunded to the dealer by the assessing authority in original order. Now the total demand of Rs.213794/-(10012+7207+196575) has been created by the revisional authority and directed the assessing authority to served TDN alongwith copy of order. The tax demand notice in form N-4 and copy of order has been served upon the dealer on 29.5.2018 and recovery notice has been issued for 24.09.2018. Dealer has preferred an appeal before Hon'ble Haryana Tax Tribunal. The case has not been fixed for any date yet. In the light of above, para may kindly be dropped.

**The Committee has desired that the State interest be protected meticulously in the matter pending adjudication before the Hon'ble Haryana Tax Tribunal and the Committee be also informed of the outcome in the matter.**

6. **M/s Vijay Kumar Nanda & Associ. Ambala TIN 6161042423, A.Y. 2010-11:**

2. Audit party has pointed out that dealer was allowed Excess deduction of labour.

Point No.2 of the para is admitted.

The case was sent to DETC-Cum- Revisional Authority, Ambala to take suo moto action. The Revisional Authority remanded the case to the Assessing Authority with the direction to decide the case afresh after verification of account books of the dealer, on the issue of Excess deduction of Labour vide order dated 27.04.2018 conveyed vide Endst. No. 140, Dated 27.04.2018. The Assessing Authority decided the remand case vide D.No. 880B dated 17.09.2018 creating an additional demand of Rs. 85674/- on account of excess deduction of Labour. VAT N-4 has been issued to the dealer on 17.09.2018. Recovery notice has been issued to the dealer. The firm is functional. Hence, the para may be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

7. **M/s Vijay Kumar Nanda & Associ. Ambala TIN 6161042423, A.Y. 2011-12:**

Para is admitted.

1. Audit party has pointed out that dealer was allowed excess refund of Rs. 4284/- due to non-levy of surcharge

Point No.1 of the para is admitted.

The case was sent to DETC-Cum- Revisional Authority, Ambala to take suo moto action. The Revisional Authority vide his order no. 141 dated 27.04.2018 created

an additional demand of Rs. 4284/- on account of levy of surcharge/additional tax u/s 7A of the HVAT Act, 2003 and directed the Assessing Authority to serve the order alongwith TDN in form VAT N-4. Copy of order alongwith TDN has been served upon the dealer on 29.06.2018 and the amount has been recovered vide GRN no. 0042034278 dated 12.11.2018(copy attached).

2. Audit party has pointed out that dealer was allowed Excess deduction of labour.

Point No.2 of the para is admitted

The case was sent to DETC-Cum- Revisional Authority, Ambala to take suo moto action. The Revisional Authority remanded the case to the Assessing Authority with the direction to decide the case afresh after verification of account books of the dealer, on the issue of Excess deduction of Labour vide order dated 27.04.2018 conveyed vide Endst. No.141, dated 27.04.2018. The Assessing Authority decided the remand case vide D.No. 880C dated 17.09.2018 creating an additional demand of Rs. 25949/- on account of excess deduction of Labour. VAT N-4 has been issued to the dealer on 17.09.2018. Recovery notice has been issued to the dealer. The firm is functional. Hence, the para may be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**9. M/s Virdhi Construction, Ambala TIN 6641046912, AY 2011-12:**

Para admitted

1. Audit Party has raised objection on account of purchase the goods against D-1 forms, but the dealer is not authorised to purchase the goods against D-1. Hence, he liable to tax and penalty of Rs.26264/-.

The dealer is a regular works contractor. In reply to audit objection it is submitted that the case was sent to the Dy. Excise & Taxation Commissioner (ST)-cum-Revisional Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 22.06.2018 conveyed vide endorsement No. 3189, dated 03.07.2018 and create additional demand of Rs.10506/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18 Recovery proceeding started against the dealer by issuing demand notice in form VAT N-4.

2. The audit party raised objection to grant excess refund of Rs. 44110/- on account of grant excess deduction of Labour in civil contractor as per provision of Rule 25(2)(b).

The assessing authority decided the remand case vide demand No.526-A dated 23.8.2018 and created an additional demand of Rs.30667/-. The demand notice in form N-4 alongwith copy of order has been served upon the dealer. The dealer has preferred an appeal before Hon'ble JETC(Appeal) against the demand created by the AA. The case has not been fixed for any date yet.

## Para Admitted

3. The audit party raised objection of excess refund of Rs.4201/- on account of non levy of Surcharge.

In reply to audit objection, it is submitted that the case was sent to the Deputy Excise and Taxation Commissioner-Cum- Revisional Authority, Ambala for taking suo moto action vide endst. No. 2768, dated 23.05.2018 The Revisional Authority created an additional demand of Rs. 4201/- on account of surcharge. Recovery proceeding started against the dealer by issuing demand notice in form VAT N-4.

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

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**10. M/s N.V. Distillery, Ambala TIN 06021040851, AY 2010-11:**

1. Audit party has pointed out that the assessing authority has assessed the turnover of Rs. 430395435/- @4% and failed to levy surcharge on tax amount Rs. 17215817/- @5%. It resulted into non levy of surcharge of Rs. 860790/-.

The observation of the audit is not admitted and it is submitted that as per Schedule 'A' Entry no. 10 of the HVAT Act 2003, rate of tax w.e.f. 1.4.2010 on "All types of liquor when sold in the state for the first time, for consumption i.e. in the hands of L-13 in the case of country liquor L-1B and L-1AB in the case of Indian Made Foreign Spirit, and L-1 B-1 and L-1AB-1 in the case of beer and wine etc., L-1AB-A for RTB (Ready to drink Beverages), except Indian Foreign Liquor(Bottled in Origin) sold by L-1BF----- 4% inclusive of surcharge if any. "

2. Audit party has pointed out that the dealer had made stock transfer of Rs. 422694062/- and sold tax free goods of Rs. 40750881/-. The dealer had claimed input tax of Rs. 4671730/-. So the input tax was to be reversed proportionally for Rs.1257108/-

The observation of the audit is admitted and the case has been sent to the Deputy Excise & Taxation Commissioner-cum-Revisional Authority for taking suo-moto action vide No.1425 dated 04-04-2015.Now, case is fixed for 29.11.2018.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**17. M/s Auto Pins India Limited, Faridabad (South) TIN 06891305910, A.Y. 2009-10 and 2010-11:**

The brief facts of the case are that there was demand pending for the following A.Ys:-

2000-01	439576-00
2004-05	118494-00
2004-05	75216-00

2005-06	249630-00
2006-07	18762-00
2007-08	207887-00

The additional demand for the year 2000-01, 2004-05, 2004-05, 2005-06, 2006-07, 2007-08 were adjusted in A. Y. 2009-10 vide order dated 14.08.2012 and 2010-11 vide order dated 21.10.2013 Total of Rs.11,08,365-00 as per assessment order of 2008-09 vide order dated 09.02.2012. Excess carried forward of Rs.1,18,147/- which was not adjusted in A. Y. 2009-10 as per record. After audit objection the notice were issued to the dealer to levy interest on the demand and interest under section 23 of HVAT Act was levied as given below:-

Assessment Year	Interest u/s 23 of HVAT Act	Date of Order
2000-01	439418	09.07.15
2004-05	75216	09.07.15
2004-05	118494	09.07.15
2005-06	249630	09.07.15
2006-07	18762	09.07.15
2007-08	207087	09.07.15
<b>Total</b>	<b>1108607</b>	

After that against the interest order of Assessing Authority the dealer filed appeal before jt. ETC (Appeal) Faridabad (Range) and the appellate authority remanded back the case with the observations "The Assessing Authority did not thrash out the issue whether interest for the period after issuance of TDN is chargeable on a sick unit under the financial control of BIFR or not. The appellant has averred that the Sales Tax Department remained party to the proceeding and never agitated any claim during the course of such proceeding. Hon'ble Punjab and Haryana High Court in the case of Pratap Steels Ltd. Vs State of Haryana reported as (2000) 15 PHT 41 (P & H) has held that " Sales Tax Authorities cannot make distress execution where a sick company is under financial control of BIFR without its consent. Suit for injunction is maintainable in Civil Court" to the Assessing Authority for fresh assessment vide order No. 1423 dated 28.11.2016.

**The Committee has desired that proceedings in the matter pending with the Appellate Authority be completed/concluded to decide the matter in a time bound manner under intimation of the Committee.**

**19. M/s ABB Ltd., Faridabad (South), TIN 06651303132, A.Y. 2009-10:**

The brief facts of the case are that the original assessment for the A. Y. 2009-10 was framed by the Assessing Authority vide order dated 29.03.2013 and demand of Rs. 8278136/- was created under CST Act as the dealer failed to submit 'C' forms at the time of assessment. The demand was created on account of non submission of 'C' forms. Order was rectified vide order dated 09.09.2013 as the



dealer submitted 'C' form and demand reduced to Rs. 6840249/-. Meanwhile the applicant filed an appeal before the Appellate Authority against the original order which was remanded back by the Appellate Authority vide communicated on 05.03.2014 and the appellant was directed to produce the balance statutory declaration forms before the Assessing Authority for legitimate claims. The dealer submitted 'C' form of Rs. 12401382/- and deposited the amount on non-submission of 'C' Forms and the then assessing authority rectified the order on dated 19.11.2014 with NIL demand.

Rs. 499379/- Challan No. 16312 dated 22.04.2014

Rs. 500000/- Challan No. 16885 dated 15.05.2014

Rs. 1000000/- Challan No. 17135 dated 26.06.2014

Rs. 1000000/- Challan No. 17640 dated 02.06.2014

Rs. 1000000/- Challan No. 18556 dated 05.08.2014

Rs. 1000000/- Challan No 19607 dated 25.09.2014

Rs. 493205/- Challan No. 20540 dated 03.11.2014

**Total = 5492584/-**

Again dealer submitted 'C' form of Rs. 5416796/- and the order was rectified with excess amount of Rs. 574918/- which was adjusted against the additional demand of 2011-12. The demand was only on account of non submission of 'C' form. The interest is not leviable on account of pending declarations. This fact is also supported by the supreme court of India in case of M/s Food Corporation of India Vs State of Haryana reported as 119 STC Page 1. Therefore under these facts and circumstances and judgement of Hon'ble Supreme Court the interest is not levied in this case which is reproduced as under:-

"Interest – Sale or Purchase of levy Rice and wheat Declaration in 1975 by High Court that sales tax on Levy Transactions unconstitutional State not preferring Appeal against judgment of High Court subsequent decision of supreme court in 1997 upholding validity of sales tax on levy transactions notice of demand – Original demand made during period when state could not impose sales tax on levy transactions – not valid – demand subsequent to supreme court judgment upholding validity of tax invalid – interest runs only from date of that demand – Haryana General Sales Tax Act, (20 of 1973), Section 59."

"We are of the opinion that the interest demanded by the State of Haryana on the amount due from the appellant for the assessment year 1975-76 cannot be sustained. Therefore, the said demand of interest, impugned in the appeal is quashed."

During the pendency of 'C' form the interest cannot be levied. The final order was rectified on dated 07.09.2015. The interest cannot be levied on the original assessment but levied interest on the final rectification order demand.

Hence para may please be dropped.

**The Committee has desired that the C-Forms submitted by the firm/dealer be got verified at the earliest possible under intimation of the Committee.**

**27. M/s Consolidated Constructions consortium Ltd, Gurgaon (South)  
TIN 66121025031, A.Y 2006-07:**

**Audit Objection:** The dealer is works contractor. During scrutiny of case file, it was noticed that the dealer failed to deposit the tax voluntarily as per return and accordingly, a demand of Rs. 1206975/- was created but action under section 14(6) of the HVAT Act was kept pending. Thus due to non levy of interest has resulted in under assessment of 1738044/- (1206975 x @ 2 per cent x 72 months 10/2006 to 09/2012) which is brought to the notice of Assessing Authority for taking suitable action as per HVAT Act, 2003.

**Reply:** The original assessment framed by Smt. AnjanaArora then Assessing Authority u/s 15(5) of HVAT Act 2003 as the best judgment assessment and determined the turnover by average method for the 4thqtr default of return. Further no deduction on a/c labour, sub contractoretc was allowed and created demand of Rs.5521473/- vide A.D No-1124/2006-07/22.03.2010. The firm filed an appeal against the order & JETC (Appeal) remand the case back to the A.A. The remand case decided by Sh. H.C Dahiya, then ETO-cum-A.A as per directions of JETC (Appeal) and created demand of Rs.1206975/- vide A.D No-72/2006-07 dated 29.09.2012. However again the deduction of labouretc was not allowed as per provisions and a demand of Rs.1206975/- was created. Upon this assessment, auditors raised the objection as to why interest was not levied under section 14(6). In reply to the audit para, the dealer again filed an appeal against the remand case. The same was remanded by the JETC (Appeal) vide No. 1594 dated 6.11.2013 with the directions to decide the case as per the grounds of appeal. Interest is not leviable as there is no short payment/non payment of vol tax. Hence, there is no under assessment. Para may kindly be dropped.

**28. M/s Fire Pro System, Gurgaon (W), TIN 6261927011, A.Y. 2008-09:**

The audit Para has been admitted and an interest of Rs. 1312473/- has been levied vide order No. 768/B dated 29.03.2013. Further, this order has been rectified dated 04.06.2015 with nil demand on submission of WCT certificated by the dealer. However the WCT certificates supporting the rectification order are not found placed on the file. Hence the case is being sent to Revisional Authority for re-examination.

**The Committee has desired that responsibility of the Assessing Authority be fixed for wrongly mentioning in the assessment orders that the TDS certificates have been examined and verified, whereas no such certificates are available on record and action taken report be submitted to the Committee at the earliest.**

**31. M/s Such Fabrication, Bahadurgarh TIN 06051704751, A.Y. 2011-12:**

The audit party has pointed out that the dealer who is job worker deals in embroidery of fabric/cloth and during the inspection of the file it has been found that the dealer has used/sold yarn thread amounting to Rs.1,02,09,936/- (7069125 + 3140811) during the assessment year 2010-11 & 2011-12. Out of this the dealer had consumed yarn/thread of Rs. 22,74,454/- (1957505 + 316949) in job work of embroidery. The sale of balance thread year should be Rs.79,35,482/-

but the dealer had shown sale of Rs.7,60,423/- (585445 + 174978) in the both the assessment years. The dealer had suppressed sale of yearn of Rs.71,75,059/- and avoided the payment of tax for Rs.3,75,640/-.

In reply to the above stated audit objection it is submitted that Revisional Authority, Sonapat camp at Bahadurgarh has accordingly revised the order u/s 34 of HVAT Act 2003 and created an additional demand of Rs.43,266/- on sale of Yarn/Thread vide its orders dated 23-10-2018. The copy of order alongwith TDN stand served upon the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**32. M/s Akon Electronic (P) Ltd., Bahadurgarh, Jhajjar D. No. & date 32/30.01.2015 A.Y. 2011-12:**

Non Levy of surcharge on inter-state sales conducted to unregistered dealers at full rate of tax for Rs. 4,02,59,935/- @12.5%.

As pointed out by the audit party, the dealer had during the year 2011-12, conducted interstate sales for Rs. 4,02,59,935/- to unregistered dealers, which was to be taxed @13.125% (including surcharge), but the AA failed to levy surcharge on tax element of Rs. 50,32,492/- resulting in short levy of tax of Rs. 2,51,625/- (50,32,492 X 5%).

The case was taken up for Revisional action u/s 34 of HVAT Act 2003.

The Revisional Authority revised the original assessment order vide order dated 23-05-2018 and created a demand of Rs.2,51,625/-.

The copy of order alongwith TDN was served upon the dealer on 23-05-2018.

The firm is live and functional, the dealer has been abroad for a long period, but now he has returned and the amount due will be recovered shortly.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues of surcharge from the firm at the earliest possible under intimation of the Committee.**

**73. M/s Nue Chem Oils (P) Ltd., Karnal TIN 6732224297, A.Y. 2011-12:**

As per audit observation during assessment the dealer was granted refund of Rs. 3921660/- and excess carried forward of Rs. 25044453/-. The audit pointed out that excess carried forward should be to the tune of Rs. 24883168/-, so there is a difference of Rs. 1637389/- between audit computation and as allowed by the Assessing Authority in assessment order.

In reply to audit objection, it is stated that the case was sent to the Jt. Excise & Taxation Commissioner (Range), Ambala for taking suo moto action vide letter No. 2887/Ward-1 dated 08.10.2015. The Revisional authority has revised the order of the assessing authority and demand of Rs. 1637389/- has been raised vide orders dated 11.04.2016 as pointed out by the dealer. Appeal against the orders of the JETC(R). Ambala was filed vide STA No. 343/2016-17 which has

been decided by the Hon'ble HTT vide orders dated 25.07.2018. The case has been remanded to the Revisional Authority Joint Excise & Taxation Commissioner (R), Ambala for fresh decision. The case has now been fixed for 20.09.2018 before Joint Excise & Taxation Commissioner (R), Ambala.

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

**The Committee has desired that proceedings in the matter pending with the Appellate Authority be completed / concluded to decide the matter in a time bound manner under intimation of the Committee.**

**74. M/s Aggarwal Rice & General Mills, Kaithal TIN 6582100753, A.Y. 2011-12:**

The case was assessed by the then Assessing Authority vide order no. 29/2011-12/18.07.2013 and Nil demand created. The case was taken up by the JETC—cum—Revisional Authority for taking suo moto action. Revisional Authority has created additional demand of Rs. 72747/- vide order dated 22.09.2015 and demand notice VAT N-4 was served up on 20.10.2015.

Now the file is in the possession of Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016/11.04.2016.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm at the earliest possible under intimation of the Committee.**

**75. M/s Mahadev Rice & Gen. Mills, Kaithal TIN 6972103594, A.Y. 2012-13:**

The case was assessed by the then Assessing Authority vide order no. 19/2012-13/30.06.2014. and Nil demand created. The case was taken up by the JETC—cum—Revisional Authority for taking suo moto action. Revisional Authority has created demand of Rs. 116813/- vide order dated 01.10.2015. The demand has been recovered 676/14-15/08.09.2017.

Now the file is in the possession of Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016/11.04.2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also sincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**76. M/s Kailash Rice & Gen Mills, Kaithal TIN 6172103117, A.Y 2010-11:**

The case was assessed by the then Assessing Authority vide order no. 33A/2011-12, dated 20.09.2012. Now the file is in the possession of Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016/11.04.2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also sincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**77. M/s Karan Rice & Gen Mills, Kaithal TIN 6252104766, A.Y. 2010-11:**

The case was assessed by the then Assessing Authority vide order no. 54/2010-11, dated 12.03.2013.

Now the file is in the possession of Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also sincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**78. M/s Soami Grains India Ltd, Kaithal TIN 6112104940, A.Y. 2009-10:**

The case was assessed by Sh. Anil Rao, DETC-cum-AA kaithal vide D. No. 58/2009-10 dated 15.03.2013 allowing an refund of Rs. 495000/- and ECF Rs. 3335357/-. The case was assessed under scrutiny criteria after thorough examination of account books. The dealer made consignment sales of Rice amounting to Rs. 57853234/- and benefit of consignment sale was allowed only for sale of Rs. 53525685/- against F forms which are duly placed on file and balance was taxed @ 4%. The objection raised by the audit party is not admitted that ITC should be reversed on proportionate basis as the consignment sales of total Rice was not made out of stock of Rice within the State of Haryana. Secondly, ITC of Rs. 940691/- already reversed while framing the assessment on consignment sale made within the State Rice. Hence, there is no short reversal of ITC and hence, para needs to be dropped.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also sincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**79. M/s Shri Ganpati Trading Co., Kaithal TIN 6972108056, A.Y 2010-11:**

The original assessment for the year 2010-11 of M/s Shri Ganpati Trading Co. was made vide demand No. 24 /2010-11/ 13.05.2013 and allowed refund Rs. 513000/- and Excess Carried Forward of Rs.359087/-

The file is in the possession of State Vigilance Bureau, Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also sincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**80. M/s Varun Jute Industries, Kaithal, TIN 6522103599, AY 2010-11:**

The original assessment for the year 2010-11 of M/s Varun jute Industries was made vide demand No. 211 /2010-11/dated 03.10.2012 and allowed refund Rs. 900000/- and Excess Carried Forward of Rs.211497/-.

The file is in the possession of State Vigilance Bureau, Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**82. M/s Guru Nanak Rice & Gen Mills, Kaithal TIN 6542101066, A.Y. 2012-13:**

The case was assessed by the then Assessing Authority vide order no. 15/2012-13 and nil demand created. Case taken up by the JETC-cum-Revisional Authority for taken suo-moto action us/ 34 HVAT Act, 2003 read with section 9(2) of CST Act, & JETC-cum-Revisional Authority proceeding initiated. Revisional Authority has created demand of Rs. 116813/- order dated 01.10.2015. Now the file in possession of State Vigilance Bureau Ambala by the order of Hon'ble Punjab & Haryana High Court Chandigarh CWP No. 6856/2016/11.04.2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**83. M/s Mohindera Rice and Gen Mill, Dhand Kaithal TIN 648400517, A.Y. 2008-09:**

The assessment record of this firm sealed by State Vigilance Beuro on dated 18/5/16, Sr. No. 7 as per direction of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**84. M/s A.K. Trading Co., Kalayat Kaithal TIN 6142108270, A.Y 2013-14:**

No Audit objection raised by the Audit party during the assessment year 2013-14. Case was assessed vide A.A order 26/2013-14 dated 21.7.2014. However assessment for the year 2012-13 was framed vide A.A order 48/2012-13 dated 25.9.13.

Now, the file is in the possession of Vigilance Bureau, Ambala taken up on dated 18.5.16 in compliance the order of Hon'ble High Court in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**85. M/s Kalayat Adarsh Society Ltd, Kaithal TIN 67221077854, A.Y. 2010-11:**

It is intimated that the original assessment was framed by Sh. Anil Rao DETC-Cum Assessing Authority on dated 30.10.12. After that Sh. Vidya Sagar Jt. ETC-Cum Revisional Authority Kaithal has passed order u/s 34 of HVAT Act, 2003 & read with section 9(2) of CST Act 1956 on dated 27.8.2015 by creating demand of Rs. 73274/- VAT N-4 was served upon dated 7.9.2015. As per direction of Jt. ETC-Cum Revisional Authority vide orders dated 27.8.15 interest was levied of Rs. 42499/- and TDN N-4 served upon 19.2.18.

Now, the file is in the possession of Vigilance Bureau, Ambala taken up on dated 18.5.16 shown at Sr. No. 16 in compliance the order of Hon'ble High Court in CWP No. 6856 of 2016.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**102. M/s Mx Pave India, Sirsa TIN 6372916493, A.Y. 2010-11:**

In reply to audit objection, it is submitted that the original assessment record of the firms is under the custody of State Vigilance Hisar sent vide letter dated 20.5.2016 in view of the direction of Hon'ble High Court for Punjab and Haryana in CWP no. 6856/2016 titled as Raghbir Vs State of Haryana. Further, the Vigilance Department, Hisar has been approached vide letter no. 4642, dated 02.08.2018 for giving photocopies of assessment record in compliance with the direction of Addl. Chief Secretary to Haryana, Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. The Vigilance Department, Hisar has denied for the same for want of permission of their higher authorities.

This fact has already been conveyed to Ld. Excise & Taxation Commissioner, Haryana vide letter No. 950, dated 10.08.201. However, now the Vigilance Department has again requested to provide the photocopies of record vide letter dated 11.09.2018 and accordingly Vigilance Department, Hisar has constituted a committee comprising of one ETO and one TI from this office side. Further, more Dy. Excise & Taxation Commissioner(ST) himself contacted Vigilance Department on 18.09.2018 and they agree to provide the photocopies of record from tomorrow i.e. 19.09.2018.

**The Committee has desired that sincere efforts be made to obtain the relevant records from the Vigilance and all requisite action be taken and concluded in a time bound manner and also seincere and pragmatic efforts be made to recover the tax to augment the State revenue under intimation of the Committee.**

**110. M/s Advance Ventilation, Sonapat, TIN 6973007731 AY 2009-10:**

In reply to audit para it is intimated that the case file has been sent to Dy. Excise & Taxation Commissioner -cum- Revisional Authority, Sonipat for taking necessary Suo Moto action in this case. The case is fixed for hearing on 26.11.2008. As and when this action is completed the Audit will be informed accordingly.

**The Committee has desired that proceedings in the matter pending with the Revisional Authority be completed/concluded in a time bound manner under intimation of the Committee.**

**[ 12 ] 2.2.11.5(i) Underassessment / Excess refund due to non / incorrect reversal of ITC:**

Under Section 8 (1) of HVAT Act, if a dealer uses the goods (VAT paid) in manufacturing of taxable/tax free goods or partly disposes of the goods manufactured otherwise than by way of sale, input tax credit is allowable on pro-rata basis.

Audit noticed that during 2008-09 to 2011-12, 28 dealers under 10 DETCs (ST), purchased goods after payment of VAT of Rs. 1,864.41 crore and manufactured taxable & tax free goods or disposed of manufactured goods otherwise than by way of sale. Accordingly, ITC of Rs.15.49 crore was to be reversed proportionately against which the AAs, while finalizing assessments between November 2011 and July 2014 reversed ITC of only Rs. 9.88 crore. This resulted in less reversal of ITC and inadmissible refund of Rs.5.61 crore.

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

**2. M/s Maruti Suzuki India Ltd, Gurgaon (North) TIN 6941812368, A.Y. 2009-10:**

The company had capitalized 118 no. of vehicles for research and development which does not come under the goods disposed of otherwise than by way of sale, so ITC is required to be reversed as per section 8 of HVAT Act, 2003.

In reply to the audit para it is informed that during the year ITC has been reversed on 289 vehicles but ITC on 118 vehicles was not reversed as those vehicles were used in research and development during production. The matter has been re-examined and decided to take up these cases under revision for examining the illegality or impropriety including the issues raised by the Audit. The final position in the matter will be informed after the decision of revision cases.

Hence in view of the above discussed facts the audit para may be dropped.

**The Committee has desired that the matter be re-examined thoroughly in a time bound manner and action taken report be submitted to the Committee for consideration.**

**3. M/s Maruti Suzuki India Ltd, Gurgaon (North) TIN 6941812368, A.Y. 2010-11:**

The company had capitalized 177 no. of vehicles for research and development which does not come under the goods disposed of otherwise than by way of sale, so ITC is required to be reversed as per section 8 of HVAT Act, 2003.



In reply to the audit para it is informed that during the year ITC has been reversed on 324 vehicles but ITC on 177 vehicles was not reversed as those vehicles were used in research and development during production. The matter has been re-examined and decided to take up these cases under revision for examining the illegality or impropriety including the issues raised by the Audit. The final position in the matter will be informed after the decision of revision cases.

**The Committee has desired that the matter be re-examined thoroughly in a time bound manner and action taken report be submitted to the Committee for consideration.**

**6. M/s Victoria Automotive Inc. Gurgaon (East) TIN 6951815127, A.Y. 2008-09:**

The Audit Party had raised an objection that reversal of input tax in respect of the goods used in the branch transfer dispatches worth Rs.7,08,52,446/- has not been made. Non reversal of ITC resulted into irregular refund of Rs.996953/- and under assessment of tax of Rs.1621648- (4084042X70852446)

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In reply to the audit memo, it is submitted that the dealer had claimed input tax worth Rs.30,27,674/- in respect of the purchases made from within the State of Haryana and the reversal of input tax in respect of the goods used in branch transfer dispatches comes to Rs. 12,02,197/- (3027674X70852446 = 1202197)

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and not Rs.16,21,648/- as pointed out by the Audit Party.

The original assessment in this case was framed vide orders dated 20.03.2012. During the original assessment, the dealer did not furnish any F forms in support of claim of stock transfers, however, an amount of Rs.1,40,000 was reversed on account of stock transfers by the Assessing Authority. Later on the dealer furnished F forms worth Rs.70852446 and the order was rectified. A refund of Rs.9,96,953/- was allowed in the assessment order but the reversal of ITC on stock transfers was not made. The audit Memo was issued on 08.05.2015. The assessment order has already become time barred.

**The Committee has desired that the matter be re-examined thoroughly in a time bound manner and action taken report be submitted to the Committee for consideration.**

**15. M/s Nu-Chem Oils Pvt. Ltd., Taraori TIN 06732224297, A.Y. 2011-12 dated 28.06.2015:**

As per audit observation the dealer was allowed input tax credit (ITC) of Rs. 25044453/- against purchase of raw material after payment of VAT. The dealer had manufactured/tax free goods (Deoiled Cakes) worth Rs.172014033/-. During manufacturing of Oil from Rice Bran (Raw Material). Therefore, input tax credit was to be reversed on prorata basis. The assessing authority reversing ITC had taken quantity of Raw material/Tax Free goods into consideration whereas the VAT is paid on value and accordingly value of Tax Free Goods/GTO was to be taken into consideration. Hence, wrong reversal of ITC resulted into under assessment / excess refund of VAT of Rs. 1637389/-.

In reply to audit objection, it is stated that the case was sent to the Jt. Excise & Taxation Commissioner (Range), Ambala for taking suo moto action vide letter No. 2887/Ward-1 dated 08.10.2015. The Revisional authority has revised the order of the assessing authority and demand of Rs. 1637389/- has been raised vide orders dated 11.04.2016 as pointed out by the dealer. Appeal against the orders of the JETC(R). Ambala was filed vide STA No. 343/2016-17 which has been decided by the Hon'ble HTT vide orders dated 25.07.2018. The case has been remanded to the Revisional Authority Joint Excise & Taxation Commissioner (R), Ambala for fresh decision. The case has now been fixed for 15.11.2018 before Joint Excise & Taxation Commissioner (R), Ambala.

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

**The Committee has desired the proceedings in the case pending in revision be concluded in a time bound manner to protect the State revenue and action report be submitted to the Committee.**

**16. M/s Shri Krishna Agro Ind. Karnal TIN 6212236223, A.Y. 2012-13:**

The ITC was reversed on account of manufacturing of tax free goods(DOC) while calculating reversal of ITC value of TF goods manufactured out of local purchases was correctly taken but the GTO was taken including mfg. of RB Oil manufactured out of rice bran purchased from out of state. ITC was to be reversed. Hence the ITC was less reversed for Rs.1776570/-.

In reply to Audit objection raised by the audit it is submitted that the case was sent for suo moto action to the Dy. Excise & Taxation Commissioner (I), Karnal vide letter No. 2912/Ward No. 5, dated 08.10.2015. The Revisional Authority, Karnal vide his order dated 17-01-2018 has created an additional demand of Rs. 1764560/-. Further interest of Rs.67295/- was levied on Rs.1764560/- by the Assessing Authority vide his orders dated 15.03.2018 as directed by the Revisional Authority in his orders dated 17.01.2018. Total amount of Rs.1831855/- (1764560 + 67295) has been recovered/adjusted during the year 2014-15. Copy of order of Assessment Year 2014-15 is enclosed as proof of recovery. Keeping in view the para may please be dropped.

**The Committee has desired that the matter be re-examined thoroughly in a time bound manner and action taken report be submitted to the Committee for consideration.**

**18. M/s Mohindra Rice Mills, Dhand, Kaithal, TIN 6482100517, AY 2008-09:**

The audit has pointed out that the dealer had made consignment sale of rice worth Rs.6367475/- out of rice purchased from Haryana but no ITC was reversed by the Assessing Authority which resulted in non reversal of ITC worth Rs.5467.9

The case was assessed by Sh. Anil Rao, DETC-cum-AA kaithal vide D. No. 34/2008-09 dated 12.12.2011 allowing a refund of Rs. 51310/- and ECF Rs. 755394/-. The case was assessed under scrutiny criteria after thorough examination of account books. The dealer made consignment sales of Rice amounting to Rs. 2457255/- against F forms which are duly placed on file. The

objection raised by the audit party is not admitted as the consignment sales of Rice made out of stock of Rice purchased from outside the state of Haryana not from the stock within the state of Haryana. Hence, no reversal of ITC made.

The para may be kept pending as the commodity wise trading account is yet to be received.

**The Committee has desired the all necessary action be taken and concluded in a time bound manner to protect the State revenue and action report be submitted to the Committee.**

**20. M/s Kaithal Solvent P. Ltd, Kaithal TIN 6432105540, A.Y. 2010-11:**

*As per audit observation the dealer was allowed input tax credit (ITC) of Rs.11586227/- against purchase of raw material after payment of VAT. The dealer had manufactured/tax free bye-products (Deoiled Cakes) worth Rs. 124426400/- during manufacturing of Oil from Rice Bran (Raw Material). Therefore, input tax credit was to be reversed on prorata basis. The Assessing Authority reversed ITC of Rs.4615480 against the ITC of Rs.4966337 reversible. Wrong reversal of ITC resulted into under assessment / excess refund of VAT of Rs.350857/-.*

The case was assessed by Sh. Anil Rao, DETC-cum-AA kaithal vide D. No. 33/2010-11 dated 19.09.2012 allowing an refund of Rs.498500/- and ECF Rs. 541668/-. The case was taken up in suo-moto U/s 34 of HVAT Act, 2003 read with section 9(2) of CST act by the JETC-cum-Revision Authority Sh. Vidya Sagar to examine the illegality and impropriety of order, Revisional Authority vide order dated 11.08.15 created an additional demand of Rs. 154606/- on the point of less reversal of ITC by the AA and case was sent to AA for examination of interest point. After that the record was sealed by the State Vigilance Bureau Ambala, photocopies of which are received now. Interest of Rs.82764 has been computed.

The appeal filed by the dealer before the Haryana Tax Tribunal has been rejected.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues on account of additional demand and interest thereon under intimation of the Committee.**

**23. M/s Cheeka Solvent P. Ltd, Kaithal TIN 6032104790, A.Y. 2009-10:**

*As per audit observation the dealer was allowed input tax credit (ITC) of Rs. 9404528/- against purchase of raw material after payment of VAT. The dealer had manufactured/tax free bye-products (Deoiled Cakes) worth Rs.114577298/- during manufacturing of Oil from Rice Bran (Raw Material). Therefore, input tax credit was to be reversed on prorata basis. The Assessing Authority reversed ITC of Rs.4036208 against the ITC of Rs.4602323 reversible. Wrong reversal of ITC resulted into under assessment / excess refund of VAT of Rs. 566115/-.*

The case was assessed by the assessing authority order no. 45/2010-11/ 19-09-12. Case taken up by the Jt. ETC-cum revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act, &

revisional proceeding. Now the file in possession of Vigilance Bureau Haryana by the order of Hon'ble Punjab & Haryana High Court Chandigarh order no. 6856/2016/ 11.04.2016. Now, the photocopies of the record have been obtained. The proceedings in revision case will be restarted. The final reply will be submitted after decision by the revisional authority.

**The Committee has desired the all necessary action be taken and concluded in a time bound manner to protect the State revenue and action report be submitted to the Committee.**

**25. M/s Padam Kumar Amit Kumar, Sirsa TIN 6342916170, A.Y. 2010-11:**

In reply to audit objection, it is informed that during the quarter ending 30.9.2010, dealer has made total purchases of khal worth Rs. 22780177/- out of which, dealer has claimed ITC on the purchases of khal worth Rs. 4947133/- and balance purchases of khal of Rs. 17833344/- were made from the dealers of other States against C forms.

Similarly, dealer has made total sale of khal during the Q,E 30.9.2010 worth Rs. 20792914/- out of which, there was consignment sale of khal worth Rs. 16870877/- against F forms, Rs. 471294/- as local sale @5.25% and Rs. 3450743/- was against C forms @2%.

Hence, during the quarter, dealer has made purchases of khal from outside the State worth Rs. 17833344/-out of which there is consignment sale against F forms worth Rs. 16870877/-. Separate account of consignment is placed on the file. Hence, dealer is not liable for input reversal. However, the refund caes file was examined by the Jt.ETC (R), Hisar who has recommended reassessment of the case as some declaration forms submitted by the dealer have been found doubtful. The proceedings are yet to be completed.

**The Committee has desired that the the F-Forms submitted by the firm be got verified in a time bound manner to protect the State revenue and action report be submitted to the Committee.**

**26. M/s Ambaji Udhog Dabawali, Sirsa TIN 6142906774, A.Y. 2011-12:**

The audit has pointed out that ITC of Rs.186545 should have been reversed on stock transfer of goods valuing Rs.4099815 whereas the Assessing Authority has not made any reversal of ITC.

In reply to audit para, it is stated that the dealer has maintained separate accounts of local and CST purchases. During the quarter ending 31.12.2011, the dealer had opening stock of Rs.2020000 and also made purchases of Rs.3348123. Out of which the dealer had made consignment sales of Rs.4089815.

Perusal of assessment record reveals that the dealer has purchased **6130** qtls. Binola worth Rs. 9976500 from out of State of Haryana. On crushing of Binola purchased from outside the state, the dealer has sold 398.025 Qtls of cottonseed oil and 4556.950 qtls of Khal on consignment basis. The total quantity of consigned goods is 4954 qtl. As the dealer has made consignment sales only out

of cottonseed purchased from the out of State of Haryana hence no reversal of ITC is required. Keeping in facts mentioned above para may kindly be settled. A copy of Trading Account is also enclosed for perusal please.

**The Committee has desired that the matter be settled by taking in revision and all necessary action be taken to settle the matter in a time bound manner under intimation of the Committee.**

**[ 13 ] 2.2.11.5 (ii) Underassessment / Excess refund due to non / incorrect reversal of ITC:**

Under Section 8 (1) of HVAT Act, if a dealer uses the goods (VAT paid) in manufacturing of taxable/tax free goods or partly disposes of the goods manufactured otherwise than by way of sale, input tax credit is allowable on pro-rata basis.

ITC is admissible on purchases made from VAT dealers within the state after payment of VAT paid to the State by the selling dealers. The purchases are adopted as per the books of accounts/returns and reconciliation statement filed by the dealers.

Audit noticed that five dealers under four DETCs (ST), claimed ITC of Rs.1.40 crore as per annual return (R-2) filed by the dealers, but while finalizing assessment between October 2010 and March 2014, the AAs allowed ITC of Rs.2.36 crore on the basis of certificate of purchases (VAT/C 4) against admissible ITC of Rs.1.40 which resulted in excess benefit of ITC of Rs.96 lakh.

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

**1. M/s Laxmi Drug Store Ambala TIN 6971034460, A.Y. 2010-11:**

Audit party has pointed out that the dealer was allowed benefit of input tax credit of Rs. 669099/- without verification of returns.

In reply to audit memo, it is stated that the case has been sent to DETC(ST)-cum-Revisional Authority, Ambala vide letter no. 290 dated 11.06.2018 for taking Suo Moto action. The letter has been issued to O/o DETC (ST), Gurugram(South) for verification of purchases. The verification report has been received through email vide their office no.1893 dated 18.09.2018.

Revisional Authority has issued notice to the dealer for 29.08.2018. Thereafter, the case has been adjourned to 15.11.2018.

**The Committee has desired that the case pending in revision be settled at the earliest possible in a time bound manner and action taken report be submitted to the Committee.**

**2. M/s Ahlcon Ready Mix Concrete P. Ltd. Gurgaon (West)  
TIN 06661935809, A.Y. 2010-11:**

The Audit has raised objections that the dealer was assessed ex-parte on merit under Section 15(4) due to non production of account books. The Assessing Authority rejected all claims of concessional sale but ITC of Rs. 7511640/- was allowed without cross verification.

In response to the audit objection it is informed that the dealer was manufacturer of ready mix concrete (RMC). The firm has closed down its operations and got its RC cancelled in 2016. The whereabouts of the dealer are being traced to take up the case in revision.

Hence Para's need to be dropped.

**The Committee has desired that the case may be settled by taking it in revision at the earliest possible in a time bound manner and action taken report be submitted to the Committee.**

**3. M/s Addidas India Marketing Ltd, Gurgaon (South) TIN 6811926269, A.Y. 2009-10:**

**Verification of Payment**

The Audit has raised objection that the dealer had claimed ITC of Rs. 12333520/- in Annual return in form R-2 filed by the dealer but the Assessing Authority allowed benefit of ITC of Rs.12510024/- resulting into excess benefit of Rs. 176540/-.

In reply to the audit objection it is submitted that case has been taken up in revision and corrective action will be taken soon.

**The Committee has desired that the case pending in revision be settled at the earliest possible in a time bound manner and action taken report be submitted to the Committee.**

**[ 14 ] 2.2.11.5 (iii) Underassessment / Excess refund due to non / incorrect reversal of ITC:**

Under Section 8 (1) of HVAT Act, if a dealer uses the goods (VAT paid) in manufacturing of taxable/tax free goods or partly disposes of the goods manufactured otherwise than by way of sale, input tax credit is allowable on pro-rata basis.

As per guidelines issued by ETC on 21 March 2013, ITC on evaporation loss of Petrol/Diesel was to be reversed.

Audit noticed that 98 dealers under six DETCs (ST) purchased Petrol and Diesel during 2009-10 to 2011-12 and Rs.3.16 lakh liters Petrol and Rs.6.23 lakh liters Diesel valuing Rs.3.63 crore was claimed as evaporation loss by the dealer While finalising assessments between March 2013 and March 2014, the AAs had not reversed the ITC of Rs.0.50crore. This resulted in excess benefit of ITC of Rs. 0.50 crore on evaporation loss of Rs. 3.63 crore.

During exit conference, the department admitted the audit observation and assured to take action as per provisions of the Act/guidelines

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

Observation of the Department on Audit Para 2.2.11.5(iii) of CAG report for the year 2014-15.

Audit party in case of 98 dealers pertaining to 6 DETC's (ST) of the State pointed out that while framing assessment between March, 2013 and March 2014,

Assessing Authorities while framing the assessment of retail outlets of Petrol and Diesel have not reversed input tax credit on evaporation loss of Diesel and Petrol in view of instructions issued by Excise & Taxation Commissioner, Haryana vide memo no. 659/SFI, dated 21.03.2013.

The observations of the audit are admitted. Keeping in view the observations of the audit and instructions issued by ETC Haryana on dated 21.03.2013 and Punjab & Haryana High Court judgment dated 17.01.2014 in CWP no. 21948 of 2012 in case of All Haryana Petroleum Dealer Association, Bhiwani Vs State of Haryana, all 107 cases pertaining to 86 dealers instead of 98 dealers in this para were examined. After examination of the cases, Out of 107 cases of 86 dealers, revisional proceedings have been finalized in 40 cases of 34 dealers reversing ITC of Rs.12,70,948/- on evaporation loss of Petrol/Diesel. Out of additional demand of Rs. 12,70,948/- an amount of (Rs. 1,39,547/- + Rs. 2,67,959/-) = Rs. 4,07,506/- has been recovered/adjusted/deleted. Recovery proceedings for balance amount of Rs. 8,63,442/- have been initiated. It is further intimated that in remaining 67 cases pertaining to 52 dealers, revisional proceedings are under process.

In cases of the dealers mentioned at Sr. no. 46, 51, 87, 91, 92, 94, 95, 96, 97, 98, 99, 100 & 101 ITC has been recovered / adjusted out of excess input tax lying with the dealers.

The District-wise status of Action Taken Report is summarized in below chart: -

Sr. No.	Name of the District	No. of Dealers	Sr. No.	Total Cases	Corrective action completed	Corrective action pending	Additional Demand Created	Adjusted/ recovered	Deleted	Balance
1.	Fatehabad	12	1-16	16	Nil	16	0	0	0	0
2.	Hisar	15	17-37	21	Nil	21	0	0	0	0
3.	Jind	12	38-49	12	12	Nil	452453	0	0	452453
4.	Kurukshetra	7	50-57	10	10	Nil	531465	0	123095	408370
5.	Namraul	23	58-85	28	Nil	28	0	0	0	0
6.	Sirsa	17	86-105	20	18	2	287030	139547	144864	2619
	<b>Total</b>	<b>86</b>		<b>107</b>	<b>40</b>	<b>67</b>	<b>1270948</b>	<b>139547</b>	<b>267959</b>	<b>863442</b>

For ready reference the operative part of guidelines dated 21.03.2013 and judgment of High Court dated 17.01.2014 are re-produced as under:-

“When the goods in question are evaporated and lost but not actually sold, so no output tax liability is attracted. Hence there arises no reason to allow input tax credit on the purchase of these evaporated goods. So at the time of framing of assessment the assessing authority is required to ensure that this aspect is examined in totality, both in quantity and value terms. The Assessing Authority should give his analysis and remarks and pass a well-reasoned order while disallowing/reversing input tax credits.”

Hon'ble Punjab & Haryana High Court dismissed CWP no. 21948 of 2012 vide judgment dated 17.01.2014 of all Haryana Petroleum Dealer Association, Bhiwani and observed as under:

The argument has no merit. It is conceded fact that Ministry of Petroleum has allowed such losses to the extent of 0.6% in case of motor-spirit and 0.2% in case of high speed diesel. Vide separate instructions issued in this behalf to the assessing authorities, they were asked to ensure that the VAT payable at the hands of dealers, on this account, does not remain unassessed. Assessing authorities were further asked to ensure that the quantification of VAT on the basis of quantity of motor-spirit and high speed diesel sold during the assessment years finds a special mention in the assessment order. However, so far as gap regarding evaporation losses is concerned, in term of Clause (ii) of Entry 5 of the Schedule 'E' such liability of input tax shall be nil because petrol/diesel gets disposed of by way of loss in evaporation. This provision for ready reference is reproduced as below:-

Sr. No.	Description of Goods	Circumstances in which input tax shall be nil
5	All goods except those mentioned at Serial Nos.1 and 2	(i) (ii) When exported out of State or disposed of otherwise then by sale; (iii) (iv) (v)

Thus, this clause clearly obviates accounting for purposes of taking of input tax credit, since any quantity of shortage claimed is taken care of vide this clause. The petitioner's apprehension on this count is clearly unfounded as dealers are given full claim of input tax credit. The shortage on account of evaporation is taken care of by this clause".

However, dealer-wise status of revisional proceedings is given as under:-

**1. M/s Garg Petroleum, Ratia, Fatehabad TIN 06561404401, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 06.03.2014. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**2. M/s Garg Petroleum, Ratia, Fatehabad TIN 06561404401, AY 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional



Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**3. M/s Bala Petro City, Ratia, Fatehabad TIN 06591404918, AY 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**4. M/s B.H. Filling Station Fatehabad TIN 06851404581, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 15.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**5. M/s Vijay Kumar Ashok Kumar, Fatehabad TIN 06711400390, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 14.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**6. M/s Karan Chand Nagina Ram, Fatehabad TIN 06551400090, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 13.03.2014. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**7. M/s Karan chand Nagina Ram Fatehabad, TIN 06551400090,  
A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**8. M/s Ashoka Oil Co., Ratia Fatehabad TIN 06881400151, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 20.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**9. M/s Shree Jai Service Station Fatehabad TIN 06231404631,  
A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 10.12.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**10. M/s Shree Jai Service Station Fatehabad TIN 06231404631,  
A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 25.10.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**11. M/s Sh. Guru Jambeshwar Service Station Fatehabad,  
TIN 06751400174, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 20.11.2013. The case was sent vide this

office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**12. M/s Sh. Guru Jambeshwar Service Station Fatehabad  
TIN 06751400174, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 25.03.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**13. M/s Khushi Ram PermaNand, Fatehabad TIN 06881402770,  
A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.09.2012. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**14. M/s Kissan Filling Station, Fatehabad, TIN 06131404686,  
A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 15.11.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**15. M/s Kulria Krishi Kendra, Fatehabad, TIN 06401404489,  
A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.03.2013. The case was sent vide this office letter No. 289/Audit dated 12.06.2018 to DETC (I)-cum- Revisional

Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**16. M/s Saraswati Filling Station, Fatehabad, TIN 06611404034, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.11.2013. The case was sent vide this office letter No.289/Audit dated 12.06.2018 to DETC (I)-cum-Revisonal Authority, Hisar for necessary corrective action to cover up the loss of revenue. The case is now fixed for hearing on 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**17. M/s Saffron Petronet, Hisar, TIN 06191533760, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.03.2014. The case was sent to the Revisonal Authority-cum-DETC(I) Hisar, for revision on dated 19-04-2017. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**18. M/s Balaji Oil Corporation, Hisar TIN 06621521544, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 25.11.2013. The case was sent to Revisonal Authority cum-DETC(I) Hisar, for revision on dated 19-04-2017. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**19. M/s Saffron Petronet, Hisar TIN 06191533760, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.11.2013. The case was sent to Revisonal Authority cum-DETC(I) Hisar, for revision on dated 19-04-2017. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**20. M/s Adampur Service Station, Hisar TIN 06971508596 A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 06.11.2013. The case was sent to

Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**21. M/s Dham Petro City, Agroha, Hisar TIN 06381534286, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 15.11.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**22. M/s KrishanLalLakhi Ram Hisar TIN 06951501914, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 16.10.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**23. M/s Goyal Auto Service Adamppur, Hisar TIN 06291532347, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.08.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**24. M/s Jai Filling Station, Hisar TIN 06431533374, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.10.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**25. M/s B.S. Filling Station Hisar, TIN 0618153470, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 08.11.2013. The case was sent to Revisional Authority cum DETC (I) of Hisar for revision on dated 07-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**26. M/s Balaji Enterprises Hisar, TIN 06301533748, 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 12.11.2013. The case was sent to Revisional Authority cum DETC (I) of Hissar for revision on dated 07-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**27. M/s Balaji Enterprises, Hisar TIN 06301533748, A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 26.02.2014. The case was sent to Revisional Authority cum DETC (I) of Hisar for revision on dated 07-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**28. M/s Saheed Mahabir Singh, Hisar TIN 06211532585, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 16.09.2013. The case was sent to Revisional Authority-cum DETC(I), Hisar for revision vide letter No. 1120 dated 27-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**29. M/s Jai Dev City Petro, TIN 06771533926, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 27.09.2013. The case was sent to Revisional Authority-cum DETC(I), Hisar for revision vide letter No. 1120 dated 27-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**30. M/s Haryana Filling Station, Hisar TIN 06791518492, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 17.02.2014. The case was sent to Revisional Authority-cum DETC(I), Hisar for revision vide letter No. 1120 dated 27-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**31. M/s Haryana Filling Station, Hisar TIN 06791518492, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 08.10.2013. The case was sent to Revisional Authority-cum DETC(I), Hisar for revision vide letter No. 1120 dated 27-06-2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**32. M/s Goyal Auto Service, Hisar TIN 06291532347, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 19.09.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1109 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**33. M/s Hisar Filling Services, Hisar TIN 06711507830, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.11.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1121 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**34. M/s LokNath Hem Raj, Hisar TIN 06301506685, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 07.02.2014. The case was sent to

Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1121 dated 27.06/2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**35. M/s Ram Gopal Harbans Lal, Hisar TIN 06881503941, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.11.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1121 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**36. M/s Lok Nath Hem Raj, Hisar, TIN 06301506685, A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 07.02.2014. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1121 dated 27.06/2018. The case is now fixed for hearing for 30.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**37. M/s Hisar Filling Service Station, Hisar TIN 06071507830, A.Y. 2010-11/24.12.2013:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 24.12.2013. The case was sent to Revisional Authority-cum-Dy. Excise & Taxation Commissioner (Inspection) Hisar for revision vide letter No. 1121 dated 27.06/2018. The case is now fixed for hearing for 29.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**38. M/s Kwalita Filling Station Jind TIN 06782000830, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 16.12.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs 54811 vide order dated 27.07.2018. Copy of the order along with tax demand notice have been issued to the dealer for recovery of the demand.



**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**39. M/s Munjal Filling Station Safidon TIN 2904 A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.03.2014. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC Jind with an additional demand of Rs. 61236 vide order dated 30.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**40. M/s H.P. Mohit Petro Station, Jind, TIN 06822010357, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 31.03.2014. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 86072 vide order dated 30.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**41. M/s Malik Petroleum, Rohtak Road, Jind TIN 6352009942, A.Y. 2009-10:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 20.03.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 80654 vide order dated 27.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**42. M/s Mohindra Fuels, Uchana, TIN A.Y. 2009-10:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.03.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 18785 vide order dated 23.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**43. M/s Ami Lal Jain & Co., Hansi Road, Jind TIN 6872000829, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 28.11.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 36580 vide order dated 23.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**44. M/s Shanti Filling Station, Uchana TIN 6162010065, A.Y. 2009-10:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 06.03.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 23508 vide order dated 23.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**45. M/s Sumer Chand Mohinder Kumar TIN 6522000779, A.Y. 2009-10:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.03.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 28840 vide order dated 23.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**47. M/s Azad Petroleum, Kandela TIN 6672009572, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 27.11.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 24712/- vide order dated 27.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**48. M/s Highway Auto Services, Rohtak Road, Jind TIN 6202007297, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 30.11.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 23098 vide order dated 27.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**49. M/s Mahaluxmi Filling Station, Saffidon TIN 6382009780, AY 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 29.11.2013. The case was sent to the Revisional Authority on dated 18.05.2018. The case has been decided by the Revisional Authority-cum-DETC, Jind with an additional demand of Rs. 14157 vide order dated 30.07.2018. Copy of the order along with tax demand notice has been issued to the dealer for recovery of the demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**50. M/s Kaveri Fuel Center, Shahbad, Kurukshetra TIN 06112317079 A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 12.03.2014. The case was sent to DETC (I)-cum-Revisional Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 05.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 18.01.2017 and ITC of Rs. 26963/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**52. M/s PremNath Om Prakash Shahbad, Kurukshetra A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.06.2013. The case was sent to DETC (I)-cum-Revisional Authority, Karnal and Revisional Authority remanded the case

back to the AA vide order dated 02.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 17.01.2017 and ITC of Rs. 9242/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.2018, 16.03.2018 & 28.05.2018., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**53. M/s Vadhwa Filling Station, Shahbad, Kurukshetra A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 14.06.2013. The case was sent to DETC (I)-cum-Revisonal Authority, Karnal and Revisonal Authority remanded the case back to the AA vide order dated 04.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 18.01.2017 and ITC of Rs. 55372/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**54. M/s Kaushal filling Station, Shahbad, Kurukshetra A.Y 2010-11 and 2011-12:**

**A.Y.10-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 25.06.2012. The case was sent to DETC (I)-cum-Revisonal Authority, Karnal and Revisonal Authority remanded the case back to the AA vide order dated 04.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 08.09.2017 and ITC of Rs. 11805/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**A.Y. 11-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 28.11.2013. The case was sent to

DETC (I)-cum-Revisional Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 04.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 18.01.2017 and ITC of Rs. 17712/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**55. M/s Markanda Oil Store, Shahbad, Kurukshetra A.Y 2010-11 and 2011-12:**

**A.Y. 10-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 28.05.2013. The case was sent to DETC (I)-cum-Revisional Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 04.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 08.09.2017 and ITC of Rs. 89892/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**A.Y. 11-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 27.08.2013. The case was sent to DETC (I)-cum-Revisional Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 04.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 17.01.2017 and ITC of Rs. 104762/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**56. M/s Vadhwa Filling Station, Shahbad, Kurukshetra A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 28.11.2013. The case was sent to DETC

(I)-cum-Revisonal Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 06.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 17.01.2017 and ITC of Rs. 71349/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**57. M/s Jai Singh Filling Station, Shahbad, Kurukshetra A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 29.11.2013. The case was sent to DETC (I)-cum-Revisonal Authority, Karnal and Revisional Authority remanded the case back to the AA vide order dated 02.05.2016 with the directions for calculation and reversal of input tax credit on evaporation losses of Petrol and Diesel. After examination of account books, the remand case has been decided by the AA vide order dated 17.01.2017 and ITC of Rs. 21273/- has been disallowed on evaporation losses of petrol and diesel. Copy of order alongwith VAT N-4 has been issued to dealer. Further, notice for recovery has been issued & served upon the dealer on 18.01.18, 16.03.18 & 28.05.18., In view of the above facts, audit para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**58. M/s Khosya Fuels, Narnaul TIN 6382409420, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 05.02.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to JETC-cum- Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The next date of hearing before Jt. ETC(R)-cum-Revisonal Authority Rohtak is 26.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**59. M/s Nirmal Filling Station Narnaul TIN 6942409888, A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 09.05.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**60. M/s R.S. Fuels Narnaul TIN 6542410593, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 20.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**61. M/s Gupta Filling Centre Narnaul TIN 6542409817, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 21.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**62. M/s Baleshwar Filling Station, Narnaul TIN 6792409631 AY 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 22.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**63. M/s Gupta Fules Narnaul TIN 6842409846, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 27.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**64. M/s Gupta Filling Station, Narnaul TIN 63924404225, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 27.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of

the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**65. M/s Nirmal Filling Station Narnaul TIN 6942409888, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 29.08.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**66. M/s H. N. Filling Station, Narnaul TIN 6752409168, A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**67. M/s Girdhari Lal Ram Sarup, Narnaul TIN 6092402450, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 17.09.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**68. M/s Bhawani Filling Station, Narnaul TIN 6112408938, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 30.09.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**



**69. M/s Omkar Fuel Point, Narnaul TIN 6832410579, A.Y 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 30.09.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**70. M/s SidhiVinayak Service Station, Narnaul TIN 6972409338, A.Y. 2011-12./30.09.2013:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 30.09.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**71. M/s Ganpati Service Station, Narnaul TIN 6202409325, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 07.10.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 07.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**72. M/s SidhiVinayak Service Station, Narnaul TIN 6972409338, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 09.10.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**73. M/s Ganpati Service Station, Narnaul TIN 6202409325, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 09.10.2013. In view of CWP No. 21948 of

2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**74. M/s Shri Balaji Filling Station, Narnaul TIN 6892409188, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 14.10.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**75. M/s Rama Oil Co., Narnaul TIN 6972404197, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 22.10.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**76. M/s H.N. Filling Station, Narnaul TIN6752409168, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 11.11.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**77. M/s Dewan Petro Point Narnaul TIN 6892409479, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 20.11.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**78. M/s Shiv Oil Store, Narnaul TIN 6612405365, A.Y. 2011-12:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 12.11.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**79. M/s Shiv Oil Store, Narnaul TIN 6612405365, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 28.11.2013. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**80. M/s Dewan Banwari Lal Sanghi & Co., Narnaul TIN 6702401775, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 10.02.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**81. M/s Rawat Oil Company, Narnaul TIN 6772409739, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 12.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**82. M/s Tara Chand Nuniwal, Narnaul TIN 6652400978, A.Y 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 18.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**83. M/s Saraswati Filling Station, Narnaul TIN 6252409346, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 18.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**84. M/s Parkash Oil Store, Narnaul TIN 6652401463, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 24.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**85. M/s Mahalaxmi Petroleum, Narnaul TIN 6232409745, A.Y. 2010-11/13.03.2014:**

In reply to audit observation, it is intimated that original assessment in this case was framed by the AA vide order dated 13.03.2014. In view of CWP No. 21948 of 2012 of all Haryana Petroleum dealers Association Vs State of Haryana, case of the dealer has been sent to Revisional Authority for revision on dated 25.06.2018 vide letter no. 616/STA. The case is now fixed for hearing for 10.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**86. M/s Mahaluxmi Filling, Sirsa TIN 06672909926, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 16.12.14 has already been rectified vide order dated 21.1.2015 wherein an addl demand of Rs. 24392/- was created on account of input reversal on evaporation.

Further, dealer preferred appeal before the Jt ETC(Appeal) Hisar and case is remanded back by the Appellate Authority vide order dated 25.4.2018. Remand case has been decided by the AA vide order dated 26.07.2018 with nil demand. However, this case has been taken up for revision on 13.11.2018 and the case is fixed for 06.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**88. M/s Suraj Bhan, Sirsa TIN 06972901128, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 25.9.2013 has already been rectified vide order dated 21.1.2015 wherein an addl demand of Rs. 32342/- was created on account of input reversal on evaporation. Being aggrieved with the orders, dealer preferred appeal before the Jt. ETC(A) Rohtak who remanded the case back to AA vide his order dated 25.4.2018 received in this office on dated 22.5.2018. Remand case has been decided by the AA vide order dated 06.06.2018 with nil demand. However, this case has been taken up for revision on 13.11.2018 and the case is fixed for 06.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**89. M/s Ladha Petroleum, Sirsa TIN 06872915345, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 25.9.2013 has already been rectified vide order dated 25.9.2013 wherein an addl demand of Rs. 20173/- was created on account of input reversal on evaporation and same has been recovered against the excess input tax credit. Being aggrieved with the orders dealer preferred an appeal before the Jt. ETC(A) Rohtak who remanded the case back to the AA vide order dated 25.4.2018 received on dated 22.5.2018. Remand case has been decided by the AA vide order dated 06.06.2018 with nil demand. However, this case has been taken up for revision on 13.11.2018 and the case is fixed for 06.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**90. M/s LadhaStotic, Sirsa TIN 06752401900, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 30-09-2013 has already been rectified vide 13-01-2015 order dated wherein an addl demand of Rs. 55324/- was created on account of input reversal on evaporation and same has been recovered against the excess input tax credit. Being aggrieved with the orders, dealer preferred appeal before the Jt. ETC(A) Rohtak who remanded the case back to the AA vide order dated 25.4.2018 received in the office on dated 23.5.2018. Remand case has been decided by the AA vide order dated 05.06.2018 with nil demand. However, this case has been taken up for revision on 13.11.2018 and the case is fixed for 06.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**93. M/s HP Suraj Petro City, Sirsa TIN 061922914846, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 24.9.2013 has already been rectified vide order dated 13.1.2015 wherein an addl demand of Rs. 12633/- was created on account of input reversal on evaporation and same has been recovered against the excess input tax credit. The copy of rectification order is enclosed herewith. Further, dealer preferred appeal before the Jt ETC( A) Rohtak who remanded the case back to the AA vide order dated 25.4.2018 received in the office of dated 23.5.2018. Remand case has been decided by the AA vide order dated 06.06.2018 with nil demand. However, this case has been taken up for revision on 13.11.2018 and the case is fixed for 06.12.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**102. M/s Setia Filling station, Sirsa TIN 06352901113, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment order dated 25-09-2013 has already been rectified vide order dated 15.1.2015 wherein an addl demand of Rs. 2619/- was created on account of input reversal on evaporation. Tax demand notice and copy of assessment order has been issued to the dealer.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand at the earliest possible under intimation of the Committee.**

**103. M/s Setia Filling station, Sirsa TIN 06352901113, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment was made by AA vide order dated 30.01.2013. The case has already been sent to the Revisional authority for taking suo-moto action u/s 34 of HVAT Act 2003 vide letter No. 828 dated 7-6-2018. The case was fixed for 19.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**105. M/s Aditya KisanSewaKender, Sirsa TIN 06862916854, A.Y. 2010-11:**

In reply to audit observation, it is intimated that original assessment was made by AA vide order dated 05.03.2014. The case has already been sent to the Revisional authority for taking suo-moto action u/s 34 of HVAT Act 2003 vide letter No. 828 dated 7-6-2018. The case was fixed for 19.11.2018.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**[ 15 ] 2.2.11.6 (a) Underassessment/irregular refund due to misuse of form VAT D-1/VAT D-2:**

Under Rule 21 of HVAT Rules, a VAT dealer may purchase goods against Form VAT D-2 (without payment of tax) for exporting these out of India. Further under section 7(5) of HVAT Act, if any dealer fails to make use of goods purchased for the specified purpose, additional tax and penalty not exceeding to one and a half times of the tax, is leviable.

(a) Audit noticed that 11 dealers under six DETCs (ST), purchased Paddy and utensils during 2008-09 to 2012-13 valuing Rs.196.15 crore against Form VAT-D2 for the purpose of exporting them, but failed to do so and sold the said Rice/Utensils to the local dealers for further export against VAT-D2, valuing Rs.79.28 crore thereby becoming liable for penal action under Section 7 (5). However, while finalising assessments between March 2012 and August 2014, the AAs allowed the deduction of export against VAT D-2 and failed to levy additional tax of Rs.3.58 crore and penalty of Rs.5.37 crore leviable under Section 7 (5). This resulted in irregular refund of Rs.3.08 crore.

During exit conference, the department admitted the audit observation and assured to take action as per provisions of the Act.

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

As per provisions contained in Section 5 (3) of the CST Act, 1956 sales to a registered dealer in the course of export do not attract levy of VAT or CST. The exemption from levy of tax is subject to the condition that the buyer (exporter) shall give a declaration form D-2 in case purchases are made from within the state and form H in case the purchases are made from outside the State. The dealer making purchases against D-2 or H forms must have export orders from the foreign buyer. Such purchases against D-2 without payment of tax must be exported directly by the buyer. Non fulfillment of these conditions amounts to misuse of declaration forms. On examination of the cases in which Audit objections have been raised by the Audit it has been found that the rice procured from paddy purchased against D-2 has been exported directly (under section 5(i) of the CST Act). No misuse of D-2 form has been noticed.

**4. M/s Hanuman Rice & Gen., Kaithal, TIN 6522105151, A.Y. 2010-11:**

The audit has pointed out that the dealer had purchased paddy worth Rs.47540042 against Form VAT D2. The dealer has sold to exporters worth Rs.7773412 against Form VAT D-2. Out of paddy purchased against VAT D-2 Forms and thus violated provisions of Section 7(5).

The Case was assessed by the Assessing Authority vide order no. 35/2010-11/26-11-12. Case taken up by the Jt. ETC – Cum- revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act, & revisional proceeding initiated. Revisional Authority has created Add. Demand of Rs. 43903/- order dated 22.09.2015 and demand notice VAT N-4 was served up on 10-09-15. The demand has been recovered vide GR No. 0014467734 dated

30.10.15. The copy of commodity wise trading account is not available for verification. Therefore, the para may be kept pending.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**6. M/s Hanuman Rice & Gen., Kaithal, TIN 6522105151, A.Y. 2010-11:**

The Case was assessed by the Assessing Authority vide order no. 35/2010-11/26-11-12. Case taken up by the Jt. ETC – Cum- revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act, & revisional proceeding initiated. Revisional Authority has created Add. Demand of Rs 43903/- order dated 22-09-2015 and demand notice VAT N-4 was served up on 10-09-15. The demand has been recovered vide GR No. 0014467734 dated 30.10.15. The copy of commodity wise trading account is not available for verification. Therefore, the para may be kept pending.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**8. M/s R.K. Rice & Gen., Mills, Kaithal, TIN 6502106132, A.Y. 2010-11:**

The Case was assessed by the Assessing authority vide order no. 39/2010-11/26-11-12 and nil demand created Case taken up by the Jt. ETC revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act, & revisional proceeding. Now the copies of the file have been obtained. The revisional proceedings will be restarted. The final reply will be submitted after the decision in revision proceedings.

**The Committee has recommended that the proceedings in the case pending in revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**15. M/s Shiv Shakti International, Ambala TIN 6631040176, A.Y. 2008-09:**

Audit party has pointed out that the dealer purchased Rice against form VAT D2 for Export out of India and failed to Export themselves and sold the said goods to other exporters for further Export against VAT D2.

In reply to the audit objection it is submitted that the firm is engaged in the business of manufacturing and sale of rice. The original assessment in this case has been framed by the then assessing authority vide D No.62, dated 05.03.2012 and the copy of order was served to the dealer on 05.03.2012. The Audit Party has audited the file during the inspection in 2012-13, but no objection has been raised at the time of first audit. This file was never mentioned in the list of Non Production of file at the time of regular audit. Further the audit party has raised objection on 01.09.2015 in the special audit. The case was already time barred under limitation on 05.03.2015 at time of this special audit.



**The Committee has desired that the matter be examined thoroughly as to whether there is loss of revenue to the State nor not, in a time bound manner under intimation of the Committee.**

**[ 16 ] 2.2.11.6 (b) Underassessment/irregular refund due to misuse of form VAT D-1/VAT D-2:**

Under Rule 21 of HVAT Rules, a VAT dealer may purchase goods against Form VAT D-2 (without payment of tax) for exporting these out of India. Further under section 7(5) of HVAT Act, if any dealer fails to make use of goods purchased for the specified purpose, additional tax and penalty not exceeding to one and a half times of the tax, is leviable.

(b) Audit noticed that eight dealers of Kaithal and Karnal during 2009-10 to 2012-13 purchased Paddy valuing Rs. 254.97 crore against form VAT D-2 for export of Rice out of India but Paddy valuing Rs. 161.75 crore was still lying in stock at the end of the year. The dealer had also exported Rice out of Paddy/Rice purchased after payment of VAT and were allowed refund of Rs. 5.75 crore. The dealers were required first to export Rice out of Paddy/Rice purchased against form VAT D-2 and then out of VAT paid Paddy/Rice. Due to non compliance, the dealer was liable for penal action under Section 7 (5) of HVAT Act. While finalising assessments (June 2012 and July 2014), the AAs failed to levy additional tax of Rs.7.54 crore besides leviable penalty of Rs.11.31 crore, as the copies of the purchase orders from the foreign buyers were not found on record and further allowed irregular refund of Rs.5.75 crore.

During exit conference, the department admitted the audit observation and assured to take action as per provisions of the Act.

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

**7. M/s Hariom Foods, Kaithal, TIN 6742108910, A.Y. 2009-10:**

The original assessment for the year 2009-10 of M/s Hari Om Foods was made vide No. 35 /2009-10/dated 22.06.2012 and allowed refund Rs.1200000/- and Excess Carried Forward of Rs.5347133/-

In reply to audit It is stated that the assessment file for the year 2009-10 is not traceable. Efforts are being made to trace the file. Final reply will be sent shortly.

**The Committee has desired that in the matter, responsibility of the erring officer/official be fixed from whose custody/charge, the office records/files are missing under intimation of the Committee.**

**8. M/s Vishnu Overseas Pvt. Ltd., Kaithal TIN 6772104965, A.Y 2009-10:**

The audit has pointed out that the dealer purchased paddy against Form D-2 but at the close of the year, the stock was lying in the stock. By not exporting rice, the dealer has violated provisions of Section 7.

The case was taken in revision on this issue alongwith other issues he has given finding in his order at 03.11.2015, as under:-

“The dealer has opening stock of 5009.27Qtl.” rice superfine “as on 1-04-2009 under the head” rice superfine D-2 purchase/processed against D-2, in this regard submitted that export of rice on basmati have been banned by Govt. of

India vide notification no.93 (Re-2007) 2004-2009 of 1-04-2018 (copy of notification By DGFT enclosed for reference please) the Ban of “non basmati rice” continues till.8-09-2011 and Govt. of India lifted ban on export of non basmati rice vide notification issued by DGFT No. 71(RE2010)2009-14 dt. 9-09-2011 clearly mention export to be made by private parties from privately held stocks” (copy of notification by DGFT enclosed for reference please). Since there was no export of non basmati rice and which was beyond control of dealer/ exporter due to govt. notification for removal of ban and proper use of the stock for which it was procured. Thus there is no contravention of provision of the act.”

On other issues, the revisional authority has created additional demand of Rs.201679 under the VAT Act and Rs.2213876 under the CST Act. The dealer has filed appeal against the order of the Tribunal which is pending.

In view the above para may be dropped.

**The Committee has desired that the proceedings in the case pending in remand, be concluded in a time bound manner under intimation of the Committee.**

**[ 17 ] 2.2.11.7 Non-consideration of stock of Paddy/Rice purchased against form VAT-D2:**

Audit noticed that nine dealers under three DETCs (ST) (Kaithal, Karnal and Kurukshetra) purchased Paddy/Rice during 2010-11 to 2012-13 against form VAT D-2 and also after payment of VAT. The dealers exported Rice out of VAT D-2 purchases and VAT paid purchases. The dealers claimed and were allowed refund of Rs. 4.31 crore against export of Rice out of VAT paid purchases. The dealers had closing stock of purchases made against VAT D-2 Forms valuing Rs. 169.10 crore involving tax of Rs. 8.14 crore (presumed) and VAT paid stock valuing Rs. 69.87 crore involving tax of Rs. 3.12 crore. The dealers were required to export the Rice out of VAT D-2 stock first. Accordingly, while allowing refund, tax (presumed) involved in VAT D-2 stock was to be retained, as the copies of the purchase orders from the foreign buyers were not found on record. While finalising assessments between June 2012 and December 2014, the AAs did not retain the presumed tax involved in Paddy of VAT D-2 stock which resulted in excess refund of Rs.3.14 crore.

During exit conference, the department admitted the audit observation and assured to get the cases re-examined.

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

**7. M/s R.K. Rice & Gen. Mills, Kaithal, TIN 6502106132, A.Y. 2010-11:**

The audit has pointed out that the dealer had closing stock of paddy worth Rs.19923128 in D-2 account. The Assessing Authority while computing refund did not consider the tax involved in closing stock of paddy/rice purchased against Form D-2.

The correctness of the audit para is not admitted. However, it is stated that case has been taken up in revision by the Jt. ETC revisional authority & revisional proceeding. The record of the case was seized by the Vigilance Department. Now the copies of the file have been obtained. The revisional proceedings will be

restarted. The final reply will be submitted after the decision in revision proceedings.

**The Committee has desired that sincere and pragmatic efforts be made to conclude the revision proceedings in a time bound manner under intimation of the Committee.**

**9. M/s Hanuman Rice & Gen. Mills, Kaithal TIN 6522105151,  
A.Y. 2011-12:**

The correctness of the audit para is not admitted. The Case was assessed by Sh. Anil Rao DETC -cum- Assessing Authority Kaithal D. No 55/2011-12 dated 25.02.14. The case was taken up in scrutiny by the Jt. ETC – Cum- revisional authority u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act. The revisional proceedings could not be completed as the record was seized by the Vigilance Department. Now, the photocopies of the record have been obtained. The proceedings of revision will be started again. The final reply in this case will be submitted after decision in the revision proceedings.

**The Committee has desired that sincere and pragmatic efforts be made to conclude the revision proceedings in a time bound manner under intimation of the Committee.**

**[ 18 ] 2.2.11.8 Non levy of penalty under Section 10A of CST Act:**

Under Section 8 (3) of CST Act, a registered dealer can purchase goods against declaration Form C for resale, use in manufacturing/processing/ packing of goods for sale etc., but cannot purchase goods for self use i.e. for any purpose other than specified under the said section. Further, Section 10A provides for levy of penalty not exceeding one and a half times of the tax for non-use of the goods purchased for specified purposes.

Audit noticed cases of dealers under DETCs (ST) {Gurgaon (West), Hisar and Jhajjar}, who had purchased goods valuing Rs.2.19 crore involving tax of Rs.0.28 crore during the years 2009-10 to 2011-12, at concessional rate of tax against Form C. Two dealers (Hotelier and manufacturer) had purchased building material and one dealer (contractor) had purchased Truck. These dealers were not entitled to purchase these goods against Form C as the said goods were not used for the purpose for which the dealers were registered. While finalising assessments between November 2012 and March 2014, the AAs failed to levy penalty of Rs.42 lakh for misuse of forms C.

During exit conference, the department admitted the audit observation and assured to get the cases re-examined.

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

**1. M/s Sehgal Infrastructure Ltd, Gurgaon (South) TIN 06671918780,  
A.Y. 2011-12:**

In reply to this audit objection, it is submitted that originally the assessment was finalized in the office of Dy. Excise & Taxation Commissioner Gurugram (West) on 26.09.2013. In this case audit party (camp at Gurugram) raised an objection and the then Dy. Excise & Taxation Commissioner-cum-Revisional Authority had

taken the case in revision and issued notices. On reconstitution of four districts w.e.f. 01.01.2017 and creation of two posts of DETC (Inspection) in Gurugram the case was sent to the Dy. Excise & Taxation Commissioner (Inspection) Gurugram (North) vide this order memo no. 1030/EA/Dated 19.06.2017. Now, the case is under process in the office of DETC(I) Gurugram (North). The outcome of the same shall be communicated to after the finalization of proceedings by the Revisional Authority.

**The Committee has desired that sincere and pragmatic efforts be made to conclude the revision proceedings in a time bound manner under intimation of the Committee.**

**2. M/s Ravinder Kumar Contractor, Hisar TIN 06271533910, A.Y. 2010- 11.**

The case file was sent to the Dy. Excise & Taxation Commissioner (ST)-Cum-Revisional Authority, Hisar for Suo-moto action. He directed the Assessing Authority for taking penal action against the dealer as per law. In this respect tax, interest & penalty under section 10-A of CST Act has been imposed and a demand of Rs.15,81,300/- has been created for assessment year 2010-11 by the then Assessing Authority vide order dated 12.01.2016. The TDN & Challan had been served upon the dealer on 12.01.2016. The dealer preferred an appeal before the Joint Excise & Taxation Commissioner (Appeal), Rohtak camp at Hisar against the above said order. Joint Excise & Taxation Commissioner (Appeal), has dismissed an appeal filed by the dealer vide order 17.09.2018. Order received in office on 01.10.2018. Effort is being made to recover the pending demand.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm to augment the State revenue under intimation of the Committee.**

**3. M/s Belco Pharma Bahadurgarh, TIN 0611700256, A.Y. 2009-10:**

As per the audit objection it has been pointed out that the dealer is manufacturer of medicine u/s 7(1) for the CST Act, 1956 for manufacturing of medicines and pharmaceuticals but the dealer has made purchase of building material against the C-Forms. This act of the dealer is a violation of the conditions for the use of C-Forms and has attracted penal action u/s 10A of CST Act.

In reply to the above stated audit objection, it is submitted that the Revisional Authority i.e. Jt. Excise & Taxation Commissioner (Range), Rohtak vide its order dated 31.08.2018 revised the case and has created a demand of Rs.4,61,329/- under HVAT Act, 2003 and Rs.9,89,242/- under CST Act, 1956. Copy of order alongwith TDN has been served upon the dealer on 18.09.2018.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm to augment the State revenue under intimation of the Committee.**

**[19] 2.2.11.9 Excess refund due to allowing deduction against invalid documents:**

Section 5 (3) of the CST Act, provides that the last sale or purchase of any goods preceding the sale or purchase occasioning the export of those goods out of the territory of India shall also be deemed to be in the course of such export, if such last sale or purchase took place after, and was for the purpose of complying with the agreement or order for or in relation to such export.

Audit noticed that during 2009-10 to 2012-13, 18 dealers under three DETCs (ST) (Kaithal, Karnal and Kurukshetra) sold Rice valuing Rs. 112.10 crore to exporters of Rice to comply with the orders of Export. While finalising assessments between June 2012 and December 2014, the AAs allowed deduction of Rs. 28.34 crore under Section 5 (3) of CST Act against form VAT D-2. Documents of export submitted by the dealers along with form VAT D-2 were invalid because either the crop year of export of Rice did not tally with the crop year of sale of Rice or the export had already taken place or export was delayed by 5 to 7 months. Hence, allowing deduction against invalid documents resulted in excess refund of Rs.1.39 crore.

During exit conference, the department admitted the audit observation and assured to get the cases re-examined

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

**8. M/s Nav Bharat Rice & Gen. Mills, Kaithal TIN 06942101913, A.Y. 2011-12:**

The case was assessed by the then Assessing Authority vide order no. 33A/2011-12, dated 20.09.2012. Now the file is in the possession of State Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016/11.04.2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B (Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**10. M/s Amba Foods, Cheeka, Kaithal TIN 06212107989, A.Y. 2009-10:**

The case was assessed by the then Assessing Authority vide order no. 08/2009-10 dated 08.05.2012. Now the file in possession of Haryana Vigilance bureau, Ambala by the order of Hon'ble Punjab & Haryana High Court, Chandigarh CWP No. 6856/2016/11.04.2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B(Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**11. M/s Ishan International Kaithal TIN 06542106110, AY 2010-11:**

The original assessment for the year 2010-11 was made vide D.No. 08/2010-11/15.05.2013 and allowed ECF of Rs.638449/-. Case was taken up for suo moto action u/s 34 of HVAT Act, 2003 read with section 9(2) of CST Act, 1956 to examine the legality and propriety of the order by Sh. Vidhya Sagar, JETC-cum-Revisional Authority and a demand of Rs.16277/- was created vide order no. 29/10-11/24.08.2015. Order of Revisional Authority was served to the dealer on 12.09.2015. Notice of recovery served to the dealer on 25.05.2018.

Now the file is in the possession of Vigilance Bureau, Ambala taken up on 18.05.2016 in compliance of the order of Punjab & Haryana High Court, Chandigarh in CWP No. 6856 of 2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B(Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**13. M/s Mahadev Rice & Gen. Mills, Kaithal TIN 06972103594, A.Y. 2012-13:**

The case was assessed by the then Assessing Authority vide order no. 19/2012-13/30.06.2014 and nil demand created. Case taken up by the JETC-cum-revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with section 9(2) of CST Act & Revisional proceeding initiated. The Revision Authority has created demand of Rs. 116813/- vide order dated 01.10.2015. Now the file in possession of State Vigilance Bureau Ambala by the order of Hon'ble Punjab & Haryana High Court Chandigarh CWP No. 6856/2016/11.04.2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B(Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**14. M/s Hanuman Rice and Gen. Mills Cheeka Kaithal TIN 06522105151, A.Y. 2010-11:**

The case was assessed by the then Assessing Authority vide order no. 35/2010-11/26.11.2012 and nil demand created. Case taken up by the JETC-cum-revisional authority for taken suo-moto action u/s 34 HVAT Act, 2003 read with

section 9(2) of CST Act & Revisional proceeding initiated. The Revision Authority has created demand of Rs. 43903/- vide order dated 22.09.2015 and demand notice VAT N-4 was served up on 10.09.2015. Now the file in possession of State Vigilance Bureau Ambala by the order of Hon'ble Punjab & Haryana High Court Chandigarh CWP No. 6856/2016/11.04.2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B(Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**15. M/s Guru Nanak Rice & Gen. Mills, Kaithal TIN 06542101066, A.Y. 2009-10:**

The original assessment for the A.Y. 2012-13 was framed by Sh. Dharmvir Dahiya, Dy. Excise & Taxation Commissioner(ST)-cum-Assessing Authority vide order no. 34/2012-13 dated 20.10.2014, allowing refund of Rs. 688433/-. In response to the audit objection memo no. RS(ST) STP-3/2014-15/92, dated 12.03.2015 regarding non-accounting of 808.50 Qtls of Rice into sales as per trading/manufacturing a/c. In this regard, it is submitted that the value of 808.50 Qtls rice (ISS Purchase) is included in the upper column of H Forms total sale of Rs. 75808967/-. The sale is aggregated in H Forms sale 15856.08 Qtls (15047.58 Qtl + ISS 808.50 Qtls). The same fact may be verified from the Quantitative detail of audit report which is already placed on file. As per manual trading/manufacturing account, the total sales in quantity including H Forms (ISS purchase) of 808.50 Qtls. Reflects to 40185.47 qtls. and as per quantity details of CA's audit report reflects the same quantity i.e. 40185.47 qtls. Hence para may be dropped.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**17. M/s Rohit Foods P. Ltd, Kaithal TIN 06672108609, A.Y. 2011-12.**

The original assessment for the year 2011-12 in this case was made by Assessing Authority vide D.No. 47/11-12, dated 12.09.2013 and allowed refund of Rs. 1395620/- and excess carried forward of Rs.133973/-. Case was taken up for taking suo moto action u/s 34 of HVAT Act, 2003 and section 9(2) of CST Act 1956. To examine the legality and propriety of order by Sh. Vidhya Sagar, JETC – Cum-Revisional Authority, Kaithal created additional demand of Rs.3894/- under VAT Act and Rs.41718/- under CST Act vide D. No. 109/11-12/08.01.2016. Order of Revisional Authority was served to the dealer and dealer has deposited the above said amount of Rs. 3894/- and Rs.41718/- on 08.06.2016. Hence, para may be dropped.

The assessment record of this firm sealed by State Vigilance Bureau on dated 18.05.2016, as per directions of Punjab & Haryana High Court, Chandigarh in

CWP No. 6856 of 2016. DETC(ST) Kaithal had written a letter to State Vigilance Bureau, Ambala vide No. 2022/DTI dated 07.08.2018 to provide photocopy of the record but the same was refused vide their letter no 644/S.V.B(Ambala) dated 08.08.2018. Being the matter is subjudice, the photocopy of record can only be provided on the directions of Hon'ble High Court.

**The Committee has desired that sincere efforts be made to obtain the records from Vigilance and case be re-examined thoroughly in the State interest under intimation of the Committee.**

**[ 20 ] 2.2.11.10 Irregular refund to contractors/traders:**

As per Section 2 (ze) tax is leviable on material transferred in execution of works contract. Government fixed the value of Labour and Services at 25 per cent on 17 May 2010. Section 24 read with Rule 33 provides for deduction of TDS (WCT) and allowing benefit after due verification of payment from records.

Audit noticed from the records of assessment of works contractors and traders, in respect of 11 DETCs that tax was incorrectly calculated by applying formula without obtaining any evidence i.e. allowed excess deduction of labour and services, benefit of TDS without verification, refund against sale to self on C Form etc., in assessment and issue of irregular refund of Rs.54.45 crore to contractors/dealers, as detailed below:-

**Irregularities in issue of refund to works contractors and traders**

(Rs. in crore)					
Sr. No.	No. of DETCs.	No. of Contractors/dealers	Years of assessment	Nature of irregularities	Amount of irregular refund allowed
1	10	41	2006-07 to 2012-13	The AAs did not levy additional tax and penalty of Rs.7.83 crore (Rs. 3.13 tax + Rs. 4.70 penalty) against works contractors for misuse of VAT D-1 and allowed irregular refund of Rs. 5.83 crore.	5.83
2	6	22	2006-07 to 2012-13	The AAs levied tax on works contractors by formula worth Rs. 19.71 crore against leviable tax of Rs.20.67 crore without obtaining any evidence of inclusion of tax in the gross receipts. This resulted in allowing irregular refund of Rs. 0.96 crore.	0.96
3	5	23	2008-09 to 2011-12	While framing the assessments of works contractors, the AAs allowed deduction of Labour and Services worth Rs. 414.13 crore against allowable deduction of Rs. 212.24 crore without mentioning any justification. This resulted in allowing excess deduction of Rs. 201.89 crore and irregular refund of Rs. 17.72 crore.	17.72
4	1	1	2010-11 to 2011-12	The AA allowed deduction of fuel of Rs. 3.06 crore against allowable deduction of Rs. 1.61 crore resulting in allowing excess deduction of Rs. 1.45 crore and consequent irregular refund of Rs. 0.13 crore.	0.13
5	10	34	2004-05 to 2012-13	The AA allowed benefit of TDS (WCT) of Rs. 19.80 crore without verification from Daily Collection Register resulting in irregular refund of Rs. 16.32 crore.	16.32



6	3	8	2009-10	The AAs allowed refund to traders which was not covered u/s 20 (2) of HVAT Act resulting in irregular refund of Rs. 0.42 crore.	0.42
7	1	1	2010-11	The AAs allowed refund to dealers who shown sale to self/branch against Form VAT D-1/C resulting in irregular refund of Rs. 3.54 crore.	3.54
8	928	79	2004-05 to 2013-14	The AAs failed to levy tax on surrendered income, miscellaneous income, DEPB, allowed wrong ITC on fuel and other invalid purchases, allowed ITC more than claimed in return VAT R-2 etc. and allowed irregular refund of Rs. 9.53 crore.	9.53
	<b>Total</b>				<b>54.45</b>

During exit conference, the department admitted the audit observation (Sr. No. 1, 2 and 4 to 8) and assured to take action as per provisions of the Act. As regards Sr. No. 3, the department stated that deduction of labour in excess of 25 per cent can be allowed on the basis of proper accounts maintained by the contractor. However, the department assured to issue instructions to field offices for passing speaking assessment orders wherever deduction is allowed in excess of 25 per cent.

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

**1. M/s Parveen Kumar, Govt. Cont., Ambala TIN 6581045005, A.Y. 2008-09:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs.320233/-. The audit party has also raised objection on account of non verification of TDS worth Rs.332821/-.

In reply to the audit objection, it is submitted that, the case was assessed vide D No. 1126 Dated 27.3.2012 by the A.A which was sent to Dy.Excise and Taxation Commissioner-cum-Revisonal Authority for taking Suo Moto Action, who vide his order No.123/DETC, dated 28.2.2018 remanded the case back to the Assessing Authority stating their in that an illegality has crept in due to non levy of tax and penalty provided under Section 7(5) of the Act for the violation of 7(3) and 7(4) readwith Rule18 & 49(5) of the HVAT Rules 2003.

The Assessing Authority decided the remand case vide order no. 420-A dated 24.08.2018 and levied additional tax and Penalty Rs.320233/- (Tax of Rs. 128093/- and penalty Rs.192140/-). Demand notice in form VAT N-4 of Rs.320233/- issued & served upon the dealer on 24.8.2018. Dealer was again contacted and directed to deposit the additional demand by issuing recovery notice for 28.8.2018, 24.9.2018, 14.11.2018 and 06.12.2018. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

On the second point as objection raised by the audit party, all the TDS certificates have been verified.

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

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

**2. M/s Inder Pal & Co., Ambala TIN 6191045462, A.Y. 2010-11:**

**1. Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs.1073910/-. And Objection raised as being a regular works contractor he was not authorized to make purchase against "C" form.

In reply to the audit objection it is submitted that the case was assessed vide D.No.02 Dated 21.5.2012 by the A.A which was sent to the Revisional Authority, Ambala for taking Suo-moto action vide dispatch No.2454/Dated 10.08.2016. The Revisional Authority vide order dated 31.1.2017 conveyed vide Endst No.756/T.I(Range) dated 20.2.2017 remanded the case back to the Assessing Authority.

The Assessing Authority decided the case vide demand No.168-A dated 22.5.2018 in the light of judgement delivered by Hon'ble Haryana Tax Tribunal, Chandigarh in the case of Country Builders Pvt Ltd., Faridabad Vs State of Haryana reported as [2018] 60 PHT 18(HTT).

Further the Revisional Authority took the order dated 22.05.2018 for revision and decided the case vide Endst No.4000 Dated 24.08.2018 and created additional demand of Rs.4,29,564/-. Regarding levy of penalty under section 7(5), the case is decided in the light of judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18( copy of order enclosed)

Demand notice in form VAT N-4 of Rs. 4,29,564/- issued to the dealer on 24.8.2018. Dealer was directed to deposit the additional demand by issuing recovery notice for 14.11.2018 and 6.12.2018. Now the dealer has filed an appeal before Haryana Tax Tribunal. Ld. HTT has reserved the judgement on 10.01.2019..

In view of the above para may please be dropped.

**2. Para not admitted:** Audit Party has raised objection on account of being a regular works contractor he was not authorized to make purchase against "C" form. Resulted in excess refund of Rs.22,63,548/-

In reply to the audit objection, it is submitted that after 46th amendment in Constitution of India, a work contract in view of clause 29 (A) of article 366 of constitution of India, comes with in the purview of the definition of "tax on sale or purchase of goods". Deemed sales as envisaged under clause 29-A of Article 366, of the constitution are specifically covered within the definition of sales under the Central Sale Tax Act, 1956. the Hon'ble supreme court also held the contention in the case of M/s Raheja Development (2008) 32 PHT 468 (SC), The same also finds support in the judgement delivered by Hon'ble apex court in the case of M/s Larsen and Toubro Vs. State of Karnatka wherein it has been

established that the goods purchased by the works contractor against C Forms is used in works contract hence deemed sale.

In view of above para may kindly be settled.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**3. M/s A.N. Builders, Ambala TIN 6541038237, A.Y. 2009-10:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase the goods against D-1. Hence, liable to tax and penalty of Rs.445138/-.

In reply to the audit objection, it is submitted that the case was assessed vide DNo.1026 Dated 23.1.2013 by the A.A which was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 146/25.5.2018 conveyed vide Endst No.3088 Dated 21.6.2018 and created additional demand of Rs.1,78,055/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18.

Demand notice in form VAT N-4 of Rs.1,78,055/- served upon the dealer on 26.6.2018. Dealer was again directed to deposit the additional demand by issuing recovery notice for 28.8.2018, 24.9.2018, 14.11.2018 and 6.12.2018. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**4. M/s A.N. Builders, Ambala TIN 6541038237, A.Y. 2010-11:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs.1049295/-.

In reply to the audit objection, it is submitted that the case was assessed vide DNo.1405 Dated 20.2.2014 by the A.A which was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 147/25.5.2018 conveyed vide Endst No.3089 Dated 21.6.2018 and created additional demand of Rs.4,19,718/-.. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18.

Demand notice in form VAT N-4 of Rs.4,19,718/- issued and served upon the dealer on 26.6.2018. Dealer was again directed to deposit the additional demand

by issuing recovery notice for 28.8.2018, 14.11.2018 and 6.12.2018. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**6. M/s Bhagwan Dass & Sons, Ambala TIN 6421025305, A.Y. 2008-09:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs.510095/-.

In reply to the audit objection, it is submitted that the case was assessed vide DNo.998 Dated 20.1.2012 by the A.A which was sent to the Joint Excise & Taxation Commissioner(Range)-cum-Revisonal Authority(I) for taking Suo-moto action vide dispatch No.1751/CC(W-1) Dated 24.06.2016. The JETC(R)-cum-Revisonal Authority vide orders dated 31.1.2017 conveyed vide No.756/T.I(Range) dated the 20.2.2017 remanded the case back to the Assessing Authority stated their in that an illegality has crept in due to non levy of tax and penalty as provided under the Acts and Rules especially provided under Section 7(5) of the Act for the violation of 7(3) and 7(4) readwith Rule18 & 49(5) of the HVAT Rules 2003.

The Assessing Authority vide order no. 420-C dated 24.08.2018 has decided the remand case and levied additional tax and Penalty Rs 510125/- (Tax of Rs. 204038/- and Penalty Rs. 306087/- total of Rs. 510125/-). Demand notice in form VAT N-4 of Rs.510125/- issued to the dealer on 24.8.2018. Dealer was again directed to deposit the additional demand by issuing recovery notice for 14.11.2018 and 6.12.2018. Now the dealer has filed an appeal before Joint Excise & Taxation Commissioner(Appeal) Ambala. The case is yet to be fixed for any date.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**7. M/s K.M. Constructions, Ambala TIN 6371044975, A.Y. 2010-11:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs. 44628/-.

In the reply of the audit objection that it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 22.06.2018 conveyed vide Endst No.3107 Dated 22.6.2018 and created additional demand of Rs.17851/-. Regarding levy of penalty under section 7(5), the case was decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18(copy of order enclosed) Recovery

proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.17851/-, duly served upon the dealer on 26.06.2018. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

In view of above para may kindly be dropped.

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

**8. M/s Modi Construction, Ambala TIN 6391045449, A.Y. 2009-10:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs. 718543/-.

In reply to the audit objection it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 22.06.2018 and created additional demand of Rs.287417/-. Regarding levy of penalty under section 7(5), the case was decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18 (copy of order enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.287417/-, duly served upon the dealer. Now, the dealer has filed an appeal before Haryana Tax Tribunal. Ld. HTT has reserved the judgement on 11.01.2019.

In view of above para may kindly be dropped.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**11. M/s Suresh Kumar Gupta, Ambala TIN 6041025126, A.Y. 2009-10:**

**1. Para not admitted:** Audit Party has raised objection on account of being a regular works contractor he was not authorized to make purchase against "C" form. Resulted in excess refund of Rs. 214194/-.

In reply to the audit objection it is submitted that after 46<sup>th</sup> amendment in Constitution of India, a work contract in view of clause 29 (A) of article 366 of constitution of India, comes with in the purview of the definition of "tax on sale or purchase of goods". Deemed sales as envisaged under clause 29-A of Article 366, of the constitution are specifically covered within the definition of sales under the Central Sale Tax Act, 1956. The Hon'ble supreme court also held the contention in the case of M/s Raheja Development (2008) 32 PHT 468 (SC). The same also finds support in the judgement delivered by Hon'ble apex court in the case of M/s Larsen and Toubro Vs. State of Karnatka, wherein it has establish that the good purchased by the works contractor against C Forms is used in works contract hence deemed sale.

In view of above para may kindly be settled.

**2. Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs. 41337/-.

In reply to the audit objection it is submitted that the case was sent to Revisional Authority for suo-moto action.

The Revisional Authority remanded back the case to Assessing Authority vide Order no. 106 dated 13.02.2018. The Assessing Authority decided the remand case and levied additional tax of Rs 18839/- besides penalty of Rs. 18839/-, total of Rs 37678/-. The proceedings were initiated to recover the additional demand but the dealer preferred an appeal before the JETC(Appeal) against the order of AA. The case has not been fixed for any date yet.

In view of above, para may kindly be dropped.

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

**12. M/s Suresh Kumar Gupta, Ambala TIN 6041025126, A.Y. 2010-11.**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs. 164010/-.

In reply of audit objection it is submitted that the case was sent to Revisional Authority for suo-moto action.

The Revisional Authority remanded back the case to Assessing Authority vide Order no. 105 dated 13.02.2018.

The AA decided the remand case vide his order D.No 105-B dated 14.6.2018 and levied additional tax of Rs 65238/- besides penalty of Rs. 65238/- total of Rs. 130476/-.

The proceedings were initiated to recover the additional demand but the dealer has preferred an appeal before the JETC(Appeal) against the order of AA. The case has not been fixed for any date yet.

In view of above, para may kindly be dropped.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**13. M/s Anil Construction Co., Ambala TIN 6061034621, A.Y. 2009-10:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, he liable to tax and penalty of Rs. 828990/-.

In reply to audit objection it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisional Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 31.08.2018

conveyed vide endorsement No. 4105, dated 04.09.2018 and created additional demand of Rs.129720/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18(copy of order enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.129720/-, and served upon the dealer on 05.09.2018. The dealer preferred an appeal before Haryana Tax Tribunal and the case is fixed for 05.02.2019.

In light of above para may kindly be dropped.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**14. M/s S.K. Construction Co., Ambala TIN 6701024860, A.Y. 2010-11**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs.148780/-.

In reply to audit objection it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 22.06.2018 conveyed vide endorsement No. 3108, dated 22.06.2018 and created additional demand of Rs.59512/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18(copy of order enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.59512/-, duly served upon the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

In view of above para may kindly be dropped.

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

**15. M/s Raj Construction Co., Ambala TIN 6671038214, A.Y. 2010-11:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, he liable to tax and penalty of Rs. 338325/-.

In reply to audit objection it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 04.09.2018 conveyed vide endorsement No. 4106, dated 06.09.2018 and created additional demand of Rs.135330/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana

reported as (2018) 60PHT 18(copy of order enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.135330/- which was duly served on 08.10.2018. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

In view of above para may kindly be settled.

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

**16. M/s Dhingra Builders, Ambala TIN 6161034469, A.Y. 2010-11:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, he liable to tax and penalty of Rs. 192150/-.

In reply to audit objection it is submitted that the case was sent to the Dy. Excise & Taxation Commissioner (ST)-cum-Revisonal Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 31.08.2018 conveyed vide endorsement No. 4104, dated 04.09.2018 and created additional demand of Rs.74448/-. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18(copy of order enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.74448/- which was duly served upon the dealer on 05.09.2018. Dealer has preferred an appeal before Haryana Tax Tribunal. The case is fixed for 18.12.2018.

In view of above para may kindly be dropped.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**17. M/s Vridhi Construction Co., Ambala TIN 6641046912, A.Y. 2011-12:**

1. **Para Admitted:** The audit party raised objection of excess refund of Rs.4201/- on account of non levy of Surcharge.

In reply to audit objection, it is submitted that the case was sent to the DETC-cum- Revisional Authority, Ambala for taking suo moto action vide endst. No. 2768, dated 23.05.2018 The Revisional Authority created an additional demand of Rs. 14707/- (4201/-+ 10506/-), Recovery proceedings have been initiated against the dealer by issuing Demand Notice in form VAT N-4 worth Rs. 14707/- which was duly served upon the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

2. The audit party raised objection to grant excess refund of Rs. 44110/- on account of grant excess deduction of Labour in civil contractor as per provision of Rule 25(2)(b).



The Revisional Authority remanded the case to the Assessing Authority with the direction to pass a speaking order after giving a reasonable opportunity of being heard to the dealer on account of excess labour allowed in the original order. The assessing authority decided the remand case vide demand No.526-A dated 23.8.2018 and created an additional demand of Rs. 30667/-. The demand notice in form N-4 alongwith copy of order has been served upon the dealer. Hence, total demand of Rs. 30667/- has been created by issuing demand notice in form VAT N-4 which was duly served upon the dealer.

Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**18. M/s Anil Construction Co., Ambala TIN 6061034621, A.Y. 2010-11:**

**Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, he liable to tax and penalty of Rs. 828990/-.

In reply to audit objection it is submitted that the case was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisional Authority for taking Suo Motu action. The Revisional Authority decided the case vide order dated 31.08.2018 and created additional demand of Rs.181155/-(i.e 13.125%-4.20%) on account of difference of Tax. Further, so far as action under section 7(5) is concerned, Penalty of Rs. 5000/- has already levied in original assessment order dated 23.01.2014 (copy enclosed) Recovery proceeding initiated against the dealer by issuing demand notice in form VAT N-4 of Rs.181155/- which was duly served upon 05.09.2018. The dealer has preferred an appeal before Haryana tax Tribunal. Case is fixed for 05.02.2019.

In view of above para may kindly be dropped.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**19. M/s S.S. Associates, Ambala TIN 6041033080, A.Y. 2011-12:**

**1. Para admitted:** Audit Party has raised objection that refund of Rs.6998686/- has been allowed without proper verification of input tax.

In reply to audit objection it is submitted that the dealer has claimed provisional refund quarterly which was allowed by the then DETC and disposed the application of refund. But during the regular assessment the AA assessed the case u/s 15(1) of HVAT Act 2003 under "Deemed assessment" and allowed refund of Rs. 1394420/- excluding of provisional refund for Rs.5017027/-. The provisional refund has been issued after verification of documents/ original bill submitted by the dealer alongwith application in form VAT A-4.

The Audit Objection has been examined and the case is decided by the Revisional Authority on 29.09.2016 by creating demand of Rs. 6998686/- with the directions to the Assessing Authority to issue Tax Demand Notice and Challan N-4 alongwith the copy of Revisional Order to the dealer to recover the demand. The dealer has preferred appeal before the Hon'ble Haryana Tax Tribunal against the order of Revisional Authority. The Hon'ble Haryana Tax Tribunal vide his order STA 526/2016-17 dated 20.09.2018 allowed the appeal and set aside the order decided by the Revisional Authority. Hence, Para may be settled.

4. **Para admitted:** Audit Party has raised objection on account of purchase of the goods against D-1 forms, but the dealer is not authorised to purchase of the goods against D-1. Hence, liable to tax and penalty of Rs. 2610967/-.

In reply it is submitted that the case has been sent for suo motu action to Revisional Authority vide memo no. 2323 dated 11.12.2018.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble High Court and decision of the Hon'ble High Court be intimated to the Committee for its information/consideration.**

**20. M/s Parmod Kumar Contractor, Ambala TIN 6821039635, A.Y. 2009-10:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 390013/-.

The observation of audit is admitted that the case has been sent to the Deputy Excise & Taxation Commissioner-cum-Revisional Authority, Ambala vide memo no. 756 dated 30.01.2017 for taking suo-Moto action who vide Endst. No. 3106/ DETC Dated 22.6.2018 has decided the case and created additional demand of Rs. 156005/- (Difference of rate of tax 12.5%-4%). The Assessing Authority has issued TDN in form VAT N-4 alongwith copy of order which are duly served upon the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18.

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

**21. M/s Alpha Engg. & Builders, Ambala TIN 6741042783, A.Y. 2011-12:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 386705/-.

The observation of audit para is admitted that the case was sent to DETC(ST)-cum Revisional Authority to take suo moto action. The revisional Authority has

remanded the case to the Assessing Authority vide his order 134 dated 28.2.18 and order received on 17.4.18. The AA vide her order No 220A dated 04.06.2018 has levied tax of Rs. 148939/-. Copy of order and TDN in form VAT N-4 alongwith challan issued to the dealer. Recovery proceeding initiated and recovery notice has been issued for 20.09.18. Regarding levy of penalty under section 7(5), the case is decided in the light of latest judgement dated 09.01.2018 delivered by the Hon'ble Haryana Tax Tribunal in the case of M/s Country Builders Vs state of Haryana reported as (2018) 60PHT 18( copy of order enclosed)

Dealer has preferred appeal before Jt. ETC(Appeal), Ambala against the order of Assessing Authority. The case has not been fixed yet. Result of appeal will be communicated later on.

In view of the above para may kindly be dropped.

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

**22. M/s Shanti Constuction Co., Ambala TIN 6401024443, A.Y. 2010-11:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 543450/-.

The observation of audit para is admitted the case was sent to DETC-cum-Revisional Authority. The Revisional authority vide his order no. 92 dated 21.08.2017 has remanded the case on the issue of penalty u/s 7(5) of the HVAT Act 2003 for misuse of VAT D1 forms. The case was decided by Assessing Authority vide D.No. 175D dated 2.5.18 by creating an additional demand of Rs. 543450/- (217380/- as difference of tax and Rs. 326070/- as penalty) for the year 2010-11. Tax demand notice in form VAT N-4 has been issued alongwith copy of order which is duly served upon the dealer. The recovery proceeding has been initiated and recovery notice has been issued for 24.09.18.

Dealer has preferred appeal before Jt.ETC(A), Ambala against the order of Assessing Authority. The case is not fixed yet for any date. In view of above facts, para may kindly be dropped.

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

**23. M/s Shanti Construction Co., Ambala TIN 6401024443, A.Y. 2008-09:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 740863/-.

The observation of audit para is admitted the case was sent to DETC-cum-Revisional Authority. The Revisional Authority vide his order no.93 dated 21.08.2017 has remanded the case on the issue of penalty u/s 7(5) of the HVAT Act 2003 for misuse of VAT D1 forms. The case was decided by Assessing

Authority vide D.No. 175B dated 2.5.18 by creating an additional demand of Rs. 740863/ for the year 2008-09. The recovery proceeding has been initiated against the dealer to recover the outstanding demand and recovery notice has been issued for 24.09.18.

Dealer has preferred appeal before Jt. ETC(A), Ambala against the order of Assessing Authority. The case is not fixed yet for any date. In view of above facts, para may kindly be dropped.

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

**24. M/s Sham Kumar, Contractor, Ambala TIN 6661040208, A.Y. 2011-12:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 141415/-.

The observation of audit para is admitted that the case has been sent to the Deputy Excise & Taxation Commissioner-cum-Revisional Authority, Ambala vide memo no. 753 dated 30.01.2017 for taking suo-Moto action who vide Endst. No. 3087/ DETC Dated 21.6.2018 has decided the case and created additional demand of Rs 56566/- (Difference of rate of tax 12.5%-4%). The Assessing Authority has issued TDN in form VAT N-4 alongwith copy of order which is duly served upon the dealer. The Dealer has preferred an appeal against the orders of Revisional Authority before the Haryana Tax Tribunal vide appeal No. 240 / 2018-19. The Ld. HTT has set aside the orders of Revisional Authority vide his order dated 14.12.2018.

**2. Audit party has pointed out that Non levy of Surcharge of Rs. 6546/-:**

The observation of audit para is admitted that the case has been sent to the Deputy Excise & Taxation Commissioner-cum-Revisional Authority, Ambala vide memo no. 753 dated 30.01.2017 for taking suo-Moto action who vide Endst. No. 3087/ DETC/ Dated 21.6.2018 has decided the case and created additional demand of Rs 6546/- (Surcharge) The Assessing Authority has issued TDN in form VAT N-4 alongwith copy of order which are duly served upon the dealer

Audit party has point out dealer is works contractor and made purchases against "C" forms of Rs. 1385216/- . Hence, by using Form C the works contractor has violated the provisions of Section 8(3) of the Act ibid Accordingly, non-levy of penalty u/s 10A of the act ibid resulted in excess refund of Rs.272714/-.

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

**25. M/s Shanti Construction Co., Ambala TIN 640124443, A.Y. 2009-10:**

Audit party has raised the objection on account of purchase of the goods against VAT D-1 forms, but the dealer is not authorized to purchase of the goods against VAT D-1 Hence, liable to tax and penalty of Rs. 350223/-.

The observation of audit para is admitted that the case was sent to DETC-cum-Revisional Authority. The Revisional Authority vide his order no.94 dated 21.08.2017 has remanded the case on the issue of penalty u/s 7(5) of the HVAT Act 2003 for misuse of VAT D1 forms. The case was decided by Assessing Authority vide D.No. 175C dated 2.5.18 by creating an additional demand of Rs.350223/ for the year 2009-10. The recovery proceedings were initiated against the dealer by issuance of Tax Demand Notice in form Vat N-4 alongwith copy of order to recover the outstanding demand. The dealer has preferred appeal before Jt.ETC(A), Ambala against orders of Assessing Authority. The case has not been fixed for any date yet.

In view of above facts, the Audit Objection may kindly be dropped.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**29. M/s Indian Coop. Lab. & Const., Ambala TIN 6391045158, A.Y. 2009-10:**

1. Audit Party has raised objection that during execution of works contract material transferred to HUDA and Panchayati Raj is not in proper ratio resulted into excess refund of Rs. 34190/-.
2. The Audit Party has raised objection regarding excess labour allowed during assessment resulted into excess grant of refund of Rs. 220354/-

**Para is admitted on both issues.**

The case was sent for taking suo moto action to the Deputy Excise and Taxation Commissioner-cum-Revisional Authority Ambala vide this office memo. No. 2778/CC(W-5), dated 24.05.2018 who vide his order no. 184 dated 18.09.2018 remanded back the case to Assessing Authority with the direction to pass a speaking order on this issue of transfer the material to HUDA and Panchayati Raj on proportionate basis after verification from the account books. The Assessing Authority now vide her order dated 26.09.2018 created an additional demand of Rs. 60706.00 against the dealer on the issues of transfer of material to HUDA, Panchyati Raj and excess benefit of labour and expenses (copy of order is enclosed). Tax demand notice in form VAT N-4 has been served upon the dealer on 11.11.2018 and recovery proceeding will be initiated accordingly

Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**30. M/s Vridhi Constructions, Ambala TIN 6641046912, A.Y. 2011-12.**

**Para Admitted**

1. The audit party raised objection of excess refund of Rs.4201/- on account of non levy of Surcharge.

In reply to audit objection, it is submitted that the case was sent to the Deputy Excise and Taxation Commissioner-Cum- Revisional Authority, Ambala for taking suo moto action vide endst. No. 2768, dated 23.05.2018 The Revisional Authority created an additional demand of Rs. 14707/- ( 4201/-+ 10506/-) on account of surcharge and on account of misuse of VAT D1 form, Recovery proceedings have been initiated against the dealer by issuing Demand Notice in form VAT N-4 worth Rs. 14707/- which was duly served upon the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

2. The audit party raised objection to grant excess refund of Rs. 44110/- on account of grant excess deduction of Labour in civil contractor as per provision of Rule 25(2)(b).

The Revisional Authority remanded the case to the Assessing Authority with the direction to pass a speaking order after giving a reasonable opportunity of being heard to the dealer on account of excess labour allowed in the original order. The assessing authority decided the remand case vide demand No.526-A dated 23.8.2018 and created an additional demand of Rs.30667/-. The demand notice in form N-4 alongwith copy of order has been served upon the dealer. Hence, total demand of Rs. 30667/- has been created by issuing demand notice in form VAT N-4 which was duly served upon the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**32. M/s Piyush Cont. Engg. Co., Ambala TIN 6691039173, A.Y. 2009-10:**

Audit party has pointed out that the dealer was allowed deduction of labour etc. worth Rs.2050000/- which was in excess of the requisite percentage of 25% to the extent of Rs.1151100/- has resulted into excess grant of refund of Rs.46044/-.

The observation of audit para is admitted that the case was sent to DETC-cum-Revisional Authority. The Revisional Authority vide his order no. 114 dated 22.02.2018 has remanded the case with the observation that the deduction allowed on account of Labour and other charges are not in accordance with the rule 25(2) of the HVAT Act, 2003. The case was decided by Assessing Authority vide D.No. 175F dated 02.05.2018 by creating an additional demand of Rs. 46094/-. Recovery proceeding initiated and recovery notice has been issued for 24.09.2018. Dealer has preferred an appeal before JETC(Appeal). The case has not been fixed for any date yet.

In view of above facts, the Audit Objection may kindly be dropped.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**34. M/s Shyam Kumar Contr. Ambala TIN 6661040208, A.Y. 2008-09:**

Audit party has pointed out that the dealer was allowed deduction of labour etc. worth Rs. 11610185/- which was in excess of the requisite percentage of 25% to

the extent of Rs. 6288092/- has resulted into excess grant of refund of Rs. 251524/-.

The observation of audit para is admitted that the case was sent to DETC-cum-Revisional authority vide memo no. 763 dated 30.01.2017. The revisional authority vide his order no. 124 dated 28.2.18 remanded back the case to the AA on the issue excess labour allowed, The same has been received on 17.4.18.

The AA vide order No. 220C dated 04.06.2018 has decided the deduction on account of labour and created an additional demand of Rs. 127731/- and the assessing authority issued TDN in form VAT N-4 alongwith copy of order to the dealer The copy of the Remand Order passed by the Assessing Authority Vide her Order D.No. 220C dated-04.06.2018 is enclosed.

Audit party has point out dealer is works contractor and made purchases against "C" forms of Rs. 1733780/- . Hence, by using Form C the works contractor has violated the provisions of Section 8(3) of the Act ibid Accordingly, non-levy of penalty u/s 10A of the act ibid resulted in excess refund of Rs.104027/-.

The observation of audit para is not admitted that after 46<sup>th</sup> amendment in Constitution of India, a work contract in view of clause 29 (A) of article 366 of constitution of India, comes with in the purview of the definition of "tax on sale or purchase of goods". Deemed sales as envisaged under clause 29-A of Article 366, of the constitution are specifically covered within the definition of sales under the Central Sale Tax Act, 1956. the Hon'ble supreme court also held the contention in the case of M/s Raheja Development (2008) 32 PHT 468 (SC), The same also finds support in the judgement delivered by Hon'ble apex court in the case of M/s Larsen and Toubro Vs. State of Karnatka, wherein it has establish that the good purchased by the works contractor against C Forms is used in works contract hence deemed sale.

The Dealer has preferred an appeal against the orders of Revisional Authority before the JETC (APPEAL) vide appeal No. 241/2018-19. The case has been fixed for 14.12.18.

In view of above para may kindly be settled.

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

**40. M/s Vijay Kumar Nanda & Associates, Ambala TIN 6161042423,  
A.Y. 2010-11:**

**Point No.1 of the para is admitted:** Audit party has pointed out that dealer was allowed Excess deduction of labour.

The case was sent to DETC-Cum- Revisional Authority, Ambala to take suo moto action. The Revisional Authority remanded the case to the Assessing Authority with the direction to decide the case afresh after verification of account books of the dealer, on the issue of Excess deduction of Labour vide order dated 27.04.2018 conveyed vide Endst. No.140, Dated 27.04.2018. The Assessing

Authority decided the remand case vide D.No. 880B dated 17.09.2018 creating an additional demand of Rs. 85674/- on account of excess deduction of Labour. VAT N-4 has been issued to the dealer on 17.09.2018. The dealer preferred an appeal before JETC(Appeal) against the orders of Revisional Authority. The case has not been fixed for any date yet.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**41. M/s Vijay Kumar Nanda & Associates, Ambala TIN 6161042423, A.Y. 2011-12:**

**Point No. 2 of the para is admitted:** Audit party has pointed out that dealer was allowed Excess deduction of labour.

The case was sent to DETC-Cum- Revisional Authority, Ambala to take suo moto action. The Revisional Authority remanded the case to the Assessing Authority with the direction to decide the case afresh after verification of account books of the dealer, on the issue of Excess deduction of Labour vide order dated 27.04.2018 conveyed vide Endst. No. 141, dated 27.04.2018. The Assessing Authority decided the remand case vide D.No. 880C dated 17.09.2018 creating an additional demand of Rs. 25949/- on account of excess deduction of Labour. VAT N-4 has been issued to the dealer on 17.09.2018. The dealer preferred an appeal before JETC (Appeal) against the orders of Revisional Authority. The case has not been fixed for any date yet. Hence, the para may be dropped.

**The Committee has recommended that the proceedings to decide the appeal by the Appellate Authority i.e. Joint ETC, be concluded in a time bound manner under intimation of the Committee.**

**42. M/s Mangal Const. Co., Ambala TIN 6151044223, A.Y. 2010-11:**

**Para Admitted:** Objection raised on excess deduction of Labour in civil contractor.

In reply to audit objection it is submitted that the case was sent to the Deputy Excise and Taxation Commissioner-Cum- Revisional Authority, Ambala for taking suo moto action in the matter vide endst. No. 2807/ dated 23.05.2018, The revisional Authority has remanded the case vide, dated 22.06.2018 with the observation to decide the case after thoroughly verification as the deduction allowed on account of Labour and other charges are neither in accordance with the rule 25(2) of Haryana Value Added Tax Rules, 2003 and nor passed a speaking order in original assessment. The Assessing Authority vide order No. 526-D dated 23.08.2018 has decided the deduction on account of labour and created an additional demand of Rs. 88968/- and the assessing authority issued TDN in form VAT N-4 alongwith copy of order to the dealer The copy of the Remand Order passed by the Assessing Authority Vide her Order dated-23.08.2018 is enclosed.

Now, the arrear has been declared under Land Revenue Act and summons have been issued.



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

**43. M/s Mangal Const. Co., Ambala TIN 6151044223, A.Y. 2011-12:**

**Para Admitted:** Objection raised on excess deduction of Labour in civil contractor.

In reply to audit objection it is submitted that case was sent to the Deputy Excise and Taxation Commissioner-Cum- Revisional Authority, Ambala for taking suo moto action in the matter, The revisional Authority has remanded the case vide order, dated 22.06.2018 with the observation to decide the case after thoroughly verification as the deduction allowed on account of Labour and other charges are neither in accordance with the rule 25(2) of Haryana Value Added Tax Rules, 2003 and nor passed a speaking order in original assessment. The Assessing Authority vide order No. 526-C dated 23.08.2018 has decided the deduction on account of labour and created an additional demand of Rs. 49327/- and the assessing authority issued TDN in form VAT N-4 alongwith copy of order to the dealer The copy of the Remand Order passed by the Assessing Authority Vide her Order dated-23.08.2018 is enclosed. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**48. M/s Goyal Engineers, Ambala TIN 6421032774, A.Y. 2010-11:**

1) Audit party has pointed out that dealer was allowed excess refund of Rs.10012/- due to non-levy of surcharge.

The para on point no. 1 is admitted and the case was sent to the Deputy Excise & Taxation Commissioner-cum-Revisional Authority, Ambala for taking suo-Moto action vide memo No.142 dated- 15.10.2015. The revisional authority vide demand No.138 dated 27.04.2018 has created an additional demand of Rs. 10012/- on account of surcharge /additional tax.

2) Audit party has pointed out that dealer was allowed inadmissible ITC worth Rs. 7207/-( 5337+1870) due to non reversal of ITC on account of purchases of computer and LED TV.

The observation of the audit on point no. 2 is admitted. The revisional authority vide demand No.138 dated 27.04.2018 reversed the input tax of Rs. 7207/- on purchase of Computer & LEDTV

3) Audit party has pointed out that during the assessment the assessing authority not reduce the tax from the refund on account of closing stock worth Rs.196875/-.

The observation of the audit on point no. 3 is admitted. The Revisional Authority creating the additional demand of Rs. 196575/- vide demand No.138 dated 27.4.2018 on account of closing stock of taxable goods which was refunded to

the dealer by the assessing authority in original order. Now the total demand of Rs. 213794/-(10012+7207+196575) has been created by the revisional authority and directed the assessing authority to served TDN alongwith copy of order. Copy of order and TDN in form VAT N-4 alongwith challan issued to the dealer. Now, the arrear has been declared under Land Revenue Act and summons have been issued.

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

**49. M/s Wipro Ltd, Ambala Cantt. TIN 6281031881, A.Y. 2008-09:**

**Para admitted:** Audit Party has raised objection on account of deduction of sale to SEZ Units was wrongly allowed to the dealer. Therefore under assessment of tax and excess of refund worth Rs.735317/-.

In reply to the audit objection, it is submitted that, the case was assessed vide D No.1116 dated 26.3.2012 by the A.A which was sent to the Dy.Excise & Taxation Commissioner (ST)-cum-Revisional Authority for taking Suo Motu action. The Revisional Authority decided the case vide order No.122 Dated 28.2.2018 and created additional demand of Rs. 735317/-.

Notice of Demand (TDN) of Rs.735317/- issued to the dealer on 14.6.2018 in form N-4 which was duly served upon the dealer on 14.6.2018. Dealer directed to deposit the additional demand by issuing recovery notice for 14.7.2018, 24.9.2018, 14.11.2018 and 6.12.2018. Now the dealer has filed an appeal before Haryana Tax Tribunal. The case is fixed for 27.02.2019.

Hence, the par may please be dropped.

**The Committee has recommended that State interest be protected in the matter pending before Hon'ble Haryana Tax Tribunal and decision of the Tribunal be intimated to the Committee for its information/consideration.**

**56. M/s Good Year India Ltd., Faridabad (South) TIN 6711202219, A.Y. 1973 to 1977 & 1980-81:**

The audit has raised objection on non-filing of appeal against Hon'ble Haryana Tax Tribunal's order dated 31.01.2011 which led to issue of payment of refund worth Rs. 4939896/- and interest thereon.

In reply to this audit Para, it is submitted that the refund was allowed to the dealer in compliance of Hon'ble HTT order dated 31.01.2011. For filling the appeal against the Hon'ble Haryana Tax Tribunal order regular references were made by District Office well in time. But decision could not be taken at the Appropriate level and finally it was advised by the Head Office vide letter NO. 4136/DA/A4 dated 29.11.2013 that there is no need to file the appeal in this case.

Hence para may please be dropped.

**The Committee has recommended that this case be re-examined in a time bound manner and fresh reply be submitted for the consideration of the Committee.**

**67. M/s Mehar Pressure Die Casting, Faridabad (W) TIN 6881325170,  
A.Y. 2010-11:**

In reply to the audit memo, it is submitted that there is a clerical mistake in assessment order that the dealer is engaged in Manufacturing of Motor Vehicle Parts instead of Die Casting Component. The audit team has pointed out that the dealer has purchased of CNG for Rs. 41,82,682 but actually the purchased was PNG. He purchased Piped Natural Gas (PNG) of Rs. 41,82,682/- as consumables directly used in such manufacturing process for production of finished product. We are of the considered view that PNG which is used in the process of manufacturing of finished product. Which was catalyst with PNG to reach the desired temperature of Rs. 750 degree Celsius which would initiate melting. Hence, Input Tax Credit allowable to him.

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

**69. M/s Shree Maa Luxmi Enterprises, Faridabad (W) TIN 6401323785,  
A.Y. 2010-11:**

In reply to audit objection, it is stated that the assessing authority has rightly allowed the refund for Rs. 5,34,953/- as per provisions of 20 (2) of HVAT Act. In addition to the difference in the rate of tax of sale and purchases made for the assessment year 2010-11, the dealer also accrue refund due to excess brought forward Rs. 3,25,726/- from the assessment year 2009-10. This excess brought forward due to local purchases and central sale against C forms at lower rate of tax and all the tax paid in the previous year was duly verified.

This has been made very clear from the assessment order as well as report of the refund committee and the said amount also comes under Section 20(2) of HVAT Act. Thus the refund has rightly been allowed. Hence, para be dropped.

**The Committee has recommended that this case be re-examined in a time bound manner and fresh reply be submitted for the consideration of the Committee.**

**87. M/s Manu Electricals Pvt. Ltd., Gurgaon (East) TIN 6331826041,  
A.Y. 2009-10:**

The Audit Party has raised an objection that the dealer has been allowed refund of Rs.2,54,087/- which is not covered u/s 20(2) of HVAT Act, 2003 which resulted into irregular refund of Rs. 2,54,087/-. In this connection, it is submitted that the Assessing Authority on finalization of the assessment of the dealer found that the dealer has paid an amount in excess of Rs. 2,54,087/- on account of excess tax deducted at source by the contractee out of the payments made to the dealer firm and allowed refund as per provisions of section 20(4) of the HVAT Act, 2003.

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

**The Committee has recommended that this case be re-examined in a time bound manner and fresh reply be submitted for the consideration of the Committee.**

**91. M/s K.C. Trading Co., Gurgaon (East) TIN 6271821418, A.Y. 2011-12:**

The Audit party had raised an objection that the dealer has neither sold goods at the concessional rate of tax nor exported the goods so the case is not covered u/s 20(2) of Haryana Value Added Tax Act, 2003, which resulting in irregular refund of Rs. 2,00,000/-. In reply to the audit memo it is submitted that the dealer deals in the trading of sanitary goods, paints, thinner etc. The assessment for the year 2011-12 was framed and resulted excess input of Rs. 748849/- out of which Rs.548849/- was retained as excess carry forwarded to the next year and Rs.200000/- was allowed for refund adjustment order, on the basis that the dealer has sold some goods at concessional rate of tax @4.20% during this year and in the previous year's also and Rs 118010/- was taken as brought forwarded in this assessment. In this case refund was not allowed, only "refund adjustment order" in form "VAT G9" of Rs. 200000/- made allowed and the same was adjusted in recovery of due arrears against the sister concern of the aforesaid firm namely M/s K.C. Traders, Gurgaon TIN 06611824420 (proof attached)

In view of the foregoing facts this para may please be dropped.

**The Committee has observed that the reply of the department is not complete. It is, therefore, recommended that fresh and complete reply be submitted to the Committee at the earliest for its consideration.**

**92. M/s Bharti Walmart Pvt. Ltd., Gurgaon (East) TIN 6751828041, A.Y. 2010-11:**

1. The Audit party had raised then objection that the transaction of interstate sales/purchases from within the state of Haryana have not verified. In reply to the audit memo it is submitted that objection raised by the audit party is not on account of revenue loss rather it pertains to that processoral lapses. The dealer firm had made bulk of the purchases from M/s Gillete India Limited, Gurugram TIN 06761918779, M/s Sony India Pvt. Ltd., Gurugram TIN 06281933108 and M/s Perfetti Van Melle India Pvt. Ltd., Gurugram TIN06521917068 the bulk of the purchases made by the dealer firm have now been verified from the LS-9 list of selling dealer of the above mentioned firms and no discrepancy notice. Further, the interstate transactions have also been verified online and no discrepancy notice.

2. The Audit party had also raised then objection that the refund was paid out of the tax paid by M/s Gillete India Limited, Gurugram TIN 06761918779. As per rules of financial improperly refund was to be paid out of the money paid by the dealer from whom purchases were made. In reply to the audit memo it submitted that the dealer company had made bulk of the purchases made purchases worth Rs. 5,66,26,833/- from M/s Gillete India Limited, Gurugram. Hence, the refund was issued out of the payments made by the said selling firm. This can be said to be a procedural lapse as in general refund form of State Treasury Rule 34, hereinafter referred as STR we have to mention that refund is

allowed against this particular amount of tax deposited. Since, M/s Gillette India Ltd., has deposited large amount of tax and in State Treasury Rule 34 this amount has been shown refunded against its tax receipts. As per vat position, Performa VAT 49 refund is to be issued against Major Head-0040- tax on sales, trade etc. In VAT 49 we do not have to mention that these refund is given against this particular amount of tax deposited. STR 34 is prescribed by CAG of India in which it is mandatory to mention the amount of tax against which the refund is issued. In VAT, refund is issued against the Input Tax Credit which might have been deposited by so many dealers in various districts. This accumulated input tax credit is to be refunded and we can't mention individual entities of tax deposited by different dealers. To sort out the problem only name of few highest tax payer dealer is mentioned. Hence, in view of above mentioned facts it is requested that para may be dropped being a difference in refund forms prescribed by CAG of India and VAT 49 Performa.

**The Committee has desired that the case be re-looked into and after verification, a fresh and complete reply be submitted to the Committee at the earliest for its consideration.**

**94. M/s Jai Jai Ram Singh, Gurgaon (East) TIN 6201820826,  
A.Y. 2009-10:**

The audit party raised objection that deduction worth Rs.13005754/- on account of labour cess, Advance etc have wrongly been allowed by the Assessing Authority which resulted into under assessment/excess refund of Rs.520320/-. Further, the audit party raised 2<sup>nd</sup> objection that the dealer had received gross payment of Rs.477276278/- but at the time of assessment gross receipts were taken as Rs.450253910/- i.e. less by Rs.27022368/-. In reply to the audit memo it is submitted that the case file has been sent Dy. Excise & Taxation Commissioner (Inspection) for taking suo moto action under section 34 of The Haryana Value Added Tax Act, 2003. Final outcome of the case shall be intimated accordingly.

**The Committee has desired that the proceedings of the revision be concluded in a time bound manner and thereafter, outcome in the revision be intimated to the Committee for its consideration.**

**95. M/s Monica Enterprises, Gurgaon (South) TIN 6201826161,  
A.Y. 2011-12:**

In reply to the audit, it is submitted that the case file has been send for taking Suo-Moto to the DETC (I), Gurugram (North) vide this office memo no. 4420 dated 12.11.2018. Now the case is fixed for 08.12.2018.

**The Committee has desired that the proceedings of the revision be concluded in a time bound manner and thereafter, outcome in the revision be intimated to the Committee for its consideration.**

**102. M/s Saru International Pvt. Ltd Gurgaon (North) TIN 6911823976,  
A.Y. 2009-10:**

In reply to the audit objection it is submitted that the dealer has three branches. One at Gurgaon and the others at Delhi, and Jaipur. The consolidated closing

stock of the firm is Rs. 292378444/- however, the closing stock pertaining to Gurgaon Branch is Rs. 217273389/- Which shall be taken for computing the reversal on closing stock. The audit has wrongly taken the closing stock as Rs. 276097000/- instead of Rs. 217273389/-. Hence the reversal on closing stock shall be as under:-

$$\frac{217273389 \times 1544713}{378288487} = 887220$$

The ITC reversal actual made is Rs.813328/- .The order has been rectified and The difference amount of (Rs.887220/- Rs.813328/-) Rs.73892/- has been deposited. Vide GRN No.0037309093 Dated 20-07-2018.DD. No.210375.

Further the other issues raised in the audit para regarding other income is explained as under:-

Loss on FPS certificate	=	(345044)
Trade Discount	=	848655
Sample development charges	=	4014167
	=	4517778

Further the break up of export incentives in the forms of FPS certificate is as under:-

Gurgaon	=	6135118
Delhi	=	1802537
Total	=	7937655

In view of the above explanation, the audit para may kindly be dropped.

**The Committee has recommended that this case be re-examined in a time bound manner and fresh reply be submitted for the consideration of the Committee.**

**104. M/s Katyani Traders, Gurgaon (East) ,TIN 6081820407, A.Y. 2012-13:**

The Audit Party raised objection that dealer was allowed refund of Rs. 587311/- on account of sale against Vat D-I but no evidence in support of sale against concessional rate of tax is placed on record. Accordingly, in the absence of such evidence the refund was wrongly allowed to the dealer. In reply to the audit memo, it is submitted that the case file has been sent Dy. Excise & Taxation Commissioner (Inspection) for taking suomoto action under section 34 of The Haryana Value Added Tax Act, 2003. Final outcome of the case shall be intimated accordingly.

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

**105. M/s Modeliama Exports Ltd., Gurgaon (East) TIN 6761822070, A.Y. 2011-12:**

In reply to audit objection where in the audit party has pointed out that that they have done scrutiny of the case and has found out that the tax on sale of

machinery has not been imposed resulting into excess refund of Rs.396601/-. Also the tax rate on hire charges of machinery has been imposed @ 5% instead of 13.0125% resulting in excess refund of Rs.95700/-. In this respect it is submitted that as per sale reconciliation placed on file, the sale of machinery (as shown in asset schedule) has been duly included in taxable turnover and tax liability on Rs.5438242/- has duly been discharged, further hiring of genset has been made to manufacturer hence the rate of tax shall be applicable as per provision against D-1 and not @ 13.125%. According to entry 44 of schedule c of HVAT Act 2003, leasing shall be taxable @ 4% in case of M/s Hewlett Packard Financial Services India Pvt. Ltd. Gurgaon. In view of the above discussions it is stated that there been no under assessment of tax.

Para may kindly be dropped.

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

**110. M/s Radnik Exports, Gurgaon (East) ,TIN 6801816519, A.Y. 2011-12**

In reply to audit objection where in the audit party has pointed out that that they have done scrutiny of the case and has found out that the dealer has sold fixed assets worth Rs.1920555/- and received export incentive worth Rs.213514887/- but neither the A.A. has discussed in order nor tax was levied there upon, this observation of audit party is in complete contradiction to the facts and documents placed on file. The export incentive has accrued on a/c of duty draw back all the related proofs are part of file. Further Balance sheet is consolidated and all bills related to sale of fixed assets have been procured and placed on file. The sale of assets from within the State of Haryana have duly been subjected to tax reducing the refund claimed by Rs.38325/-, there is no under assessment of tax in the case.

Para may kindly be dropped.

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**111. M/s P & G Enterprises, Gurgaon (East), TIN 6621822244, A.Y. 2010-11:**

1. The Audit Party has raised an objection that VAT R-2, Manufacturing and Trading Account are not placed on record. In this connection, it is submitted that the annual return in-form VAT R-2, Manufacturing and Trading Account were furnished by the dealer on 30.11.2011 and the same were examined by the Assessing Authority at the time of original assessment. The copy of VAT R-2, Manufacturing and Trading Account are enclosed herewith. So, no penalty u/s 37A is leviable and the audit para needs to be dropped.

2. The Audit Party has raised an objection that documents in respect of deductions of export sales and branch transfer dispatches are not placed on record. In this connection, it is submitted that the export documents and 'F' forms

in respect of stock transfer dispatches were furnished by the dealer at the time of assessment and the same are lying in a separate file being bulk in quantity. Moreover, the same were also examined by the Assessing Authority at the time of original assessment and on examining these documents the deductions were allowed.

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

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**113. M/s V & S International, Gurgaon (East), TIN 6551818063, A.Y. 2004-05:**

In reply to audit objection where in the audit party has pointed out that purchase tax was leviable on branch transfer of DEPB worth Rs. 20713270/- as per provisions of section 3(3). In this respect it is stated that as per the provisions of section 3(3) the purchase tax is leviable in the circumstances where he purchases or receives any taxable goods in the State from any source in the circumstances that no tax is levy or paid under this act and he either exports them out of State or uses or disposes off in the circumstances in which no tax is payable under this act or central act. The DEPB license is not received or purchased within State but is acquired by virtue of orders of central government. Since in these circumstances no excess refund of Rs.828530/- (20713270 @ 4%) was issued.

Para may kindly be dropped.

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**114. M/s Apex Encon Projects P.Ltd., Gurgaon (South) TIN 6531927781, A.Y. 2010-11:**

In reply to audit, it is intimated that by the order of the Excise & Taxation Commissioner, Haryana dated 07.10.2016 the proceedings in this case have been assigned to Sh. Shiv Kumar, J.E.T.C (Range)-cum-Revisonal Authority, Hisar for revision. The said authority, has fixed the case several times and the last notice issued on 11.09.2018. Outcome of the revision case will be intimated in due course after decision.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**117. M/s Apex Encon Projects P. Ltd., Gurgaon (South) TIN 6271927781, A.Y. 2010-11:**

In reply to audit, it is intimated that by the order of the Excise & Taxation Commissioner, Haryana dated 07.10.2016 the proceedings in this case have been assigned to Sh. Shiv Kumar, J.E.T.C (Range)-cum-Revisonal Authority



Hisar for revision. The said authority, has fixed the case several times and the last notice issued on 11.09.2018. Outcome of the revision case will be intimated in due course after decision.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**122. M/s Ambitions Marketing Co., Gurgaon (North) TIN 626192523, A.Y. 2010-11:**

The file has been sent to Revisional Authority-cum DETC Inspection (Gurgaon) North for Suo Moto Action.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**123. M/s Panalfa Auto Electric Co., Gurgaon (South) TIN 6661930668, A.Y. 2008-09 and 2009-10:**

**2008-09 :** The Para is not accepted as The sales of D.E.P.B (Export incentives has been reflected in the returns filed.

In reply to audit para it is submitted that out of total export incentive of Rs.3490272/- received during the year, an amount of Rs 2267315/- has been received as D.E.P.B. The balance amount has been received as Duty Draw back which is not taxable

The said DEPB received has been either sold in the same year or in the next year or has been adjusted towards import duty payable. Detail of same is as under:

Total DEPB Received	Sold during the year	Sold next Year	Adjusted towards import duty
2267315/-	NIL	2152787/-	114528/-

The above said D.E.P.B. sold has been duly reflected in the returns filed by the dealer and has been assessed . A chart of total DEPB received, detail of sales made , amount of tax , invoice no, date and Adjusted towards import duty is also enclosed.

In the light of above para may please be dropped.

**2009-10:** The Para is not accepted as The sales of D.E.P.B (Export incentives has been reflected in the returns filed.

In reply to audit para it is submitted that out of total export incentive of Rs. 9449472/- received during the year, an amount of Rs 9089155/- has been received as D.E.P.B. The balance amount has been received as Duty Draw back which is not taxable.

The said DEPB received has been either sold in the same year or in the next year or has been adjusted towards import duty payable. Detail of same is as under:

Total DEPB Received	Sold during the year	Sold next Year	Adjusted towards import duty
9089155/-	4765145/-	3265697/-	1058313/-

The above said D.E.P.B. sold has been duly reflected in the returns filed by the dealer and has been assessed .A chart of total DEPB received, detail of sales made , amount of tax , invoice no, date and Adjusted towards import duty is also enclosed

In the light of above para may please be dropped.

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**125. M/s Panalfa Auto Electric Co. Gurgaon (South), TIN 6661930668, A.Y. 2011-12:**

The Para is not accepted as the sales of D.E.P.B (Export incentives has been reflected in the returns filed.

In reply to audit para it is submitted that out of total export incentive of Rs. 11948744/- received during the year, an amount of Rs 9076601/- has been received as D.E.P.B. The balance amount has been received as Duty Draw back which is not taxable.

The said DEPB received has been either sold in the same year or next year or has been adjusted towards import duty payable. Detail of same is as under:

Total DEPB Received	Sold during the year	Sold next Year	Adjusted towards import duty
9076601/-	2688731/-	NIL	6387870/-

The above said D.E.P.B. sold has been duly reflected in the returns filed by the dealer and has been assessed .A chart of total DEPB received, detail of sales made , amount of tax , invoice no& date and Adjusted towards import duty is enclosed

In the light of above para may please be dropped.

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**129. M/s Jaycon Infrastructure Ltd., Gurgaon (North) TIN 6642505501, A.Y. 2011-12:**

As reveals from the assessment order dated 11.11.2014, the assessment was framed under sub section 3 of section 15 of the HVAT Act, 2003 & CST Act, 1956 both and claim of export sales of Rs. 12060000/- under section 5(3) of the CST Act ag. Form H was correctly allowed after due verification and checking from the books of account produced by the dealer during the course of assessment proceedings as per the provision of sub section 3 of section 5 of the CST Act, 1956 by the assessing authority as mentioned in assessment order itself.

Hence, there is no under assessment of any tax as pointed out in the said audit para and the same needs to be dropped having no weight.

**The Committee has recommended that the matter be re-looked into and fresh reply be submitted to the Committee at the earliest possible for its consideration.**

**130. M/s Ambitions Marketing Co., Gurgaon (North) TIN 6261926523, A.Y. 2010-11:**

The file has been sent to Revisional Authority-cum DETC Inspection (Gurgaon) North for Suo Moto Action.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**131. M/s Honda Motor Cycle & Scooter India (P) Ltd Gurgaon (West) TIN 6131921599, A.Y. 2008-09:**

The audit observed that an excess benefit of refund of Rs. 8450088/-, besides interest, resulted due to non-reversal of ITC on replacement of defective parts free of cost.

The examination of the facts of the case reveal that the amount contended to be sale by the audit is actually a warranty expense re-imbursement, against debits notes, to retail outlets who have paid tax on the spare parts exchanged free of cost under warranty for the customer. The transaction does not involve any transfer of property in goods at hands of M/s Honda Motor Cycle and scooter India (P) Ltd., Gurgaon. Moreover, Honda Motor Cycle Scooter India (P) Ltd. has also not claimed any ITC on these expenses.

The department stands with the view taken above that there is no excess benefit of refund involved.

Hence the audit para may please be dropped.

**The Committee has desired that the matter be re-examined thoroughly to protect the State revenue and action taken report be submitted to the Committee for information/consideration.**

**134. M/s Trident Marketing Solutions, Gurgaon (South) TIN 6051924262, A.Y. 2009-10:**

In reply to the audit para it is submitted that the case file has been sent for Revision to the Revisional Authority vide letter no 1927 dt 21.09.2018. The outcome of the same will be intimated in due course.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**135. M/s Trident Marketing Solutions, Gurgaon (South) TIN 6051924262, A.Y. 2010-11:**

In reply to the audit para it is submitted that the case file has been sent for Revision to the Revisional Authority vide letter no 1928 dt 21.09.2018. The outcome of the same will be intimated in due course.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**136. M/s P.R. sales Agency, Gurgaon (South), TIN 6661629019, A.Y. 2011-12:**

Kindly refer to the audit objection raised by the audit party, the reply is submitted that the case has been sent for Suo Moto Action U/s 34 of the HVAT Act, 2003 to Ld. DTEC (Insp). The result in respect of revision will be communicated in the due course.

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**138. M/s RMC Readymix (i), Gurgaon (West), TIN 6651030237, A.Y. 2009-10:**

In reply to audit para, it is submitted that the dealer case has been reassessed vide order no. 259 A/ dt 27.02.2018 & additional demand of Rs. 402114 has been raised against the dealer. Recovery proceedings are in progress. Hence the para may please be dropped.

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

**140. M/s Annant Raj Construction, Gurgaon (West) TIN 6931931344, A.Y. 2009-10:**

The assessment order for AY 2008-09 has been revised by Dy. Excise & Taxation Commissioner (ST)-cum-Revisional Authority, Gurugram (West) in suo-moto action vide order no.1D/24-02-2015 and created a demand of Rs.42871208/- hence no issued of excess carried forward during 2009-10 remain pending. As well as interest was levied by the Assessing Authority of Rs.42871208/- vide disposal no.4A dated 09-03-2015. This order was agitated in appeal before Haryana Tax Tribunal which vide order dated 03-03-2017 was set-aside. Hence the para please may be dropped.

**The Committee has recommended that the interest of the State be protected meticulously before the Hon'ble Haryana Tax Tribunal and the decision of the Tribunal be also intimated to the Committee.**

**145. M/s Bihari Lal Mengh, Karnal TIN 6772234557, A.Y. 2009-10:**

(1) As per audit observation the dealer is a contractor assessed to tax as regular contractor had executed works contracts for various Govt. Offices, Railway Department and other construction work worth Rs.22705553/-. The AA had

however, levied tax @ of 4% instead of @ 12.5 %. This had resulted in short levy of tax of Rs. 1225245/- beside interest. 2. Refund allowed for Rs. 238196/- was also inadmissible in this case. 3. The dealer had submitted TDS certificate worth Rs. 800814/- which was allowed subject to verification of the deposits of the same but were not verified from the concerned department. Hence the claim of TDS worth Rs. 800814/- becomes inadmissible.

In reply to audit objection, it is stated that the case was sent to Revisional Authority for taking suo-moto action. The DETC (I)-cum-Revisional Authority, Karnal remanded the case to Assessing Authority vide order dated 31.05.2016.

1. Remand case is decided by assessing authority order dated 30.05.2018 by creating additional demand of Rs. 17,19,747/- (1480551+239196 on account of ECF). Further interest of Rs. 779255/- also levied by assessing authority order dated 02.08.2018.

2. Refund was never been allowed to the dealer instead ECF of Rs. 239196/- was allowed in original order and same amount is created in remand case order decided by Assessing Authority by allowing ECF of Rs. 239196/-.

3. In remand case assessment, cross verification of TDS was not got effected. So all claim of TDS are disallowed and additional demand created accordingly as discussed above of 1719747/- (1480551+239196).

Recovery proceedings have been initiated. Dealer has preferred appeal before JETC (A), Ambala against remand order.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**148. M/s Diamond Constr. Co., Kaithal TIN 6592108556, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is a regular Contractor. Original assessment for 2012-13 was made by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order no. 3/2012-13 dated 25.04.2014, allowing refund of Rs 7963971/-. The case was taken up by JETC-cum-Revisional Authority for Suo moto action. The assessment record of the firm for the year 2012-13 was taken up on 18.05.2016 in the custody by the State Vigilance Bureau Ambala in compliance the order of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/ Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dated 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**149. M/s Jagvinder Singh Contr. Kaithal TIN 6752108177, A.Y. 2009-10:**

In response to audit memo, it is intimated that the original assessment for the year 2009-10 of M/s **Jagvinder Singh Contractor Kalayat (Kaithal)** was assessed by the Assessing Authority Sh. Ashok Bansal ETO vide D No. 37 dated 7.6.12 by allowing refund of Rs. 55502/-. Case was taken up for revision by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 67838/- vide orders dated 17.3.16. Notice in Form VAT N-4 was served upon the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district vide this office letter No. 3110 dated 24.8.18.

**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**150. M/s Jagvinder Singh Contr. Kaithal TIN 6752108177, A.Y. 2008-09:**

In response to audit memo, it is intimated that the original assessment for the year 2008-09 of M/s **Jagvinder Singh Contractor Kalayat (Kaithal)** was assessed by the Assessing Authority Sh. Ashok Bansal ETO vide order dated 22.03.2012 by allowing refund of Rs. 57668/-. Case was taken up for revision by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 66306/- vide orders dated 17.3.16. Notice in Form VAT N-4 was served upon the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district vide this office letter No. 3110 dated 24.8.18.

**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**151. M/s Kalayat Adarsh Coop. Society, Kaithal TIN 6722107854, A.Y. 2010-11:**

In response to audit, its stated that original assessment of M/s Kalayat Adarsh, Kalayat A.Y 2010-11 was assessed by the than Assessing Authority Sh. Anil Rao DETC Kaithal, Vide demand No. 38 dated 30.10.2012, allowing refund of Rs. 126139/-. After that file was taken up for revision and order was passed by Jt. ETC-cum Revisional Authority vide order dated 27.08.2015 creating demand of Rs. 73274/-. After that the file sent back to Assessing Authority Kaithal to examine the point of interest vide order dated 27.08.2015. The original assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo copies of assessment record obtained from the office

of SVB, Ambala. In response to order of Jt. ETC, interest was levied u/s 14(6) of HVAT Act, 2003 of Rs. 42499/- vide demand No. 790 dated 12.01.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**152. M/s P.S. Engineers, Kaithal TIN 6372109259, A.Y. 2010-11:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2010-11 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 56/2010-11 dated 25.02.2014. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 21938/- vide order no. 03/2010-11 dated 22.05.2015. The record for the assessment year 2010-11 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**153. M/s Himmat Singh Contr., Kaithal TIN 6432109808, A.Y. 2011-12:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2011-12 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 64/2011-12 dated 20.03.2013, allowing refund of Rs. 182610/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 177337/- vide order no. 40/2011-12 dated 04.09.2015. The record for 2011-12 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the

Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dated 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**154. M/s Umesh Kr. Contr. Kaithal TIN 6162109811, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 299586/- vide order no. 43/2012-13 dated 04.09.2015. The record for the assessment year 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. The Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dated 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**155. M/s Umesh Kr. Contr. Kaithal TIN 6162109811, A.Y. 2011-12:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2011-12 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 61/2011-12 dated 20.03.2013, allowing refund of Rs. 83882/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 35826/- vide order no. 44/2011-12 dated 04.09.2015. The record for 2011-12 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the



Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dated 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**156. M/s Ashok kumar Contr. Kaithal TIN 652210, A.Y. 2011-12:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2011-12 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 65/2011-12 dated 21.03.2013. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 76339/- vide order no. 45/2011-12 dated 04.09.2015. The record for the assessment year 2011-12 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**157. M/s Himmat Singh Contr. Kaithal TIN 6432109808, A.Y.2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 24/2012-13 dated 11.07.2013, allowing refund of Rs. 142615/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 42773/- vide order no. 39/2012-13 dated 04.09.2015. The record for 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance

Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**158. M/s Sanjeev Kr. Contr. Kaithal TIN 6392110412, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 26/2012-13 dated 16.07.2013, allowing refund of Rs. 99841/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 34296/- vide order no. 41/2012-13 dated 04.09.2015. The record for 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**159. M/s Ashutosh Contr. Kaithal TIN 6072109812, A.Y.2011-12:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2011-12 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 63/2011-12 dated 20.03.2013, allowing refund of Rs. 191299/- and excess carried forwarded (ECF) of Rs. 16065/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 807882/- vide order No. 69/2011-12 dated 20.10.2015 and remanded the Case back to the Assessing Authority for taking action of interest, which is still pending. The record for the assessment year 2011-12 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of

assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**160. M/s Ashutosh Contr. Kaithal TIN 6072109812, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 19/2012-13 dated 09.07.2013, allowing refund of Rs. 300661/- and excess carried forwarded (ECF) of Rs. 3709/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 261053/- vide order No. 47/2012-13 dated 04.09.2015 and remanded the Case back to the Assessing Authority for taking action of interest, which is still pending. The record for 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**161. M/s Ashok Kr. Contr. Kaithal TIN 6522109807, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide order No. 25/2012-13 dated 11.07.2013, allowing refund of Rs. 120837/- and excess carried forwarded (ECF) of Rs. 1591/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisonal Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 30334/- vide order No. 46/2012-13 dated 04.09.2015. The record for the assessment year 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016

in compliance of the orders of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. The Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**162. M/s Hanuman Const. Co. Kaithal TIN 6652106408, A.Y. 2009-10:**

In reponse to the Audit memo, it is initiated that the original assessment for the year 2009-10 was framed by the then Assessing Authority Sh. Surender Lather vide order No. 908/09-10 dated 29-3-13 imposing penalty u/s 7(5) of HVAT Act. 2003 of Rs. 305994/- & allowing refund of Rs. 717200/-. The dealer preferred an appeal before Jt.ETC(Appeal) Ambala under STA-4VAT/13-14 who remanded the case back to the Assessing Authority Kaithal Vide order No. 3508/dated 16-11-15. Further, Sh. V.K. Malhotra ETO-cum Assessing Authority decided the remand case considering the objection raised by the audit party vide order No. 132-A dated 1-8-2017 allowing further refund of Rs. 100974/-. Aggrieved with the remand orders of the Assessing Authority, dealer again preferred an appeal before the Jt. ETC (Appeal) Ambala The Appeal case is still pending .

**The Committee has recommended that the proceedings to settle the matter be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**163. M/s M.R. Const. Co., Kaithal TIN 6922108035,A.Y. 2009-10:**

Para not admitted. The Assessing Authority has rightly taxed @ 4% against VAT C-3 issued by the Govt department as per section 7(3) (b) read with Rule 19 and further as per definition of sale under section 2(ze) of HVAT Act. Sale included the transfer of property in goods (whether goods or in some other form) involved in the execution of work contract. Hence deemed sale of material transferred in the execution by work contract taken place and rightly taxed by the AA @ 4% against VAT C-3. In view of this para may be dropped.

**The Committee has desired that the matter be re-examined thoroughly to protect the State revenue and action taken report be submitted to the Committee for information/consideration.**

**164. M/s Subhash Ch. Contrac. Kaithal TIN 6482110411, A.Y. 2012-13:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2012-13 was framed by Sh. Anil

Rao the then DETC-cum Assessing Authority Kaithal vide order No. 21/2012-13 dated 09.07.2013, allowing refund of Rs. 464327/- and excess carried forwarded (ECF) of Rs. 2389/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 232529/- vide order No. 42/2012-13 dated 04.09.2015. The record for the assessment year 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**165. M/s Kalpatru Power Trans., Kaithal TIN 6152106955, A.Y.2004-05:**

In reply to audit objection, it is intimated that the dealer is regular Contractor. Original assessment for the assessment year 2004-05 was framed by Sh. N.K. Ranga the then ETO-cum Assessing Authority Kaithal vide order No. 442/2004-05 dated 31.03.2008 and demand was created of Rs. 707918/-. The dealer preferred an Appeal before Jt. ETC(A) Ambala, who remanded the case back to the Assessing Authority. The Remand Case was decided by Sh. Anil Rao DETC-cum-Assessing Authority Kaithal vide order No. 61-B/2004-05 dated 28.02.2012 allowing refund of Rs. 184114/-. Case was taken up for revision by Sh. Vidhya Sagar JETC-Cum-Revisional Authority Kaithal U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 and created demand of Rs. 909188/- vide order No. 126/2004-05 dated 09.02.2016 and the Tax Demand Notice in Form VAT N-4 served upon the dealer on 18.04.2016. The record is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance of the orders of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. The Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Worthy ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**166. M/s Kalpatru Power Trans. Kaithal, TIN 6152106955, A.Y.2003-04:**

The original assessment for the year 2003-04 was framed by Sh. N.K. Ranga ETO-cum Assessing Authority vide demand No. 743 dated 23.03.2007 by creating an additional demand of Rs. 1311768/-under the HVAT Act, as ex-parte. The dealer has preferred an appeal before the Jt. ETC (A), Ambala and case was remanded back to Assessing Authority. The Assessing Authority sh. Anil Rao DETC vide Demand No. 61-A 2003-04 dated 28.02.2012 allowing refund of Rs. 128946/- The case was taken up suo-moto by Sh. Vidhya Sagar Jt. ETC-cum Revisional Authority to examine the illegality and impropriety of the remand order passed by the Assessing Authority dated 28.02.2012.

Revisional Authority vide his order dated 09.02.2016 created an additional demand of Rs. 405552/- under section 34 of the HVAT Act and sent the case back to Assessing Authority to examine the point of interest. The original assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo copies of assessment record obtained from the office of SVB, Ambala and interest and penalty will be levied very shortly.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**168. M/s The New Shiv Coop. Society, Kaithal, TIN 6282108969, A.Y. 2009-10:**

The case for the assessment year 2009-10 was decided by the Assessing Authority vide demand no. 704 dt 04.01.2013 and allowed refund of Rs. 78011/- which was issued vide Endst. No. 2609-10 dated 18.03.2013.

Subsequently DETC-Cum Revisional Authority Sh. V.K. Beniwal taken up the case in suo-moto and issued notice to the dealer for 23.06.2015 u/s 34 of VAT Act read with section 9(2) of CST Act and decided the case vide demand No. 13 on 23.06.2015 creating an additional demand of Rs. 4533/- which is now recovered and deposited into Govt Treasury.

A letter for verification of TDS has been sent to the contractee department vide memo no. 3108 Dated 24.08.2018. Hence, the audit para may be dropped.

**The Committee has recommended that the proceedings to settle the matter by verifying the TDS be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**169. fM/s Suhhash Ch. & Co. Kaithal TIN 6092108734, A.Y. 2009-10:**

The case for the assessment year 2009-10 was decided by the Assessing Authority vide demand No. 725 dt 21.01.2013 and allowed refund of Rs. 119441/- which was issued vide Endst. No 2607-08 dated 18.03.2013.

Subsequently DETC-Cum-Revisional Authority Sh. V.K. Beniwal taken up the case for revision and issued notice to the dealer for 30.06.2015 u/s 34 of HVAT Act, 2003 read with section 9(2) of CST Act and decided the case vide order No 16/2009-10 dated 30.06.2015 and created an additional demand of Rs. 10898/- which has been adjusted against the Excess Carried Forward (ECF) of 2015-16 by ETO-cum-Assessing Authority vide order No. 273-A, dated 01.08.2017. Letter for verification of TDS has been sent to the contractee department vide memo no. 3107 dated 24.08.2018.

Hence para may be dropped.

**The Committee has recommended that the proceedings to settle the matter by verifying the TDS be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**170. M/s The Satyam Coop. Society, Kaithal, TIN 6682108070, A.Y. 2009-10:**

The original assessment was made by Sh. Surender Lathar the then Assessing Authority who vide demand No. 30 dated 13-05-13 allowed refund of Rs. 400465/- which was given to the dealer vide Endst. No. 410-11 dt. 24-05-13. Case was sent to Sh. Raj Kumar DETC(I)-cum-Revisional authority Kaithal for taking suo-moto action u/s 34 of HVAT Act 2003 who vide order No. 480/2009-10 dated 12.04.2016 decided the case in favour of the dealer & held that:-

As per the provision of law under HVAT Act, 2003, the penalty prescribed u/s 7(5) is equal to 1.5 times the difference of tax avoided and there is no provision to impose penalty for the difference of tax. In this case, the Assessing Authority has charged tax as well as penalty equal to the amount of tax charged and allowed credit of input tax which neutralizes the effect of charging additional tax and there is no loss of revenue. The version of the counsel has rightly been considered and the issue decided in favour of the dealer. A letter for verification of TDS has been sent to the contractee department vide memo no. 3058 to 3102 dt 24.08.2018. Hence, para may be dropped.

**The Committee has recommended that the proceedings to settle the matter by verifying the TDS be concluded in a time bound manner and status report be submitted to the Committee for its consideration.**

**171. M/s Hariom Const. Co. Kaithal TIN 6152108119, A.Y. 2011-12:**

In reply to audit objection, it is informed that the Dealer is regular Contractor. Original assessment for 2011-12 was made by Sh. Surender Lather the then ETO-cum Assessing Authority Kaithal vide his order dated 21.03.2013, allowing refund Rs 364374/-. The Case was taken for taking suo-moto action u/s 34 of HVAT Act, 2003 by The Jt.ETC-cum RA Sh. Vidya Sagar, to examine the illegalities and improprieties of the order, who vide his order 17/2011-12 dated 15.07.2015, disallowed the granted Refund and created an additional demand of Rs. 375688/ and sent the case back to AA for taking penalty action u/s 38 of The record for 2011-12 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court

Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

Now Assessing authority vide his order 788/2011-12 dated 12.01.2018, imposed penalty of Rs. 1127064/- u/s 38 of HVAT Act, 2003 and demand notice in form VAT-N4 served upon the Dealer on 19.02.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**172. M/s Kalayat Adarsh Coop. Kaithal TIN 6722107854, A.Y. 2009-10:**

In response to audit memo, it is intimated that the original assessment for the year 2009-10 of M/s Kalayat Adarsh co Kalayat (KTL) was assessed by the Assessing Authority Sh. Ashok Bansal ETO vide D No.46 dated 08.06.2012 by allowing refund of Rs.235513/-. Case was taken up for revision by the Revisional Authority U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 to examine the illegality and impropriety of order by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Karnal who creating demand of Rs. 814706/- vide orders dated 18.4.16. VAT N-4 was served to the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district. Vide this office letter No.3112 dated 24.08.2018.

**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**173. M/s B.S.Const. Co. Kaithal TIN 6602107823, A.Y. 2010-11:**

In response to audit memo, it is intimated that the original assessment for the year 2010-11 of M/s B.S const. Co. Kalayat (Kaithal) was assessed by then Assessing Authority Sh. Surender Lather ETO vide D No. 913 dated 29.3.13 allowing refund of Rs.360987/- on dated 3.5.13 and Excess Carried forward of this firm is 8203/- Case was taken up for revision by the Revisional Authority U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 to examine the illegality and impropriety of order by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Karnal creating an additional demand of Rs. 1189778/- (refund of 369190 allowed by Assessing Authority was added in the demand. VAT N-4 was served to the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district vide this office letter No 3113 dated 24.08.2018.



**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**174. M/s B.S.Const. Co. Kaithal TIN 6602107823, A.Y. 2011-12:**

In response to audit memo, it is intimated that the original assessment for the year 2011-12 of M/s B.S const. Co. Kalayat (Kaithal) was assessed by the Assessing Authority Sh. Surender Lather ETO vide D No. 914 dated 29.3.13 by allowing refund of Rs. 466779/- and Excess Carried forward is 5552/- Case was taken up for revision by the Revisional Authority U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956 to examine the illegality and impropriety of order by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Karnal who creating an additional demand of Rs.1189778/- VAT N-4 was served to the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district vide this office letter No 3117, 3119, 3120 dated 24.8.18.

**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**175. M/s B.S.Const. Co. Kaithal TIN 6602107823, A.Y. 2012-13:**

In response to audit memo, it is intimated that the original assessment for the year 2012-13 of M/s B.S const. Kalayat (Kaithal) was assessed by the Assessing Authority Sh. Surender Lather ETO vide D No. 25 dated 3.5.13 by allowing refund of Rs. 703919 on dated 3.5.13 and Excess Carried forward of this firm is 4528/- Case was taken up for revision by the Revisional Authority U/s 34 of the HVAT Act, 2003 read with section 9(2) of CST Act, 1956. To examine the illegality and impropriety of order by Sh. Raj Kumar DETC(I)-Cum Revisional Authority Karnal creating an additional demand of Rs. 2228040/- (refund 708447 allowed by Assessing Authority was added in this demand of Rs. 2228040-) VAT N-4 was served to the firm. Efforts are being made to recover the amount. Letter regarding verification of TDS certificate has been sent by this office to concern district vide this office letter No. 3111, dated 24.08.2018.

**The Committee has recommended that sincere and pragmatic efforts be made to make the recovery and TDS certificate be got verified from concerned district and action taken report be submitted to the Committee.**

**176. M/s Bhagwan Dass Contr. Kaithal TIN 6842108661, A.Y. 2012-13:**

In response to audit, it is stated that original assessment of M/s Bhagwan Dass Contractor Kalayat Assessment Year 2012-13 was assessed by the then Assessing Authority Sh. Anil Rao, DETC Kaithal vide demand No. 23 dated 11.07.2013 allowing refund of Rs 2,41,371/-. After that file was taken up for Revision and order was passed by Jt. ETC-Cum- Revisional Authority vide orders dated 20.10.2015 creating demand of Rs. 632091/-. Notice VAT N-4 served upon the Firm. The file sent back to DETC-cum Assessing Authority Kaithal to examine the point of interest vide order dated 20.10.2015. In response

to the order of Jt. ETC, a notice in Form VAT N-2 issued to the firm to levy the interest and interest was levied u/s 14(6) of HVAT Act, 2003 of Rs. 176985/- vide demand No. 795 dated 12.01.2018. The original assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo copies of assessment record obtained from the office of SVB, Ambala.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**177. M/s Bhagwan Dass Contr. Kaithal TIN 6842108661, A.Y. 2011-12:**

In response to audit, it is stated that original assessment was framed by the then Assessing Authority Sh. Surinder Lather, ETO vide Demand No. 781 on dated 07.01.2013 allowing refund of Rs. 379076/- and ECF of Rs. 4247/-. After that Sh. V.K. Beniwal Dy. Excise & Taxation Commissioner (ST)-cum Revisional Authority, Kaithal has passed the order under section 34 of the HVAT Act, 2003 vide order dated 06.08.2015 and no demand was created and notice u/s 34 was vacated.

**The Committee has desired that the matter be re-examined thoroughly to protect the State revenue and action taken report be submitted to the Committee for information/consideration.**

**178. M/s Raghbir S. Contrac. Kaithal TIN 6742107940, A.Y. 2010-11:**

In response to audit, its stated that the original assessment was framed by the than Assessing Authority sh. Surender Lather ETO, Kaithal, vide demand no. 806/2010-11 dated 08.03.2013, allowing refund of Rs. 487606/- and ECF of Rs. 30923/-. After that file was taken up for revision and order was passed by Sh. V.K Beniwal DETC-cum Revisional Authority Kaithal, vide demand No. 23 dated 21.08.2015 by creating demand of Rs. 107877/-. The file was sent back to Assessing Authority to examine the point of interest/penalty. Interest point is pending to the assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo copies of assessment record obtained from the office of SVB, Ambala and the action regarding levy of interest/penalty if any will be taken after examination.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**179. M/s Raghbir S. Contrac. Kaithal TIN 6742107940, A.Y. 2011-12:**

In response to Audit, the original assessment was framed by the then Assessing Authority Sh. Surinder Lather ETO Kaithal allowing refund of Rs. 168249/- vide demand No. 885/2011-12 dated 26.03.12. After that Sh. V.K. Beniwal DETC-Cum Revisional Authority Kaithal has passed the order u/s 34 of the HVAT Act, 2003 read with section 9(2) of the CST Act, 1956 creating demand of Rs. 317863/-. The file sent back to Assessing Authority to examin on the point of interest/penalty. Interest point is pending due to the original assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo

copies of assessment record obtained from the office of SVB, Ambala and the action regarding levy of interest/penalty if any will be taken after examination.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**180. M/s Hariom Const. Co. Kaithal TIN 6152108119, A.Y. 2012-13:**

In reply to audit objection, it is informed that the Dealer is regular Contractor. Original assessment for 2012-13 was made by Sh. Surender Lather the then ETO-cum Assessing Authority Kaithal vide his order dated 03.05.2013, allowing refund Rs 358251/-. The Case was taken for taking suo-moto action u/s 34 of HVAT Act, 2003 by The DETC(l)-cum RA Karnal Sh. Raj Kumar, to examine the illegalities and improprieties of the order, who vide his order 431/2012-13 dated 11.03.2016, disallowed the granted Refund and created an additional demand of Rs. 29603/- and sent the case back to AA for taking action on point of interest, the same is still pending. The record for 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB & HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

Now Assessing authority vide his order 788/2011-12 dated 12.01.2018, imposed penalty of Rs. 1127064/- u/s 38 of HVAT Act, 2003 and demand notice in form VAT-N4 served upon the Dealer on 19.02.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**181. M/s Hariom Const. Co. Kaithal TIN 6152108119, A.Y. 2010-11:**

In response to audit, it is stated that original assessment of M/s Hari Om Construction Co., Kalayat for the Year 2010-11 was made by the then Assessing Authority Sh. Anil Rao, DETC Kaithal vide orders dated 21.03.2013 allowing refund of Rs. 409450/- and ECF of Rs. 13453/- . After that file was taken up for Revision and order was passed by Jt. ETC-Cum- Revisional Authority vide disposal No. 16/2010-11 dated 15.07.2015 creating demand of Rs. 391187/- The file was sent to Assessing Authority-cum DETC for examination and to levied interest or penalty u/s 38 of the HVAT Act, 2003 or manipulating the facts. The original assessment record of this firm was sealed by the State Vigilance Bureau, Ambala and recently photo copies of assessment record obtained from

the office of SVB, Ambala and the action regarding levy of interest/penalty if any will be taken after examination.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**182. M/s Raghubir S. Contrac. Kaithal TIN 6742107940, A.Y. 2012-13:**

In reply to audit objection, it is informed that the Dealer is regular Contractor. Original assessment for 2012-13 was made by Sh. Surender Lather the then ETO-cum Assessing Authority Kaithal vide his order dated 08.05.2013, allowing refund Rs 999190/-. The Case was taken for taking suo-moto action u/s 34 of HVAT Act, 2003 by The DETC(l)-cum RA Karnal Sh. Raj Kumar, to examine the illegalities and improprieties of the order, who vide his order dated 21.08.2015, disallowed the granted Refund and created an additional demand of Rs. 97298/- and sent the Case back to AA to take action on point of interest..The record for 2012-13 is under the custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**183. M/s Diamond Const. Co. Kaithal TIN 6592108556, A.Y. 2012-13:**

In reply to audit objection, it is informed that the Dealer is regular Contractor. Original assessment for 2012-13 was made by Sh. Anil Rao the then DETC-cum Assessing Authority Kaithal vide his order no. 3/2012-13 dated 25.04.2014, allowing refund of Rs 7963971/-. The Record for the 2012-13 in custody of State Vigilance Bureau Ambala, taken up on 18.05.2016 in compliance the order of Hon'ble PB& HR High Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir singh versus State of Haryana. Further, the Vigilance Department has been approached vide letter No. 2022 dated 07.08.2018 for giving photocopies of assessment record in compliance with the direction of Additional Chief Secretary to Govt. Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 02.08.2018. the Vigilance Department Ambala has denied for the same for want of permission from the Hon'ble PB & HR High Court Chandigarh vide his letter No. 1644/SVB/Ambala/dated 08.08.2018. This fact has already been conveyed to Ld. ETC Haryana vide letter No. 2072/DTI/ dt. 16.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**199. M/s Ram Saroop Surinder Kumar, Kurukshetra TIN 6042306108, A.Y. 2010-11:**

**Gist of Para:** In this connection It is intimated that the case has been sent to DETC(ST)-cum-Revisional Authority for taking suo moto action vide letter no.3748, dated 17.11.2015 and the same is still pending.

**The Committee has recommended that the proceedings of revision be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**205. M/s Purshotam Dass & Sons, Sirsa TIN 6962914730, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment record for 2011-12 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**206. M/s Sourabh Construction Pvt. Ltd., Sirsa, TIN 6302917550, A.Y. 2011-12:**

In reply to audit objection, it is informed that the dealer falls under the category of contractor and contracts are of two kind composite and divisible contract. In composite contract, sale component, labour and services are so interwoven in each other and it is not possible to split them and determine as how much relate to sale and how much relates to labour and services. As per definition of work contract, the dealer falls in the category of manufacturer. The provisions applicable on the normal dealers for sale of goods are applicable on the works contractor also as material used in execution works contract is deemed sale. Further, in the case of DLF Laing O Rourke(India) Ltd Vs State of Kerela and others(2009) 33 PHT 220(KER) Hon'ble Court laid down that as person engaged

in works contract of building construction is a manufacturer and is eligible to be granted registration as a dealer under the Central Sales Tax Act and entitled to issue of C forms for effecting inter State purchases of the goods required for use by it in the works contract

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

**The Committee has desired that the matter be re-examined thoroughly to protect the State revenue and action taken report be submitted to the Committee for information/consideration.**

**208. M/s Sourav Garg Construction Pvt. Ltd., Sirsa TIN 6472913916, A.Y. 2009-10:**

In reply to audit objection, it is informed that the original assessment record for 2009-10 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**211. M/s Sourav Garg Construction (P) Ltd., Sirsa TIN 6302917550, A.Y. 2010-11:**

In reply to audit objection, it is informed that the original assessment record for 2010-11 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started.

Further, the DETC himself contacted Vigilance department Hisar on 18.9.2018 and they agree to provide the photocopies from tomorrow i.e. 19.09.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**212. M/s Sourav Garg Construction (P) Ltd., Sirsa TIN 6302917550, A.Y. 2009-10:**

In reply to audit objection, it is informed that the original assessment record for 2009-10 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C. Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**213. M/s Max Pave India, Sirsa TIN 6372916493, A.Y. 2012-13:**

In reply to audit objection, it is informed that the original assessment record for 2012-13 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**215. M/s Bansal Trader, Sirsa TIN 6592915693, Sirsa A.Y. QE- 30.06.10:**

In reply to audit objection, it is informed that the original assessment record for 2010-11 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**216. M/s Giancore Grain India Pvt. Ltd., Sirsa, TIN 6372916687, A.Y. 2012-13:**

In reply to audit objection, it is informed that the original assessment record for 2012-13 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**



**217. M/s Ruchi World Wide Ltd, Sirsa TIN 6782916801, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment record for 2011-12 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No.4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**218. M/s Mx Pave India India, Sirsa, TIN 6372916493, A.Y. 2010-11:**

In reply to audit objection, it is informed that the original assessment record for 2010-11 is under the custody of State Vigilance Hisar in view of the direction of Hon'ble P&H Court Chandigarh in CWP No. 6856 of 2016 titled as Raghubir Singh Vs State of Haryana. Further, the vigilance department has been approached vide letter No. 4642 dated 2.8.2018 for giving photocopies of assessment record in compliance with the direction of Addl Chief Secretary to Govt Haryana Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI dated 2.8.2018. The Vigilance department Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld E.T.C Haryana vide letter No. 950 dated 1.8.2018. However, now the Vigilance department Hisar has been again requested to provide the photocopies of record vide letter dated 11.9.2018 and the vigilance department constituted a committee comprising of One ETO and one TI from this office and the process for the same has been started. Further, the DETC himself contacted Vigilance department Hisar on 18-9-2018 and they agree to provide the photocopies from tomorrow i.e. 19-9-2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**219. M/s Gheru Lal Bal Chand Sirsa, TIN 6832911584, A.Y. 2010-11:**

In reply to audit objection, it is informed that the original assessment record for 2010-11 is under the custody of State Vigilance hisar sent vide letter dated 19.5.2016 in view of the direction of the Hon'ble P&H Court in CWP No. 6856 of

2016 titled as Raghbir Singh Vs State of Haryana. Further, the Vigilance Department, Hisar has been approached vide letter no. 4642, dated 02.08.2018 for giving photocopies of assessment record in compliance with the direction of Addl. Chief Secretary to Haryana, Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. The Vigilance Department, Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld. Excise & Taxation Commissioner, Haryana vide letter No. 950, dated 10.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**220. M/s Gheru Lal Bal Chand Sirsa, TIN 6832911584, A.Y.2011-12:**

In reply to audit objection, it is informed that the original assessment record for 2011-12 is under the custody of State Vigilance hisar sent vide letter dated 19.5.2016 in view of the direction of the Hon'ble P&H Court in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the Vigilance Department, Hisar has been approached vide letter no. 4642, dated 02.08.2018 for giving photocopies of assessment record in compliance with the direction of Addl. Chief Secretary to Haryana, Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. The Vigilance Department, Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld. Excise & Taxation Commissioner, Haryana vide letter No. 950, dated 10.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**221. M/s D.D. Cotton Pvt. Ltd. Sirsa TIN 6092915289, A.Y. 2011-12:**

In reply to audit objection, it is informed that the original assessment record for 2011-12 is under the custody of State Vigilance hisar sent vide letter dated 19.5.2016 in view of the direction of the Hon'ble P&H Court in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the Vigilance Department, Hisar has been approached vide letter no. 4642, dated 02.08.2018 for giving photocopies of assessment record in compliance with the direction of Addl. Chief Secretary to Haryana, Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. The Vigilance Department, Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld. Excise & Taxation Commissioner, Haryana vide letter No. 950, dated 10.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**222. M/s D.D. Cotton Pvt. Ltd. Sirsa TIN 6092915289, A.Y. 2013-14:**

In reply to audit objection, it is informed that the original assessment record for 2013-14 is under the custody of State Vigilance hisar sent vide letter dated 19.5.2016 in view of the direction of the Hon'ble P&H Court in CWP No. 6856 of 2016 titled as Raghbir Singh Vs State of Haryana. Further, the Vigilance Department, Hisar has been approached vide letter no. 4642, dated 02.08.2018 for giving photocopies of assessment record in compliance with the direction of Addl. Chief Secretary to Haryana, Vigilance Department given to the Director General State Vigilance Bureau, Panchkula vide his letter No. 33/06/16-3VI, dated 02.08.2018. The Vigilance Department, Hisar has denied for the same for want of permission of their higher authorities. This fact has already been conveyed to Ld. Excise & Taxation Commissioner, Haryana vide letter No. 950, dated 10.08.2018.

**The Committee has recommended that the proceedings to settle the matter be concluded at the earliest possible in a time bound manner under intimation of the Committee.**

**227. M/s Riba Textiles, Sonapat TIN 6263006230, A.Y. 2010-11:**

1. The audit objected that no tax was assessed on sale of machinery. In reply to the audit para it is intimated that the file has been sent to Dy. Excise & Taxation Commissioner-Cum-Revisonal Authority, Sonapat for taking necessary Suo Moto action in this case. The Revisional Authority decided the case vide order dated 26.06.2018 wherein submissions of the dealer has been admitted. The dealer has submitted that the sale of machinery as alleged in the notice are actually the receipts of amount of insurance which the dealer received from insurance company in the event of machines being burnt and no tax was leviable in respect of this receipts and submitted the corroborating documents in this regard. The dealer submissions in this regard has been accepted by the Revisional Authority and therefore it was held that no tax liability on these receipts.

2. The audit has objected that the input tax has not been reversed by the assessing authority on the sale of tax free goods proportionately.

In reply to the audit para it is submitted that the case file has been sent to the revisional authority for suo moto action and the Revisional Authority had reversed input tax credit worth Rs.8,58,537/- vide order dated 27.06.2018.

3. The audit objected that the dealer purchased goods from outside the State and exported out of India. Hence entry tax is applicable. In reply to the audit para it is submitted that the assessment file sent to the Revisional Authority. The Revisional Authority has decided the case vide order dated 26.06.2018 and levied purchase tax u/s 3(3) worth Rs.1284733/-.

In total the Revisional Authority created demand to the tune of Rs.4159562/- (tax Rs. 2079781/- + intt. Rs.2079781/-). Copy of order and tax demand notice served upon the dealer. The dealer has proffered an appeal against the order of

Revisional Authority before the Appellate Authority on 12.10.2018. The date of hearing is awaited.

**The Committee has desired that sincere and pragmatic efforts be made to conclude the proceedings of appeal in a time bound manner under intimation of the Committee.**

**[ 21 ] 2.2.11.11 Irregular refund to contractors of DMRC:**

As per entry 3A of schedule B, with effect from 30 November 2006, no tax was leviable on goods sold to Delhi Metro Rail Corporation (DMRC) for use in Gurgaon Metro Corridor. Further, entry 3 of Schedule G was inserted on 6 April 2010 (with effect from 30 November 2006) and entry 3 A of Schedule B was omitted simultaneously enabling the dealers to seek refund of tax paid on the purchase of goods sold to DMRC.

Audit noticed in DETC (ST) Gurgaon (East), that three contractors executed works contract for construction of Gurgaon Metro corridor during 2009-10 to 2011-12 and claimed refund of Rs. 2.22 crore. While finalising assessments between June 2012 and March 2013, the AAs allowed refund of tax to these contractors though the rates quoted by contractors were inclusive of tax. The refund of tax to the contractor was not in order as DMRC had already paid tax to the contractors through running bills. The benefit of tax concession if any, should have been passed on to the DMRC. Hence, no refund was allowable to the contractor This resulted in irregular refund of Rs. 2.22 crore.

During exit conference, the department stated that entry in schedule G was inserted to allow refund to the contractor However, the cases had been taken up in revision for further examination.

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

**1. M/s ITD-ITD CEM JV, Gurgaon (East) TIN 06111826744, A.Y. 2009-10:**

The observation of the audit that allowance of refund to the contractor resulted into undue benefit as the dealer charged rates from Delhi Metro Rail Corporation (DMRC) inclusive of tax is not tenable. In reply to the audit para, it is submitted that the entry No.3A was inserted in Schedule 'B' by the Government vide notification No.112/HA.6/2003/S.59/2006 dated 30.11.2006. The said entry No.3A read as under:

"All goods (except goods mentioned in Schedule D) sold to Delhi Metro Rail Corporation Limited (DMRCL) for completion of Gurgaon Metro Corridor (Gurgaon Section) subject to furnishing of a Certificate from an authorized officer of DMRCL to the effect that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor."

It is clear from the above entry inserted w.e.f. 30.11.2006 that the goods sold to DMRCL were exempted from payment of tax at the time of execution of works contract i.e. 2009-10. So, the question of contract amount being inclusive of tax does not arise and this is not the case of unjust enrichment. Later on the entry No.3A inserted in Schedule 'B' was omitted by the Government and the same was added in Schedule G vide notification No.SO.59/HA.6/2003/S.59/2010, dated 07.04.2010 effective from 30.11.2006. As per schedule G the rate of tax of sales

made to M/s DMRCL for completion of Gurgaon Metro Corridor is 0% subject to furnishing of a certificate from an authorized officer to the DMRCL to the effects that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor. The dealer had already produced the relevant Certificates and the refund of Tax Deducted at Source has been allowed as per provisions of Section 20 of HVAT Act being excess payment of tax.

In light of the above submission no excess refund has been allowed in this case and the audit para may please be dropped.

**The Committee has desired the department to re-look into the case and fresh reply be submitted at the earliest for the consideration of the Committee.**

**2. M/s Ijin Electric Co., Gurgaon (East) TIN 06031829601, A.Y. 2009-10:**

The observation of the audit that allowance of refund to the contractor resulted into undue benefit as the dealer charged rates from Delhi Metro Rail Corporation (DMRC) inclusive of tax is not tenable. In reply to the audit para, it is submitted that the entry No.3A was inserted in Schedule 'B' by the Government vide notification No.112/HA.6/2003/S.59/2006 dated 30.11.2006. The said entry No. 3A read as under:

"All goods(except goods mentioned in Schedule D) sold to Delhi Metro Rail Corporation Limited(DMRCL) for completion of Gurgaon Metro Corridor (Gurgaon Section) subject to furnishing of a Certificate from an authorized officer of DMRCL to the effect that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor."

It is clear from the above entry inserted w.e.f. 30.11.2006 that the goods sold to DMRCL were exempted from payment of tax at the time of execution of works contract i.e. 2009-10. So, the question of contract amount being inclusive of tax does not arise and this is not the case of unjust enrichment. Later on the entry No.3A inserted in Schedule 'B' was omitted by the Government and the same was added in Schedule G vide notification No.SO.59/HA.6/2003/S.59/2010 dated 7.4.2010 effective from 30.11.2006. As per schedule G the rate of tax of sales made to M/s DMRCL for completion of Gurgaon Metro Corridor is 0% subject to furnishing of a certificate from an authorized officer to the DMRCL to the effects that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor. The dealer had already produced the relevant Certificates and the refund of Tax Deducted at Source has been allowed as per provisions of Section 20 of HVAT Act being excess payment of tax.

In light of the above submission no excess refund has been allowed in this case and the audit para may please be dropped.

**The Committee has desired the department to re-look into the case and fresh reply be submitted at the earliest for the consideration of the Committee.**

**3. M/s C.P. & Associates, Gurgaon (East) TIN 06361821708, A.Y. 2009-10:**

The observation of the audit that allowance of refund to the contractor resulted into undue benefit as the dealer charged rates from Delhi Metro Rail Corporation

(DMRC) inclusive of tax is not tenable. In reply to the audit para, it is submitted that the entry No.3A was inserted in Schedule 'B' by the Government vide notification No.112/HA.6/2003/S.59/2006 dated 30.11.2006. The said entry No.3A read as under:

"All goods(except goods mentioned in Schedule D) sold to Delhi Metro Rail Corporation Limited(DMRCL) for completion of Gurgaon Metro Corridor (Gurgaon Section) subject to furnishing of a Certificate from an authorized officer of DMRCL to the effect that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor."

It is clear from the above entry inserted w.e.f. 30.11.2006 that the goods sold to DMRCL were exempted from payment of tax at the time of execution of works contract i.e. 2009-10. So, the question of contract amount being inclusive of tax does not arise and this is not the case of unjust enrichment. Later on the entry No.3A inserted in Schedule 'B' was omitted by the Government and the same was added in Schedule G vide notification No.SO.59/HA.6/2003/S.59/2010 dated 7.4.2010 effective from 30.11.2006. As per schedule G the rate of tax of sales made to M/s DMRCL for completion of Gurgaon Metro Corridor is 0% subject to furnishing of a certificate from an authorized officer to the DMRCL to the effects that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor. The dealer had already produced the relevant Certificates and the refund of Tax Deducted at Source has been allowed as per provisions of Section 20 of HVAT Act being excess payment of tax.

In light of the above submission no excess refund has been allowed in this case and the audit para may please be dropped.

**The Committee has desired the department to re-look into the case and fresh reply be submitted at the earliest for the consideration of the Committee.**

**4. M/s C.P. & Associates, Gurgaon (East) TIN 06361821708,  
A.Y. 2010-11:**

The observation of the audit that allowance of refund to the contractor resulted into undue benefit as the dealer charged rates from Delhi Metro Rail Corporation (DMRC) inclusive of tax is not tenable. In reply to the audit para, it is submitted that the entry No.3A was inserted in Schedule 'B' by the Government vide notification No.112/HA.6/2003/S.59/2006 dated 30.11.2006. The said entry No.3A read as under:

"All goods (except goods mentioned in Schedule D) sold to Delhi Metro Rail Corporation Limited(DMRCL) for completion of Gurgaon Metro Corridor(Gurgaon Section) subject to furnishing of a Certificate from an authorized officer of DMRCL to the effect that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor."

It is clear from the above entry inserted w.e.f. 30.11.2006 that the goods sold to DMRCL were exempted from payment of tax at the time of execution of works contract i.e. 2009-10. So, the question of contract amount being inclusive of tax does not arise and this is not the case of unjust enrichment. Later on the entry

No.3A inserted in Schedule 'B' was omitted by the Government and the same was added in Schedule G vide notification No.SO.59/HA.6/2003/S.59/2010 dated 7.4.2010 effective from 30.11.2006. As per schedule G the rate of tax of sales made to M/s DMRCL for completion of Gurgaon Metro Corridor is 0% subject to furnishing of a certificate from an authorized officer to the DMRCL to the effects that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor. The dealer had already produced the relevant Certificates and the refund of Tax Deducted at Source has been allowed as per provisions of Section 20 of HVAT Act being excess payment of tax.

In light of the above submission no excess refund has been allowed in this case and the audit para may please be dropped.

**The Committee has desired the department to re-look into the case and fresh reply be submitted at the earliest for the consideration of the Committee.**

**5. M/s C.P. & Associates, Gurgaon (East) TIN 06361821708,  
A.Y. 2011-12:**

The observation of the audit that allowance of refund to the contractor resulted into undue benefit as the dealer charged rates from Delhi Metro Rail Corporation (DMRC) inclusive of tax is not tenable. In reply to the audit para, it is submitted that the entry No.3A was inserted in Schedule 'B' by the Government vide notification No.112/HA.6/2003/S.59/2006 dated 30.11.2006. The said entry No.3A read as under:

"All goods (except goods mentioned in Schedule D) sold to Delhi Metro Rail Corporation Limited (DMRCL) for completion of Gurgaon Metro Corridor (Gurgaon Section) subject to furnishing of a Certificate from an authorized officer of DMRCL to the effect that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor."

It is clear from the above entry inserted w.e.f. 30.11.2006 that the goods sold to DMRCL were exempted from payment of tax at the time of execution of works contract i.e. 2009-10. So, the question of contract amount being inclusive of tax does not arise and this is not the case of unjust enrichment. Later on the entry No.3A inserted in Schedule 'B' was omitted by the Government and the same was added in Schedule G vide notification No.SO.59/HA.6/2003/S.59/2010 dated 7.4.2010 effective from 30.11.2006. As per schedule G the rate of tax of sales made to M/s DMRCL for completion of Gurgaon Metro Corridor is 0% subject to furnishing of a certificate from an authorized officer to the DMRCL to the effects that the goods have been used for completion of Gurgaon section of Gurgaon Metro Corridor. The dealer had already produced the relevant Certificates and the refund of Tax Deducted at Source has been allowed as per provisions of Section 20 of HVAT Act being excess payment of tax.

In light of the above submission no excess refund has been allowed in this case and the audit para may please be dropped.

**The Committee has desired the department to re-look into the case and fresh reply be submitted at the earliest for the consideration of the Committee.**

[ 22 ] **2.2.12.2 (a) Non maintenance of Demand and Collection register (DCR) of returns (VAT G-8):**

Rule 37 of HVAT Rules provides that the officer in charge of each district shall maintain DCR of returns in form VAT G-8 in respect of dealers registered under the Acts showing the returns filed, assessment framed and payment of tax/additional demand made etc.

Audit noticed in the offices of eight DETCs (ST) that the DCR of returns (VAT G-8) was not maintained properly as details of returns filed, assessment framed and payments made were not found entered therein.

Further, in one case under the office of DETC (ST) Jagadhri, benefit of deposit of tax of Rs.6 lakh pertaining to the year 2010-11 was allowed in assessment years 2010-11 and 2011-12. In two cases of DETC (ST) Ambala and Gurgaon (West) benefit of deposit of tax of Rs. 2.19 crore was allowed without verification from records. Further, it was noticed that amount of tax deposited was neither entered in VAT G-8 register nor in Demand and Collection Register of tax. This resulted in irregular benefit of tax of Rs. 2.25 crore.

During exit conference, the department admitted the audit observation and the ACS directed the department to maintain the said records properly.

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

**3. M/s Babloo Garments, Yamuna Nagar, Jagadhari TIN 06281611941, A.Y. 2011-12:**

The assessment case for the year 2011-12 was sent to Revisional Authority for taking suo moto action. The proceedings were initiated by the revisional authority by issuing shown cause notice for 05.10.2015. As per record the dealer as taken double benefit on the tax deposited. The revisional authority decided the case on 05.10.2015 and the claim of the dealer for payments of Rs. 250000/- and 350000/- was rejected in the year 2011-12. An additional demand of Rs. 1094845/- including interest was created as per order dated 05.10.2015. The above said amount has been deposited by the dealer details as under:-

(Amount in Rs.)		
G.R.No.	Dated	Amount
0018405711	30.04.16	200000/-
0017932393	26.02.16	100000/-
0019258080	26.05.16	100000/-
0018756030	02.05.16	100000/-
0019258030	26.05.16	100000/-
0017409499	26.01.16	294845/-
0017621024	02.12.16	100000/-
0019579796	24.06.16	100000/-
<b>Total</b>		<b>1094845/-</b>

**The Committee has desired that a detailed inquiry be got conducted as to how the Assessing Authority has made the assessment without the verification of the payment and fix the responsibility of the erring officer/official in the matter and action taken report be submitted to the Committee within a period of fifteen days.**



[ 23 ] **2.2.12.2 (b) Late servicing of assessment orders and demand notices:**

As per instructions issued on 14 March 2006, copy of assessment order along with notice of demand was to be served to the dealer (s) within fifteen days of finalisation of assessment.

Audit noticed in 99 cases under DETC (ST), Faridabad (West) that AAs failed to serve copy of assessment orders and demand notices in time involving demand of more than Rs. one lakh each, which were served after delay ranging between 15 to 455 days. Non-monitoring at DETC level resulted in loss of interest of Rs. 1.46 crore as this amount cannot be recovered from the dealers, due to lapse on the part of the department.

During exit conference, the department admitted the lapse and stated to issue instructions for strict compliance of provisions of Act/Rules.

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

In reply to the para, it is submitted that copy of order and demand notice could not be served to the dealers in time as there was acute shortage of staff i.e. stenos and process servers and the number of dealers had also increased in last few years. Due to non availability of steno/Camp Clerk in the ward, the orders at times do not get typed in time. The delay in service of assessment orders and demand notices is also because there were few process servers posted in the district i.e. there were working only 190 Clerks and 136 Camp Clerks in the State in the year 2012-13 against the sanctioned strength of 402 and 219 respectively. In the districts Faridabad (West) itself, there were 13 Clerks, 7 typiest and 16 process servers against the sanction strength of 33, 21 and 47 respectively in the year 2013-14. Further, in many cases the demand relates mainly to CST Act, wherein demand is mainly due to non submission of statutory declarations. However, sincere efforts are being made to get the orders and demand notices served on priority basis in cases where there is substantial demand. Despite best efforts, in some cases it is not possible to get the notice/order served in time due to unavoidable circumstances. It is also mentioned here that out of 99 cases, 10 cases have been remanded back by the Remanding Authorities, in 30 cases an amount of Rs. 17054943/- has been recovered, in 17 cases tax demand amounting to Rs. 32395148/- under CST Act has been deleted due to submission of statutory declaration forms and one dealer has opted the OTS Scheme.

As admitted by the department in Exit conference, directions to serve the notice of demand in time have been issued to all the DETCs vide this office Memo No. 2094, dated 24.09.2018. In view of the above, Para may please be dropped:

1. M/s New Luxmi Engg. Works, Faridabad (W) TIN 6141305207, A.Y. 2010-11.
2. M/s Vishal Steels Faridabad (South) TIN 1321588, A.Y. 2009-10.
3. M/s Excess Mobil Lubricants Faridabad (W) TIN 06041313507, A.Y. 2010-11.
4. M/s AVP Engineers Faridabad (West) TIN 06611321972, 2010-11.
5. M/s M.R. Gupta P.Ltd., Faridabad (West) TIN ... A.Y. 2011-12.

6. M/s Mahabir Entt. Faridabad (West) TIN ... A.Y. 2009-10.
7. M/s Beejury Industrial Cor Faridabad (West) TIN 1314790, A.Y. 2011-12.
8. M/s Bhagwati Steel Faridabad (North) TIN 1308314, A.Y. 2011-12.
9. M/s Chaudhary Steel Faridabad (West) TIN ... A.Y. 2010-11.
10. M/s Ajay Mataloys P.Ltd., Faridabad (West) TIN 1327885, A.Y. 2009-10.
11. M/s Gates Unitts India P.Ltd., Faridabad (North) TIN 6611322845, A.Y. 2010-11.
12. M/s Hunisman Ind P.Ltd., Faridabad (West) TIN 1319172, A.Y. 2009-10.
13. M/s Sanjeev Store Cr. Co., Faridabad (North) TIN 6161331386, A.Y. 2009-10.
14. M/s Om Electrical Faridabad (North) TIN 6161331386, A.Y. 2010-11.
15. M/s Blue Engineers Faridabad (North) TIN 6461328408, A.Y. 2010-11.
16. M/s Pralat Entt. Faridabad (West) TIN 1329091, A.Y. 2009-10.
17. M/s Bharat Press. Faridabad (West) TIN 6961323865, A.Y. 2010-11.
18. M/s Ajay Traders, Faridabad (West) TIN 6131314767, A.Y. 2010-11.
19. M/s Modi Enterprises, Faridabad (North) TIN 6531300870, A.Y. 2010-11.
20. M/s Khan Enterprises, Faridabad (North) TIN 1323494, A.Y. 2009-10.
21. M/s Magnum Transmission, Faridabad (South), TIN 1318714, A.Y. 2009-10.
22. M/s ABB Ltd, Faridabad (West) TIN 1303132, A.Y. 2009-10.
23. M/s Gabsas Ind., Faridabad (West) TIN 1314757, A.Y. 2009-10.
24. M/s Arora Enterprises, Faridabad (West) TIN 6531300870, A.Y. 2010-11.
25. M/s Saraswati Engg. Work, Faridabad (West) TIN 6891312118, A.Y. 2010-11.
26. M/s Shree Sidh Interior P.Ltd., Faridabad (North) TIN 1302690, A.Y. 2010-11.
27. M/s Friends Stone Cr. Co., Faridabad (North), TIN 1302690, A.Y. 2009-10.
28. M/s Harson & Associated Faridabad (North) TIN 1308489, A.Y. 2009-10.
29. M/s D.D. Crusher Faridabad (North) TIN 1302963, A.Y. 2009-10.
30. M/s Kapil Stone Crushing Co. Faridabad (North) TIN 1311766, A.Y. 2009-10.
31. M/s Sharishti Enterprises Faridabad (West) TIN 6581313501, A.Y. 2010-11.

32. M/s Shree Krishan Electronics, Faridabad (West), TIN 6471323310, A.Y. 2010-11.
33. M/s Iskon Air Flow, Faridabad (West) TIN 6141379067, A.Y. 2010-11.
34. M/s Naveen Stone crushing Co. Faridabad (North) TIN 1317972, A.Y. 2009-10.
35. M/s Dashmesh Foils, Faridabad (North) TIN 6621330842, A.Y. 2011-12.
36. M/s Laxmi Grit udyog Faridabad (North) TIN 1302903, A.Y. 2009-10.
37. M/s Mchelin Tyres Ind. Faridabad (West) TIN 1322604, A.Y. 2010-11.
38. M/s Arya Steel Faridabad (West) TIN 1326611, A.Y. 2010-11.
39. M/s Unique Hydraulies, Faridabad (West), TIN 6231327415, A.Y. 2010-11.
40. M/s Premier Stone Crusher Co. Faridabad (North) TIN 1300323, A.Y. 2009-10.
41. M/s Rama Stone Crusher Co., Faridabad (West) TIN 1325745, A.Y. 2009-10.
42. M/s Krishna Stone Cr. Co., Faridabad (North) TIN 1311733, A.Y. 2009-10.
43. M/s Baldev Cement, Faridabad (West) TIN 1319313, A.Y. 2011-12.
44. M/s Ankit Industrial Faridabad (West) TIN 1321545, A.Y. 2007-08.
45. M/s Bajaj Rubber Faridabad (West) TIN1321284, A.Y. 2010-11
46. M/s Mahadev Entt Faridabad (West) TIN 1317454, A.Y. 2003-04
47. M/s Printers Faridabad (North) TIN/6741322434, A.Y. 2011-12.
48. M/s Gales IndustP.Ltd. Faridabad (West) TIN... A.Y. 2011-12.
49. M/s Sahrt Stone Crushing Faridabad (West) TIN 1311401, A.Y. 2009-10.
50. M/s Tob Grit Udyog Faridabad (West) TIN 1317093, A.Y. 2009-10.
51. M/s Om stone Crusting Faridabad (North) TIN 101308711, A.Y. 2009-10
52. M/s Sfar Packing Faridabad (West) TIN.. , A.Y. 2011-12.
53. M/s KSR Brothers Faridabad (North) TIN 1324949, A.Y. 2010-11.
54. M/s Bwane & Co. P.Ltd Faridabad (North) TIN 6221317094, A.Y. 2011-12.
55. M/s Yog International Faridabad (North) TIN 6431321004 A.Y. 2010-11
56. M/s Dusha Creations Faridabad (North) TIN 6501332266 A.Y. 2010-11
57. M/s Escort Hospital Faridabad (North) TIN 6531321240 A.Y. 2010-11
58. M/s Kanan Rubber, Faridabad (North) TIN 6241330566, A.Y. 2011-12.

59. M/s Tyre Centre Faridabad (North) TIN 1301113 A.Y. 2010-11
60. M/s Dusha Creations Faridabad (West) TIN 6501332266 A.Y. 2011-12.
61. M/s National Indus A.Y. Faridabad (West) TIN 1326298 A.Y. 2010-11.
62. M/s Vikas Steel Faridabad (West) TIN 1323971 A.Y. 2007-08.
63. M/s Gale Overseas Faridabad (North) TIN 675138195, A.Y. 2011-12.
64. M/s Gold Start Switech Gear, Faridabad (West), TIN /1311259 A.Y. 2010-11.
65. M/s Shiv Shakti Fiber Faridabad (West) TIN 1319621 A.Y. 2010-11.
66. M/s N.K. Jain & Co., Faridabad (West) TIN 1327327, A.Y. 2010-11.
67. M/s Yog Interl P.Ltd Faridabad (North) TIN 6431321004 A.Y. 2011-12.
68. M/s B.R. Bansal & Sons Faridabad (West) TIN 1313399 A.Y. 2007-08.
69. M/s Rama Entt. Faridabad (West) TIN 1302514 A.Y. 2011-12.
70. M/s Dynamics Indu Faridabad (West) TIN 1319704 A.Y. 2010-11.
71. M/s Toyo Ferrious Creat P.Ltd Faridabad (West) TIN 6941331539 A.Y. 2010-11.
72. M/s A.B.B. Steel Faridabad (West) TIN 1319332 A.Y. 2006-07
73. M/s Sunjne Steel Faridabad (West) TIN1318169 A.Y. 2010-11
74. M/s Distribution System A.Y. Faridabad (West) TIN/ 1310801 A.Y. 2009-10.
75. M/s Star Communication, Faridabad (North), TIN /6921323305, AY: 2011-12
76. M/s Sunjne Steel Faridabad (West) TIN 1318169 A.Y. 2011-12.
77. M/s Vijay Parner Faridabad (West) TIN1311526 A.Y. 2011-12.
78. M/s Subhash Steel Faridabad (West) TIN1318368 A.Y. 2004-05.
79. M/s S.k. Aggarwal & Co. Faridabad (North) TIN1327775 A.Y. 2011-12
80. M/s Aman Enterprises Faridabad (West) TIN 1323420 A.Y. 2011-12
81. M/s Sai motors Faridabad (South) TIN 1309074 A.Y. 2011-12
82. M/s M.G. Entt Faridabad (South) TIN 1311850 A.Y. 2011-12
83. M/s Hydro Power Corp Faridabad (North) TIN 1327730 A.Y. 2010-11.
84. M/s Bhagwati Steel Faridabad (North) TIN 1308374 A.Y. 2010-11
85. M/s Bees of Indust Corp Faridabad (West) TIN 1314790 A.Y. 2010-11
86. M/s P.K. Steel fbd Faridabad (West) TIN 1319645 A.Y. 2010-11
87. M/s Aman Scale Faridabad (North) TIN 1300945 A.Y. 2010-11

88. M/s Nand Lai & Sons Faridabad (West) TIN 1315137 A.Y. 2010-11.
89. M/s Blue Engg P.Ltd. Faridabad (North) TIN 6461328418 A.Y. 2011-12.
90. M/s Paras Metal Agency, Faridabad (West), TIN ,6521317026, A.Y. 2006-07.
91. M/s Kushal Ispat Faridabad (West) TIN/1314100 A.Y. 2010-11.
92. M/s Banke Bihari Steel Faridabad (North) TIN 1323012 A.Y. 2011-12.
93. M/s Ambika Enlt. Faridabad (West) TIN I 31085 A.Y. 2005-06.
94. M/s Roda Steel Traders Faridabad (North) TIN1309074 A.Y. 2011-12.
95. M/s Balaji Traders Faridabad (North) TIN 06331305248 A.Y. 2011-12.
96. M/s M.G. Inlt Faridabad (West) TIN1311850 A.Y. 2010-11.
97. M/s Ambika Steel Faridabad (West) TIN 1311454 A.Y. 2005-06.
98. M/s BNB Infrastruch Faridabad (West) TIN 132826 A.Y. 2010-11.
99. M/s Kansal Nerolac paints Ltd Faridabad (North) TIN 6281301347 A.Y. 2006-07.

**The Committee has desired that appropriate action be taken in the matter by the department and a fresh and dealer-wise complete reply be submitted to the Committee for its consideration.**

**[ 24 ] 2.2.12.2 (c) Non examination of assessment cases by DETCs/JETCs:**

To have an effective internal control, the Department required monthly/quarterly statements to be furnished by the DETCs to ETC every month/ quarter. Out of the cases assessed by the AAs, the Department also prescribed the number of scrutiny cases to be checked by DETCs/JETCs.

There was nothing on record to prove that the DETCs/JETCs had examined the cases assessed by the AAs nor any report was sent to ETC. Thus, the internal control mechanism was weak.

During exit conference, the department accepted the audit observation and stated to issue directions to strengthen the internal control.

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

In reply to this audit para, it is mentioned that there exists an effective internal control in the department and DETCs/JETCs of the department regularly examine the assessment cases and revise them if any illegality and impropriety is found in the assessment framed by Assessing Authority. In this CAG report assessments framed in the year 2012-13 to 2014-15 are included. It is brought to your kind notice that assessments in cases of Builders, Developers, Works Contractors, Rice Millers, Auto Mobiles, Cigarettes, Cements, Cotton ginners, Cotton ginning mills, Cotton Traders, Cotton Exporters, Oil Mills, Dealers who are dealing in the trade of Tiles etc., refund and BKO's, Traders of Khal have been examined by special teams and 1308 cases revised by Special Revisional Authorities in the

year 2015-16 onwards. Most of the cases wherein there was any possibility of illegality/impropriety have already been revised.

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

**The Committee has desired that a detailed list/report with regard to the cases examined/inspected by the DETCs during the last three years be submitted to the Committee within a period of three months.**

**[ 25 ] 2.2.12.2 (d) Loss of revenue due to delay in re-assessment of the cases:**

Section 17 of the HVAT Act provides that if the assessing authority discovers that the turnover of the business of a dealer has been under assessed or has escaped assessment or input tax or refund has been allowed in excess in any year, it may reassess the tax liability of the dealer for the assessment year after giving him a reasonable opportunity of being heard.

During analysis of inspection reports (IRs) issued by this office, to the offices of four DETCs (ST)31 32 for the years 2009-10 to 2012-13, it was noticed that in 50 cases involving escapement of tax of Rs.12.75 crore pertaining to the assessment years 2006-07 to 2009-10, the AAs had replied at the time of audit that requisite action was being taken, cases were being re-examined, cases had been sent or being sent to Revisional Authority (RA) for taking suo motu action, but no such requisite action had been taken till date and the cases had become time barred. Thus, control failure at the DETC/JETC level, to ensure timely action by the AAs, resulted in loss of Rs.12.75 crore towards unassisted cases becoming time barred.

During exit conference, the department agreed to the audit observation and stated to get action initiated now as the limitation period for revision has been enhanced to six year

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

Audit party pointed out 50 cases involving tax of Rs.12,75 crores pertaining to assessment year 2006-07 to 2009-10. Audit party has conducted audit of office of four DETCs namely Ambala, Jagadhari, Jhajjar and Jind from the examination of contents of all 50 paras, the status of para is summarized in below charg:-

Name of District	No. of cases settled	No. of cases admitted	No. of cases not admitted	Total cases
Ambala	Sr. No.1, 2, 3, 5, 6, 7, 8	Sr. No.4	--	08
Jagadhari	Sr. No.10, 11, 12, 19, 21, 23	Sr. No.9, 13, 14, 15, 16, 22	Sr. No. 17, 18, 20	15
Jhajjar	Sr. No. 24, 33	Sr. No.25, 26, 27, 28, 30, 31, 34, 35, 36, 37	Sr. No.29, 32, 38	15
Jind	--	Sr. 39, 42, 45	Sr. No.40, 41, 43, 44, 46, 47, 48, 49 50	12
<b>Total</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>50</b>

**4. M/s United Traders, A/cantt, TIN 6341009344, A.Y. 2008-09:**

Audit party has pointed out that dealer has shown loss of Rs.1068400/- due to Fire and show less purchases in Trading account but at the time of assessment, the AA has not reversed the input tax credit on account of loss due to Fire to the tune of Rs. 133550/- (1068400 x12.5%).

The observations of the Audit Party are admitted. The case was sent to Revisional Authority for suo-moto action on dated 01.02.2013 who vide his order dated 18.12.2013 has remanded back the case to Assessing Authority on dated 19.12.2013.

Aggrieved with the order of Revisional Authority, the dealer preferred an appeal before Haryana Tax Tribunal Chandigarh on 13.01.2014 on the ground that Revisional Authority himself should have decided the case when he has pointed out the illegality in addition to other grounds of appeal before HTT.

During the pendency of appeal before HTT, AA kept on waiting for the decision of the HTT in the matter. By the time the case is decided by the HTT, the case became time barred. Now, on 22.12.2017 HTT has decided the case with the observation that AA is now debarred for passing any fresh order due to bar of limitation.

In view of the above, the department has decided to initiate the disciplinary proceeding against the Assessing authorities during the period they remain incharge of this firm for the period from 19.12.2013 to 18.12.2015.

In view of the above humble submission, para may kindly be dropped.

**The Committee has desired that the matter be got re-examined legally under intimation of the Committee.**

**9. M/s Ganpati Traders, Jagadhari TIN 6491615948 A.Y. 2008-09:**

The audit party has pointed out that the dealer made sale of Rs.16706490 to M/s Kamal Inds. Rewari holding TIN 06712701354 and Rs.12262873 to M/s Gupta Metal Works Pvt Ltd Rewari TIN 06192702513 during the year 2008-09. These sales were not disclosed in the returns. Only sale of Rs.2968555/- was disclosed in last quarter and the R.C. was cancelled on 31.03.2009. Thus the dealer suppressed the sale of Rs.28969363/- (Rs.16706490 + Rs.12262873) as is evident from the verification reports received from Dy. Excise & Taxation Commissioner (S.T), Rewari. Out of above suppression, the Assessing Authority levied tax of Rs.668250/- (787001-118742) but did not levy penalty of Rs. 2004750/- as was leviable under section 38 of VAT Act, 2003. Regarding sale of Rs. 12262873 the Assessing Authority neither levied tax nor levied penalty. Non- levy of tax of Rs.490515 and three time penalty of Rs. 1471545/- on this account was not assessed.

The observations of the audit are admitted. It is mentioned that original assessment in the case was framed vide order dated 16.03.2012 and the escaped turnover of Rs. 1,22,6273/- has been re-assessed vide order dated 20.01.2017 and tax and penalty of Rs.34,76,292/- has been levied. It is further intimated that additional demand created vide reassessment order dated 20.01.2017 could not be recovered since the firm is lying closed and R.C. of the dealer has been cancelled w.e.f. 31.03.2009 vide order dated 12.12.2011.

The dealer is not traceable. The business premises of the dealer was a rented shop. Letter has been written to E.O. Municipal Corporation, YamunaNagar vide

no. 3157 dated 02.07.2018 requesting him to make available details of the immoveable property in the name of the proprietor if any.

Further, both the sureties have also closed their business and RC of both the firm has been cancelled vide order dated 23.06.2015. Further notice to sureties for recovery was issued for 23.07.2018 which could not be served. Recent notice has been again issued for 27.09.2018.

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

**The Committee has recommended that it be verified as to whether the dealer or his surety has got registered in VAT or GST under intimation of the Committee.**

**15. M/s Deepika Sales Corpn., Jagadhari TIN 6471616735 AY 2009-10:**

Audit party has pointed out that as per assessment framed for the year 2009-10, it came to notice that the dealer did not maintain proper accounts and transactions shown were fictitious and were only paper transactions, the assessment was framed as under (As per R2):

(Amount in Rs.)		
GTO	Rs. 129015868	
TTO 4%	Rs. 5290695	Tax Rs. 211627
TTO 12.5%	Rs. 123725173	Tax Rs. 15465647
	<b>Total</b>	<b>Tax Rs. 15677273</b>
		<b>Tax paid nil.</b>

Above details revealed that the dealer had not paid tax as per due liability and maintained false accounts, he was liable to be penalized under section 38 of HVAT Act, 2003 which was not done. Penalty (three times of tax) on this account comes to Rs. 47031819 (156772373x3).

In reply to audit observation, it is mentioned that the assessment of the dealer for the year 2009-10 was framed by the Assessing Authority vide order dated 02.01.2013. During the course of proceedings, the dealer failed to produce his account books. Further, Assessing Authority has observed that the dealer claimed input tax credit on the purchase but during the course of verification it was noticed 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 were rejected and demand of Rs. 15677273/- under HVAT Act, 2003 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.

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 ex-parte on the basis of turnover declared by the dealer as per returns 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 now



penalty under section 38 of HVAT Act, 2003 has been imposed of Rs.47031819/- vide order dated 27.01.2017 by the assessing authority. R.C. of the dealer has been cancelled on 09.02.2010 w.e.f. 01.01.2010 and whereabouts of the dealer are not known. Recovery certificate was sent to Collector-Cum-DETC, Ambala vide no. 2029 dated 02.12.2013.

It is further intimated that there are two sureties of Rs. 100000/- only, namely Harsh Kumar, Proprietor of M/s Royal Stationery Mart, Jagadhri Road, Yamunanagar TIN 06761604790 and Rajesh Kumar, Proprietor of M/s Jagdamba Pharmaceuticals, Yamunanagar TIN 06601613705. Out of which Harsh Kumar, Proprietor of M/s Royal Stationery Mart, Jagadhri Road, Yamunanagar TIN 06761604790 has already deposited Rs.30000/- in respect of arrears for the year 2008-09 where as another surety Rajesh Kumar, Proprietor of M/s Jagdamba Pharmaceuticals is not traceable. Superintendent of the police Yamunanagar vide letter no.2763/W-5 dated 28/12/2017 was requested for lodging an FIR against the defaulting dealer followed by reminders on 30.03.2018, 21.05.2018, 24.05.2018 and 14.08.2018. A complaint bearing number 13240030071800084 was also lodged online on Haryana Police website (Harsamay) by the concerned jurisdictional officer on 28.08.2018 in Police Station, Jagadhri City. Now FIR No. 0545, dated 15.09.2018 has been lodged against the dealer.

**The Committee has recommended that the details of the defaulters be uploaded/displayed on the portal of the Department under intimation of the Committee.**

**16. M/s Komal Enterprises, Jagadhari, TIN 6271616942, A.Y. 2009-10:**

Audit party has pointed out that as per assessment of M/s Komal Enterprises for the year 2009-10, it came to notice that the dealer did not maintain proper accounts and transactions shown were fictitious and were only paper transactions, the assessment was framed as under (As per R2):

(Amount in Rs.)		
GTO	Rs. 82458506	
TTO 4%	Rs. 2704252	Tax Rs. 108170
TTO 12.5%	Rs. 79754302	Tax Rs. 9969282
	<b>Total</b>	<b>Tax Rs. 10077452</b>
		<b>Tax paid nil.</b>

Above details reveals that the dealer had not paid tax as per due liability and maintained false accounts, he was liable to be penalized under section 38 of HVAT Act, 2003 which was not done. Penalty (three times of tax) on this account comes to Rs. 30223561 (10077452 x 3).

The observation of the audit are admitted and it is mentioned that the assessment of the dealer for the year 2009-10 was framed by the Assessing Authority vide order dated 08.02.2013. During the course of proceedings, the dealer failed to produce his account books. 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 were rejected and demand of Rs.10077452/- under HVAT Act, 2003 was created. Further registration certificate of the dealer was also cancelled. The firm is lying closed and the dealer is not traceable.

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 ex-parte on the basis of turnover declared by the dealer as per returns 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 now penalty of Rs.30223561/- under section 38 of HVAT Act, 2003 has been imposed by the assessing authority vide order dt. 27.01.2017. R.C. of the dealer has been cancelled on dated 09.02.2010 w.e.f. 01.01.2010 and whereabouts of the dealer are not known. Also as per information received from Tehsildar, Jagadhri vide endst. No.940 dated 24.02.2016 there is no property in the name of the proprietor.

It is further intimated that there are two sureties of Rs.100000/- only, namely Gaurav Sharma, Proprietor of M/s Bhardwaj Trading Co., Jagadhri Road, Yamunanagar TIN 06711616118 and Vijay Kumar, Proprietor of M/s Deepika Sales Corporation, Yamunanagar TIN 06471616735. Out of which Gaurav Sharma, Proprietor of M/s Bhardwaj Trading Co., Jagadhri Road, Yamunanagar TIN 06711616118 has already deposited Rs.100000/- in respect of arrears for the year 2008-09 where as another surety Vijay Kumar, Proprietor of M/s Deepika Sales Corporation, Yamunanagar is not traceable. However, it is further intimated that Superintendent of the police Yamunanagar vide letter no. 2764/w-5 dated 28/12/2017 was requested for lodging an FIR against the defaulting dealer followed by reminders on 30.03.2018, 21.05.2018, 24.05.2018 and 14.08.2018. A complaint bearing number 133240030071800084 was also lodged online on Haryana Police website (Harsamay) by the concerned jurisdictional officer on 28.08.2018 in Police Station, Jagadhri City. Now FIR No.0544, dated 15.09.2018 has been lodged against the dealer.

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

**20. M/s Balaji Enterprises, Jagadhari TIN 6251617879 AY 2009-10:**

Audit party pointed out that the dealer is a trader of submersible pumps, Pipes, motors and works contractor. During the year 2008-09 & 09-10, the benefit of TDS for Rs.550003/- was allowed without verification from the DCRs of DETC concerned which is not as per law.

The observation of the audit are not admitted. It is mentioned that the original assessment of the case was framed on 28.03.2013. While framing the assessment credit of tax has been allowed after proper verification from the record. The letters for verification of payments have been written to respective authorities of the concerned districts. It is further intimated that taxation Inspector

was deputed to verify the TDS from different district and an amount of Rs.81292/- pertaining to district Ambala has been verified vide letter no. 6847 dated 25.06.2018 O/o Xen Public Health, Ambala Division, Ambala. For the Balance amount the concerned Authorities have intimated that they will send the verification report shortly which is still awaited. Recently letters have been written on 13.09.2018 to the concern Authorities.

In view of the above para may be dropped.

**The Committee has desired that verification of payment be made from the concerned authorities/districts in a time bound manner under intimation of the Committee.**

**25. M/s Babbar Wracker Pvt. Ltd., Bahadurgarh, Jhajjar TIN 0675170620, A.Y. 2007-08:**

Audit party has pointed out that DETC-cum-Assessing Authority Jhajjar vide his order dated 17.02.2011 for the assessment year 2007-08 had created additional demand of Rs. 24,28,686/- (2452172-23486) on sale made to Govt. against 'D' form under CST Act which were not admissible for concessional sale w.e.f. 01.04.2007 to the dealer. It was stated in the assessment order that action to levy the interest will be taken separately but no such action was taken till date. It regulated into non levy of interest amounting to Rs. 19,42,949/- tentatively.

**Audit observations are admitted.** Keeping in view the audit observations, assessment record is perused and it is noticed that DETC-cum-Assessing Authority Jhajjar vide his order dated 17.02.2011 has created a demand of Rs. 24,52,172/- under the CST Act on the ground that the dealer has made sales of Rs. 2,53,39,565/- to Govt. Department i.e. GM Vehicle Factory, Jabalpur (Army) against 'D' forms after 31.03.2007 under CST Act for which the dealer is not entitled in view of amendment (Amendment Act 16 of 2007 w.e.f. 01.04.2007) in the provisions of Section 8 (1) (a) and 8 (4) (b) of CST Act. In the assessment order, DETC-cum-Assessing Authority has recorded the observations that the proceedings for levy of interest will be initiated separately. It is also mentioned that the dealer (being registered dealer) has been allowed time to submit 'C' Forms in place of 'D' forms upto 30.05.2011. Aggrieved with Assessing Authority order dated 17.02.2011, the dealer preferred an appeal before Jt ETC(Appeal) Rohtak who vide his order dated 31.01.2012 upheld order dated 17.02.2011 passed by DETC-cum-Assessing Authority Jhajjar. **Aggrieved with Jt. ETC order dated 31.01.2012, the dealer has filed an appeal before Haryana Tax Tribunal.** HTT has not fixed the appeal case for hearing.

Further, after the decision of Jt. ETC(A) Rohtak, ETO-cum-Assessing Authority Bahadurgarh vide his order dated 25.05.2018 assessed interest of Rs. 24,28,686/- under CST Act. The tax demand notice and order of interest stands served upon the dealer directing him to make the payments within 30 days of the receipt of this notice. As the dealer has not made any payment so reminder notice has been issued to the dealer.

Aggrieved with the order dated 25.05.2018 of Assessing Authority Bahadurgarh where interest was levied, the assessee has filed an appeal before Jt. ETC(A) Rohtak which is fixed for 14.12.2018

In view of above submissions, it is requested to drop the para.

**The Committee has recommended that the matter be re-examined thoroughly at the earliest possible to protect the State revenue under intimation of the Committee.**

**26. M/s Powercon Electification Ltd Bahadurgarh Jhajjar A.Y. 2007-08:**

The audit observations against the firms mentioned at Sr. No. 26, 27 & 28 are of the same nature.

The audit party had pointed out that the M/s Powercon Electrical Ltd., Bahadurgarh has made purchases from M/s Om International, Karnal during the year 2007-08 and has claimed input tax thereon for Rs. 14,44,524/-. The assessment of the selling dealer of Karnal was framed on ex-party, therefore the claim of ITC for Rs. 14,44,524/- was to be rejected, but the same was allowed to the dealer.

Audit observations are admitted. It is mentioned that following action has been taken against M/s Om International, Karnal (Assessment of M/s Om International, Karnal was framed on 21.07.2010 whereas assessment of M/s Powercon Electification Ltd Bahadurgarh Jhajjar A.Y. 2007-08 was framed on 04.09.2009).

The assessment of M/s Om International, Karnal for the year 2007-08 was framed on 21.07.2010 creating additional demand of Rs. 35,13,321/- due to short payment of tax and interest thereon. This additional demand of Rs. 35,13,321/- also includes tax and penalty of Rs. 1,08,070/- on account of suppression of sale amounting to Rs. 2,88,189/-. The suppression of sale amounting to Rs. 2,88,189/- is added in the gross turnover on account of differential sale as per VAT D-3 (outward) and sale shown in the returns. The best judgment assessment was framed by assessing authority on the basis of data available on file and definite information. The dealer also failed to produce VAT C-4 and copies of purchase invoices and account books hence ITC was disallowed. However, input tax of Rs. 12,59,224/- was allowed after verification of purchases from selling dealers on purchases of Rs. 1,80,95,835/- @ 4% and Rs. 42,83,135/- @ 12.5%.

The status of recovery against M/s Om International, Karnal for the year 2007-08 is given as under.

Sr. No.	Name of the dealer	R.C. No.	A.Y.	Date of order	Total Demand created	Additional	Recovery during the month	Recovery upto the month	Balance VAT	CST	Remarks
1	Om International	32646	07-08	21.7.10	3513321	0	0	0	3513321	0	Firm stand closed. The dealer applied for cancellation of RC on 05.10.2010. However, RC of the dealer has been cancelled on 11.05.2011 w.e.f. 31.03.2010. Whereabouts of proprietor of firm is

												<p>not known. Proprietor of firm belongs to C-469 Chawla Colony Ballabgarh, Faridabad. Notices were issued to the sureties of firm for recovery of surety amount. One surety Sh. Gian Chand Prop. M/s Shri Ganesh Electric Co. Karnal TIN 06712231680 has withdraw surety vide letter dated 17.02.2010. Another surety Sh. Dharam Pal Verma Prop M/s Om Associates Karnal TIN 06192231772 is defaulter of Rs. 7105757 in A.Y. 2005-06 to 2009-10 and residing at D-8, 41, Chawla Colony, Ballabgarh.</p> <p>Recovery certificate has been sent to the Collector, Faridabad vide RC No. 3821 dated 13.10.2010 and reminder vide memo no. 199 dated 24.01.2011 and reminder vide memo no. 1152 dated 26.04.2011 and reminder memo no. 6373 dated 30.12.2013 and reminder memo no. 8590 dated 03.07.2014, reminder vide memo no. 301 dated 05.05.2015 &amp; reminder vide memo no. 560 dated 14.03.2018. But no recovery has been made.</p>
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The following action has also been taken in case of M/s Powercon Electrical Ltd., Bahadurgarh for the year 2007-08.

It is mentioned that the assessment case for the year 2007-2008 was assessed by ETO Bahadurgarh on 04-09-2009, which was referred to DETC(I)-cum-Revisional Authority Rohtak vide memo No. 2166 dated **20-12-2012** for Revisional action.

In response to the above communication, office of DETC(I), Rohtak intimated on **03-01-2013** that post of DETC(I)-cum-Revisional Authority, Rohtak is lying

vacant. Subsequently on 27.02.2013 vide dispatch No. 3080 the case was sent to JETC(Range)-cum- Revisional Authority Gurgaon.

JETC(Range)-cum- Revisional Authority Gurgaon returned the case vide dispatch No. 376 dated 29.08.2013, with the remarks that being time barred, no Revisional action could be taken in terms of the provisions of Section 34 of HVAT Act, 2003.

In this case, assessment was framed on 04-09-2009 for the year 2007-08 and audit has pointed out observations on 15-03-2012. After considering the audit objections, the case was sent for suo-moto action to DETC(I)-cum- Revisional Authority Rohtak on 20-12-2012. By that time, the case became time barred for Revisional action.

Sh. A.S. Kataria & Sh. M.S. Deshwal ETOs were Assessing Authorities and Sh. R.S. Thori was Dy. Excise & Taxation Commissioner-cum-Revisional Authority during the period from 15-03-2012 to 20.12.2012. Both the Assessing Authorities and Revisional Authority have retired so no action could be taken against the above officers in view of Rule 12(2)(b) of HCS(Pension) Rules, 2016.

**The Committee has desired that the proceedings in the case pending in revision be concluded in a time bound manner in the interest of the State under intimation of the Committee.**

**27. M/s Powercon Electification Ltd., Bahadurgarh Jhajjar A.Y. 2007-08:**

The audit observations against the firms mentioned at Sr. No. 26, 27 & 28 are of the same nature.

The audit party had pointed out that the M/s Powercon Electrical Ltd., Bahadurgarh has made purchases from M/s Om International, Karnal during the year 2007-08 and has claimed input tax thereon for Rs. 14,44,524/-. The assessment of the selling dealer of Karnal was framed on ex-party, therefore the claim of ITC for Rs.1444524/- was to be rejected, but the same was allowed to the dealer.

Audit observations are admitted. It is mentioned that following action has been taken against M/s Om International, Karnal (Assessment of M/s Om International, Karnal was framed on 21.07.2010 whereas assessment of M/s Powercon Electification Ltd Bahadurgarh Jhajjar A.Y. 2007-08 was framed on 04.09.2009)

The assessment of M/s Om International, Karnal for the year 2007-08 was framed on 21.07.2010 creating additional demand of Rs.35,13,321/- due to short payment of tax and interest thereon. This additional demand of Rs.35,13,321/- also includes tax and penalty of Rs. 1,08,070/- on account of suppression of sale amounting to Rs.2,88,189/-. The suppression of sale amounting to Rs.2,88,189/- is added in the gross turnover on account of differential sale as per VAT D-3 (outward) and sale shown in the returns. The best judgment assessment was framed by assessing authority on the basis of data available on file and definite information. The dealer also failed to produce VAT C-4 and copies of purchase invoices and account books hence ITC was disallowed. However, input tax of

Rs.12,59,224/- was allowed after verification of purchases from selling dealers on purchases of Rs.1,80,95,835/- @ 4% and Rs.42,83,135/- @ 12.5%.

The status of recovery against M/s Om International, Karnal for the year 2007-08 is given as under:

Sr. No.	Name of the dealer	R.C. No.	A.Y.	Date of order	Total Demand created	Addl.	Recovery during the month		Recovery upto the month		Balance		Remarks
											VAT	CST	
1	Om International	32646	07-08	21.7.10	3513321	0	0	0	0	0	3513321	0	Firm stand closed. The dealer applied for cancellation of RC on 05.10.2010. However, RC of the dealer has been cancelled on 11.05.2011 w.e.f. 31.03.2010. Whereabouts of proprietor of firm is not known. Proprietor of firm belongs to C-469 Chawla Colony Ballabgarh, Faridabad. Notices were issued to the sureties of firm for recovery of surety amount. One surety Sh. Gian Chand Prop. M/s Shri Ganesh Electric Co. Karnal TIN 06712231680 has withdraw surety vide letter dated 17.02.2010. Another surety Sh. Dharam Pal Verma Prop M/s Om Associates Karnal TIN 06192231772 is defaulter of Rs. 7105757 in A.Y. 2005-06 to 2009-10 and residing at D-8, 41, Chawla Colony, Ballabgarh. Recovery certificate has been sent to the Collector, Faridabad vide RC No. 3821 dated 13.10.2010 and reminder vide memo no. 199 dated 24.01.2011 and reminder vide memo no. 1152 dated 26.04.2011 and reminder memo no. 6373 dated 30.12.2013 and reminder memo no. 8590 dated 03.07.2014, reminder vide memo no. 301 dated 05.05.2015 & reminder vide memo no. 560 dated 14.03.2018. But no recovery has been made.

The following action has also been taken in case of M/s Powercon Electrical Ltd., Bahadurgarh for the year 2007-08.

It is mentioned that the assessment case for the year 2007-2008 was assessed by ETO Bahadurgarh on 04-09-2009, which was referred to DETC(I)-cum-Revisonal Authority Rohtak vide memo No. 2166 dated 20-12-2012 for Revisonal action.

In response to the above communication, office of DETC(I), Rohtak intimated on **03-01-2013** that post of DETC(I)-cum-Revisional Authority, Rohtak is lying vacant. Subsequently on 27-02-2013 vide dispatch No. 3080 the case was sent to JETC(Range)-cum- Revisional Authority Gurgaon.

JETC(Range)-cum- Revisional Authority Gurgaon returned the case vide dispatch No. 376 dated 29-08-2013, with the remarks that being time barred, no Revisional action could be taken in terms of the provisions of Section 34 of HVAT Act, 2003.

In this case, assessment was framed on 04.09.2009 for the year 2007-08 and audit has pointed out observations on 15.03.2012. After considering the audit objections, the case was sent for suo-moto action to DETC(I)-cum- Revisional Authority Rohtak on 20-12-2012. By that time, the case became time barred for Revisional action.

Sh. A.S. Kataria & Sh. M.S. Deshwal ETOs were Assessing Authorities and Sh. R.S. Thori was Dy. Excise & Taxation Commissioner-cum-Revisional Authority during the period from 15-03-2012 to 20-12-2012. Both the Assessing Authorities and Revisional Authority have retired so no action could be taken against the above officers in view of Rule 12(2)(b) of HCS(Pension) Rules, 2016.

**The Committee has desired that the proceedings in the case pending in revision be concluded in a time bound manner in the interest of the State under intimation of the Committee.**

**28. M/s Powercon Electification Ltd Bahadurgarh Jhajjar A.Y. 2008-09:**

The dealer M/s Powercon Electrical Ltd., Bahadurgarh has made purchases from M/s Om International, Karnal during the year 2008-09 and has claimed input tax thereon for Rs. 8,35,896/-. The assessment of the sealing dealer i.e. M/s Om International, Karnal was framed on ex-parte basis, therefore the claim of ITC of Rs. 8,35,896/- was to be rejected, but the same was allowed to the dealer.

Audit observations are admitted. It is mentioned that following action has been taken against M/s Om International, Karnal (Assessment of M/s Om International, Karnal was framed on 22.09.2010 whereas assessment of M/s Powercon Electification Ltd Bahadurgarh Jhajjar A.Y. 2008-09 was framed on 07.04.2010).

The assessment of M/s Om International, Karnal for the year 2008-09 was framed on 22.09.2010 creating additional demand of Rs.46,10,335/- under the HVAT Act and Rs.2,72,460/- under the CST Act due to non production of VAT C-4/purchase invoices and account books. This additional demand includes tax and penalty of Rs.1,66,514/- and Rs.4,99,542/- respectively on account of suppression of sale amounting to Rs.13,32,114/-. The suppression of sale amounting to Rs.13,32,114/- is added in the gross turnover on account of differential sale as per VAT D-3 (outward) and sale shown in the returns. The best judgment assessment was framed by assessing authority on the basis of data available on file and definite information. The dealer also failed to produce VAT C-4 and copies of purchase invoices and account books hence ITC was disallowed.



The status of recovery against M/s Om International, Karnal for the year 2008-09 is given as under:

Sr. No.	Name of the dealer	R.C. No.	A.Y.	Date of order	Total Demand created	Additional Demand created	Recovery during the month		Recovery upto the month		Balance VAT    CST		Remarks
1	Om International	32646	08-09	22.09.10	4610335	272460	0	0	0	0	4610335	272460	Firm stand closed. Firm stand closed. The dealer applied for cancellation of RC on 05.10.2010. However, RC of the dealer has been cancelled on 11.05.2011 w.e.f. 31.03.2010. Whereabouts of proprietor of firm is not known. Proprietor of firm belongs to C-469 Chawla Colony Ballabgarh, Faridabad. Notices were issued to the sureties of firm for recovery of surety amount. One surety Sh. Gian Chand Prop. M/s Shri Ganesh Electric Co. Karnal TIN 06712231680 has withdraw surety vide letter dated 17.02.2010. Another surety Sh. Dharam Pal Verma Prop M/s Om Associates Karnal TIN 06192231772 is defaulter of Rs. 7105757 in A.Y. 2005-06 to 2009-10 and residing at D-8, 41, Chawla Colony, Ballabgarh.  Recovery certificate has been sent to the Collector, Faridabad vide RC No. 3821 dated 13.10.2010 and reminder vide memo no. 199 dated 24.01.2011 and reminder vide memo no. 1152 dated 26.04.2011 and reminder memo no. 6373 dated 30.12.2013 and reminder memo no. 8590 dated 03.07.2014, reminder vide memo no. 301 dated 05.05.2015 & reminder vide memo no. 560 dated 14.03.2018. But no recovery has been made.

The following action has been taken in case of M/s Powercon Electrical Ltd., Bahadurgarh for the year 2008-09.

It is mentioned that the case of the firm for the year 2008-09 was assessed by the ETO-cum-AA, Bahadurgarh on 07-04-2010 vide disposal No. 01. Audit has pointed out observations on 15.03.2012. The case was sent to the Revisional Authority-cum-DETC (I), Rohtak vide memo No. 2166 dated 20-12-2012 for Revisional action.

In response to the above communication, office of DETC(I)-cum-Revisional Authority Rohtak intimated on 03-01-2013 that post of DETC(I)-cum-Revisional Authority, Rohtak is lying vacant. Subsequently, on 27-02-2013 vide dispatch No. 3080 the case was sent to the Revisional Authority-cum- JETC (Range) Gurgaon.

JETC (Range)-cum- Revisional Authority Gurgaon returned the case vide order No. 376 dated 29-08-2013, with remarks that being time barred, no Revisional action could be taken in terms of the provisions of Section 34 of HVAT Act, 2003.

Sh. A.S. Kataria & Sh. M.S. Deshwal ETOs were Assessing Authorities during the period from 15-03-2012 to 20-12-2012. Both the Assessing Authorities have retired so no action could be taken against the above officers in view of Rule 12(2)(b) of HCS(Pension) Rules, 2016. Sh. R.S. Thori was DETC-cum-Revisional Authority during the period 15.03.2012 to 06.04.2013, who has also retired so disciplinary action could not be taken against him in view of Rule 12(2)(b) of HCS(Pension) Rules, 2016.

**The Committee has desired that the proceedings in the case pending in revision be concluded in a time bound manner in the interest of the State under intimation of the Committee.**

**31. M/s National Marketing, Bahadurgarh Jhajjar TIN 06341704931,  
A.Y. 2008-09:**

The audit party has pointed out that Assessing Authority has allowed claim of Rs.1,47,19,194/- against VAT D-1 whereas VAT D-1 forms amounting to Rs.55,05,277/- are not available on file hence Assessing Authority has allowed excess claim against VAT D-1 forms resulting into under assessment of tax of Rs.4,67,949/- in addition to interest.

The observations of audit are admitted. It is mentioned that the case was sent to DETC-cum-Revisional Authority Jhajjar who created an additional demand of Rs. 1758346/- vide demand No.6/ 2008-09 dated 29-04-2015. Against this order, the dealer preferred an appeal before the Haryana Tax Tribunal vide STA No. 88/2015-16. HTT allowed the appeal and set aside the impugned order of the Revisional Authority vide order dated 04-05-2017 on the ground that when the dealer has submitted VAT D-1 forms at the time of assessment and Assessing Authority has also allowed the claim against VAT D-1 forms so, dealer couldn't be held responsible for misplacing VAT D-1 forms at later stage.

**The Committee has desired that the matter be re-examined thoroughly before filing the appeal in the Hon'ble High Court under intimation of the Committee.**

**36. M/s Competent Const. Co, Bahadurgarh Jhajjar A.Y. 2008-09:**

Audit party has pointed out that assessing authority has allowed input tax claim on purchases as under:-

Purchase	Input Tax Claim
Rs. 6,04,70,475/- @ 4%	Rs. 24,18,819/-
Rs. 27,73,692/- @ 12.5%	Rs. 3,46,699/-
<b>Total Rs. 6,32,44,067/-</b>	<b>Rs. 37,65,518/-</b>

It is also pointed out that the dealer has produced VAT C-4 Forms for Rs.4,41,420/-. Thus the dealer has been allowed excess claim of ITC for Rs.2,91,522/- on purchases of Rs.23,32,172/- (Rs.27,73,592-4,41,420).

Audit observations are admitted. It is mentioned that the assessment order dated 07.03.2012 was referred to Revisional Authority who vide his order dated 08.04.2015 created demand of Rs.1,11,03,872/- under the CST Act 1956. Aggrieved with Revisional Authority order dated 08.04.2015, the dealer preferred an appeal before Haryana Tax Tribunal. Haryana Tax Tribunal vide its order dated 09.07.2018 remanded the case back to Revisional Authority with the directions to decide the case after examining/ verifying the documents.

The Hon'ble Haryana Tax Tribunal also directed the dealer to appear before the Revisional Authority on 16.08.2018 for getting his case decided. The case has been decided on 25.10.2018 by the DETC-cum-Revisional Authority, in which demand of Rs.55,51,936/- has been created under CST ACT, 1956. Tax demand notice alongwith copy of order for the same has been sent vide registered post alongwith copy of order to the dealer vide no.1112, dated 30.10.2018.

Another notice dated 05.12.2018 has been served upon the dealer through registered post stating therein that in case of non deposition of outstanding arrear within 3 days from the receipt of this notice, the recovery will be effected under Pb. Land Revenue Act 1887. The dealer has preferred an appeal before Haryana Tax Tribunal against order dated 25.10.2018 passed by DETC-cum-Revisional Authority, (Jhajjar). The date of hearing has not been fixed by HTT.

**The Committee has desired that the interest of the State be protected meticulously in the matter pending adjudication before Hon'ble Haryana Tax Tribunal and the Committee be also informed of the decision of the Tribunal.**

**39. M/s Navneet Ceramic (P) Ltd., Jind TIN 06742005314, A.Y. 2006-07:**

Audit party has pointed out that dealer has conducted ISS of sewerage pipe worth Rs.94,65,728/-. AA levied tax @4% on these interstate sales on production of 'C' forms. Out of these, sale of Rs.94,65,728/- under CST Act, C forms for Rs.37,45,160/- are stated to be suspicious by the audit which involves tax effect of Rs. 3,18,319/- and three times penalty of Rs. 955017/- under section 38 of the Act.

Audit observations are admitted. It is mentioned that the original assessment in this case was framed on 18.03.2010 wherein sale of Rs. 94,65,728/- was assessed against C form under CST. After taking into consideration the contents of audit para, AA Jind made correspondence with the Tax Authorities of Punjab State. The re-assessment proceedings were initiated on 05.02.2013 by Assessing Authority Jind after confronting the dealer that C Forms amounting to Rs.37,45,160/- are found to be issued by tax Authorities of Punjab State in favour of some other dealers. The verification of these C forms i.e. issued in favour of other dealers were made by AA from Tinxsys site. However, during pendency of re - assessment proceeding, the clarification was issued by the Govt. on dated 11.03.2013 in the case of M/s. Priya Clay Pvt Ltd Jind under section 56(3) of the HVAT Act wherein it was clarified that SW pipes are covered under Entry 60 of Schedule 'C' and liable to tax accordingly. As per this clarification rate of tax on the sale of SW pipes was clarified as per Entry 60 of Schedule 'C' w.e.f. 01-07-2005. It is relevant to mention here that rate of tax on the goods under Schedule 'C' was 4% during 2006-07. In view of the contents of clarification, re-assessment proceedings were finalized on 30.04.2013.

Since audit has doubted the genuineness of C forms amounting to Rs. 3745160/-, so the department has made a complaint to Police department vide letter No.7193/E.T.O-w1, dated 14.09.2018 for lodging FIR against the dealer. The disciplinary action against the officer concerned could not be initiated in view of Rule 12(2)(b) of HCS (Pension) Rules 2016 because the assessment was framed on 18.03.2010 and the officer concerned has retired on 30.04.2018.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm/dealer to augment the State revenue under intimation of the Committee.**

**40. M/s Luxmi Cotton Mill, Jind TIN 06872009656, A.Y. 2006-07:**

The audit observations against the firms mentioned at Sr. No. 40, 42 & 43 are of the same nature.

The audit party has pointed out that the dealer has been allowed ITC of Rs.1,33,182/- on purchases made from M/s Ved Cotton Factory Uchana which has not discharged his tax liability so ITC is not admissible to this dealer.

The contents of audit para are not admitted. It is mentioned that M/s Luxmi Cotton Mill, Uchana (Jind) is doing business till now. The details of sales and tax paid by M/s Luxmi Cotton Mill, Jind for the last three years are given as under:

Year	Sale	Tax Paid	ITC adjusted if any
2014-15	Rs. 2,16,99,112-00	NIL	Rs. 5,99,399/-
2015-16	Rs. 91,83,400-00	NIL	Rs. 15,194/-
2016-17	Rs. 2,09,39,354-00 (exempted sale)	NIL	-
2017-18 (VAT)	Rs. 56,29,490-00 (exempted sale)	NIL	NIL
2017-18 GST	Rs. 6,25,09,451-00	3148	Rs. 14,43,278-00

The dealer has also migrated under Haryana GST Act, 2017 vide GSTIN No. 06AANPB4804G1Z1.

This dealer has also purchased goods from local mandies and ITC has been allowed on purchases made from local mandies during the year 2015-16 and 2016-17. The purchases of M/s Luxmi Cotton Mill have been verified from the selling dealers and it is noticed that there is no collusion of M/s Luxmi Cotton Mill, Uchana (purchasing dealer) with M/s Ved Cotton Factory, Uchana (selling dealer). Hence, ITC to M/s Luxmi Cotton Mill has rightly been allowed applying the ratio of judgment of M/s Geru Mal Bal Chand Vs State of Haryana passed by The Hon'ble Punjab and Haryana High Court vide CWP No. 6573 of 2007 on Dated 23.09.2011. The relevant operative part of the judgment is re-produced is as under.

“33. To conclude, no liability can be fastened on the purchasing registered dealer on account of non-payment of tax by the selling registered dealer in the treasury unless it is fraudulent, or collusion or connivance with the registered selling dealer or its predecessors with the purchasing registered dealer is established.

34. In view of above, it cannot be held that the provisions of Section 8(3) of the Act and the sub-rules (1) and (4) of Rule 20 of the Rules are ultra-vires but the same shall be operative in the manner indicated above. Consequently, the writ petitions are partly allowed and assessment orders are set aside and cases are remanded to the assessing authority to pass fresh assessment order in accordance with law.”

As regards action against M/s Ved Cotton Factory, Uchana, it is mentioned that Revisional Authority Jind vide his order dated 15.10.2010 has created additional demand of Rs.26,33,249/- in the assessment year 2006-07 disallowing input tax credit on purchases of Rs.6,58,76,446/- @ 4% made from M/s Ram Chander Chhabil Dass Uchana TIN 06942007241, M/s Anurag Trading Co., Uchana, TIN 06362007851, M/s Singla Trading Co. Julana (Jind), TIN 06782010142 and M/s Shiv Shankar Trading Co, Matloda (Panipat). The registration certificate of M/s Ved Cotton Factory Uchana has been cancelled vide assessing authority order dated 30.04.2013 w.e.f. 28.02.2008.

The status of assessment and recovery of M/s Ved Cotton Factory, Uchana for the year 2006-07 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/Property under Land Revenue Act Business premises owned or rented
M/s Ved Cotton Factory, Uchana	15.10.2007	2006-07	2633249-00	NO	30.04.2013	28.02.2008	The firm is closed. Arrear declared under Land Revenue Act. As per report of Tehsildar dated 16-04-2018, there is no movable/ immovable property of the proprietor. Notices to surety i.e. M/s Garg Cotton Genning Factory, Uchana and M/s Bhale Ram Suresh Kumar, Uchana has been issued for 12.12.2018. Summons have been issued to the proprietor for 12.12.2018.

The status of assessment and recovery of selling dealers of M/s Ved Cotton Factory, Uchana for the year 2006-07 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/Property under Land Revenue Act Business premises owned or rented
M/s Ram Chander Chhabil Dass, Uchana	Revision assessment order dated 15.10.2010	2006-07	1311065-00	NIL	16.04.2007	31.03.2007	The firm is closed. Notices have been issued to sureties for 13.12.2018, M/s Garg Cotton Ginning Factory, Uchana and M/s Sat Narain Mahabir Parshad, Uchana are sureties in this case.
M/s Anurag Trading Co. Uchana.	Revision assessment order dated 02.11.2010	2006-07	111763-00	NIL	16.04.2007	31.03.2007	The firm is closed. Arrear declared under Land Revenue Act. As per report of Tehsildar dated 16-04-2018, there is no movable/immovable property of the proprietor. Notices have been issued to the sureties for 12.12.2018. M/s Baldev Rai Deepak Kumar, Uchana and M/s Satnarayan Mahavir Prashad, Uchana have stood surety or Rs. 50,000/- (each surety). Summons have been issued to the proprietor for 12.12.2018.
M/s Singla Trading Co. Julana, (Jind)	2.-07.2009	2006-07	3029040-00	NIL	--	30.06.2007	The firm is closed. The case has been sent for writing off the arrear by concerned DETC vide his office memo No. 6169 dated 16-04-2018.
M/s Shiv Shankar Trading Co, Matloda, (Panipat).	05.11.2008	2006-07	Rs.1520/- Recovered	Recovered	----	31.03.2007  Vide assessing authority order dated 31.12.2007	-

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm/dealer to augment the State revenue under intimation of the Committee.**

**42. M/s Luxmi Cotton Mill, Jind TIN 6872009656, A.Y. 2007-08:**

The audit party has pointed out that the dealer has been allowed ITC on purchases which have been made from M/s Ved Cotton Factory Uchana because M/s Ved Cotton Factory Uchana has not discharged his tax liability, so ITC is not admissible to this dealer.

The contents of audit para are not admitted. It is mentioned that M/s Luxmi Cotton Mill, Uchana (Jind) is doing business till now. The details of sales and tax paid by M/s Luxmi Cotton Mill, Jind for the last three years are given as under.

Year	Sale	Tax Paid	ITC adjusted if any
2014-15	Rs. 2,16,99,112-00	NIL	Rs. 5,99,399/-
2015-16	Rs. 91,83,400-00	NIL	Rs. 15,194/-
2016-17	Rs. 2,09,39,354-00 (exempted sale)	NIL	-

2017-18 VAT	Rs. 56,29,490-00 (exempted sale)	NIL	NIL
2017-18 GST	Rs. 6,25,09,451-00	3148	Rs. 14,43,278-00

The dealer has also migrated under Haryana GST Act, 2017 vide GSTIN No. 06AANPB4804G1Z1.

This dealer has also purchased goods from local mandies and ITC has been allowed on purchases made from local mandies during the year 2015-16 and 2016-17. The purchases of M/s Luxmi Cotton Mill have been verified from the selling dealers and it is noticed that there is no collusion of M/s Luxmi Cotton Mill, Uchana (purchasing dealer) with M/s Ved Cotton Factory, Uchana (selling dealer). Hence, ITC to M/s Luxmi Cotton Mill has rightly been allowed applying the ratio of judgment of M/s Geru Mal Bal Chand Vs State of Haryana passed by The Hon'ble Punjab and Haryana High Court vide CWP No. 6573 of 2007 on Dated 23.09.2011. The relevant operative part of the judgment is re-produced is as under.

*"33. To conclude, no liability can be fastened on the purchasing registered dealer on account of non-payment of tax by the selling registered dealer in the treasury unless it is fraudulent, or collusion or connivance with the registered selling dealer or its predecessors with the purchasing registered dealer is established.*

*34. In view of above, it cannot be held that the provisions of Section 8(3) of the Act and the sub-rules (1) and (4) of Rule 20 of the Rules are ultra-vires but the same shall be operative in the manner indicated above. Consequently, the writ petitions are partly allowed and assessment orders are set aside and cases are remanded to the assessing authority to pass fresh assessment order in accordance with law."*

As regards action against M/s Ved Cotton Factory, Uchana, Assessing Authority Jind vide his order dated 26.02.2016 has created additional demand of Rs.14,22,222/- in the assessment year 2007-08 disallowing input tax on purchases of Rs.2,69,68,157/- @ 4% made from M/s Singla Trading Co. Julana (Jind), TIN 06782010142, M/s Shiv Shankar Trading Co, Matloda (Panipat) and M/s Aggarwal Trader, Adampur. M/s Ved Cotton Factory, Uchana filed an appeal before appellate authority Rohtak who vide his order dated 09.08.2010 rejected the appeal. After that the dealer filed an appeal before Haryana Tax Tribunal vide appeal no. STA 478 of 2010-11. Haryana Tax Tribunal remanded the case in the year 2012 in view of the judgments of M/s Geru Mal Bal Chand. While deciding the remand case, Assessing Authority vide his order dated 26.02.2016 has confirmed the legality of original assessment order dated 16.11.2009 passed against M/s Ved Cotton Factory Uchana. The registration certificate of M/s Ved Cotton Factory Uchana has been cancelled vide assessing authority order dated 30.04.2013 w.e.f. 28.02.2008. The proceeding for recovery has been initiated by the officers after issuing tax demand notice and copy of assessment order.

The status of assessment and recovery of M/s Ved Cotton Factory, Uchana for the year 2007-08 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/ Property under Land Revenue Act Business premises owned or rented
M/s Ved Cotton Factory, Uchana	Remand case dated 26.02.2016	2007-08	1422222	NIL	30.04.2013	28.02.2008	The firm is closed. Arrear declared under Land Revenue Act. As per report of Tehsildar dated 16-04-2018, there is no movable/ immovable property of the proprietor. Notices to surety i.e. M/s Garg Cotton Genning Factory, Uchana and M/s Bhale Ram Suresh Kumar, Uchana has been issued for 12.12.2018. Summons have been issued to the proprietor for 12.12.2018.

The status of assessment and recovery of selling dealers of M/s Ved Cotton Factory, Uchana for the year 2007-08 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/Property under Land Revenue Act Business premises owned or rented
M/s Singla Trading Co. Julana (Jind)	27.07.2009	2007-08	267279	NIL	-	30.06.2007	The firm is closed. The case has been sent for writing off the arrear by concerned DETC vide his office memo No. 6169 dated 16-04-2018.
M/s Shiv Shankar Trading Co, Matloda (Panipat).		2007-08			vide assessing authority order dated 31.12.2007	w.e.f. 31.03.2007	--
M/s Aggarwal Trader, Adampur		2007-08			16.09.2004	31.03.2004	

In view of above facts, it is requested to drop the para.



**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm/dealer to augment the State revenue under intimation of the Committee.**

**43. M/s Navneet Trader, Jind TIN6982009062, A.Y. 2008-09:**

The audit party has pointed out that M/s Navneet Traders, Uchana (Jind.) has purchased goods worth Rs.10,58,123/- from M/s Swastik Trading Company Narwana which has not deposited tax on its sales hence ITC worth Rs.42,325/- allowed to M/s Navneet Traders Jind is not admissible.

The observations of the audit are not admitted. It is mentioned that M/s Navneet Traders, Uchana (Jind) is doing business till now. The details of sales and tax paid by M/s Navneet Traders, Uchana (Jind) for the last three years are given as under.

Year	Sale	Tax Paid	ITC adjusted if any
2014-15	Rs. 6,10,42,912-00	NIL	6633540-00
2015-16	Rs. 7,68,37,409-00	NIL	767607-00
2016-17	Rs. 6,25,98,667-00	Rs. 1,28,490-00	25606-00
2017-18 VAT	Rs.3,63,19,917-00 (exempted sale)	NIL	NIL
2017-18 GST	Rs. 5,17,40,961-00	NIL	8,93,096-00

The dealer has also migrated under Haryana GST Act, 2017 vide GSTIN No. 06AWEPK8744R1ZQ.

This dealer has also purchased goods from local mandies and ITC has also been allowed ITC on purchases made from local mandies during the year 2015-16 and 2016-17. The purchases of M/s Navneet Traders, Uchana (Jind) have been verified from the selling dealers and it is noticed that there is no collusion of M/s Navneet Traders, Uchana (Jind) (purchasing dealer) with M/s Swastik Trading Company Narwana (selling dealer). Hence, ITC to M/s Navneet Traders, Uchana (Jind) has rightly been allowed applying the ratio of judgment of M/s Geru Mal Bal Chand Vs State of Haryana passed by The Hon'ble Punjab and Haryana High Court vide CWP No. 6573 of 2007 on Dated 23.09.2011. The relevant operative part of the judgment is re-produced is as under.

*“33. To conclude, no liability can be fastened on the purchasing registered dealer on account of non-payment of tax by the selling registered dealer in the treasury unless it is fraudulent, or collusion or connivance with the registered selling dealer or its predecessors with the purchasing registered dealer is established.*

*34. In view of above, it cannot be held that the provisions of Section 8(3) of the Act and the sub-rules (1) and (4) of Rule 20 of the Rules are ultra-vires but the same shall be operative in the manner indicated above. Consequently, the writ petitions are partly allowed and assessment orders are set aside and cases*

*are remanded to the assessing authority to pass fresh assessment order in accordance with law."*

M/s Navneet Traders has made purchases from M/s Swastik Trading Co, Narwana. It is noticed that M/s Swastik Trading Company has made purchases from M/s Aggarwal Trader, TIN-06441523680 Aadampur, Hisar, and M/s Shiv Shankar Trading Co, Matloda, Panipat. The purchases made from M/s Aggarwal Trader, TIN-06441523680 Aadampur, Hisar, and M/s Shiv Shankar Trading Co, Matloda, Panipat amounting to Rs.2,12,49,057/- have been disallowed and the additional demand of Rs.39,25,643/- has been created vide Assessing Authority order dated 22.06.2009.

The status of assessment and recovery of M/s Swastik Trading Co, Narwana for the year 2008-09 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/ Property under Land Revenue Act Business premises owned or rented
M/s Swastik Trading Co, Narwana	22-06-2009	2008-09	39,25,643/-	50,000/-	31.03.2014	31.03.09	Recovery certificate of arrears has been sent to DETC (ST) Karnal Disst. Vide concerned DETC office letter No.128 dated 18-09-2013. An arrear of Rs. 50,000/- has been recovered from surety i.e. M/s Johrimal Sanjeev Kumar, Narwana the another surety M/s Daya Ram Brij Lal, Narwana has left for unknown place and where about of this surety are not known. Tehsildar Narwana has been requested to supply the detail of movable/immovable property of the firm and the surety as well.

The status of assessment and recovery of selling dealers of M/s Swastik Trading Co, Narwana for the year 2008-09 is given as under:-

Name of the Firm	Date of assessment order	Assessment Year	Demand created	Recovery made out of demand created	Date of cancellation of RC by AA	RC Cancelled w.e.f.	Recovery efforts from Surety/ Property under Land Revenue Act Business premises owned or rented.
M/s Shiv Shankar Trading Co, Matloda (Panipat).		2008-09			vide assessing authority order dated 31.12.2007	w.e.f. 31.03.2007	----
M/s Aggarwal Trader, Adampur		2008-09			16.09.2004	31.03.2004	

In view of above facts, it is requested to drop the para.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm/dealer to augment the State revenue under intimation of the Committee.**

**45. M/s Kasturi Di Hatti, Jind TIN 6452000963, A.Y. 2007-08:**

The audit party has pointed out that dealer is a trader of x-ray goods. During scrutiny of case file, it is revealed that the dealer has sold x-ray goods for Rs.53,56,138/- at the rate of 12.5% as per balance sheet of the firm but while finalizing assessment, the tax was calculated treating exempted sale for Rs.3,47,065/- and Rs. 5,30,050/- was assessed @ 4% in absence of declaration form for sale to Govt. This resulted into under assessment of tax for Rs. 88,437/- besides interest.

The observations of the audit is partly admitted. From the examination of file, the following facts have emerged.

1. The statutory VAT C-3 forms for sale to Govt. Dept for Rs. 5,30,050/- are available on file for the perusal of the audit.
2. Tax @ 13.125% has been re-assessed on exempted turnover of Rs. 3,47,065/- and the demand of Rs. 45,054/- is created by the Assessing Authority vide his order dated 18-11-2015.

Tax demand notice & re-assessment order dated 18.11.2015 has been served upon the dealer. The Proprietor of the firm has expired. The firm is closed. The business premises on rent. Efforts are being made to recover the arrear from sureties i.e. first Surety Sh. Vinod Kumar partner of M/s Khurana Sales Agency, Jind RC No. JND-5005 and second surety Sh. Ashwani Kumar Proprietor of M/s Ashu Chapal Store, Punjabi Bazar, Jind. The sureties for Rs. 50,000/- each

under the HVAT & CST Acts has been obtained from this dealer at the time of grant of RC. Notices have been issued to the sureties to deposit the amount on or before 22.11.2018. On 22.11.2018, the counsel for the dealer requested to adjourn the case for 12.12.2018.

The dealer has filed appeal before Jt. ETC(A) Rohtak on dated 12.12.2018. The arrear is declared to be recoverable under Pb. Land Revenue Act.

In view of the above facts, it is requested to drop the para.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding dues from the firm/dealer to augment the State revenue under intimation of the Committee.**

**49. M/s Baweja distributor Jind TIN 6132007444, A.Y. 2008-09:**

The audit party has pointed out that the dealer is a trader of x-ray goods. During scrutiny of case file, it is revealed that the dealer has sold x-ray goods for Rs. 95,72,905/- @ 12.5% and Rs 10,57,458/- @ 4% to Govt. Department in absence of statutory declaration form meant for Govt. sale. Tax is calculated by Assessing Authority @ 12.5% on Rs. 82,57,130/-. This resulted in short calculation of tax on turnover of Rs.13,15,775/-. Tax @ 12.5% on Rs. 13,15,775/- (1,64,472+ 10,57,458 @ 12.5%) comes to Rs. 2,54,356/- besides interest.

The observations of the audit are partly admitted. From the examination of assessment file, the following facts have emerged:-

1. As per trading account, sale of Rs. 10,57,458/- is rightly assessed @ 4% as the dealer has maintained separate account of sale/purchase taxable @ 4%.
2. The dealer has sold x-ray film to Govt. Hospital amounting to Rs. 4,37,684/- against statutory VAT C-3 forms which are available on file. It is further clarified that the dealer has made sale of x-ray film to Govt. Hospital for Rs. 4,37,684/- out of separate account of sale and purchase taxable at the rate of 12.5% maintained by the dealer.

**Note-** Thus sale of Rs.10, 57,458/- + Rs.4,37,684/- comes to Rs.14,95,142/- which has correctly been assessed @ 4% by Assessing Authority in the assessment order dated 08.02.2012.

After examining the facts from the assessment file, the calculation of turnover /tax free sale is detailed as under.

GTO	Rs.1,07,16,513-00
Less T.T.O.@ 4% (Separate account maintained)	<u>Rs.10,57,458-00</u> A
Balance	Rs. 96,59,055-00
Less TTO @ 4% Sale to Govt. Dept (Sale out of separate account of sale @ 12.5 % of Rs. 95,72,905/-)	<u>Rs.4,37,684-00</u> B

Balance	Rs. 92,21,371-00
Less Tax-free sale	<u>Rs. 86,150-00</u>
Balance	Rs. 91,35,221-00
Less TTO @ 12.5%	<u>Rs. 82,57,130-00</u>
Balance TTO @ 12.5% (which has been pointed out by audit assessed as exempted sale by Assessing Authority)	Rs. 8,78,091-00

Sale of A+B (Rs.10,57,458 + Rs 4,37,684) = Rs.14,95,142/- is rightly assessed @ 4% in the assessment order. However, audit observations, regarding assessment of taxable turnover of Rs.8,78,091/- @ 12.5% as allowed exempted sale by Assessing Authority in the order, are admitted. Accordingly, turnover of Rs.8,78,091/- has been assessed to tax and interest by Assessing Authority on 18.11.2015 creating additional demand of Rs.1,29,787/- (including interest).

Recovery proceeding have been initiated after issuance of tax demand notice & re-assessment order to the dealer. The proprietor of the firm has expired. The business premises on rent. The firm is closed. Efforts are being made to recover the arrear from sureties i.e. first Surety Sh. Vinod Kumar partner of M/s Khurana Sales Agency, Jind RC No. JND-5005 and second surety Sh. Ashwani Kumar Proprietor of M/s Ashu Chapal Store, Punjabi Bazar, Jind. The sureties for Rs.50000/- each under HVAT/CST Acts have been obtained from the dealer at the time of grant of RC. To effect the recovery, notices have been issued to the sureties for 22.11.2018. On 22.11.2018, the counsel for the dealer requested to adjourn the case for 12.12.2018.

The dealer has filed appeal before Jt. ETC(A) Rohtak on dated 12.12.2018. The arrear is declared to be recoverable under Pb. Land Revenue Act. In view of the above, it is requested to drop the para.

**The Committee has desired that the proceedings in the case pending in appeal be concluded in a time bound manner in the interest of the State under intimation of the Committee.**

**[ 26 ] 2.2.12.2 (f) Recovery of demand created during the year:**

Recovery of tax/penalty assessed should be made from the dealer's immediately after assessment and should be watched at appropriate level.

On analysis of records of eight selected DETCs (ST) , audit noticed that during the years 2009-10 to 2013-14, the AAs created demand of Rs.4,464.66 crore, demand of Rs.1,791/- crore was dropped and net recoverable remained Rs.2,673.66 crore as detailed in table below:-

(Rs. in lakh)							
Sr. No.	Year	Demand created	Deletion/dropped	Net recoverable	Recovered during the year	Balance to be recovered	Percentage of recovery
1	2009-10	80,098.97	12,899.40	67,199.57	4,763.56	62,436.01	7.09
2	2010-11	46,653.03	16,642.96	30,010.07	4,498.81	25,511.26	14.99

3	2011-12	46,793.84	17,744.05	29,049.79	4,302.78	24,747.01	14.81
4	2012-13	46,140.05	16,012.68	30,127.37	4,085.31	26,042.06	13.56
5	2013-14	2,26,780.56	1,15,801.49	1,10,979.07	5,618.39	1,05,360.68	5.06
	<b>Total</b>	<b>4,46,466.45</b>	<b>1,79,100.58</b>	<b>2,67,365.87</b>	<b>23,268.85</b>	<b>2,44,097.02</b>	<b>8.70</b>

The average recovery of net recoverable demand during the years 2009-10 to 2013-14 comes to 8.70 per cent only, which indicates that lack of control at appropriate level led to slow pace of recovery.

During exit conference, the department accepted the audit observation and stated that efforts would be made to speed up the recovery process.

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

The recovery status of the whole of the state has already been examined /discussed in para no. 1.2 of the CAG report and has been settled by the PAC committee. The same contents have been raised by the audit regarding eight districts. These are general analysis of recovery status. The observations made by the PAC in the original para regarding recovery will strictly be complied with.

Hence, the para may kindly be dropped, though the steps taken for recovery are reiterated below:-

To liquidate the arrears under the differenct heads, arrears are reviewed by worthy ACSET and ETC in the Monthly Review Meeting of JETCs/DETCs. As a result of efforts made by the department, arrears of Rs.2373.84 Crore have already been recovered.

The department in order to recover arrears/outstanding dues from the dealers has introduced two Schemes for hasslefree and smooth recovery. The department launched One Time Settlement Scheme (OTS) vide notification No.20/ST-1, dated 22.06.2017. Under this scheme, the department has recovered Rs.2330.28 Crores. This recovery of arrears includes the arrears pointed out by the CAG prior to March, 2015. Further, the department has also introduced Haryana Alternative Tax Compliance Scheme, 2016 for contractors vide notification no. 18/ST-1, dated 12.09.2016. 202 builders and developers opted the scheme. Rs.833 Crores have been recovered under the Scheme and large number of litigations have abated.

Besides above, arrears of Rs.5 lac and above have been digitalized entering complete details of tax defaulters. Information of 50 top tax defaulters alongwith their photographs has been uploaded on the official website of the department.

7798 dealers having arrears of more than Rs.5 lacs involving arrears of Rs.5612 Crore have been digitalized. Data of PAN/Mobile No./Email addresses of VAT dealers was tracked to verify the current status of defaulters. With digitization of record of defaulters, 5136 dealers are found to have been migrated to GST and are thus live dealers. Amount of Rs.2143 Crore is recoverable from such 5136 dealers. The department has started the process to recover arrears from defaulters who are live dealers in GST by invoking stringent provisions of GST.

Further, the department all the Assessing Authorities/ Officers vide guidelines issued vide Endst. No. 2423 ST-6, Panchkula dated 09.10.2015 have been advised to work out recoverable arrears into different heads to focus on soft recovery first and proceed under Punjab Land Revenue Act, 1887.

District wise committees of officers have been constituted to identify the hard arrears. Hard arrears amounting to Rs.1984.42 Crore have been identified. The officers now could devote their energy on arrears which are recoverable.

The recoverable arrears of Rs.5463.63 Crore has further been segregated into different heads with the purpose of concentration upon the arrears under different heads by the officers.

**The Committee has desired that sincere and pragmatic efforts be made to make the recovery at the earliest possible to augment the State revenue and action taken report be submitted to the Committee.**

[ 27 ] **2.3 Incorrect benefit of ITC on goods not sold:**

**Purchase of Duty and Entitlement Pass Book (DEPB)/Import License worth Rs.95.81 crore, which are to be used for resale, was incorrectly allowed to be adjusted against Custom Duty payable, resulting in incorrect grant of ITC of Rs.4.84 crore to a dealer.**

As per provisions of Section 8 of HVAT Act 2003, ITC on purchase of goods is admissible against tax liability on sale of goods as such or the goods manufactured there from in the State or interstate trade and commerce. The Principal Secretary to Government of Haryana, Excise and Taxation Department had also clarified (22 April 2013) that ITC is available only if the Duty Credits Scrips (Scrips) are purchased for resale as such and no ITC would be admissible if these were used for adjustment of Custom Duty.

Audit noticed that a dealer under DETC (ST), Gurgaon (West) purchased Duty Entitlement Pass Book (DEPB)/Import License worth Rs. 95.81 crore after payment of VAT of Rs.4.84 crore during 2009-10 to 2011-12. The dealer used the same for adjustment of custom duty payable by him. As the goods (Scrips) were not sold by the dealer, therefore, no ITC was admissible. However, while finalising assessments in these cases between March 2013 and March 2014, AA allowed the ITC claims to the dealer resulting in incorrect grant of ITC of Rs.4.84 crore.

On this being pointed out (September 2014), the DETC (ST) Gurgaon (West) stated in September 2015 that the cases had been sent to the Revisional Authority for taking suo motu action.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

**M/s JNS Instruments Ltd. Manesar, Gurgaon (West), TIN 06091820935, A.Y. 2009-10, 2010-11 and 2011-12:**

The audit party had pointed out that the Assessing Authorities have not reversed Input Tax Credit of Rs.4.84 Crores on Duty Entitlement Pass Book (DEPB)/import licence while framing assessments for the years from 2009-10 to 2011-12.

The observations of the audit were admitted. The assessment cases were sent to Revisional Authorities for Revision.

The original assessments for the assessment years 2009-10, 2010-11 & 2011-12 were framed vide orders dated 20.03.2013, 18.03.2014 & 22.11.2013 respectively.

The cases for the assessment years 2009-10 & 2010-11 were transferred to J.E.T.C.(Range), Hisar for revision on 09.12.2016.

The revisional orders for both the years have been finalised by J.E.T.C.(Range), Hisar on 12.11.2018 and demand of Rs.1,55,89,879/- and Rs.3,64,20,733/- have been created in assessment years 2009-10 and 2010-11, respectively.

Similarly, the case for the A.Y. 2011-12 was sent for revision on 10.03.2015 to DETC-cum-R.A., Gurugram. The case is pending and the next date of hearing is fixed for 06.12.2018. The result will be communicated to the Committee, after finalisation of revisional proceedings.

In light of above facts, the para may please be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the additional demand created by the DETC-cum-Revisional Authority in the cases for the years 2009-10 & 2010-11 and the case for the year 2011-12 be concluded at the earliest possible in a time bound manner and action taken report be submitted to the Committee.**

[ 28 ] **2.6.1 Non/short levy of tax due to incorrect classification:**

**Incorrect classification of steam/embroidered fabrics and spare parts and levying tax at lower rate against leviable rate of 12.5 percent, resulted in non/short levy of tax and surcharge of Rs.1.98 crore, in seven cases:**

Under Section 1 (1) (a) (iv) of the HVAT Act, tax is leviable at the rates specified in Schedules 'A' to 'G' of the Act depending upon the classification of goods and the items not classified in above schedules are taxable at general rate of tax i.e. 12.5 percent with effect from 01 July 2005. Further, surcharge at the rate of five percent of the tax was also leviable w.e.f. 02 April 2010.

Audit noticed from the assessment records of the office of DETC (ST), Panipat in September 2014, that a dealer sold steam worth Rs. 5.05 crore during the year 2010-11 and claimed as tax free sale and the AA while finalising the assessment in March 2014, also allowed it as tax free goods under schedule 'B' of the HVAT Act. However, steam is not classified in any schedule, hence taxable at the rate of 12.5 per cent plus surcharge. This resulted in non levy of tax and surcharge of Rs. 66.23 lakh besides interest of Rs. 52.99 lakh was also leviable.

On this being pointed out (September 2014), the DETC (ST) Panipat stated (September 2015) that an additional demand worth Rs. 1.21 crore had been created.

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

**1. M/s Globus Power, Panipat TIN 06572619757, A.Y. 2010-11:**

The audit party has pointed out that Assessing Authority has not levied tax and surcharge on the sale of 'Steam'. Assessing Authority has treated the sale of steam as tax free goods under Schedule 'B' of the HVAT Act.



The audit observations were admitted and the assessment case was sent to Revisional Authority for revision.

The original assessment in this case was framed vide AA order dated 21.03.2014. The original order was revised by DETC-Cum-Revisional Authority, Panipat and additional demand of Rs.1,20,54,561/- was created vide order dated 06.07.2015.

The dealer challenged the said order of Revisional Authority directly in the Punjab & Haryana High Court vide CWP No. 22811 of 2015.

The Hon'ble Punjab & Haryana High Court vide order dated 03.08.2016 disposed of CWP with direction to prefer appeal before the Haryana Tax Tribunal and also the recovery proceedings were stayed by the Hon'ble Court in this case.

Thereafter, the dealer preferred appeal before Haryana Tax Tribunal and the case is next fixed for 29.11.2018.

In view of above, para may be dropped.

**The Committee has desired that the State interest be protected meticulously before Hon'ble High Court/Tribunal and the Committee be kept informed of the status/outcome in the pending instant case.**

[ 29 ]    **2.6.2    Non/short levy of tax due to incorrect classification:**

**Incorrect classification of steam/embroidered fabrics and spare parts and levying tax at lower rate against leviable rate of 12.5 percent, resulted in non/short levy of tax and surcharge of Rs.1.98 crore, in seven cases:**

Under Section 1 (1) (a) (iv) of the HVAT Act, tax is leviable at the rates specified in Schedules 'A' to 'G' of the Act depending upon the classification of goods and the items not classified in above schedules are taxable at general rate of tax i.e. 12.5 percent with effect from 01 July 2005. Further, surcharge at the rate of five percent of the tax was also leviable w.e.f. 02 April 2010.

Audit noticed (May to July 2014) from the records of offices of DETC (ST), Sonipat that four dealers sold Embroidered Fabrics of Rs.8.62 crore during 2011-12 and claimed the goods as tax free. The AAs, while finalising the assessments in November 2013, allowed the deductions treating it as tax free goods under Schedule 'B' of HVAT Act. However, embroidered fabrics being unclassified in any schedule is taxable at the rate of 12.5 per cent plus surcharge. This resulted in non-levy of VAT amounting to Rs.1.13 crore besides interest of Rs.58.81 lakh.

On this being pointed out (between May and July 2014), the DETC (ST) Sonipat stated (September 2015) that the cases had been sent to the Revisional Authority for suo motu action.

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

Four cases of Sonipat are involved in this para, regarding sale of Embroidered Fabrics, which was assessed as tax free. The Audit observed that being unclassified in any Schedule, the item Embroidered Fabrics is taxable at full rate of tax.

In this regard, it is mentioned that Haryana Government vide Notification dated 29<sup>th</sup> August, 2017 amended Entry 51A under Schedule-B of the HVAT Act, 2003 w.e.f. 8<sup>th</sup> April, 2011. The amended entry covers "All varieties of textiles covered by item 51 on which knitting and embroidery work has been done."

All the 4 cases were sent to Dy. E.T.C.-cum-Revisional Authority prior to amendment dated 29<sup>th</sup> August, 2017. The notices have been vacated by the DETC-cum-RA in three cases. In one case at Serial No.4 demand worth Rs.9,27,134/- has been created by the Revisional Authority, Sonapat. Case wise replies are as under:

**4. M/s S.R. Enterprises, Sonapat TIN 06483009407, A.Y. 2011-12:**

In reply to Audit Para it is intimated that the assessment had been framed vide AA order dated 29.11.2013. The assessment file was sent to Dy. Excise & Taxation Commissioner-cum-Revisional Authority, Sonapat for taking necessary Suo-Moto action in this case on 28.10.2014 on the ground that embroidery fabric is taxable @ 12.5% whereas the AA has allowed tax free. The Revisional Authority vide order dated 05.09.2018 has decided the order thereby creating demand worth Rs.9,27,134/- has been created on account of levy tax on the material consumed in job work. Copy of order along with TDN served upon the dealer. Notice for recovery of arrear issued to the dealer as well as sureties. The committee would be informed after recovery. In view of above the para may be dropped.

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding demand from M/s S.R. Enterprises, Sonapat under intimation of the Committee.**

**[ 30 ] 2.7 Excess allowance of deposit of tax:**

**Adjustment of tax deposit of Rs. 10.44 crore was allowed instead of Rs.9.82 crore resulting in excess allowing of deposit of tax of Rs.61.75 lakh, besides interest of Rs.29.64 lakh was also leviable:**

Under Section 14(3) of the HVAT Act, every dealer whose aggregate liability to pay tax under this Act for the last year or part thereof according to the returns filed by him, is equal to or more than one lakh rupees or such other sum, as may be prescribed, shall, in the manner prescribed, pay on or before the fifteenth day of each month the full amount of tax payable by him for the previous month, computed by him in accordance with the provisions of this Act and the rules made thereunder. The ETC, Haryana also issued instructions (March 2006) that benefit of tax deposited should be given after verification of payment of tax into Government treasury. Further, interest was also leviable under section 14(6) of the HVAT Act.

Audit noticed (January 2015) that one dealer under DETC (ST), Gurgaon (West) claimed Rs.10.44 crore as benefit of deposit of tax during the year 2011-12. However, verification of deposits from the DCR, showed that a sum of Rs.61.75 lakh was not found deposited as claimed to have been done on 29 November 2011. Neither was this amount found deposited in Treasury. However, the AA while finalizing the assessment in November 2013 allowed the adjustment of tax deposit of Rs.10.44 crore (inclusive of Rs.61.75 lakh)

instead of Rs.9.82 crore. Despite ETC's instruction (March 2006) that benefit of tax deposited should be given only after verification of payment of tax into Government treasury, the AA allowed the adjustment of tax which was not deposited in treasury by the dealer. This resulted in allowing of excess benefit of tax of Rs.61.75 lakh besides interest of Rs.29.64 lakh was also leviable.

On this being pointed out (January 2015) DETC (ST) Gurgaon (West) stated in September 2015 that an additional demand of Rs.61.75 lakh has been created. AA further intimated in May 2015 that 'recovery proceedings' for the due amount has been initiated against the dealer.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

1. **M/s Falcon Tyre, Gurgaon (North) TIN 065751917087, A.Y. 2011-12 (28.11.2013):**

In reply to the audit objection raised by the audit party it is informed that the above said order was rectified u/s 19 of the HVAT Act, 2003 creating additional demand of Rs.93,03,255/- including interest on account of non-verification of payment of tax. The dealer had submitted bank guarantee for Rs.1,00,000/- which has expired on dated 27.10.2011. As per the application of registration the business premises was rented and there is no movable or immovable property of the dealer in the state of Haryana. The outstanding amount has been declared as an arrear under The Punjab Land Revenue Act, 1887. A Recovery Certificate was sent to Collector-cum- District Magistrate, Mysore, Karnataka vide Memo No. 5255/ E-1 dated 09-11-2016 and a reminder has also been sent on dated 04-04-2018. A reminder has been sent to the Collector-cum-District Magistrate, Gurugram for pursuing the matter with his counterpart of Mysore. The committee would be informed after recovery. Further, it is informed that the concerned Assessing Authority Ms.Rubal Raveesh, ETO has been charge-sheeted in this case. In view of the above facts the Para may kindly be dropped.

**The Committee has desired that strict disciplinary action be taken against the officer(s)/official(s) for not getting the bank guarantee renewed and/or for not obtaining the additional security in the matter. The Committee has also desired that some suitable officer be deputed to visit the office of Collector-cum-District Magistrate, Mysore (Karnataka) to pursue the matter of recovery from the firm.**

- [ 31 ]    **2.8    Non levy of tax on sale of chemicals:**

**Deduction in respect of chemicals (industrial inputs) was allowed treating it tax-free sale instead of taxable at the rate of 4.2 per cent resulting in non levy of CST of Rs.50.53 lakh besides interest of Rs.26.28 lakh:**

Under HVAT Act, chemicals sold to various industrial units as industrial inputs, falling under entry 102 of schedule 'C', are leviable to tax at the rate of four per cent and surcharge at the rate of five per cent on the tax leviable with effect from April 2010 under section 7(A) of HVAT Act. Central Sales Tax (CST) rate is the same rate as VAT rate

applicable in the State for dealers selling without 'C' forms. Further, interest was also leviable under Section 14 (6) of HVAT Act.

Audit noticed (August 2014) that a dealer coming under DETC (ST), Panipat sold chemicals worth Rs. 12.03 crore to industrial units of Punjab, manufacturing various type of alcohol/liquor during the year 2011-12 and claimed the goods as tax free sale. AA assessed the case under VAT in November 2013 and erroneously allowed the deduction treating it as tax free sale of goods. Since, chemicals are industrial inputs and taxable at the rate of 4.2 per cent. This resulted in non levy of CST of Rs. 50.53 lakh besides interest of Rs.26.28 lakh.

On this being pointed out, DETC (ST) Panipat stated in September 2015 that the case had been sent to the revisional authority for taking suo motu action.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

1. **M/s United Agrotech, Assandh Road, Panipat TIN 06212619470, A.Y. 2011-12:**

The audit has pointed out that the dealer sold chemicals of Rs.12.03 Crore to industrial units of Punjab, manufacturing various types of alcohol/liquor during the year 2011-12 and claimed the goods as tax free sale. Assessing Authority has also allowed deduction of chemical sales as tax free sales under the CST Act in the assessment order. The audit party has also pointed out that since chemicals are industrial inputs and taxable @ 4.2% hence non levy of tax on sale of chemical under the CST Act has resulted into under assessment of tax of Rs.50.53 lakh besides interest of Rs.26.28 lakh.

The observations of the audit were admitted and the case was sent to Revisional Authority Panipat for action.

The original assessment was framed on 20.11.2013. The original assessment order under CST Act, 1956 was revised by the DETC-cum-Revisional Authority, Panipat vide order dated 31.08.2015 thereby creating an additional demand of Rs. 94,74,222/-.

Against the said order of Revisional Authority, the dealer preferred an appeal before Hon'ble Haryana Tax Tribunal. The Hon'ble Tribunal vide order dated 16.08.2018 has set aside the order of Revisional Authority on the ground that the Revisional Authority cannot revise the cases decided under deemed assessment.

After consideration of the judgment of Hon'ble Haryana Tax Tribunal, this Department has decided to file review application against said order, before the Tribunal.

In view of the above, para may be dropped.

**The Committee has desired that the process of filing review in Hon'ble Haryana Tax Tribunal be completed within a period of one month and State interest be protected meticulously under intimation of the Committee.**

[ 32 ]    **2.9    Short levy of tax on sale of pipes:**

**Tax at the rate of four per cent was levied instead of correct rate of tax of five per cent resulting in short levy of tax of Rs.41.15 lakh besides interest of Rs.30.74 lakh, in six cases.**

Under Section 7 (1) (a) (iv) of the HVAT Act, 2003, tax is leviable at the rates specified in Schedules 'A' to 'G' of the Act depending upon the classification of goods w.e.f. 01.07.2005. Under entry No. 60 of Schedule 'C' of HVAT Act 'pipes of all varieties including Galvanized Iron pipes, Cast Iron pipes, ductile pipes, Poly Vinyl Chloride pipes and conduit pipes are taxable at the rate of five per cent w.e.f. 15.02.2010 and surcharge at the rate of five per cent on the tax leviable under section 7(A) of HVAT Act w.e.f. 2<sup>nd</sup> February 2010. Further, interest was also leviable under Section 14 (6) of the HVAT Act.

Audit noticed (June 2014 to January 2015) from the assessment records of the DETC (ST), Sonipat and Rohtak that six dealers sold (2010-11 and 2011-12) Mild Steel (M.S.) pipes, Stainless Steel (S.S.) pipes, Black pipes and Steel pipes worth Rs.49.20 crore and paid tax of Rs.2.17 crore at the rate of four/ five per cent. AAs while finalizing assessment (November 2013 to March 2014) also levied tax at the rate of four per cent instead of correct rate of five per cent plus surcharge as applicable in respect of schedule 'C' items. This resulted in short levy of tax of Rs.41.15 lakh besides interest of Rs.30.74 lakh.

AA Sonipat responded (June 2015) that the case has been sent to RA for taking suo motu action. AAs of Rohtak stated that two cases had been sent to Revisional Authority for taking suo motu action and in one case that the dealers sold MS tubes instead of pipes and have rightly been taxed. The reply of the AA Rohtak was not correct as the dealer sold steel pipes. The reply in respect of one case of AA Rohtak was still awaited.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

Audit party has pointed out that assessing authority while finalising assessment levied tax @ 4% instead of correct rate of 5% plus surcharge as applicable in respect of Schedule 'C' i.e. sale of pipes.

The observations of audit party are admitted and all the cases of 6 dealers related to Rohtak and Sonipat Districts have been sent to concerned Revisional Authorities for revision. The case to case status is narrated below.

**1.        M/s Amrit Tubes, Rohtak TIN 06961706724, A.Y. 2010-11 :**

With reference to your audit memo under reference it is intimated that the file has been sent to the Dy. ETC(I)- cum- Revisional Authority, Rohtak on dated- 05.02.2015 for taking suo moto action. The case has been decided on 24.09.2018 creating an additional demand worth Rs.12,73,593/ under CST Act. Copy of order and Tax Demand Notice has been served in this case. The committee would be informed after recovery.

**2.        M/s Vishwakarma Enterprises, Rohtak, TIN 06202806346, AY: 2010-11:**

With reference to your audit memo under reference it is intimated that the file has been sent to the Dy. ETC(I)- cum- Revisional Authority, Rohtak on dated- 05.02.2015 for taking suo moto action. The case is fixed for 19.11.2018. The

result would be communicated to audit after finalization of Revisional proceedings.

**3. M/s Jindal Precision Pvt. Ltd., Rohtak, TIN 06682821020, AY: 2010-11:**

With reference to your audit memo under reference it is intimated that the file has been sent to the Dy. ETC(I)- cum- Revisional Authority, Rohtak on dated- 05.06.2018 for taking suo moto action. The case has been decided vide order dated 27.09.2018, creating an additional demand worth Rs. 238260/- under HVAT Act & Rs. 342989/- under CST Act. Copy of order and Tax Demand Notice has been served in this case. The committee would be informed after recovery.

**4. M/s Duhan Steel, Gandhra, Rohtak TIN06052822579, AY 2011-12:**

With reference to your audit memo under reference it is intimated that the file has been sent to the Dy. ETC(I)- cum- Revisional Authority, Rohtak on dated 05.02.2015 for taking suo moto action. The case has been decided vide order dated 27.9.2018 creating an additional demand of Rs.618292/- under CST Act. Copy of order and Tax Demand Notice has been served in this case. The committee would be informed after recovery.

**5 M/s Anil Tube Co., Rohtak TIN 06942814281, AY 2010-11:**

With reference to your audit memo under reference it is intimated that the file has been sent to the Dy. ETC(I)- cum- Revisional Authority, Rohtak on dated 05.02.2015 for taking suo moto action. The case has been decided vide order dated 10.08.2018 creating an additional demand of Rs.3,63,605/-under HVAT Act, 2003. Copy of order and Tax Demand Notice has been served in this case. The committee would be informed after recovery.

**6 M/s Professional Exports (P) Ltd., Sonipat TIN 0630013386, A.Y. 2010-11:**

In reply to Audit Para it is intimated that the case had been decided by the AA vide order dated 18/02/2014. The files has been sent to Dy. Excise & Taxation Commissioner -cum- Revisional Authority, Sonipat for taking necessary Suo Moto action in this case vide this memo No. 256, dated 12.05.2015 on the ground that M.S./SS Pipe is taxable @ 5.25% whereas the AA has levied the tax @ 4%. Next date of hearing in this case is fixed for 19.11.2018 for final decision and as and when this action is completed the Audit will be informed accordingly.

**The Committee has desired that all the cases be re-looked into at the earliest in a time bound manner and status report be submitted to the Committee for consideration.**

**[ 33 ] 2.10 Non levy of additional tax/penalty for misuse of Form VAT D-1:**

**Non lumpsum works contractor violated the condition stipulated in the certificate given on form VAT D-1 resulting in non levy of additional tax and penalty of Rs.65 lakh.**

Under Section 7 (3) of the HVAT Act, where taxable goods are sold by one dealer to another dealer, tax is leviable at a lower rate (four per cent) if the purchasing dealer furnishes a declaration in VAT-D1 certifying that the goods are meant for use in the manufacturing of goods for sale. The ETC also clarified (March 2013) that the non lump sum work contractors, especially civil works contractors engaged in construction of roads and buildings being not manufacturer of goods can not avail the facility of purchasing goods at concessional rate against Form VAT D-1. If any such dealer has misused the form VAT D-1 then penal action, as provided under the Act/Rules is required to be taken against him. Further, if an authorized dealer after purchasing any goods fails to make use of the goods for the specified purpose, the AA may impose upon him, by way of penalty, under Section 7 (5) of the HVAT Act, a sum not exceeding one and a half times the tax which would have been levied additionally. However, no penalty would be imposed if the dealer voluntarily pays the tax which would have been levied additionally under Section 7 (1) (a) of the HVAT Act along with the returns for the period, when he failed to make use of the goods purchased for the specified purpose.

Audit noticed (July 2013) from the assessment records of the DETC (ST), Panipat that a dealer (regular/normal work contractor), had purchased goods worth Rs. 3.06 crore against declaration in form VAT D-1 during the year 2009-10. This was not authorized as the dealer was normal work contractor who had not opted for lump sum payment of tax and had claimed ITC of Rs.33.41 lakh. The dealer had also not paid the additional tax of Rs.26 lakh along with returns and therefore, violated the condition stipulated in the certificate given on Form VAT D-1. Hence, dealer was liable to pay additional tax of Rs.26 lakh and penalty of Rs.39 lakh under section 7(5) of HVAT Act. AA while finalizing the assessment in March 2013, failed to levy the same for this violation. This resulted in non levy of additional tax and penalty of Rs.65 lakh.

DETC (ST) Panipat responded (September 2015) that the case had been sent to the Revisional Authority for taking appropriate action.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

**1. M/s S.P. Singla Construction P. Ltd., Panipat TIN 06302612970, A.Y. 2009-10:**

Audit party has pointed out that the contractor, being regular contractor was not authorized to purchase goods against Form VAT D-1 i.e. purchase against concessional rate of tax. Hence for misuse of Form VAT D-1, the dealer is liable to pay additional tax of Rs. 26 lakh and penalty of Rs.39 lakh under Section 7(5) of HVAT Act. The observations of the audit were admitted and the case was sent to Revisional Authority, Panipat.

The original assessment was framed vide order dated 28.03.2013. Thereafter, the case was taken up for Revisional action by Revisional Authority, Panipat who vide order dated 02.02.2016 remanded the case back to Assessing Authority, Panipat for taking penal action u/s 7(5) of the HVAT Act, 2003 against the dealer contractor.

Aggrieved by the order of the Revisional Authority, the dealer preferred an appeal before Hon'ble Haryana Tax Tribunal who on 25.05.2018 allowed the appeal and set aside the order of Revisional Authority with the observations that Revisional Authority can not direct assessing authority to impose penalty.

After consideration of the judgment of Hon'ble Haryana Tax Tribunal, this Department has decided to file review application against said order, before the Hon'ble Tribunal.

In view of the above, para may be dropped.

**The Committee has desired that the State interest be protected meticulously and the Committee be also kept informed of the status/final outcome in the matter.**

[ 34 ]    **2.11    Evasion of tax due to suppression of Sales:**

**No action was initiated even after a lapse of nine months against four defaulting dealers for recovery of tax of Rs.22.53 lakh besides penalty of Rs.67.59 lakh in respect of suppressions of sales.**

Under Section 38 of the HVAT Act, if a dealer has maintained false or incorrect accounts or documents with a view to suppress his sales, purchases, imports into State or stocks of goods, or has concealed any particulars or has furnished to or produced before any authority any account, return, document or information which is false or incorrect in any material particular, such Authority may direct him to pay by way of penalty, in addition to the tax to which he is assessed or is liable to be assessed, a sum thrice the amount of tax which would have been avoided had such account, return, document or information as the case may be accepted as true and correct.

Audit noticed (October 2014) that four dealers (trading in yarn and waste) falling under DETC (ST) Panipat did not include goods of Rs. 4.29 crore in their sales made to a dealer of Panipat during 2011-12 thereby suppressed the sales. The AA finalized the assessments of these dealers (April to July 2013). This suppression of sales came to notice (January 2014) of the AA but no action was initiated by the concerned AA against the defaulting dealers for levy of tax and penalty under Section 38. Thus, the dealers had suppressed sales worth Rs.4.29 crore and were liable to pay tax of Rs.22.53 lakh at the rate of five per cent plus surcharge. Additionally, mandatory penalty of Rs.67.59 lakh at the rate of three times of tax evaded was also leviable on suppression of sales.

The DETC (ST) Panipat responded (September 2015) that in three cases re-assessment have been framed and additional demand of Rs.22.21 lakh had been created and in remaining one case re-assessment proceeding have been initiated.

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

Audit party has pointed out suppression of sale came to notice of assessing authority but no action was initiated by him against the defaulting dealers for levy of tax and penalty under the provisions of HVAT Act and Rules.



The observations of the audit were admitted in 3 out of 4 cases covered under this Para and accordingly, re-assessment have been framed creating demand of Rs.22.21 lakh. A recovery worth Rs.7.55 lakhs has been made out of the demand created in these three cases. Whereas, audit observation in 1 case at Sr. No.4 is denied.

**1. M/s Shri Mansa Devi Textiles, Panipat TIN 6862619355, A.Y. 2011-12:**

In reply to audit para, it is intimated that the case had been re-assessed vide order no.118, dated 07.07.2015 creating an additional demand of Rs.11,33,589/-. The firm is lying closed. Recovery was not be possible in normal course. Accordingly, arrear was declared under Punjab Land Revenue Act, 1887 and summons have been issued to the proprietor of the firm Sh. Vinod s/o Sh. Balwan Singh ,H.No. 518, Sector 22, Panipat as well as sureties namely i.e. (i). Gayur S/o Ali Husain proprietor of M/s Jai Ambey Wool Trader, TIN-17134, Satkartar Colony, Jatal Road, Panipat (ii). Sardana S/o Sadhu Ram proprietor of M/s RadheyShyam Wool Trader, TIN-18288, Ujha Road, Panipat, for dated 12.06.2018. Tehsildar, Panipat has also been requested to intimate the details of immovable property, if any, owned by dealer vide this office letter No. 6043 dated 23.08.2018. However, Rs.1,00,000/- (One lakh only) has been recovered from both sureties, details as under:-

1. Rs.50000/- vide GRN No. 0040930797 dated 24.09.2018 recovered from surety M/s RadheyShyam Wool Trader R.C. No. 18288.
2. Rs.50000/- vide GRN No. 0040931221 dated 24.09.2018 recovered from surety M/s Jai Ambey Wool Trader, R.C. No. 17134

The Committee would be informed after the recovery of remaining amount.

Hence in view of the above para may be dropped.

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

**2. M/s Luxmi Enterprises, Panipat TIN 6242621733, A.Y. 2011-12:**

In this case, it is intimated that the case has been reassessed vide order dated 123/07.07.2015 creating an additional demand of Rs.60,11,69/-. Since the firm is lying closed, arrear has been declared under Punjab Land Revenue Act, 1887. Out of total arrear of Rs.6,01,169/-, an amount of Rs.5,56,964/- has been recovered as per detail given below:-

Amount (Rs.)	GRN	Date
Rs.100000/-	0013388841	08.10.2015
Rs.190169/-	0014432099	28.10.2015
Rs.166795/-	0014432334	28.10.2015
Rs.100000/-	0040928296	24.09.2018
<b>Total Rs. 556964/-</b>		

The Committee would be informed after the recovery of remaining amount of Rs. 44,205/-.

Hence in view of the above para may be dropped.

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

**3. M/s Mahaluxmi Textiles, Panipat TIN 6332621732, A.Y. 2011-12:**

In this case, it is intimated that the case has been reassessed vide order dated 117/07.07.2015 creating an additional demand of Rs. 4,86,327/-.

Firm is lying closed. Accordingly, arrear was declared under Punjab Land Revenue Act, 1887.

Out of total arrear of Rs.486327/-, an amount of Rs. 98000/- has been recovered as per detail given below:-

Amount(Rs.)	GRN	Date
Rs.49000/-	0041082175	26.09.2018
Rs.49000/-	0041082124	26.09.2018
<b>Total Rs. 98000/-</b>		

The summons have been issued to the proprietor of the firm Sh. Satinder kumar s/o Sh. SharwanH.No1645, Deshraj Colony, Panipat as well as sureties namely i.e.(i) Nasim S/o Sharif Prop M/s SaraswatiEnterpirses, RC No. 20617 (ii) Vinod Kumar S/o Balwan proprietor M/s Shree Mansa Devi Textile, RC no. 19355. The Committee would be informed after the recovery of remaining amount.

Hence in view of the above para may be dropped.

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

**4. M/s Gupta Textiles, Panipat TIN 6792621867, A.Y. 2011-12:**

The para is denied. In reply to audit para, it is stated that the case was decided on 19.06.2013. There is no suppression of sales by the dealer, as pointed out by audit. The dealer M/s Murli Manohar Textiles, Panipat TIN - 06762619701 had shown purchases of Rs. 4,84,500/- from M/s Gupta Textiles, Panipat TIN- 06792621867 in LP-7, during the quarter ending 31.03.2012, but at the time of writing letter for verification of said purchases of M/s Murli Manohar Textiles, Panipat, figure was wrongly typed as Rs.3,28,12,848/- instead of Rs.4,84,500/- (Rs.3,28,12,848/- is the figure of total purchases made from various dealers by M/s Murli Manohar Textiles, Panipat during the quarter ending 31.03.2012.) The

same was verified by ETO Ward-02 to the tune of Rs.4,85,000/-. Hence there is no suppression of sales by the dealer, rather its only a case of clerical mistake.

The fact has also been verified from the account books of both the dealers which also reveal that the firm M/s Murli Manohar Textiles, Panipat had actually purchased goods to the tune of Rs. 4,84,500/- from M/s Gupta Textiles, Panipat in quarter ending 31.03.2012. Copy of invoice, ledger account, copy of return, lists, etc. are available on file for perusal of Committee.

In view of the above, there is no under assessment of tax, hence para deserves to be dropped.

**The Committee has desired that all requisite documents in respect of the dealer be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.**

[ 35 ] **3.1.2 Results of audit:**

In 2014-15, test check of the records of 36 units relating to excise duty, license fee receipts etc. showed non/short realization of excise duty/license fee/interest/penalty and other irregularities involving Rs.70.39 crore in 660 cases, under the following categories in the Table 3.1.

**Table 3.1**

Sr. No.	Categories	Number of cases	Amount (Rs. in crore)
1.	Non/short deposit of license fee and loss of interest	494	63.15
2.	Non-realisation of differential amount of license fee on reallocation of vends	4	2.23
3.	• Non-recovery of penalty on illicit liquor	68	0.75
	• Non imposition of penalty	30	0.18
4.	Miscellaneous irregularities	64	4.08
	<b>Total</b>	<b>660</b>	<b>70.39</b>

During the year, the Department accepted underassessment and other deficiencies amounting to Rs. 27.12 crore in 251 cases, out of which Rs. 27.03 crore involved in 230 cases were pointed out during the year and the rest in earlier year The Department recovered Rs. 5.33 crore in 87 cases, out of which Rs. 5.25 crore involved in 66 cases relates to the year 2014-15 and the rest to earlier year.

Significant cases involving Rs. 20.44 crore are discussed in the following paragraphs:

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

The PAG (Audit) pointed out that in the 660 cases, involved an amount of Rs. 70.39 Crore have been reviewed by the department. There are actually 676 cases instead of 660 cases and the broad summary of the result is as under:-

Total no. of cases	Amount involved in lakhs	Settled with demand amount in lakhs	Settled without demand amount in lakhs	Pending amount in lakhs
676	7041.03	3885.89	1069.75	2085.39

The district wise breakup details of these related cases are as follows:-

S. No.	District	No. of Cases settled				Total Amount involved (In Lakh)	Amount of cases settled (In Lakh)	Pending amount in Lakhs
		Total No. of Cases	With demand	Without demand	Pending case			
1.	Ambala	3	2	0	1	20.31	9.3	11.01
2.	Bhiwani	20	13	0	7	103.88	5.15	98.73
3.	Faridabad	83	16	0	67	1572.14	1275.59	296.55
4.	Fatehabad	13	13	0	0	156.31	156.31	0
5.	Gurugram (East)	16	9	6	1	117.13	105.07	12.06
6.	Gurugram (West)	32	18	10	4	134.86	96.95	37.91
7.	Hisar	26	15	0	11	67.94	30.12	37.82
8.	Jagadhari	75	51	0	24	797.04	423.72	373.32
9.	Jhajjar	10	6	0	4	96.76	5.96	90.8
10.	Jind	11	9	0	2	15.01	13.11	1.9
11.	Kaithal	64	13	2	49	402.55	0.67	401.88
12.	Karnal	48	19	0	29	580.6	358.77	221.83
13.	Kurukshetra	53	38	0	15	791.19	649.63	141.56
14.	Nuh/Mewat	9	9	0	0	69.43	69.43	0
15.	Narnaul	37	30	0	7	180.82	169.45	11.37
16.	Palwal	27	0	22	4	688.37	452.26	236.11
17.	Panipat	50	0	49	3	576.62	573.04	3.58
18.	Panchkula	12	10	0	2	6.99	2.75	1.86
19.	Rewari	15	12	0	3	16.53	15.15	1.38
20.	Rohtak	37	16	0	20	198.86	124.28	74.58
21.	Sirsa	1	1	0	0	0.60	0.60	0
22.	Sonipat	34	19	0	15	447.09	418.33	28.76
	<b>Total</b>	<b>676</b>	<b>319</b>	<b>89</b>	<b>268</b>	<b>7041.03</b>	<b>4955.64</b>	<b>2085.39</b>

Lastly, it is submitted that out of the 676 cases, 319 cases have been settled with demand of Rs.3885.89/- lakhs which has been adjusted/ recovered, and 89 cases have been settled without demand, amounting to Rs.1069.75 Lakhs, leaving a balance of 268 cases amounting to Rs.2085.39 Lakhs. Efforts for recovery are being made by the concerned DETC's.

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

[ 36 ] **3.2.1 Non/short levy of license fee and interest:**

**Forty one licensees failed to pay the monthly instalments of license fee due for the year 2013-14 by the prescribed dates and DETCs**

**(Excise) did not initiate action to seal the vends resulting in non/short recovery/levy of license fee of Rs.15.39 crore and interest of Rs. 4.58 crore.**

Haryana Luquor License Rules, 1970 (HLL Rules), read with the State excise policy for the years 2012-13 and 2013-14 provide for payment of monthly instalment of license fee by the 20<sup>th</sup> of each month by the licensee/allottee holding license for retail outlets for vending Country Liquor (CL) and Indian Made Foreign Liquor (IMFL). The full amount of license fee of the vends/group of vends shall be deposited in twelve equated monty instalments for the year 2013-14 starting from April 2013 to March 2014 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 to the date of payment of the instalment or any part thereof. If the licensee fails to the deposit the monthly instalment in full along with intrest by the end of the month, the licensed outlet shall cease to ne in operation on the first day of the following month and shall ordinarily be sealed by the DETC (Excise of the respective district.

Audit noticed (May and September 2014) from the M-2 registers<sup>1</sup> of payment of license fee for the year 2013-14 in five offices of DETC (Excise) that 41 licensees had failed to pay the monthly instalments of license fee due for the year 2013-14 by the prescribed dates. The delay ranged between 396 to 730 days as of 31 March 2015. The licensee had paid only Rs.95.89 crore against the payable amount of Rs.111.28 crore. However, the DETCs (Excise) had not initiated any concrete action as per HLL Rules resulting in non/short recovery of licence fee of Rs. 15.39 crore besides interest of Rs. 2.59 crore.

DETCs (Excise) Sonipat and Kaithal replied (April 2015) that out of Rs.8.52 crore (licence fee: Rs. 7.57 crore; interest: Rs. 94.90 lakh), an amount of Rs.4.82 crore (licence fee: Rs.4.48 crore; interest: Rs.33.95 lakh) had been recovered/ adjusted in sixteen cases (between August 2014 and March 2015) and efforts would be made to recover the balance amount of Rs.3.70 crore. DETCs (Excise) Bhiwani, Narnaul and Palwal stated (January and April 2015) that efforts would be made/notices had been issued to the defaulters to recover the outstanding licence fee of Rs.7.82 crore besides interest of Rs.1.64 crore. Further progress report on recovery is awaited (November 2015).

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

In this para, there are five districts namely Bhiwani, Kaithal, Narnaul, Palwal and Sonapat respectively for the financial year 2013-14 involving 42 licensees, instead of 41 licensees. The details are as under:-

**District Bhiwani:**

There are 3 licensee involving an amount of Rs.0.87 cr. and an Interest of Rs.18.47 Lac, totaling Rs.1.06 crore. The recovery efforts have been initiated by the DETC (Ex) and letters has been written to the Tehsildar for details of property of licensees in this regard.

**District Kaithal:**

There are 10 licensee involving an amount of Rs.3.58 cr. and an Interest of Rs.39.15 Lacs, totaling Rs.3.97 crore. An amount of Rs.3.95 Crores have been recovered, an outstanding amount of Rs. 2 Lakh is pending for recovery for which, recovery efforts have been initiated.

**District Narnaul:**

There are 10 licensee involving an amount of Rs.1.30 crore. The information about the recovery has not been furnished and the DETC has cited mismatch in the amount. The DETC (Ex) has reported that there is a mismatch of the para with the office record.

**District Palwal:**

There are 11 licensee involving an amount of Rs.5.64 crore. Amount of Rs. 4.28 crore have been recovered from 8 licensee while an outstanding amount of Rs.1.36 crore is yet to be recovered and efforts are being made by the DETC to recover the same.

**District Sonapat:**

There are 8 licensee involving an amount of Rs. 4.21 cr. An amount of Rs.3.97 cr. have been recovered from 6 licensees and an outstanding amount of Rs. 0.24 cr. is yet to be recovered and efforts are being made by the DETC to recover the same.

Lastly, it is submitted that an amount of Rs. 12.28 crore has been recovered against the non/short recovery of license fee and interest while a balance amount of Rs.2.46 crore is pending and the efforts for the recovery of the same is being made.

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

[ 37 ] **3.2.2 Non/short levy of license fee and interest:**

**Forty one licensees failed to pay the monthly instalments of license fee due for the year 2013-14 by the prescribed dates and DETCs (Excise) did not initiate action to seal the vends resulting in non/short recovery/levy of license fee of Rs.15.39 crore and interest of Rs.4.58 crore.**

Haryana Liquor License Rules, 1970 (HLL Rules), read with the State excise policy for the years 2012-13 and 2013-14 provide for payment of monthly instalment of license fee by the 20<sup>th</sup> of each month by the licensee/allottee holding license for retail outlets for vending Country Liquor (CL) and Indian Made Foreign Liquor (IMFL). The full amount of license fee of the vends/group of vends shall be deposited in twelve equated monthly instalments for the year 2013-14 starting from April 2013 to March 2014 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 instalment or any part thereof. If the licensee fails to deposit the monthly instalment 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 (Excise) of the respective district.

M-2 registers of payment of license fee in seven offices of Dy. Excise & Taxation Commissioner (Excise) for the years 2012-13 and 2013-14, also showed that 101 licensees had paid the monthly instalments of license fee amounting to Rs. 91.59 crore

for the period between April 2012 and March 2014 after the prescribed due dates. The delay ranged between 21 and 151 days. The DETCs (Excise), however, did not initiate any action to seal/cease the vends and to levy interest for delayed payments of license fee. This resulted in non-levy of interest of Rs. 1.99 crore.

All the DETCs (Excise) admitted the facts and stated (March and April 2015) that an amount of interest of Rs. 25.07 lakh has been recovered/adjusted from security and efforts would be made to recover the balance amount of Rs. 1.74 crore. Further progress report on recovery is awaited (November 2015).

Similar cases were also pointed out in earlier reports for the years 2010-11 to 2013-14 and such mistakes are still being repeated but no recovery had been made till date. The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

In this para, there are seven districts namely Faridabad, Jind, Karnal, Narnaul, Panchkula, Rewari and Sonapat respectively for the financial year 2013-14 involving 101 licensees in this districts. The details are as under:-

**District Faridabad:**

There are 36 licensee involving non-levy of interest of amount Rs.77.46 lacs. An amount of Rs.24.28 lacs. have been recovered against 14 licenses while a balance of Rs.53.18 lacs is yet to be recovered against the remaining 22 licensees. The efforts are being made by the DETC to recover the same.

**District Jind:**

There are 2 licensees involving non-levy of interest of amount Rs. 2.41 lacs. Efforts are being made.

**District Karnal:**

There are 25 licensee involving non-levy of interest of amount Rs.79.44 lacs. An amount of Rs.48.59 lacs. have been recovered against 17 licenses while a balance of Rs. 30.85 lacs is yet to be recovered against the remaining 08 licensees. The efforts are being made by the DETC to recover the same.

**District Narnaul:**

There are 16 licensees involving non-levy of interest of amount Rs. 4.00 lacs. Efforts are being made by the DETC to recover the same.

**District Panchkula:**

There are 09 licensee involving non-levy of interest of amount Rs.2.16 lacs. An amount of Rs.0.28 lacs. have been recovered against 3 licenses while a balance of Rs. 1.88 lacs is yet to be recovered against the remaining 6 licensees. The efforts are being made by the DETC to recover the same.

**District Rewari:**

There are 4 licensee involving non-levy of interest of amount Rs.4.73 lacs. An amount of Rs.2.28 lacs have been recovered against 2 licenses while a balance

of Rs.2.45 lacs is yet to be recovered against the remaining 2 licensees. The efforts are being made by the DETC to recover the same.

**District Sonapat:**

There are a total of 09 licensees, 01 for CL and 08 licensees for IMFL respectively. In respect of the country liquor, an amount of Rs. 2.22 lacs was recoverable out of which Rs.2.00 lacs was recovered and the balance of Rs. 0.22 lac is yet to be recover against the license

In respect of the IMFL licensee, involving non-levy of interest of amount Rs. 26.64 lacs which is yet to be recovered and efforts are being made for the same

Lastly, it is submitted that against 101 licensees an amount of Rs.1.99 crore was outstanding for non levy of interest, out of which an amount of Rs.1.05 crore have been recovered while a balance of Rs. 0.93 crore is pending for recovery.

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

[ 38 ] **3.3 Non levy/recovery of penalty for illegal possession and trade of liquor:**

**Non-observance of Rules 12 and 13 of the Haryana Imposition and Recovery Rules resulted in non levy of penalty of Rs. 4.69 lakh in 42 cases. Further, though the penalty of Rs. 42.32 lakh was levied in 108 cases by the department, the same was not recovered yet.**

Under Section 61 (1) of the Punjab Excise Act, 1914, as applicable to the State of Haryana, penalty of 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<sup>4</sup>. Further, Rules 12 and 13 of Haryana Imposition and Recovery of Penalty Rules, 2003, provides that if penalty is not paid within the stipulated period, the Collector or DETC (Excise) shall pass orders for confiscation of means of transport seized along with liquor and the means of transport shall be put to auction within 30 days from the date of order of confiscation.

Audit noticed (December 2013 to September 2014) at five offices<sup>5</sup> of DETC (Excise) that for the years 2012-13 and 2013-14, the Department had detained 71,250 bottles of illicit IMFL/CL/Beer in 108 cases and confiscated 17 vehicles. The Department, after giving reasonable opportunity, decided 66 cases and imposed penalty of Rs. 42.32 lakh during 2012-13 and 2013-14. However, Rs. 4.69 lakh penalty for 42 cases was not levied. The defaulters did not pay the penalty resulting in non-recovery of penalty of Rs. 47.01 lakh (Rs. 42.32 lakh + Rs. 4.69 lakh).

DETCs (Excise), Karnal, Jagadhri and Sonipat responded (April 2015) that out of Rs. 30.76 lakh, an amount of Rs. 26,000 had been recovered in 10 cases and efforts would be made to recover the outstanding amount of Rs. 30.50 lakh. DETCs (Excise), Jind and Kaithal stated (April 2015) that efforts would be made to recover the outstanding amount of Rs. 16.25 lakh. Further progress on recovery is awaited (November 2015).



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

In this para, there are seven districts namely Sonapat, Karnal, Jagadhri, Jind, kaithal and Sonapat respectively for the financial year 2012-13 & 2013-14 involving 97 licensees in this districts. The details are as under:-

**District Sonapat (2012-13 & 2013-14):**

There are 5 licensees for the financial year 2012-13 involving non-short recovery of penalty on illicit liquor of Rs.9.81 lacs. Efforts are being made by the DETC to recover the same. In respect of the year 2013-14, an amount Rs.2.25 lacs was recoverable from 19 licensees, out of which Rs.0.30 lacs have been recovered from 8 licensees, while the remaining Rs.1.95 lac is recoverable against 11 licensees.

**District Karnal (2013-14):**

There are 5 licensees involving non-short recovery of penalty on illicit liquor of Rs.2.96 lacs. An amount Rs.0.44 lacs was recovered from 3 licensees, while a remaining amount of Rs.2.52 lacs is recoverable against 2 licensees. Efforts are being made to recover the same.

**District Jagadhri (2012-13 & 2013-14):**

There are 4 licensees for the financial year 2012-13 involving non-short recovery of penalty on illicit liquor of Rs.3.60 lacs. Efforts are being made by the DETC to recover the same. In respect of the year 2013-14, an amount Rs.12.09 lacs was recoverable from 59 licensees, out of which Rs.0.89 lacs have been recovered from 43 licensees, while the remaining Rs.11.20 lac is recoverable against 16 licensees.

**District Jind (2012-13):**

There are 1 licensee involving non-short recovery of penalty on illicit liquor of Rs.6.00 lacs. An amount Rs.2.04 lacs was recovered while remaining amount of Rs.3.96 lacs is recoverable against the licensee. Efforts are being made to recover the same.

**District Kaithal (2012-13):**

There are 4 licensees involving non-short recovery of penalty on illicit liquor of Rs.11.05 lacs. An amount Rs.0.48 lacs was recovered from 2 licensees while remaining amount of Rs.10.57 lacs is recoverable against 4 licensees. Efforts are being made to recover the same.

Lastly, it is submitted that against the recovery of Rs. 47.76 lacs for non/short recovery of penalty on illicit liquor, an amount of Rs. 4.75 lacs have been recovered while efforts are being made to recover the balance amount of Rs.43.01 lacs from the licensees.

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

## REVENUE DEPARTMENT

### [ 39 ] 4.1.2 Results of audit:

In 2014-15, test check of the records of 89 units of the Revenue Department showed non/short levy of stamp duty and registration fee etc. and other irregularities involving Rs.227.83 crore in 1,441 cases, which fall under the following categories in Table 4.1.

**Table 4.1**

(Rupees in crore)			
Sr. No.	Categories	Number of cases	Amount
1	Non/short recovery of stamp duty and registration fee due to		
	• undervaluation of immovable property	462	149.49
	• non-charging of residential rates on purchase of land	482	6.37
	• misclassification of instruments	102	18.52
2	Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds	106	1.23
3.	Irregular exemption of stamp duty on mortgage deeds/compensation certificates to land acquired	166	0.96
4.	Miscellaneous irregularities	123	51.26
	<b>Total</b>	<b>1,441</b>	<b>227.83</b>

During the year, the Department accepted underassessment and other deficiencies amounting to Rs.19.96 crore in 448 cases. The Department recovered Rs.17,379/- in one case relates to the earlier years.

Significant cases involving Rs. 19.96 crore are discussed in following paragraphs.

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

The Deputy Commissioners concerned have been impressed upon vide letter dated 19.02.2016, 28.04.2016, 28.06.2016 13.01.2016, 02.02.2016, 13.11.2017, 8.2.2018, 19.02.2018, D. O. letter dated 07.03.2018, 08.05.2018, 09.5.2018, 10.5.2018, 13.6.2018, 26.07.2018, and 30.07.2018 to expedite the matters pertaining to 1441 cases amounting to Rs 227.83 crore recovery of deficient amount of stamp duty and registration fee and the for the disposal of cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time with the Deputy Commissioners at the level of Divisional Commissioners and through Video conferences in which directions have been given to the revenue officers and collectors of all districts for expediting disposal of cases pending to Collector

under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to pursue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

The Parawise progress report may kindly be perused as under:-

**4.1.2 Serial No 1: The para relates to Non/short recovery of stamp duty and registration fee due to undervaluation of immovable property. The position of this Para is as under:-**

		No. of cases	Amount (in crore)
1	Amount Recovered by the department.	13	0.77
2	Amount dropped by Collectors	26	6.46
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	382	135.71
4	Amount pending for recovery	41	6.55
	<b>Total</b>	<b>462</b>	<b>149.49</b>

4

**.1.2 Serial No 1 (B):- The para relates to Non/short recovery of stamp duty and registration fee due to Non-charging of residential rates on purchase of land.**

		No. of cases	Amount (in crore)
1	Amount Recovered by the department.	66	0.74
2	Amount dropped by Collectors	32	0.91
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	339	3.91
4	Amount pending for recovery	44	0.81
	<b>Total</b>	<b>481</b>	<b>6.37</b>

**4.1.2 Serial No 1 (C):- The Para relates to Non/short recovery of stamp duty and registration fee due to misclassification of instruments. :-**

		No. of cases	Amount (in crore)
1	Amount Recovered by the department.	13	0.57
2	Amount dropped by Collectors	2	0.25
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	69	15.31
4	Amount pending for recovery	18	2.39
	<b>Total</b>	<b>102</b>	<b>18.52</b>

**4.1.2 Serial No 2:- The para relates to Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds.**

		No. of cases	Amount (in crore)
1	Amount Recovered by the department.	12	0.29
2	Amount dropped by Collectors	4	0.04
3	Amount dropped by A.G.	1	0.01
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	76	0.54
5	Amount pending for recovery	13	0.35
	<b>Total</b>	<b>106</b>	<b>1.23</b>

**4.1.2 Serial No 3:- The para relates to Irregular exemption of stamp duty on mortgage deeds compensation certificates to land acquired**

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	51	12.89
2	Amount dropped by Collectors	1	0.29
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	82	21.31
4	Amount pending for recovery	33	61.74
	<b>Total</b>	<b>167</b>	<b>96.23</b>

**4.1.2 Serial No 4:- The para relates to miscellaneous irregularities.**

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	33	4.79
2	Amount dropped by Collectors	1	3.19
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	76	5103.00
4	Amount pending for recovery	13	15.22
	<b>Total</b>	<b>123</b>	<b>5126.20</b>

**The Committee has desired that all District Collectors be directed to decide the cases under Section 47-A in a time bound manner and sincere and pragmatic efforts be made to make the outstanding recovery under intimation of the Committee.**

[ 40 ] **4.2 Short realization of stamp duty due to misclassification of documents:**

**Eighty nine deeds were assessed at Rs.258.45 crore instead of assessing at Rs. 566.65 crore based on the rates fixed by the Collector, resulting in short levy of SD of Rs.14.53 crore.**

Under the provisions of the Section 2(10) of the IS Act, as applicable to the State of Haryana, separate rates have been prescribed for different types of instrument. The classification of an instrument depends upon the nature of transactions recorded therein. Further, as per Section 47 A of the IS Act, if the registering officer has reason to believe that the value of the property or the consideration, has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value or consideration, as the case may be, and the proper duty payable thereon.

Audit noticed (October 2013 to March 2015) from the records of 17 offices of Sub Registrars (SRs) / Joint Sub Registrars (JSRs) for the years 2011-12 to 2013-14, that 89 deeds were registered between May 2011 and November 2013 on the basis of rates fixed by the Collector for agricultural land. The value of these properties were assessed at Rs.258.45 crore on which the department levied SD of Rs.16.73 crore. However as per land records/ khasra numbers given in the Collector's rates list, the immovable properties sold in 78 deeds were commercial/residential and in 11 deeds they were partly commercial i.e. Hotels, Stone crushers, Petrol pumps, Factories and Rice shellers as per land records (Jamabandhi) maintained by the Revenue Department. The value of these properties based on the rates fixed by Collector for commercial/residential properties was to be assessed for Rs.566.65 crore on which SD Rs.31.26 crore was leviable. This resulted in short levy of SD of Rs.14.53 crore (Rs.31.26 crore - Rs.16.73 crore) due to undervaluation of immoveable properties.

Eight SRs/JSRs replied (February 2014 to August 2015) that cases had been/ would be sent to the Collector under Section 47 A of the IS Act, SR Gharaunda admitted the facts (January 2015) in three cases and stated that in two cases, the land was agricultural land/vacant land. The reply was not tenable as the land records (Jamabandhi) shows that in those two cases the land were shown as commercial (factory). SR Kamal stated (January 2015) that six cases amounting to Rs.6.98 lakh were more than three years old and further admitted that as there is no provision of recovery for the cases more than three years old, however, in view of revenue involved, cases had been sent to the Collector for final decision. SR Nilokheri stated in February 2015 that one case was more than three years old and remaining eight cases had been sent to collector for final decision. SR Ballabgarh stated in March 2015 that case would be sent to Collector under Section 47A for final decision. No further progress report on recovery and replies from the remaining five SRs/JSRs have been received (November 2015).

The matter was reported to the Government in June and July 2015; reply has not been received (November 2015).

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

In this paragraph 89 instruments of sale registered in the year 2011-12 to 2013-14 have been pointed out amounting to deficiency of Rs.14.52 crore registered during period October 2013 to March 2015 due to undervaluation on the basis of khasras set forth in collector rate list and Jamabandi which were registered on residential collector rates while the land transferred was treated as commercial such as hotels, stone crushers, petrol pumps, Factories and rice sellers etc by the audit.

The draft paragraph was received to this department on 17.06.2014 and 14.7.2015 from the Principal Accountant General (Audit) Haryana and the same has been forwarded to concerned Deputy Commissioners on dated 09.7.2015 and 05.8.2015 respectively for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. Cases pertaining to this paragraph had already been referred to Collectors under section 47-A(3) of the Indian Stamp Act, 1899 as and when these were pointed out. The A.G. Audit party of the Principal Accountant General (Audit) Haryana has been shown the status of the said cases during their audit for the year 2014-15, 2015-16 and 2016-17 while reviewing the audit objections.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department has also hold meetings and also through Video Conference from time to time at the level of Divisional Commissioners/Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending before Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee declared by the Collectors. The Registering Authorities have also been directed in the meetings to pursue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof. D.O. letters have also been issued by Secretary-Revenue with request to concerned Deputy Commissioners to take personal interest.

The Para-wise progress report of all the point may kindly be perused as under:-

		No. of cases	Amount (in Crore)
1	Amount Recovered by the department.	8	3.01
2	Amount dropped by Collectors	5	0.38
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	63	8.63
4	Collector order for recovery	13	2.50
	<b>Total</b>	<b>89</b>	<b>14.52</b>

**The Committee has desired that action be initiated/taken against the officers responsible for short realization of stamp duty due to misclassification of documents and action taken report be submitted to the Committee within a period of 3 months.**

[ 41 ]    **4.3    Short levy of stamp duty due to application of incorrect rates of immoveable properties:**

**The registering authorities assessed 127 sale deeds of plots with an area less than 1,000 square yards under urban areas and near residential areas in the village but falling under the jurisdiction of municipality on the rates fixed for agricultural land instead of urban land which resulted in short levy of stamp duty of Rs.2.46 crore.**

In order to check evasion of stamp duty (SD) in sale deeds, the Government issued instructions in November 2000 to all registering authorities in the State to the effect that agricultural land sold within municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, be valued at the rate fixed for residential property of that locality for the purpose of levying SD.

Audit noticed (June 2013 to April 2014) that in 32 registering offices, 127 sale deeds of plots falling within the parameter of above notification were registered between April 2011 and July 2013. These deeds were liable to be assessed for Rs. 67.79 crore based on the rates fixed for residential areas and SD of Rs.3.88 crore was chargeable. However, the registering authorities assessed the deeds for Rs.26.85 crore based on the rates fixed for agricultural land and levied SD of Rs.1.42 crore. This resulted in short levy of SD of Rs.2.46 crore (Rs. 3.88 crore - Rs.1.42 crore).

29 SRs/JSRs replied (June 2013 to April 2014) that an amount of Rs. 2.42 lakh had been recovered in five cases of SRs Gurgaon, Kurukshetra and Tohana and the remaining cases had been/would be sent to the Collector for decision under Section 47 A of the IS Act. SRs Nub and Punhana stated that action would be taken as per rules. No further progress report has been received on recovery and reply from the SR Mohindergharh till date (November 2015).

The matter was reported to Government in April 2015; reply has not received (November 2015).

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

In this paragraph, 127 sale deeds registered in the year 2011-12 to 2013-14 have been pointed out amounting to deficiency of Rs. 2.46 crore during the period between April 2011 and July 2013 due to undervaluation on the basis of the agricultural land sold within municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, be valued at the rate fixed for residential property of that locality for the purpose of levying SD.

The draft paragraph was received to this department in April-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The A.G. Audit Party have seen the status of the said cases during their audit for the year

2014-15, 2015-16 and 2016-17 during the review of audit objections. The latest position of the cases can be seen in the table below:-

		No. of cases	Amount (in Lakh)
1	Amount Recovered by the department.	32	34.82
2	Amount dropped by Collectors	36	96.72
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	42	62.30
4	Collector order for recovery	17	52.74
	<b>Total</b>	<b>127</b>	<b>246.58</b>

**The Committee has desired that all District Collectors be directed to decide the cases under Section 47-A in a time bound manner and sincere and pragmatic efforts be made to make the outstanding recovery under intimation of the Committee.**

**[ 42 ] 4.4 Short levy of stamp duty due to application of non prime rates on land containing prime khasras:**

**Sixty five deeds were assessed as agricultural land at Rs. 35.92 crore on which SD of Rs.1.63 crore was levied instead of the rates fixed for prime land by the Collector for Rs.66.78 crore on which SD of Rs.2.86 crore was leviable which resulted in short levy of stamp duty Rs.1.23 crore.**

As per Haryana Government instructions issued in November 2000, the Evaluation Committee has to fix separate rates for prime land i.e. land situated on National Highways, State Highways, link roads up to 2-3 acres of depth, developed Colonies/Wards/Sectors and record the khasras numbers in the Collector's rate list to avoid evasion of stamp duty. Thereafter, these rates are sent to the registering authority for proper evaluation of the immoveable properties situated in these prime khasras. Further, Section 27 of the IS Act as applicable to the state of Haryana, provides that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty which it is chargeable, should be fully or truly set forth therein.

Audit noticed (April 2012 to January 2015) from the records of 11 offices of the SRs/JSRs, that 65 conveyance deeds were registered for sale at normal khasras rates fixed for agricultural land during the period between April, 2011 and November, 2013. It was also found that the khasras transacted in these deeds were matched with the prime khasras (having higher land rates). As such, the value of land was liable to be assessed on the rates fixed by the Collector for prime land for Rs.66.78 crore, on which SD of Rs.2.86 crore was leviable. But these deeds were assessed at the rates fixed for agricultural land for Rs.35.92 crore on which SD of Rs.1.63 crore was levied. This resulted in evasion of SD of Rs.1.23 crore (Rs.2.86 crore - Rs.1.63 crore).

All the SRs / JSRs admitted the facts and stated (March 2013 to September 2015) that cases had been sent to the Collector under Section 47 A of the IS Act for decision. An



amount of Rs.17379/- had been recovered in respect of one case of Barwala and efforts would be made to recover the outstanding amount of Rs.1.23 crore. No further progress report on recovery has been received (November, 2015).

The matter was reported to Government in April 2015; reply has not received (November, 2015)

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

In this paragraph, 65 sale deeds registered in the year April 2011 and November 2013 have been pointed out that amounted to deficiency of Rs. 1.23 crore during the period between April 2012 to January 2015 due to undervaluation on the basis of prime khasras situated on National Highway and Link Roads upto depth of 2-3 acres. The executants of the instruments set forth the concerned land away from 2-3 acres from NH/Link Roads and got registered the instruments of sale on lower collector rate.

The draft paragraph was received to this department on July-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners on dated 22-7-2015 for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The A.G. Audit Party have seen the status of the said cases during their audit for the year 2014-15, 2015-16 and 2016-17 during the review of audit objections.

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	10	7.65
2	Amount dropped by Collectors	6	7.05
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	42	95.55
4	Amount pending for recovery	7	13.64
	<b>Total</b>	<b>65</b>	<b>123.89</b>

**The Committee has desired that responsibility of the Stamp Auditors be fixed, who are responsible for not pointing out short levy of stamp duty due to application of non-prime rates of land containing prime khasras during internal audit, and action taken report be submitted to the Committee within a period of three months.**

**[ 43 ] 4.5 Short realization of stamp duty due to registration of documents on the basis of old agreement:**

**The registering authorities assessed the value of land at Rs. 4.27 crore and levied SD of Rs.18.55 lakh on the basis of rates agreed to between the parties earlier instead of registration of documents as per Collector rates valued at Rs.17.26 crore and SD of Rs. 89.80 lakh resulting in short realization of SD of Rs.71.25 lakh in 45 cases.**

As per Government order issued in May 2010, stamp duty (SD) shall be levied on the Collector rate of land to be sold and not on the basis of value agreed between the buyer and the seller. If the Registering Authority has reason to believe that the value of the property or the consideration, has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value or consideration, as the case may be, and the proper duty payable thereon.

Audit noticed (October 2012 to March 2014) from the records of 21 offices of SRs/JSRs for the years 2011-12 and 2012-13, that in 45 cases, the registering authorities assessed the value of land at Rs.4.27 crore on the basis of rates agreed to between the parties earlier and levied SD of Rs.18.55 lakh, but the actual value of the immovable property was Rs.17.26 crore as per Collector rate applicable at the time of registration of documents and SD of Rs.89.80 lakh was leviable resulting in short levy of SD of Rs.71.25 lakh (Rs.89.80 lakh - Rs.18.55lakh).

18 SRs/JSRs replied (April 2014 to September 2015) that cases had been sent to the Collector for assessment of correct value of property in sale deeds and an amount of Rs.96,162 had been recovered in two cases of Bawal and Jind. Three SRs/JSRs replied (October 2012 to March 2014) that cases would be sent to the Collector for decision under Section 47-A of the IS Act.

The matter was reported to Government in April 2015; reply has not received (November 2015).

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

In this paragraph, 45 sale deeds registered on the collector rates in the year 2011-12 and 2012-13 have been pointed out amounting to deficiency of Rs. 71.25 Lacs during the period between October, 2012 to March, 2014 due to undervaluation on the basis of agreement to sell as the agreed value between the parties was more than Collector Rate.

The draft paragraph was received to this department on April-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners in the month of April-2015 for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The A.G. Audit Party has seen the status of the said cases during their audit for the year 2014-15, 2015-16 and 2016-17 during the review of audit objections. The position of this para is as under:-

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	7	2.90
2	Amount dropped by Collectors	8	22.11
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	27	44.43
4	Amount pending for recovery	3	1.81
	<b>Total</b>	<b>45</b>	<b>71.25</b>

**The Committee has desired that responsibility of the Stamp Auditors be fixed, who are responsible for not pointing out short realization of stamp duty due to registration of documents on the basis of old documents during internal audit, and action taken report be submitted to the Committee within a period of three months.**

**[ 44 ] 4.6 Evasion of stamp duty due to undervaluation of immovable property:**

**Sixty two conveyance deeds were executed and registered at a consideration less than what had been agreed to between the parties resulting in evasion of stamp duty at Rs.68.72 lakh due to undervaluation of immovable properties.**

Section 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 or truly set forth therein. Further, Section 64 of the 1S Act provides that any person who, with intent to defraud the Government, executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth, is punishable with a fine which may extend to Rs.5,000 per instrument.

Audit noticed (April 2012 to March 2014) from the records of register of deed writers/agreements executed in JSR/SR office of 22 registering offices that 62 conveyance deeds were registered between April, 2011 and January 2014 on account of sale of immovable properties worth Rs.14.75 crore on which SD of Rs. 56.28 lakh was levied. Cross verification of these deeds with the agreements executed between the concerned parties between February 2011 and March 2013, showed that the total sale value of agreements worked out to Rs.46.72 crore on which SD of Rs.1.25 crore was leviable. Thus, the conveyance deeds were executed and registered at a consideration less than what had been agreed to between the parties. Undervaluation of immovable properties in conveyance deeds resulted in evasion of stamp duty of Rs.68.72lakh besides penalty.

11 SRs/JSRs replied (December, 2012 to September, 2015) that cases had been sent to the Collector for assessment of correct value of property in sale deeds. Seven SRs/JSRs stated (April 2012 to June 2014) that cases would be sent to the Collector for decision under Section 47-A of the IS Act. Further progress report on recovery and action taken to levy penalty and replies from the remaining four SRs/JSRs are still awaited (November 2015).

The matter was reported to Government in April 2015; reply has not received (November 2015).

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

In this paragraph, 62 Conveyance Deeds registered on collector rates during the period April 2012 to March 2014 have been pointed out amounting to deficiency of Rs. 68.72 lakh registered during the period between April 2011 and January

2014 due to undervaluation on the basis of agreement to sell as the agreed value between the parties was more than Collector Rate.

The draft paragraph was received to this department on April-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners in the month of April-2015 for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit), Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The A.G. Audit Party have seen the status of said cases during their audit for the year 2014-15, 2015-16 and 2016-17 during review of audit objections.

The position of this Para is as under:-

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	19	14.60
2	Amount dropped by Collectors	9	8.78
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	13	12.82
4	Amount pending for recovery	21	32.52
	<b>Total</b>	<b>62</b>	<b>68.72</b>

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount under intimation of the Committee till then the para is kept pending.**

**[ 45 ] 4.7 Irregular exemption of stamp duty:**

**Irregular exemption of stamp duty to farmers who had purchased land after two years of receipt of compensation for acquired land in 27 cases resulted in non/short levy of SD to the extent of Rs. 17.57 lakh.**

As per Government order issued on January 2011, under the IS Act, the Government exempts the stamp duty (SD) in respect of the sale deeds executed by farmers whose land is acquired by Haryana Government for public purposes and who purchase agricultural land in the State within two years of the amount of compensation received by them, for the land acquired by the Government. The remittance will be limited to the compensation amount only and the additional amount involved in the purchase of agricultural land, will be liable to SD as per rules.

Audit noticed (September 2013 to November 2014) from the records of 11 offices of JSRs/SRs, that farmers, whose land was acquired by the Government for public purposes, purchased residential/commercial land valued at Rs.1.63 crore in 25 cases and agricultural land (after two years of the compensation amount received) valued at Rs.1.77 crore in two cases between May 2012 and March 2014. Stamp duty was to be levied at the rate of four to seven percent amounting to Rs.17.75 lakh as the farmers had purchased residential land or agricultural land after two years of receipt of

compensation and hence they were not eligible for exemption of SD. The Department had levied SD of Rs.18,050 only in one case of Narwana. Thus irregular exemption of SD resulted in non/short levy of SD of Rs.17.57 lakh.

JSR Julana replied (November 2014) that action would be taken as per rules. All other JSRs/SRs stated (December 2013 to May 2015), that cases had been/would be sent to the Collector for decision under Section 47-A of the IS Act. Further progress report on recovery is yet to be received (November 2015).

The matter was reported to Government in April, 2015; reply has not received (November, 2015).

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

In this paragraph, 27 Sale Deeds registered on that rates during the period September 2013 to November 2014 have been pointed out amounted to deficiency of Rs. 17.57 Lacs registered during the period between May 2012 and March 2014 due to irregular exemption of stamp duty was granted to the farmers for purchase of residential and commercial land while the exemption was for the purchase of agriculture land by the farmers within two years from the receipt of amount of compensation received in lieu of the acquirement of their land.

The draft paragraph was received to this department on April-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners in the month of April-2015 for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The A.G. Audit Party have seen the status of the said cases during their audit for the year 2014-15, 2015-16 and 2016-17 during review of audit objections.

The position of this Para is as under:-

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	7	1.97
2	Amount dropped by Collectors	6	0.59
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	11	11.11
4	Amount pending for recovery	3	3.90
	<b>Total</b>	<b>27</b>	<b>17.57</b>

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount under intimation of the Committee till then the para is kept pending.**

[ 46 ] **4.8 Undue benefit through reduction in stamp duty:**

**Undue benefit through reduction in SD in contravention of provision for execution of gift deeds in favour of persons other than blood**

**relations, resulted in loss of revenue of Rs.16.29 lakh to State exchequer in 120 instruments of gift deeds.**

As per notification issued on November 2010, under the IS Act, the Government reduced the Stamp Duty (SD) by one *per cent* in respect of instrument of transfer of gift of self acquired immovable property executed in favour of son or daughter or father or mother or spouse of the executants.

Audit noticed (March to August 2014) from the registered documents of gift deeds in five offices of SRs/JSRs for the years 2012-13 and 2013-14, that 120 instruments of gift deeds were executed in favour of persons other than those allowed in the above notification of Government. The registering authorities allowed the exemption of SD by one *per cent* to donees which was in contravention of above orders of the Government. Thus, undue benefit through reduction in SD resulted in loss of revenue to State exchequer to the extent of Rs.16.29 lakh.

JSR Shahzadpur replied (November 2014) that notices had been issued for recovery. JSR Matlauda and SR Naraingarh stated (March and August 2014) that recovery would be made as per rules. JSR Ambala Cantt and Panipat stated in May and September 2015 that cases had been sent to the Collector for decision under Section 47-A of the IS Act. The reply of the registering authority did not explain why these cases had been referred to the Collector since there was no need to refer the cases to the Collector for decision as it had been clearly specified in the notification regarding reduction in SD for execution of transfer of self acquired immovable property. No further progress report on recovery has been received (November 2015).

The matter was reported to Government in April, 2015; reply has not received (November, 2015).

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

In this paragraph, 120 Sale Deeds registered on the collector rates during the period March to August 2014 have been pointed out amounting to deficiency of Rs. 16.29 Lacs registered during the period between years 2012-13 and 2013-14 due to undue benefits through reduction in stamp duty by one *per cent* in respect of instrument of gift of self acquired immovable property executed in favour of son or daughter or father or mother or spouse of the executants.

The draft paragraph was received to this department on April-2015 from the Principal Accountant General (Audit) Haryana and the same was forwarded to concerned Deputy Commissioners in the month of April-2015 for taking necessary action as per Stamp Law procedure under intimation to Principal Accountant General (Audit) Haryana within 15 days. The cases pertaining to this paragraph had already been referred to Collectors under section 47-A (3) of the Indian Stamp Act, 1899. The action of Sub-Registrars to refer the concerned cases to the Collector for determination of proper stamp duty so chargeable was correct as the Registering Authority becomes *functus officio* after registration and its delivery to the executants, and he cannot make an order for recovery of the deficiency in the stamp duty-*Tara Chand Sugla v. State of Punjab, 1962 PLJ54 (FCP):1962 LLT67*. The A.G. Audit Party have seen the status of the said cases

during their audit for the year 2014-15, 2015-16 and 2016-17 during the review of audit objections.

The position of this Para is as under:-

		No. of cases	Amount (in lakh)
1	Amount Recovered by the department.	61	7.52
2	Amount dropped by Collectors	1	0.04
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	49	8.15
4	Amount pending for recovery	9	0.58
	<b>Total</b>	<b>120</b>	<b>16.29</b>

**The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount under intimation of the Committee till then the para is kept pending.**

## TRANSPORT DEPARTMENT

### [ 47 ] 5.3.2 Non fixation of snap locks:

As per condition number 4 (viii) of HSRPs order, HSRPs shall be fastened with at least two non-removable/non-reusable snap lock system in the rear of the vehicles for the sake of better security. The State Government may engage any approved testing agency which will conduct periodical checking/evaluation/testing and certification of the HSRPs on regular and random basis at embossing/affixing stations and on the roads, in order to verify their quality and performance.

Audit noticed (December 2014 to March 2015) from the records of RTAs/RAs offices of seven districts, that HSRPs were affixed in 4,06,108 motor vehicles with blind rivets only. These HSRPs were without snap lock which was mandatory for better security. Absence of snap locks negated the very purpose of the entire exercise to secure the vehicles from theft and unauthorized changing of number plates.

Transport Department stated (August 2015) that different agencies have been requested to intimate the charges for checking/evaluation/testing of quality of HSRPs and snap lock. This shows that the Department had failed to ensure the quality of the plates as per agreement.

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

In this regard, it is submitted that in order to establish conformity of production (COP) compliance to the provisions of CMVR, 1989, applicable as on date, documental verification and inspection at the Plant/necessary testing was carried out on the samples processed after commissioning of the Plant in India by the Manufacturer and randomly selected from the plant and franchises, the Automotive Research Association of India (ARAI) i.e competent authority in this regard had issued certificate regarding HSRPs, Third Number Plates (Sticker Type), Hologram and snap lock which is affixed by Vendor. The said items have been certified by the Automotive Research Association of India (ARAI) from time to time (Copy enclosed).

Keeping in view the above submissions, this para may please be considered to be dropped.

**The Committee has observed that the department, on one hand, in its earlier reply submitted vide letter dated 20.03.2018 has stated that “in this matter show cause notice issued to M/s Link Utsav Registration Plates Pvt. Ltd. Vide memo No.34322/AT-1/ST-II, dated 07.08.2015 and memo No.67109/AT-1/ST-III, dated 28.12.2015 and also write to Director, Automotive Research Association of India, Director, Central Road Research Institute, Delhi and Director, International Centre for Automotive Technology, Gurugram vide memo No.34323-27/AT-1/ST-II, dated 07.08.2015 regarding the quality of HSRP is very poor and the snap lock is not being affixed by the firm and request to verify the quality and performance of HSRP as early as possible but till date reply is still awaited” and on the other hand, vide recent reply submitted on 07.08.2018, the department has submitted that “the Automotive Research Association of India, the competent authority in this regard, has issued certificate regarding HSRPs, Third Number Plates (Sticker Type),**



**Hologram and snap lock which is affixed by the vender and further submitted that the said items have been certified from time to time". These both replies are contradictory to each other.**

**In view of above, the Committee has desired that the matter be re-looked into and a fresh reply be submitted to the Committee at the earliest possible.**

**[ 48 ] 5.4 Suspected misappropriation of Government Receipt:**

**Non-observance of the financial rules by the controlling officer resulted in suspected misappropriation of Government money of Rs.4.46 lakh.**

Rule 2.2 and 2.7 of the Punjab Financial Rules (PFR), 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. As per Rule 2.2 (v), a consolidated receipt for all the remittances should be obtained from the treasury by the 15th of the following month and compared with the entries in the cash book.

Audit noticed (November 2014) from the Daily Collection Register (DCR)/ Consolidated Treasury Receipt Register (CTR), receipt books and RC register of the Registering and Licensing Authority (Motor Vehicles) {RLA (MVs)}, Bhiwani for the years 2012-13 and 2013-14, that an amount of Rs.12.68lakh was collected on account of issue/renewal of driving licenses for the periods May, June and September 2012. Out of Rs.12.68 lakh, an amount of Rs.4.46 lakh was not deposited in Treasury/ Government account even after the lapse of three years of the collection. The Controlling officer neither checked/signed the OCR for the period from May to September 2012 nor cross verified entries in the OCR with that of treasury record for the periods April 2012 to May 2013. Thus, non-observance of the financial rules by the controlling officer resulting in suspected misappropriation of Government money of Rs.4.46 lakh.

RLA (MV), Bhiwani admitted to the facts and stated (August and October 2015) that an amount of Rs.3.86 lakh had been recovered and deposited in Government treasury in July and October 2015. However, notice had been issued to recover the balance amount of Rs.60,000 (November 2015).

The matter was reported to the Government in July 2015; reply has not been received (November 2015).

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

<b>(Amount in Lakh)</b>				
<b>Name of authority</b>	<b>Outstanding amount</b>	<b>Amount already recovered</b>	<b>Now recovered</b>	<b>Balance</b>
SDM(C)-cum-RA, Bhiwani	4.46	3.86	.60	nil

SDM (C)-cum-RA, Bhiwani has intimated vide their letter No.2625/DLC/MRC, dated 15.12.2017 that total recovery has been made.

Hence, para may kindly be dropped.

**The Committee has observed that the delinquent official has deposited the embezzled amount only after the audit has pointed out this embezzlement. The Committee has, therefore, recommended that FIR be got registered against the delinquent official and action taken report be submitted to the Committee within a period of one month.**

## MINES AND GEOLOGY DEPARTMENT

[ 49 ]    **6.2    Non/short recovery of royalty and interest:**

**Royalty and interest amounting to Rs.24.92 lakh was not recovered from 81 brick kiln owners, who were issued permits between April 2011 and April 2014 in respect of five Districts:**

Rule 30 of the Haryana Minor Mineral Concession, Stocking, transportation of Mineral and Prevention of illegal Mining Rules, 2012 provides that brick kiln owners (BKO) shall pay annual amount of royalty at the prescribed rate in advance by 30th April of every year. State Government revised the rates of fixed royalty of various categories of BKOs with effect from 20 June 2012 and the BKOs shall pay annual amount of royalty at the prescribed rate in advance by 1st April of every year. In case payment is made after seven days but up to 30 days of the due date, after 30 days but within 60 days of the due date and beyond 60 days of the due date, interest at the rate of 15, 18 and 21 *per cent* (for the entire period of default) per annum respectively is chargeable for the period of default. BKOs register is maintained at each mining office for levy and collection of royalty. The permits of such BKOs who do not pay royalty are required to be cancelled by the department by giving one month's notice and any sum due from the permit holders on account of royalty and interest thereon is recoverable as arrears of land revenue. The Assistant Mining Engineers (AMEs)/Mining Officers (MOs) are responsible for monitoring recovery of outstanding dues.

Audit noticed (December 2013 to October 2014) from the records of five offices of MOs/AMEs, that out of 1061 BKOs, 81 BKOs, who were issued permits between April 2011 and April 2014 for the period of two years did not pay due amount of royalty. Though, a period ranging between 21 to 48 months had elapsed upto March 2014, yet royalty of Rs.15.48 lakh was neither paid by the BKOs nor any action was taken by the department to recover the same. No action to cancel the permits and/or to recover the dues as arrears of land revenue was taken. Lack of action on the part of the department resulted in non-realisation of royalty of Rs.15.48 lakh besides interest of Rs.9.44 lakh.

All the AMEs/JMOs admitted the facts and stated (February 2014 to April 2015) that an amount Rs.1.74 lakh had been recovered and notices had been issued to the concerned BKOs to recover the outstanding amount of Rs.23.18 lakh. Further progress report on recovery is awaited (November 2015).

The matter was reported to the Government in May 2015; reply has not been received (November 2015).

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

The total recoverable amount is Rs.23.56 lakh as actual figure of Jind is Rs.2.95 lakh instead of Rs.4.31 lakh, out of Rs.23.56 lakh, an amount of Rs.7.11 lakh have been recovered. An amount of Rs.11.77 lakh of 38 BKOs is not recoverable as BKOs remained closed during that period. Efforts are being made to recover the balance amount of Rs.4.57 lakh.

**2. Para No.6.2 – Non recovery of royalty and interest 2014.15****(Figure in Lakhs)**

<b>Sr. No.</b>	<b>Name of District</b>	<b>Year</b>	<b>No. of BKO's</b>	<b>Amount due</b>	<b>Amount recovered</b>	<b>Balance amount</b>	<b>Remarks</b>
1.	MO, Jind	2014-15	13	2.95	0.68	2.27	
2.	MO, Ambala	2014-15	13	2.98	0.51	2.47	
3.	MO, Narnaul	2014-15	20	6.41	0.82	5.59	
4.	MO, Hissar	2014-15	15	5.11	1.96	3.15	
5.	MO, Faridabad	2014-15	20	6.11	3.14	2.97	
<b>Total</b>			<b>81</b>	<b>23.56</b>	<b>7.11</b>	<b>16.45</b>	

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

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## APPENDIX

**Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decisions:**

Sr No.	Name of department	Paragraph	Brief subject
1	2	3	4
<b>9th Report</b>			
1.	Industries	5(2)	Credit facilities for development of small industries
<b>14th Report</b>			
2.	Industries	16	Purchase of Cotton Yarn
<b>16th Report</b>			
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
<b>18th Report</b>			
4.	Co-operation	39	Co-operative Consumer Stores
<b>22nd Report</b>			
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
<b>23rd Report</b>			
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
<b>25th Report</b>			
15.	Colonization	9	Encroachment of Land
16.	Excise and Taxation	54	Un-collected revenue
17.	Excise and Taxation	58	Incorrect computation of tax on interstate sales
18.	Excise and Taxation	67	Irregular allowance for wastage
19.	Excise and Taxation	69	Failure to enforce licence condition
<b>26th Report</b>			
20.	Revenue	10	Gratuitous relief for crops/houses damaged
21.	Excise and Taxation	49	Uncollected revenue

22.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
23.	Excise and Taxation	63	Non-recovery of licence fee and interest
<b>28th Report</b>			
24.	Excise and Taxation	41	Registration of dealers under Sale Tax Act
25.	Excise and Taxation	44	Non-recovery of licence fee and interest
<b>29th Report</b>			
26.	Excise and Taxation	47	Non-levy of penalty
27.	Excise and Taxation	50	Non-levy of penalty
28.	Excise and Taxation	51	Non-levy of penalty
29.	Excise and Taxation	53	Interest not charged
30.	Revenue	62	Results of Audit
31.	Revenue	63	Under valuation of immovable property
32.	Mines and Geology	71	Results of Audit
<b>32nd Report</b>			
33.	Industries	4	Development of small industries
34.	Revenue	25	Inadmissible payment
35.	Town and Country Planning (HUDA)	36	Loss due to defective storage of Cement
36.	Mines and Geology	47	Uncollected revenue
37.	Mines and Geology	48	Results of Audit
38.	Excise and Taxation	61	Uncollected revenue
39.	Excise and Taxation	69	Irregular levy of tax at concessional rate
<b>34th Report</b>			
40.	Development & Panchyat	8	Irregular and wasteful expenditure on books
41.	Revenue	29	Land reforms
42.	Revenue	30	Compensation to landowner
43.	Revenue	31	Consolidation of holdings
44.	Food and Supplies	47	Under storage of wheat
45.	Mines and Geology	55	Uncollected revenue
46.	Excise and Taxation	63	Uncollected revenue
47.	Excise and Taxation	66	Short-levy/non-levy of purchase tax
48.	Excise and Taxation	69	Non-levy of penalty
49.	Excise and Taxation	70	Non-filing the quarterly returns
50.	Chief Electrical Inspector	78	Uncollected revenue
51.	Chief Electrical Inspector	80	Arrears of electricity duty
52.	Revenue	83	Results of Audit

53.	Revenue	84	Under valuation of immovable property
<b>36th Report</b>			
54.	Local Self Government/ULB	3	Non-recovery of Government dues
55.	Food and Supplies	7	Loss due to storage of wheat.
56.	Transport	9	Irregular payment of overtime allowance
57.	Industries	13	Non-utilization of loan
58.	Revenue	18	Inadmissible gratuitous relief
59.	Public Health	23	Construction of a water tank
60.	Haryana State Lotteries/Fiances	25	Suspended misappropriation of Government money
61.	P.W. (B&R)	29	Excess measurement
62.	Revenue	43	Results of Audit
63.	Revenue	46	Misclassification of instruments
64.	P.W. (B&R)	51	Results of Audit
65.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
66.	Excise and Taxation	54	Uncollected Revenue (State Excise)
67.	Excise and Taxation	58	Results of Audit (Sales Tax)
<b>38th Report</b>			
68.	Renewable Energy	16	Evaluation and monitoring.
69.	Medical and Health	18	Stores and Stock
70.	Public Health	41	Excess payment to the contractor
71.	Public Health	42	Excess Payment
72.	Mines and Geology	50	Results of Audit
73.	Mines and Geology	51	Receipts from Mines and Minerals
74.	Agriculture	56	Interest not charged on belated payments
75.	P.W. (B&R)	61	Arrears of rent
76.	Revenue	64	Results of Audit
77.	Revenue	68	Misclassification of Instrument
78.	Excise and Taxation	71	Uncollected revenue
79.	Excise and Taxation	79	Suppression of purchases
80.	Excise and Taxation	81	Irregular stay of tax and interest
81.	Excise and Taxation	87	Recovery at the instance of Audit
<b>40th Report</b>			
82.	Town and Country Planning	19	Delay in land acquisition cases
83.	Public Health	33	Stores and stock
84.	P.W. (B&R)	37	Extra payment due to incorrect entries in Measurement Books

85.	P.W. (B&R)	38	Avoidable extra expenditure due to retendering
86.	Co-operation	41	Embezzlement
87.	Food and Supplies	47	Damage caused to wheat in Storage
88.	Supplies and Disposal	49	Extra expenditure due to retendering
89.	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
90.	Excise and Taxation	52	Uncollected Revenue (State Excise)
91.	Excise and Taxation	55	Delay in re-assessment of remand cases
92.	Excise and Taxation	57	Appeals entertained without deposit of tax
93.	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
94.	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
95.	Excise and Taxation	68	Non-levy of penalty
96.	Excise and Taxation	69	Interest not charged
97.	Excise and Taxation	74	Non-recovery of duty on wastage in excess norms
98.	Excise and Taxation	75	Interest not charged
99.	Revenue	79	Outstanding Inspection Reports
100.	Revenue	80	Results of Audit
101.	Revenue	81	Under valuation of immovable property
102.	Revenue	82	Misclassifications of instruments
103.	Revenue	83	Irregular grant of exemption
104.	Revenue	84	Non/Short levy of stamp duty
105.	Revenue	85	Irregular registration of supplementary deeds
106.	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
107.	Revenue	89	Embezzlement of Government revenue
108.	Mines and Geology	93	Outstanding Inspection Reports.
109.	Mines and Geology	94	Results of Audit
<b>42nd Report</b>			
110.	Food and Supplies	42	Loss due to negligence
111.	Public Health	60	Inflated/Fictitious measurement
112.	Revenue	101	Outstanding Inspection Reports
113.	Revenue	103	Results of Audit
114.	Revenue	104	Irregular exemption of stamp duty
115.	Excise and Taxation	108	Uncollected Revenue
116.	Excise and Taxation	109	Frauds and evasion of taxes
117.	Excise and Taxation	113	Delay in taking up of appeal cases
118.	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
119.	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
120.	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment



121.	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
122.	Excise and Taxation	120	Irregular grant of exemption certificate
123.	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings
124.	Excise and Taxation	125	Application of incorrect rate of tax
125.	Excise and Taxation	126	Non/Short levy of interest
126.	Excise and Taxation	127	Results of Audit
127.	Excise and Taxation	129	Loss of revenue due to re-auction of vends
128.	Excise and Taxation	130	Short recovery of composite fee
129.	Excise and Taxation	131	Non-recovery of license fee and interest
130.	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends
131.	Excise and Taxation	134	Non-recovery of penalties
132.	Excise and Taxation	136	Uncollected Revenue
133.	Excise and Taxation	138	Results of Audit
134.	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers
135.	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
136.	Excise and Taxation	144	Short levy of penalty
137.	Excise and Taxation	145	Results of Audit
<b>44th Report</b>			
138.	Public Health	3	Sub-Standard execution of work.
139.	Social Welfare	23	Payment of pension to ineligible persons
140.	Social Welfare	26	Liberation of scavengers
141.	Rural Development	36	Integrated Rural Development Programme
142.	Town and Country Planning	41	Functioning of State Planning Cell
143.	Town and Country Planning	43	Avoidable payment of interest
144.	Revenue	46	Mewat Development Board
145.	Mines and Geology	48	Uncollected Revenue
146.	Mines and Geology	50	Results of Audit
147.	Mines and Geology	53	Short Calculation of interest
148.	Mines and Geology	54	Uncollected Revenue
149.	Mines and Geology	56	Results of Audit
150.	Mines and Geology	57	Non-realisation of contract money and interest
151.	Mines and Geology	58	Non-recovery of dead rent and interest thereon
152.	Mines and Geology	59	Interest not charged on delayed payments
153.	Mines and Geology	60	Uncollected revenue.
154.	Mines and Geology	61	Results of Audit

155.	Mines and Geology	62	Non-recovery of contract money and interest
156.	Mines and Geology	63	Non-recovery/Short-recovery of royalty
157.	Mines and Geology	64	Interest not charged
158.	Revenue	66	Uncollected Revenue (Land Revenue)
159.	Revenue	67	Results of Audit
160.	Revenue	68	Short levy of Stamp duty
161.	Revenue	69	Under valuation of immovable property
162.	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
163.	Revenue	71	Irregular exemption of Stamp duty and registration fee
164.	Revenue	72	Misclassification of instruments
165.	Revenue	73	Uncollected Revenue
166.	Revenue	76	Results of Audit
167.	Revenue	78	Irregular exemption of stamp duty
168.	Revenue	79	Short realization of stamp duty due to under valuation of immovable property
169.	Revenue	80	Misclassification of instruments.
170.	Prohibition, Excise and Taxation	92	Uncollected Revenue (Sales Tax)
171.	Prohibition, Excise and Taxation	95	Non-registration of dealers liable to registration
172.	Prohibition, Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
173.	Prohibition, Excise and Taxation	97	Non-observance of departmental instructions regarding cross verifications
174.	Prohibition, Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
175.	Prohibition, Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
176.	Prohibition, Excise and Taxation	100	Irregular deduction allowed against stolen forms
177.	Prohibition, Excise and Taxation	101	Incorrect deduction from turnover
178.	Prohibition, Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
179.	Prohibition, Excise and Taxation	103	Other points of interest
180.	Prohibition, Excise and Taxation	106	Results of Audit
181.	Prohibition, Excise and Taxation	107	Interest not charged
182.	Agriculture	108	Non-recovery of purchases tax and interest
183.	Agriculture	109	Non-recovery of purchase tax and interest

46th Report			
184.	P.W. (B&R)	25	Short receipt of material
185.	P.W. (B&R)	27	Procurement of sub-standard cement
186.	Irrigation	34	Procurement of sub-standard cement
187.	Haryana State Lotteries	36	Appointment of main stockists
188.	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
189.	Haryana State Lotteries	40	Other points of interest
190.	Prohibition and Excise	41	Arrears in revenue
191.	Prohibition and Excise	42	Results of Audit
192.	Commercial Taxes	43	Arrears in revenue
193.	Commercial Taxes	46	Outstanding inspection reports and audit observations
194.	Commercial Taxes	47	Results of Audit
195.	Commercial Taxes	48	Sales Tax Check Barriers
196.	Commercial Taxes	50	Short levy of Purchases Tax
197.	Commercial Taxes	51	Non/Short levy of interest and penalty
198.	Commercial Taxes	52	Results of Audit
48th Report			
199.	Agriculture	4	Arrears in revenue
200.	Animal Husbandry	8	Frauds and evasion of taxes/duties
201.	Mines and Geology	14	Arrears in revenue
202.	Mines and Geology	15	Outstanding inspection reports and audit observations
203.	Transport	20	Outstanding audit objections in internal audit
204.	Housing	27	Avoidable liability of interest
205.	Education	29	Purchases without assessment of requirement
206.	P.W. (B&R)	31	Irregular/Excess expenditure on execution of works
207.	Excise and Taxation	33	Arrears in revenue
208.	Excise and Taxation	37	Results of Audit
209.	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
210.	Excise and Taxation	44	Loss of revenue due to defray in finalization of assessment
211.	Excise and Taxation	45	Non-levy of interest and penalty
50th Report			
212.	Finance (Lotteries)	3	Printing of lottery tickets
213.	Industries	5	Capital investment subsidy
214.	Industries	6	Irregular release/non-recovery of assistance
215.	Social Welfare	8	Panjiri Plants
216.	Home (Jail)	9	Injudicious purchase

217.	Irrigation	22	Surplus materials
218.	Town and Country Planning	24	Construction of Building and Roads by HUDA
219.	Town and Country Planning	25	Construction of Building
220.	Town and Country Planning	28	Non-recovery of compounding fee
221.	Town and Country Planning	29	Avoidable payment of interest
222.	Transport	32	Purchase of Sub-standard tubes of butyl rubber
223.	Forest	38	Alkali/saline land plantation
224.	P.W. (B&R)	47	Construction of major building including Staff Quarters
225.	P.W. (B&R)	49	Execution of works without technical sanction of cost estimates
226.	P.W. (B&R)	52	Undue financial favour to the contractors
227.	P.W. (B&R)	57	Reimbursement claims
228.	P.W. (B&R)	58	World Bank and Asian Development bank loan
229.	P.W. (B&R)	60	Execution
230.	P.W. (B&R)	61	Release of advances not covered by agreement
231.	P.W. (B&R)	63	Excess payment of price increase on diesel
232.	P.W. (B&R)	65	Irregular adjustment of expenditure
233.	Rural Development	77	Other points
234.	Rural Development	78	Non-recovery/non-adjustment of advances to Ex-Sarpanches
235.	Rural Development	79	Non-recovery of misutilised subsidy
236.	Town and Country Planning	81	Non-recovery of auction money
237.	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the Tribunal
238.	Revenue	92	Arrears in revenue
239.	Revenue	93	Frauds and evasion of taxes/duties
240.	Revenue	94	Results of Audit
241.	Revenue	95	Internal Audit
242.	Revenue	96	Results of Audit
243.	Revenue	97	Stamp duty and Registration Fees
244.	Revenue	98	High pendency of cases of undervaluation with Collectors
245.	Revenue	99	Misclassification of instruments
246.	Revenue	100	Short levy of stamp duty
247.	Revenue	101	Pre-audit of registrable documents
248.	Revenue	102	Arrears in Revenue
249.	Revenue	103	Frauds and evasion of taxes/duties

250.	Revenue	104	Results of Audit
251.	Revenue	105	Outstanding audit objections in Internal Audit
252.	Revenue	106	Results of Audit
253.	Revenue	107	Short recovery of stamp duty on mortgage deed
254.	Revenue	108	Evasion of stamp and registration fees through power of attorney
255.	Revenue	109	Evasion of Stamp Duty
256.	Chief Electrical Inspector	110	Arrears in revenue
257.	Mines and Geology	112	Results of Audit
258.	Animal Husbandry	115	Frauds and evasion of taxes/duties
259.	Excise and Taxation	116	Arrears in revenue
260.	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
261.	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
262.	Excise and Taxation	122	Under assessment
263.	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
264.	Excise and Taxation	125	Non/short levy of purchase tax
265.	Excise and Taxation	126	Results of Audit
266.	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
267.	Excise and Taxation	128	Low yield of spirit
268.	Excise and Taxation	129	Loss of spirit due to re-distillation
269.	Excise and Taxation	133	Interest short charged
270.	Excise and Taxation	134	Short realization of composite fee
271.	Revenue	135	Results of Audit
272.	Revenue	137	Arrears in revenue
273.	Mines and Geology	139	Arrears in revenue
274.	Agriculture	141	Arrears in revenue
275.	Agriculture	142	Results of Audit
276.	Agriculture	143	Non-recovery of purchase tax and interest
277.	Finance (Lotteries)	146	Results of Audit
<b>52nd Report</b>			
278.	Higher Education	6	Extra expenditure on purchase of paper
279.	Agriculture	15	Non-recovery of principal and interest from Sugar Mills
280.	P.W. (B&R)	43	Miscellaneous Public Works Advances
281.	P.W. (B&R)	44	Stores and Stock
282.	P.W. (B&R)	46	Short receipt of material

283.	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgment
284.	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
285.	Town & Country Planning	53	Non-recovery of rent from the lessees due to non-observance of conditions of lease deed
286.	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis-appropriation of material
287.	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
288.	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
289.	Social Welfare	60	Embezzlement of Rs.3.99 lakh
290.	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
291.	General	65	Write-off of losses etc
292.	Animal Husbandry	67	Arrears in revenue
293.	Revenue	69	Results of Audit
294.	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
295.	Power (Chief Electrical Inspector)	76	Non-charging of electricity duty on extended load
296.	Power (Chief Electrical Inspector)	77	Short realization of electricity duty due to application of incorrect rates
297.	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
298.	Transport	79	Results of audit
299.	Haryana State Lotteries	86	Results of audit
300.	Haryana State Lotteries	87	
301.	Agriculture	88	Arrears in revenue
302.	Agriculture	89	Results of Audit
303.	Excise and Taxation	94	Arrears in revenue
304.	Excise and Taxation	95	Arrears in assessment
305.	Excise and Taxation	96	Frauds and evasions of taxes/duties
306.	Excise and Taxation	97	Results of Audit
307.	Excise and Taxation	101	Under assessment due to non-levy of tax on branch transfers/consignment sale
308.	Excise and Taxation	102	Under assessment due to non-submission of declaration forms.
309.	Excise and Taxation	104	Arrears in assessments
310.	Excise and Taxation	105	Evasion of tax due to suppression of purchases
311.	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against

			invalid declaration forms
312.	Excise and Taxation	107	Incorrect levy of concessional rate of tax
313.	Excise and Taxation	108	Inadmissible deduction from turnover
314.	Excise and Taxation	109	Non-levy of purchase tax.
315.	Excise and Taxation	112	Non-levy of tax
316.	Excise and Taxation	114	Under assessment due to excess rebate
317.	Excise and Taxation	115	Non-levy of penalty
318.	Excise and Taxation	116	Non-reconciliation of revenue deposits into treasury
319.	Excise and Taxation	117	Results of Audit
320.	Excise and Taxation	118	Short/non-recovery of passenger tax
<b>54th Report</b>			
321.	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
322.	Revenue	18	Fictitious payment of gratuitous relief
323.	Revenue	19	Drawal of funds without requirement
324.	P.W.D.(B&R)	22	Avoidable payment of interest
325.	Agriculture	30	General
326.	Higher Education	31	Nugatory expenditure due to payment of idle wages
327.	Town and Country Planning	34	Non-utilization of land
328.	Town and Country Planning	35	Loss due to non-recovery of rebate
329.	Animal Husbandry	47	Fraud and evasion of taxes/duties
330.	Chief Electrical Inspector	48	Arrear in revenue
331.	Revenue	49	Arrear in revenue
332.	Revenue	50	Results of Audit
333.	Revenue	51	Results of Audit
334.	Revenue	52	Non/Short recovery of Stamp duty
335.	Revenue	53	Incorrect exemption of Stamp duty
336.	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
337.	Revenue	55	Short levy of stamp duty due to misclassification of instruments
338.	Revenue	56	Incorrect refund of Stamp duty
339.	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
340.	Revenue	58	Short recovery of stamp duty on exchange deeds
341.	Revenue	59	Results of Audit
342.	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue

343.	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
344.	Revenue	62	Return of RRCs
345.	Excise and Taxation	64	Arrears in revenue
346.	Excise and Taxation	65	Arrears in assessment
347.	Excise and Taxation	67	Results of Audit
348.	Excise and Taxation	68	Disposal of appeal cases
349.	Excise and Taxation	69	Delay in finalizing assessments
350.	Excise and Taxation	70	Delay in finalization of remand cases
351.	Excise and Taxation	72	Recovery certification cases
352.	Excise and Taxation	73	Incorrect levy of concessional rate of tax
353.	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
354.	Excise and Taxation	75	Inadmissible deduction from turnover
355.	Excise and Taxation	76.	Short levy of tax on sales to Non-government bodies
356.	Excise and Taxation	77	Excess refund due to incorrect exemption for payment of tax
357.	Excise and Taxation	78	Under assessment due to excess rebate
358.	Excise and Taxation	79	Results of Audit
359.	Excise and Taxation	80	Incorrect levy of entertainments duty
360.	Transport	81	Results of Audit
361.	Irrigation	90	Short recovery of lease rent
362.	Agriculture	91	Arrears in revenue
363.	Agriculture	92	Results of Audit
364.	Agriculture	93	Non-recovery of purchase tax and interest
365.	Mines and Geology	97	Arrears in revenue
366.	Mines and Geology	98	Results of Audit
367.	Mines and Geology	99	Short recovery of contract money and interest
<b>56th Report</b>			
368.	Education	4	Nutritional support to Primary Education
369.	Forest	5	Rehabilitation of common lands in Aravali Hills
370.	Medical and Health	6	Working of Medical and Health Department including Manpower Management
371.	Medical and Health	7	Hospitals and dispensaries
372.	Medical and Health	9	Hospital Waste Management
373.	Medical and Health	11	Outstanding Inspection Reports
374.	Finance	14	Overpayment of pensionary benefits
375.	Home	18	Stores and Stock
376.	Prohibition, Excise and Taxation	20	Fraudulent draws and embezzlement of Government money
377.	Revenue	21	Loss of interest due to delayed refund of unspent amount
378.	Revenue	22	Excess payment of Gratuitous Relief



379.	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
380.	Supplies and Disposal	42	Extra expenditure due to finalization of tenders after validity period
<b>58th Report</b>			
381.	Forest	3	Rehabilitation of common lands in Aravalli Hills
382.	Excise and Taxation	4	Arrears in revenue
383.	Excise and Taxation	5	Arrears in assessment
384.	Excise and Taxation	6	Frauds and evasions of taxes/duties
385.	Excise and Taxation	8	Results of Audit
386.	Excise and Taxation	9	Cross verification by Audit
387.	Excise and Taxation	10	Incorrect deduction from turnover
388.	Excise and Taxation	12	Non-levy of purchase tax
389.	Excise and Taxation	13	Non-recovery of tax
390.	Excise and Taxation	15	Non/short levy of purchase tax
391.	Excise and Taxation	16	Non-levy of tax
392.	Excise and Taxation	17	Results of Audit
393.	Excise and Taxation	18	Short realization of passenger tax
394.	Mines and Geology	19	Arrears in revenue
395.	Mines and Geology	20	Results of Audit
396.	Mines and Geology	21	Receipts from Mines and Minerals
397.	Mines and Geology	22	Non/Short recovery of dead rent, royalty and interest
398.	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
399.	Mines and Geology	24	Non-recovery of lease fee on short term permits
400.	Mines and Geology	25	Non recovery of interest on belated payments
401.	Animal Husbandry	27	Frauds and evasions of taxes/duties
402.	Revenue	29	Results of Audit
403.	Revenue	30	Stamp Duty and Registration Fees
404.	Agriculture	31	Arrears in revenue
405.	Agriculture	32	Results of Audit
406.	Transport	33	Results of Audit
407.	Transport	34	Non deposit of token tax
408.	Irrigation	36	Results of Audit
409.	Co-operative	38	Results of Audit
410.	Finance	39	Non charging of interest and penal interest
411.	Finance	40	Loans to Municipal Councils/Municipal Committees
412.	Forest	41	Short Recovery of royalty on forest produce
413.	Power	43	Arrears in revenue
414.	General	44	Results of Audit

415.	Education	56	Management cost in excess of norms
416.	Education	57	Programme management.
417.	Education	58	Civil Works
418.	Education	60	Training
419.	Medical and Health	66	Manpower position
420.	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak
421.	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
422.	Co-operative	71	Storage gain on account of moisture in wheat stocks below norms
423.	Finance	72	Overpayment of pensionary benefits
424.	Irrigation	76	Unauthorized excess execution of work in post tender stage
425.	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
426.	Irrigation	79	Unfruitful expenditure on extension of existing channel
427.	Public Health	80	Non-responsiveness to Audit findings and observation resulting in erosion of accountability
428.	Printing and Stationery	82	Excess issue of paper to private printers
429.	Environment	83	Implementation of environmental Acts and Rules relating to Water Pollution
430.	Environment	84	Status of water pollution
431.	Environment	85	Treatment of Industrial effluent
432.	Environment	86	Domestic sewage treatment plants
433.	Environment	88	Environment training, education and awareness
434.	Environment	89	Monitoring and Evaluation
435.	Urban Development	90	Urban Employment Generation Programme
436.	Town and Country Planning	93	Non-recovery of enhanced compensation of land
437.	Food and Supplies	94	Pilferage of large quality of wheat due to manipulation of weight
438.	General	97	Write-off of losses, etc
439.	Excise and Taxation	101	Arrears in revenue
440.	Excise and Taxation	102	Arrears in assessment
441.	Excise and Taxation	103	Frauds and evasions of taxes/duties
442.	Excise and Taxation	105	Results of Audit
443.	Excise and Taxation	106	Evasion in sales tax
444.	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
445.	Excise and Taxation	108	Under assessment of 'notional' sales tax liability computed on taxable turnover
446.	Excise and Taxation	109	Non-levy of purchase tax

447.	Excise and Taxation	110	Non-recovery of tax
448.	Excise and Taxation	111	Non-levy of interest
449.	Excise and Taxation	112	Under assessment due to excess rebate
450.	Excise and Taxation	113	Results of Audit
451.	Excise and Taxation	114	Short realization of passengers tax towards expenditure
452.	Excise and Taxation	115	Non-recovery of licence fee
453.	Revenue	116	Results of Audit
454.	Revenue	117	Short levy of stamp duty on exchange of property
455.	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
456.	Revenue	119	Evasion of stamp duty
457.	Revenue	120	Short levy of stamp duty
458.	Transport	121	Taxes on Motor Vehicles
459.	Transport	123	Short realization of permit/countersignature fee
460.	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Department
461.	Transport	125	Non-recovery of token tax in respect of Stage carriage buses
462.	Finance	126	Results of Audit
463.	Forest	130	Loss due to delay in harvesting of poplar trees
464.	Forest	132	Absence of physical verification of timber
465.	Forest	133	Loss due to excess unit cost.
466.	P.W. (B&R)	136	Utilization of departmental receipts towards expenditure
467.	Co-operative	137	Non charging of interest and penal interest
<b>60th Report</b>			
468.	Medical and Health	3	Prevention and Control of Diseases.
469.	Architecture	14	Fraudulent drawls and embezzlement of Government money by a Cashier
470.	Animal Husbandry	16	Non-recovery of cost of land
471.	Co-operative	17	Non-responsiveness to audit findings and observations resulting in erosion of accountability
472.	Revenue	24	Fraudulent drawals and embezzlement of Government money
473.	Revenue	25	Drawal of funds in advance of requirement
474.	Social Welfare	26	Fraudulent payment of Old Age Pension
475.	Town and Country Planning	27	Non-collection of External Development Charges (EDCs)
476.	Town and Country Planning	29	Less recovery of plan scrutiny fee
477.	Town and Country Planning	30	Avoidable loss due to delay in handing over possession of plots
478.	Irrigation	34	Formulation of schemes

479.	Irrigation	36	Implementation of schemes
480.	Irrigation	39	Land under unauthorized possessions
481.	Irrigation	41	Recoverable amount
482.	Irrigation	42	Store management
483.	Irrigation	43	Complaint Cases
484.	Irrigation	44	Introduction of selection grade of Engineers
485.	Irrigation	46	Recoverable amount from HUDA.
486.	Irrigation	51	Monitoring
487.	P.W. (B&R)	64	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
488.	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
489.	Environment	66	Environment laboratories grossly underutilized
490.	Environment	67	Status of industrial pollution
491.	Environment	68	Stone crushing units
492.	Environment	69	Rice shelling units/solvent extraction plants
493.	Environment	70	Vehicular pollution
494.	Environment	71	Training/mass education programme
495.	Environment	72	Waste Management
496.	Environment	73	Prosecution under Air Act
497.	Agriculture	74	Non-recovery of extension fee from allottees
498.	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
499.	Printing and Stationery	90A	Overpayment to private printer
500.	Excise and Taxation	95	Arrears in revenue
501.	Excise and Taxation	99	Outstanding inspection reports and audit observations
502.	Excise and Taxation	101	Results of Audit
503.	Excise and Taxation	102	Recovery of sales tax in arrears
504.	Excise and Taxation	103	Non-recovery due to delay in assessment
505.	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
506.	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
507.	Excise and Taxation	106	Disposal of recovery certificates
508.	Excise and Taxation	107	Demands under stay
509.	Excise and Taxation	108	Non-inclusion of interest in the demand sent to the liquidator
510.	Excise and Taxation	109	Under assessment of notional sales tax liability
511.	Excise and Taxation	110	Application of incorrect rate of tax
512.	Excise and Taxation	111	Non-levy of purchase tax
513.	Excise and Taxation	112	Non-recovery of tax

514.	Excise and Taxation	113	Results of Audit
515.	Revenue	114	Results of Audit
516.	Revenue	115	Outstanding inspection reports and audit observations
517.	Revenue	116	Results of Audit
518.	Revenue	117	Short levy of stamp duty on exchange of property
519.	Revenue	118	Short levy of stamp duty on plant and machinery
520.	Revenue	119	Short levy of stamp duty on lease deed
521.	Revenue	120	Embezzlement/evasion of stamp duty
522.	Revenue	121	Incorrect exemption of stamp duty
523.	Agriculture	122	Results of Audit
524.	Agriculture	123	Outstanding inspection reports and audit observations
525.	Agriculture	124	Results of Audit
526.	Agriculture	125	Non/short recovery of purchase tax and interest
527.	Agriculture	126	Non-realization of lease money
528.	Agriculture	127	Results of Audit
529.	Transport	128	Results of Audit
530.	Transport	129	Non/short charging of fitness fee (Passing fee)
531.	Transport	130	Non-realization of fees
532.	Home	131	Arrears in revenue
533.	Home	134	Arrears in revenue
534.	Co-operative	136	Results of Audit
535.	Co-operative	137	Non-redemption of Government share capital
<b>61st Report</b>			
536.	Development and Panchayats	3	Non-responsiveness to audit findings and observations resulting in erosion of accountability
537.	P.W. (B&R)	8	Execution of Works
538.	Public Health	12	Shortage of material
539.	Rural Development	15	Allotment of houses to ineligible families
540.	Rural Development	16	Other irregularities
541.	Rural Development	22	Reclamation work not taken up for 2½ years
542.	Animal Husbandry	24	Non recovery of lease money
543.	Town and Country Planning	26	Non recovery of external development charges
544.	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
545.	General	28	Misappropriations, defalcations, etc.
546.	General	31	Lack of accountability
<b>62nd Report</b>			
547.	Excise and Taxation	3	Arrears in revenue
548.	Excise and Taxation	4	Arrears in assessment

549.	Excise and Taxation	5	Frauds and evasions of taxes/duties
550.	Excise and Taxation	6	Results of Audit
551.	Excise and Taxation	7	Assessment in arrear
552.	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
553.	Excise and Taxation	9	Incorrect acceptance of applications
554.	Excise and Taxation	10	Incorrect determination of zones
555.	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
556.	Excise and Taxation	12	Excess availing of tax deferment
557.	Excise and Taxation	13	Irregularities in assessment of exempted/deferred units
558.	Excise and Taxation	14	Under-assessment due to application of concessional rate of tax
559.	Excise and Taxation	15	Under-assessment tax due to irregular deduction
560.	Excise and Taxation	16	Under assessment of notional sales tax liability
561.	Excise and Taxation	17	Non-monitoring of exempted/deferred units
562.	Excise and Taxation	18	Non-levy of purchase tax
563.	Excise and Taxation	19	Non-levy of tax on lease rent
564.	Excise and Taxation	20	Non-levy/under assessment of purchase tax due to application of incorrect rate of tax
565.	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
566.	Excise and Taxation	22	Non-levy of interest and penalty
567.	Excise and Taxation	23	Non-raising of demands for interest
568.	Excise and Taxation	24	Non-realization of tax
569.	Excise and Taxation	25	Results of Audit
570.	Excise and Taxation	26	Receipts of excise duty from auction of venders
571.	Excise and Taxation	27	Short recovery of licence fee and interest
572.	Excise and Taxation	28	Loss of revenue due to re-auction of vends
573.	Excise and Taxation	29	Non-recovery due to incorrect adjustment of security
574.	Excise and Taxation	33	Results of Audit
575.	Excise and Taxation	34	Non/short realization of passengers tax
576.	Revenue	36	Results of Audit
577.	Revenue	37	Results of Audit
578.	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
579.	Revenue	39	Non-levy of stamp duty on exchange of property
580.	Revenue	40	Evasion of stamp duty
581.	Revenue	41	Short levy of stamp duty
582.	Revenue	42	Inadmissible exemption of stamp duty
583.	Transport	43	Non-realization of token tax
584.	Agriculture	44	Arrears in revenue

585.	Agriculture	45	Results of Audit
586.	Agriculture	46	Outstanding inspection reports and audit observations
587.	Agriculture	47	Non/short recovery of purchase tax and interest
588.	Co-operation	49	Non-redemption of Government share capital
589.	Agriculture	50	Recovery from Patedars
590.	Medical and Health	56	Manpower
591.	Medical and Health	57	Manufacturing and selling units
592.	Medical and Health	59	Statistics of prosecutions vis-à-vis cases filed
593.	Social Justice and Empowerment	60	Facilities to handicapped persons
594.	Social Justice and Empowerment	61	Budget provision and expenditure
595.	Social Justice and Empowerment	62	Identification of persons with disabilities
596.	Social Justice and Empowerment	63	Non-maintenance of record
597.	Social Justice and Empowerment	64	Monitoring
598.	Urban Development	66	Non-collection of fire tax
599.	Education	67	CBI inquiry
600.	Finance and Justice	68	Recovery regarding appointment of daily wage workers
601.	Forest	69	Felling of Trees
602.	Town and Country Planning	70	Exemption of Sales Tax
603.	Food and Supplies	73	Recovery of amount from the Millers
604.	P.W. (B&R)	76	Non-adjustment of storage charges
605.	P.W. (B&R)	77	Irregular/un-authorized expenditure of storage charges
606.	P.W. (B&R)	78	Non-recovery of difference of sales tax
607.	Industrial Training	80	Delay in issue of Inspection Reports and settlement of old objections
<b>63rd Report</b>			
608.	Excise and Taxation	3	Arrears of revenue
609.	Excise and Taxation	4	Evasion of tax
610.	Excise and Taxation	5	Results of Audit
611.	Excise and Taxation	6	Position of collection of revenue receipts and arrears
612.	Excise and Taxation	7	Delay in finalizaion of remand cases
613.	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
614.	Excise and Taxation	9	Under assessment of tax due to inadmissible deduction
615.	Excise and Taxation	10	Non levy of purchase tax
616.	Excise and Taxation	11	Non levy of interest and penalty

617.	Excise and Taxation	12	Non recovery of tax
618.	Excise and Taxation	13	Other tax receipts
619.	Excise and Taxation	14	Non recovery of penalties
620.	Excise and Taxation	15	Non/short realization of passengers tax
621.	Excise and Taxation	16	Short/non recovery of entertainment duty
622.	Revenue	17	Results of Audit
623.	Revenue	18	Evasion of stamp duty due to under valuation of immovable property
624.	Revenue	19	Short levy of stamp duty on exchange of property
625.	Revenue	20	Evasion of stamp duty on release deeds
626.	Revenue	21	Short levy of stamp duty
627.	Transport	25	Non deposit of token tax
628.	Agriculture	26	Arrears in revenue
629.	Agriculture	27	Results of Audit
630.	Agriculture	28	Non recovery of purchase tax and interest
631.	Co-operation	29	Results of Audit
632.	Co-operation	30	Audit in arrears
633.	Co-operation	33	Short levy of audit fee due to incorrect computation of profit
634.	Co-operation	34	Non deposit of Government share capital
635.	Co-operation	35	Non redemption of Government share capital due to late fixation of terms and conditions
636.	Co-operation	36	Non redemption of Government share capital as per terms and conditions
637.	Finance	38	Results of Audit
638.	Finance	39	Incorrect classification / non-collection of guarantee fee
639.	Finance	40	Government guarantees
640.	Finance	41	Conclusion/Recommendations
641.	Urban Development	42	Results of Audit
642.	Urban Development	43	Non recovery of 832 supervision charges
643.	Power	45	Arrears of Revenue
644.	Mines & Geology	47	Arrears of revenue
645.	Mines & Geology	48	Results of Audit
646.	Home	49	Arrears of revenue
647.	Home	50	Results of Audit
648.	Home	51	Results of Audit
649.	P.W. (B&R)	52	Results of Audit
650.	Medical & Health	55	Results of Audit
651.	Animal Husbandry	56	Results of Audit
652.	Public Works (B&R)	61	Deficient agreements



653.	Public Works (B&R)	62	Execution of works without technical sanctions
654.	Public Works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
655.	Public Works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland Cement
656.	Revenue	66	Policy for recovery of beneficiaries share not formulated
657.	Revenue	67	Inadequate supply of drinking water
658.	Food & Supplies	68	(i) Food Security, Subsidy and Management of Foodgrain (ii) Financial arrangements
659.	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
660.	Food & Supplies	70	Loss due to non adherence of the instructions of FCI
661.	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
662.	Food & Supplies	72	Loss due to damage of wheat
663.	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain
664.	Food & Supplies	74	Supervision mechanism of PDS
665.	Food & Supplies	75	Conclusions
666.	Finance	76	Mismatch of expenditure data in OTIS database
667.	Home	77	Wasteful expenditure on creation of Haryana State Industrial Security Force
668.	Forest	79	Nugatory expenditure
669.	Transport	81	Avoidable expenditure due to non adjustment of insurance premium
670.	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
671.	General	84	Financial assistance to local bodies and other institutions
672.	General	85	Misappropriations, defalcations, etc.
673.	General	86	Write-off of losses, etc.
<b>64th Report</b>			
674.	Public Health	3	Non-recovery of loans and non-contribution of share by MCs
675.	Public Health	4	Recoverable amount from HUDA
676.	Public Health	5	Non-completion of sewerage schemes
677.	Public Health	6	Yamuna Action Plan
678.	Revenue	7	Organizational set up
679.	PW(B&R)	8	Over payment to contractors
680.	General	9	Financial assistance to local bodies and others institutions
681.	General	10	Misappropriations, defalcations etc.
682.	General	11	Write-off losses etc.
683.	Agriculture	12	Arrears of revenue
684.	Agriculture	13	Results of Audit

685.	Agriculture	14	Results of Audit
686.	Agriculture	15	Non/short recovery of purchase tax and interest
687.	Transport	18	Cost of collection
688.	Transport	19	Results of Audit
689.	Transport	20	Replies to Inspection Reports
690.	Transport	21	Departmental Audit Committee Meetings
691.	Transport	22	Response of the Departments to Draft Audit Paragraphs
692.	Transport	23	Results of Audit
693.	Transport	24	Short realization of bid money on stage carriage permits
694.	Excise and Taxation	25	Arrears of revenue
695.	Excise and Taxation	26	Arrears in assessments
696.	Excise and Taxation	27	Evasion of tax
697.	Excise and Taxation	28	Write-off and waiver of revenue
698.	Excise and Taxation	29	Results of Audit
699.	Excise and Taxation	30	Delay in assessments and their impact on revenue and collection of sales tax demands
700.	Excise and Taxation	31	Absence of provisions for finalizing assessments
701.	Excise and Taxation	32	Recovery Certificates
702.	Excise and Taxation	34	Delay in issue of demand notice
703.	Excise and Taxation	35	Delay in finalization of assessment
704.	Excise and Taxation	37	Under assessment due to incorrect deduction at first stage
705.	Excise and Taxation	38	Non levy of purchase tax
706.	Excise and Taxation	39	Non levy of interest
707.	Excise and Taxation	40	Results of Audit
708.	Excise and Taxation	41	Short recovery of licence fee and interest
709.	Excise and Taxation	42	Non/short realization of passengers tax
710.	Revenue	43	Results of Audit
711.	Revenue	44	Levy and Collection of Stamp Duty and Registration Fees
712.	Revenue	45	Sales and utilization of non judicial stamps
713.	Revenue	46	Defects noticed in Sub-Registrar Offices
714.	Revenue	47	Indents for supply of non-judicial stamps
715.	Revenue	48	Short receipt of stamps
716.	Revenue	49	Non-disposal of obsolete/damaged stamps
717.	Revenue	50	Evasion of stamp duty due to misclassification of sale deeds into release deeds
718.	Revenue	51	Failure to cross verify the transactions
719.	Revenue	52	Short levy of stamp duty
720.	Revenue	53	Under valuation of immovable properties
721.	Revenue	54	Short levy of stamp duty due to incorrect application of rates

722.	Revenue	55	Non levy of stamp duty on exchange of property
723.	Revenue	56	Incorrect grant of exemption
724.	Revenue	57	Incorrect grant of exemption
725.	Revenue	58	Misclassification of instruments
726.	Revenue	59	Short levy of stamp duty on lease deeds
727.	Revenue	60	Short levy of stamp duty
728.	Revenue	61	Non/short levy of registration fee
729.	Revenue	62	Results of Audit
730.	Revenue	63	Failure of senior officials to enforce accountability and protect interest of Government
731.	Power	64	Arrears of revenue
732.	Health	65	Results of Audit
733.	Industries	66	Results of Audit
734.	Co-operation	67	Non redemption of Government share capital
<b>65th Report</b>			
735.	Town and Country Planning	3	Outstanding recovery of Planning water sewerage charges
736.	Town and Country Planning	6	Avoidable payments of Planning interest due to delay making payment of enhanced Acquisition to land owners
737.	Town and Country Planning	9	Occupation of shops by Planning Government departments
738.	Town and Country Planning	10	Land under unauthorized Planning possession
739.	Food and Supplies	11	Additional Benches not constituted
740.	Food and Supplies	12	Non-constitution of Circuit Benches
741.	Food and Supplies	13	Inadequate infrastructure
742.	Food and Supplies	14	State/District Consumer Protection Councils not functional
743.	Food and Supplies	15	Consumer club in schools scheme not implemented
744.	Food and Supplies	16	Excess consumption of gunny bags
745.	Rural Development	17	Misappropriation of wheat under Samporna Grameen Rozgar Yojana
746.	Rural Development	18	Advances from former Sarpanches not recovered/adjusted
747.	Agriculture	19	Inadmissible payment of special pay
748.	Finance	20	Overpayment of pensionary benefits
749.	Finance	21	Response of the Departments to Draft Audit paragraph
750.	Family welfare	22	Lack of response to Audit findings and observations resulting in erosion of accountability
751.	General	23	Financial assistance to local bodies and other institutions
752.	General	24	Misappropriations, defalcations, etc.
753.	General	25	Write-off of losses, etc.

754.	Excise and Taxation	26	Arrears of revenue
755.	Excise and Taxation	27	Arrears in assessments
756.	Excise and Taxation	28	Evasion of tax
757.	Excise and Taxation	29	Write-off and waiver of revenue
758.	Excise and Taxation	30	Results of Audit
759.	Excise and Taxation	31	Disposal of remand cases
760.	Excise and Taxation	32	Non levy of penalty
761.	Excise and Taxation	33	Delay in deciding cases in revision
762.	Excise and Taxation	34	Under assessment due to incorrect deduction from gross turnover
763.	Excise and Taxation	35	Non levy of purchase tax
764.	Excise and Taxation	36	Application of incorrect rate of tax
765.	Excise and Taxation	37	Irregular refund of tax
766.	Excise and Taxation	38	Under assessment due to non levy of surcharge
767.	Excise and Taxation	39	Results of Audit
768.	Excise and Taxation	40	Non recovery of penalty
769.	Excise and Taxation	41	Non imposition of fine
770.	Excise and Taxation	42	Loss of revenue due to re-auction of vend
771.	Revenue	43	Results of Audit
772.	Revenue	44	Short levy of stamp duty and registration fee
773.	Revenue	45	Non realization of stamp duty
774.	Revenue	46	Non levy of stamp duty on Exchange of Property
775.	Revenue	47	Short levy of stamp duty due to incorrect application of rate of tax
776.	Transport	48	Results of Audit
777.	Transport	49	Short realization of bid money on stage carriage permits
778.	Transport	50	Non recovery of token tax in respect of stage carriage buses
779.	Transport	51	Short charging of driving licence fee
780.	Transport	52	Short realization of Registration fees
781.	Transport	53	Short/non levy of penalty on overloading of vehicles
782.	Transport	54	Private Service Vehicles
783.	Irrigation	55	Arrear position of Abiana
784.	Irrigation	56	Arrear of water charges
785.	Irrigation	57	Non/short levy of additional charges/surcharge
786.	Agriculture	59	Arrear of revenue
787.	Agriculture	60	Results of Audit
788.	Agriculture	61	Non/short recovery of purchase tax and interest
789.	Co-operation	62	Results of Audit
790.	Co-operation	63	Non-deposit of dividend on State share capital

791.	Co-operation	64	Non realization of dividend on share capital of State Government
792.	Mines and Geology	65	Arrears of revenue
793.	Mines and Geology	66	Arrears of revenue
794.	Mines and Geology	67	Non/short recovery of royalty and interest
795.	Home	68	Arrears of revenue
796.	Power	69	Arrears of revenue
797.	Power	70	Outstanding inspection reports and audit observations
798.	Power	71	Results of Audit
799.	Public Health	72	Results of Audit
800.	Finance	73	Results of Audit
801.	Health	75	Results of Audit
<b>67th Report</b>			
802.	Forest	5	Selection of villages
803.	Forest	6	Implementation of project components/Physical targets and achievements
804.	Forest	7	Fire protection measures not taken
805.	Forest	8	Community institution strengthening process/Villages Resource Management Committee
806.	Forest	9	Expenditure in violation of project guidelines
807.	Forest	10	Expenditure in violation of project guidelines/Wasteful expenditure on construction of coffer dam
808.	Forest	11	Expenditure on labour on construction works
809.	Rural Development	12	Execution of works/Works undertaken
810.	Rural Development	13	Execution of works without technical sanctions and splitting of works
811.	Rural Development	14	Wasteful expenditure on Below Poverty Line census
812.	Housing	15	Financial and physical performance/ Profitability and working results
813.	Housing	16	Loss of interest due to delay in transfer of funds to head office
814.	Housing	17	Avoidable loss due to delay in deposit of advance tax
815.	Housing	18	Non-achievement of financial and physical targets of construction of houses
816.	Housing	19	Construction of houses without .demand survey
817.	Housing	20	Utilization of land meant for EWS houses towards LIG houses
818.	Housing	21	Extra expenditure due to allotment of work at higher rates
819.	Housing	22	Non-recovery of compensation from contractors.
820.	Housing	23	Fire fighting systems remaining non-functional
821.	Town & Country Planning	25	Estate Officer, HUDA Faridabad
822.	P.W. (B&R)	27	Violation of contractual

			obligations/undue favour to contractors/avoidable expenditure/inadmissible payment of interest to the entrepreneur
823.	P.W. (B&R)	28	Analysis of outstanding balances
824.	Irrigation	30	Extra/avoidable expenditure on land acquisition
825.	Irrigation	33	Analysis of outstanding balances
826.	Transport	35	Extra financial burden on State exchequer
827.	Finance	37	Overpayment of pensionary benefits
828.	Home	38	Inadmissible payment of conveyance allowance to the newly recruited constables during basic training period
829.	Co-operation	39	Regulatory issues and others/injudicious payment on account of training and managerial subsidies to self help groups
830.	Excise and Taxation	40	Arrears of revenue
831.	Excise and Taxation	41	Arrears in assessments
832.	Excise and Taxation	42	Evasion of tax
833.	Excise and Taxation	43	Write-off and waiver of revenue
834.	Excise and Taxation	44	Refunds
835.	Excise and Taxation	45	Results of Audit
836.	Excise and Taxation	46	Evasion of tax by unregistered dealers/Non levy of tax on contractees
837.	Excise and Taxation	47	Acceptance of incomplete/ invalid declaration forms
838.	Excise and Taxation	48	Acceptance of incomplete/ invalid declaration forms
839.	Excise and Taxation	49	Non compliance of departmental instructions regarding cross verification
840.	Excise and Taxation	50	Non compliance of departmental instructions regarding cross verification
841.	Excise and Taxation	51	Non compliance of departmental instructions regarding cross verification
842.	Excise and Taxation	52	Non compliance of departmental instructions regarding cross verification
843.	Excise and Taxation	54	Non levy of interest and penalty
844.	Excise and Taxation	56	Incorrect allowance of concessional rate
845.	Excise and Taxation	58	Under assessment due to application of incorrect rate of tax
846.	Excise and Taxation	59	Under assessment due to application of incorrect rate of tax
847.	Excise and Taxation	60	Results of Audit
848.	Excise and Taxation	61	Uncollected Excise revenue
849.	Excise and Taxation	62	Short recovery of licence fee and interest
850.	Excise and Taxation	63	Non recovery of additional licence fee for lifting of short/additional quota
851.	Excise and Taxation	64	Non imposition/recovery of compounding fee
852.	Excise and Taxation	65	Non imposition/recovery of compounding fee
853.	Excise and Taxation	66	Results of Audit

854.	Excise and Taxation	67	Arrears of revenue
855.	Excise and Taxation	68	Non-short realization of passengers tax/ Transport co-operative societies
856.	Excise and Taxation	69	Maxi cabs, taxis and auto rickshaws
857.	Excise and Taxation	70	City bus service
858.	Excise and Taxation	71	Non levy of interest
859.	Excise and Taxation	72	Non realization of goods tax and additional tax
860.	Excise and Taxation	73	Non registration of maxi cabs
861.	Excise and Taxation	74	Non disposal of challans
862.	Mines and Geology	75	
863.	General	77	Results of Audit
864.	Transport	78	Taxes on Motor Vehicles/Short realization of permit and counter signature fee
865.	Transport	79	Non realization of token tax from private service vehicles
866.	Transport	80	Short realization of bid money on stage carriage permits
867.	Agriculture	81	Non recovery of purchase tax and interest
868.	Revenue	82	Results of Audit
869.	Revenue	83	Short levy of stamp duty due to misclassification of deeds
870.	Revenue	84	Irregular exemption of stamp duty & registration fee on mortgage deeds executed & registered by the agriculturists
871.	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
872.	Revenue	86	Evasion of stamp duty due to non execution of conveyance deeds
873.	Revenue	87	Evasion of stamp duty due to non execution of conveyance deeds
874.	Revenue	88	Misclassification of documents
875.	Revenue	89	Short levy of stamp duty due to under valuation of properties
876.	Revenue	90	Short levy of stamp duty due to under valuation of properties
877.	Revenue	91	Unauthorized retention of receipts
<b>68th Report</b>			
878.	Agriculture	3	Financial management
879.	Agriculture	4	Non-preparation of Balance Sheet
880.	Agriculture	5.	Outstanding temporary advances
881.	Agriculture	6	Non-recovery of miscellaneous advances
882.	Agriculture	7	Non-recovery of expenditure incurred on the schemes
883.	Agriculture	8	Strength of teachers
884.	Agriculture	9	Execution of works
885.	Agriculture	10	Loss due to non-charging of interest from allottees

886.	Public Health	11	Misappropriation, losses, defalcations etc.
887.	Public Health	17	Taking up of schemes without ensuring availability of raw water
888.	Environment	24	Assessment of waste and risks associated with it
889.	Environment	25	Sale of used oil to unauthorized dealer
890.	Food and Supplies	30	Loss due to lack of supervision and improper storage of wheat stock
891.	Food and Supplies	31	Loss due to non-recovery of transportation charges
892.	Irrigation	32	Loss of interest due to heavy unspent balance
893.	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)
894.	Town and Country Planning	34	Extra expenditure on account of delayed payment of land, compensation and interest thereon
895.	Town and Country Planning	35	Unfruitful expenditure on incomplete work
896.	Home	36	Misappropriation, losses, defalcation, etc.
897.	Home	37	Extra expenditure on account of delayed payment of land, compensation and interest thereon
898.	P.W. (B&R)	39	Irregular expenditure on operation of excess ex-cadre posts
899.	Revenue	41	Misappropriation, losses, defalcation, etc.
900.	Health	42	Delay in furnishing utilization certificates
901.	Health	43	Misappropriation, losses, defalcation, etc.
902.	Health	44	Avoidable payment due to non-insurance of vehicles
903.	Health	45	Unauthorized retention of the departmental receipts outside the Consolidated Fund of the State
904.	Health	46	Non-responsiveness to audit findings and observations resulting in erosion of accountability
905.	Health	47	Follow up on Audit Reports
906.	Industries	48	Abstract of performance of the autonomous bodies
907.	Animal Husbandry	51	Misappropriation, losses, defalcation, etc.
908.	Women and Child Development	52	Misappropriation, losses, defalcation, etc.
909.	Rural Development	56	Allotment of houses to ineligible families
910.	Urban Local Bodies	58	Delay in furnishing utilization certificates
911.	Urban Local Bodies	59	Non-submission of Accounts
912.	Urban Local Bodies	60	Non-furnishing of accounts of utilization of grants
913.	Excise and Taxation	61	Arrears of revenue
914.	Excise and Taxation	62	Arrears in assessments
915.	Excise and Taxation	63	Evasion of tax



916.	Excise and Taxation	64	Write-off and waiver of revenue
917.	Excise and Taxation	65	Refunds
918.	Excise and Taxation	66	Results of Audit
919.	Excise and Taxation	67	Non levy of interest
920.	Excise and Taxation	68	Non levy of interest and penalty
921.	Excise and Taxation	69	Arrears of sales tax
922.	Excise and Taxation	70	Non inclusion of interest in the demand sent to liquidator
923.	Excise and Taxation	71	Under assessment of tax due to incorrect determination of gross turnover
924.	Excise and Taxation	72	Under assessment of tax due to application of incorrect rate
925.	Excise and Taxation	73	Non levy of tax on liquor
926.	Excise and Taxation	74	Results of Audit
927.	Excise and Taxation	75	Non/short realization of passengers tax
928.	Excise and Taxation	76	Non/short realization of passengers tax
929.	Excise and Taxation	77	Non levy/recovery of penalty
930.	Excise and Taxation	78	Non levy/recovery of penalty
931.	Mines and Geology	79	Results of Audit
932.	Transport	80	Lack of control over monitoring of duplicate engine/chassis number
933.	Transport	81	Same registration numbers were allotted to two vehicles
934.	Transport	82	Registration of two or more vehicles with same insurance cover note
935.	Agriculture	83	Arrears of revenue
936.	Agriculture	84	Results of Audit
937.	Agriculture	85	Results of Audit
938.	Revenue	86	Results of Audit
939.	Revenue	87	Short levy of stamp duty due to application of incorrect rates of immovable property
940.	Revenue	88	Non levy of stamp duty on plant and machinery
941.	Finance	89	Non recovery of Loans and interest
942.	Finance	90	Non recovery of loans and interest
943.	Finance	91	Non recovery of interest and penal interest
944.	Finance	92	Non recovery of loans granted in lieu of deferment of sales tax and interest
945.	Finance	93	Non reconciliation of outstanding loans and interest
946.	Home	94	Arrears of revenue
947.	Home	95	Results of Audit
948.	Irrigation	98	Results of Audit
949.	Power	99	Arrears of revenue
950.	Co-operation	100	Results of Audit

951.	Co-operation	101	Non deposit of dividend on State share capital
952.	Excise and Taxation	102	Analysis of arrears of revenue
953.	Excise and Taxation	103	Arrears in assessments
954.	Excise and Taxation	104	Performance of assessments
955.	Excise and Taxation	105	Evasion of tax
956.	Excise and Taxation	106	Write off and waiver of revenue
957.	Excise and Taxation	107	Refunds
958.	Excise and Taxation	108	Compliance with the earlier Audit Reports
959.	Excise and Taxation	109	Results of Audit
960.	Excise and Taxation	110	Absence of mechanism to verify the tax deposited before allowing input tax credit
961.	Excise and Taxation	111	Absence of a monitoring mechanism to ensure cross verification of purchase transactions
962.	Excise and Taxation	112	Misuse of declaration forms STD-IV/VAT-DI and C
963.	Excise and Taxation	113	Incorrect allowing of exemption/concession without declarations/documents or against incomplete declaration/documents
964.	Excise and Taxation	114	Non-levy of penalty
965.	Excise and Taxation	115	Non-levy of penalty
966.	Excise and Taxation	116	Short recovery of lump sum tax on Works contract
967.	Excise and Taxation	117	Excess allowing of input tax credit
968.	Excise and Taxation	118	Underassessment of tax due to allowing of excess benefit of deferment
969.	Excise and Taxation	119	Underassessment of tax due to application of incorrect rate
970.	Excise and Taxation	120	Inadmissible allowing of input tax credit
971.	Excise and Taxation	121	Results of Audit
972.	Excise and Taxation	122	Non/short realization of passengers tax from Co-operative Transport Societies
973.	Excise and Taxation	123	Non/short realization of passengers tax from educational institutions
974.	Excise and Taxation	124	Non/short recovery of passengers tax from tax from City Bus Operators
975.	Excise and Taxation	125	Results of Audit
976.	Excise and Taxation	126	Non-realisation of differential licence fee
977.	Excise and Taxation	127	Short recovery of licence fee and interest
978.	Transport	128	Loss of revenue due to non-levy/collection of passengers tax on students' concession passes
979.	Transport	129	Non-charging of permit transfer fee
980.	Transport	130	Non-realisation of bid money on stage carriage permits
981.	Transport	131	Non/short recovery of token tax from stage carriage bus owners

982.	Transport	132	Short realization of conductor's licence fee
983.	Agriculture	133	Analysis of arrears of revenue
984.	Agriculture	134	Results of Audit
985.	Agriculture	135	Results of Audit
986.	Agriculture	136	Non-recovery of interest on purchase tax
987.	Co-operation	137	Results of Audit
988.	Revenue	141	Absence of database of revenue foregone
989.	Revenue	142	Absence of mechanism to detect availing of irregular exemption by not presenting documents for registration
990.	Revenue	143	Contracts for catching fish from public ponds
991.	Revenue	144	Incorrect grant of exemption on instrument of SEZ/real estate developer
992.	Revenue	145	Exemption of SD on collusive decrees
993.	Revenue	146	Remission of SD on instruments of compensation awards
994.	Revenue	147	Incorrect grant of remission of SD
995.	Revenue	148	Irregular exemption of SD on supplementary deed
996.	Revenue	149	Delay in implementation of enhanced rates
997.	Revenue	150	Evasion of stamp duty due to undervaluation of immovable property
998.	Revenue	151	Loss of stamp duty due to misclassification of documents
999.	Revenue	152	Short levy duty due to application of incorrect rates of immovable property
1000.	Revenue	153	General controls
1001.	Revenue	154	Audit findings/General controls
1002.	Revenue	155	Inadequacy of input controls & validation checks
1003.	Revenue	156	Disputed lands and properties
1004.	Revenue	157	Non-allotment of unique ID number to land owner/cultivator
1005.	Revenue	158	Absence of provision in HARIS to capture serial number of stamp papers
1006.	Revenue	159	Other points of interest
1007.	Medical/ Public Health	160	Results of Audit
1008.	Home	161	Analysis of arrears of revenue
1009.	Power	162	Analysis of arrears of revenue
1010.	Animal Husbandry	163	Results of Audit
<b>70TH Report</b>			
1011.	Health	3	Financial Management
1012.	Health	4	Shortage of staff at CHC and PHC level
1013.	Health	5	Fraud/misappropriation/embezzlement/losses/over payments
1014.	Health	6	Unfruitful expenditure on purchase of food testing equipment

1015.	Health	7	Misappropriations, losses, defalcations, etc.
1016.	Home	8	Financial Management
1017.	Home	9	Records of advances not maintained
1018.	Home	10	Construction of residential and non-residential buildings
1019.	Home	11	Delay/non-completion of building works
1020.	Home	12	Misappropriations, losses, defalcations, etc.
1021.	Rural Development	13	Financial performance
1022.	Rural Development	14	Programme management
1023.	Rural Development	15	Abnormal delay in completion of projects
1024.	Rural Development	16	Role of Self Help Groups in implementing DDP objectives
1025.	Rural Development	17	Execution of works
1026.	Rural Development	18	Other topics of interest
1027.	Rural Development	19	Maintenance of record
1028.	Education	20	Suspected embezzlement
1029.	Education	22	Los due to non-availing of full Central assistance
1030.	Administration of Justice	25	Infructuous expenditure on empanelment of advocates
1031.	Public Works (B&R)	26	Extra expenditure due to non-allotment of work
1032.	Industries and Commerce	27	Block of funds
1033.	Revenue and Disaster Management	28	Non-refund of un-utilized balance of CRF
1034.	Revenue and Disaster Management	29	Payment of gratuitous relief on contradictory reports
1035.	Revenue and Disaster Management	30	Fraud in distribution and double payment of CRF
1036.	Excise and Taxation	31	Analysis of arrears of revenue
1037.	Excise and Taxation	32	Arrears in assessments
1038.	Excise and Taxation	33	Evasion of tax
1039.	Excise and Taxation	34	Write off and waiver of revenue
1040.	Excise and Taxation	35	Refunds
1041.	Excise and Taxation	36	Result of Audit
1042.	Excise and Taxation	37	Disposal of attached property
1043.	Excise and Taxation	38	Issue of recovery certificates
1044.	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
1045.	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
1046.	Excise and Taxation	41	Absence of provisions under HVAT Act to entertain appeals only on pre-payment of additional demands in dispute
1047.	Excise and Taxation	42	Absence of provision regarding allowances in installments in payment of arrears due
1048.	Excise and Taxation	43	Disposal of appeal cases by JETCs
1049.	Excise and Taxation	44	Non-declaration of arrears under Punjab Land Revenue Act
1050.	Excise and Taxation	45	Failure to initiate follow up action for recovery of arrears within the district
1051.	Excise and Taxation	46	Disposal of immovable property during the currency of recovery of arrears
1052.	Excise and Taxation	47	Underassessment of tax due to allowing of excess benefit of deferment`
1053.	Excise and Taxation	48	Incorrect allowing of input tax credit
1054.	Excise and Taxation	49	Underassessment of tax due to inadmissible deduction from gross turnover
1055.	Excise and Taxation	50	Result of audit
1056.	Excise and Taxation	51	Non-realization of differential license fee
1057.	Excise and Taxation	52	Short recovery of license fee and interest
1058.	Excise and Taxation	53	Short recovery of license fee and interest
1059.	Excise and Taxation	54	Non-recovery of penalty
1060.	Excise and Taxation	55	Result of audit
1061.	Excise and Taxation	56	Educational institutions
1062.	Excise and Taxation	57	Transport co-operative societies
1063.	Excise and Taxation	58	City bus operators
1064.	Revenue	59	Result of audit
1065.	Revenue	60	Evasion of stamp duty due to undervaluation of immovable property
1066.	Revenue	61	Evasion of stamp duty due to misclassification of documents
1067.	Revenue	62	Short levy of stamp duty due to application of incorrect rates of immovable property
1068.	Revenue	63	Exemption of stamp duty on collusive decrees
1069.	Revenue	64	Irregular exemption of stamp duty
1070.	Transport	65	Compliance with the earlier Audit Reports
1071.	Transport	66	Result of audit
1072.	Transport	67	Non-short recovery of token tax
1073.	Transport	68	City bus owners
1074.	Transport	69	Stage carriage buys owners
1075.	Transport	70	Short realization of permit transfer fee
1076.	Transport	71	Non-realization of additional fee for retention of choice registration

1077.	Home	72	Non-realization of police cost from Railways
1078.	Home	73	Non-existence of system to monitor the raising of claims for incentive money for passport verification reports
1079.	Home	74	Delay in submission of inventory of unclaimed vehicles
1080.	Home	75	Non-short raising of bills
1081.	Home	76	Non-short raising of bills
1082.	Home	77	Non-disposal of arms and ammunition
1083.	Home	78	Non-disposal of condemned vehicles
1084.	Public Health	79	Result of audit
1085.	Public Health	80	Non-recovery of water charges
1086.	Mines and Geology	81	Result of audit
1087.	Mines and Geology	82	Non-recovery of royalty and interest
1088.	Co-operation	84	Result of audit
1089.	Power	85	Analysis of arrears of revenue
1090.	Agriculture	86	Analysis of arrears of revenue
<b>71ST Report</b>			
1091.	Agriculture	3	Financial Management
1092.	Agriculture	4	Cash Management
1093.	Agriculture	5	Water and Sewerage Charges
1094.	Agriculture	6.	Infrastructural Facilities in Mandis
1095.	Agriculture	7	Conducting of non-agricultural business in the Mandis
1096.	Agriculture	8	Encroachment of mandi land
1097.	Agriculture	9	Auction of Mandi plots
1098.	Agriculture	10	Execution of works without technical sanctions
1099.	Agriculture	11	Purchase of packed bitumen
1100.	Agriculture	12	Expenditure on widening and strengthening of road
1101.	Women and Child Development	13	Pre-school education kits
1102.	Public Health Engineering	15	Execution of work without call of tenders
1103.	Public Health Engineering	16	Purchases
1104.	Public Health Engineering	18	Blocking of funds on purchase of stores in excess of requirement
1105.	Public Health Engineering	19	Misappropriations, losses, defalcation, etc.
1106.	Irrigation	21	Extra expenditure due to non-finalisation of tenders within the validity period
1107.	Irrigation	22	Unfruitful expenditure on incomplete drainage scheme
1108.	Transport	25	Excess expenditure on purchase of Cummins Naturally Aspirated Gas buses

1109	Transport	26	Misappropriations, losses, defalcation, etc.
1110.	Education	27	Parking of funds outside Government Accounts
1111.	Rural Development	33	Delay in furnishing Utilization Certificates
1112.	Excise and Taxation	34	Compliance with the earlier Audit Reports
1113.	Excise and Taxation	35	Analysis of arrears of revenue
1114.	Excise and Taxation	36	Position of Inspection Reports
1115.	Excise and Taxation	37	Results of audit
1116.	Excise and Taxation	38	Leased machinery and equipments
1117.	Excise and Taxation	39	Short/non-levy of purchase tax and penalty due misuse of VAT-DI
1118.	Excise and Taxation	40	Short levy of lump sum tax on works contract
1119.	Excise and Taxation	41	Underassessment of tax due inadmissible deduction from gross turnover
1120.	Excise and Taxation	42	Underassessment of tax due inadmissible deduction from gross turnover
1121.	Excise and Taxation	43	Evasion of value added tax due to Suppression of purchases and sales
1122.	Excise and Taxation	44	Analysis of arrears of revenue
1123.	Excise and Taxation	45	Position of Audit Reports
1124.	Excise and Taxation	46	Results of audit
1125.	Excise and Taxation	47	Non-recovery/levy of penalty on illicit liquor owners
1126.	Excise and Taxation	48	Non-recovery/levy of penalty on illicit liquor owners
1127.	Excise and Taxation	49	Short/non-recovery of license fee and interest
1128.	Excise and Taxation	50	Short/non-recovery of license fee and interest
1129.	Excise and Taxation	51	Short/non-recovery of license fee and interest
1130.	Excise and Taxation	52	Analysis of arrears of revenue\
1131.	Excise and Taxation	53	Position of Audit Reports
1132.	Excise and Taxation	54	Results of audit
1133.	Excise and Taxation	55	City bus operators
1134.	Revenue	56	Revenue impact of the Audit/Position of Inspection Reports
1135.	Revenue	57	Position of Audit Reports
1136.	Revenue	58	Absence of mechanism to detect evasion of stamp duty by not presenting documents for registration
1137.	Revenue	59	Contracts for collection of toll by private entrepreneurs
1138.	Revenue	60	Sale of industrial units through public auction by Haryana Financial Corporation (HFC)
1139.	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
1140.	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
1141.	Revenue	63	Absence of time limit for disposal of undervaluation cases referred to the Collector
1142.	Revenue	64	Short levy of stamp duty and registration feedue to misclassification of documents
1143.	Revenue	65	Delay in implementation of enhanced rates of registration fee
1144.	Revenue	66	Evasion of stamp duty due to undervaluation of immovable property
1145.	Revenue	67	Non-levy of stamp duty on collusive decrees 18
1146.	Transport	68	Failure of senior officials to enforce accountability and protect the interest of the State Government
1147.	Transport	69	Follow up on Audit Reports-summarised position
1148.	Transport	70	Analysis of arrears of revenue (Taxes on Vehicles)
1149.	Transport	72	Stage carriage bus owners
1150.	Transport	73	City bus owners
1151.	Transport	74	Non-realisation of additional fee for retention of choice registration mark
1152.	Finance	75	Non-raising of demand of guarantee fee
1153.	Town and Country Planning	76	Results of audit
1154.	Town and Country Planning	77	Non recovery / realization of licence fee
1155.	Town and Country Planning	78	Non recovery / realization of licence fee
1156.	Forest	79	Results of Audit
1157.	Co-operation	80	Results of Audit
1158.	Irrigation	81	Results of Audit
1159.	Mines & Geology	82	Results of audit
1160.	Mines & Geology	83	Non-recovery of royalty and interest
1161.	Public Health	84	Results of audit
1162.	Public Health	85	Non-recovery of water charges
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1163.	Health	3	Activities not covered under the objectives of Red Cross Society
1164.	Health	4	Outstanding loans and advances
1165.	Higher Education	5	Financial Management
1166.	Higher Education	6	Compilation of annual accounts
1167.	Higher Education	7	Submission of false utilization certificate
1168.	Higher Education	8	Planning for courses
1169.	Higher Education	9	Under utilization of earmarked fund
1170.	Higher Education	10	Inadequacy of infrastructure in Instructional area



1171.	Higher Education	11	Avoidable expenditure on customs Duty
1172.	Higher Education	12	Performance evaluation
1173.	Higher Education	13	Misappropriations, losses, defalcations, etc.
1174.	Forest	15	Non-realization of compensation for Use of forest land for non-forest purposes
1175.	Forest	16	Haryana wood-based Industries Revolving Corpus Fund
1176.	Commissioner Hisar Division	19	National Programme for Control of Blindness
1177.	Commissioner Hisar Division	20	Accredited Social Health Activists
1178.	Commissioner Hisar Division	21	Quality of education
1179.	Commissioner Hisar Division	22	Water supply
1180.	Commissioner Hisar Division	23	Excess expenditure over estimates
1181.	Commissioner Hisar Division	24	Non-recovery of water and sewerage charges
1182.	Commissioner Hisar Division	25	Water quality
1183.	Commissioner Hisar Division	26	Silt clearance of canals and drains not done under Mahatma Gandhi National Rural Employment Guarantee Act
1184.	Commissioner Hisar Division	27	Non-payment of annuity under Rehabilitation and Resettlement policy
1185.	Commissioner Hisar Division	28	District Plan Scheme
1186.	Commissioner Hisar Division	29	Common irregularities in Panchayati Raj Institutions
1187.	Commissioner Hisar Division	30	Swarnjayanti Gram Swarojgar Yojna
1188.	Commissioner Hisar Division	31	Bogus ration cards in TPDS
1189.	Commissioner Hisar Division	32	Other irregularities
1190.	Commissioner Hisar Division	33	Crime trends
1191.	Commissioner Hisar Division	34	Weaponry
1192.	Commissioner Hisar Division	35	Inspection of police stations
1193.	Irrigation	36	Excess payment due to adoption of incorrect Wholesale price index of steel
1194.	PWD (B & R)	39	Undue financial aid to contractor
1195.	PWD (B & R)	40	Wasteful expenditure due to execution of Sub-standard work

1196.	Agriculture	41	Unfruitful Expenditure on incomplete cold storage work
1197.	Public Health Engineering	42	Unfruitful expenditure on installation of water Purification plants in villages already provided With safe drinking water
1198.	Town & Country Planning	44	Follow-up on Audit Reports
1199.	Town & Country Planning	45	Blocking of funds due to non-allotment of dwelling units
1200.	Town & Country Planning	46	Inordinate delay in completion of scheme
1201.	Food and Supplies	47	Loss of interest due to delay in claiming refund of Bonus paid to farmers
1202.	Labour And Employment	48	Non-achievement of objectives due to non- Utilization of cess funds
1203.	Animal Husbandry	49	Receipt of funds from other sources
1204.	Animal Husbandry	50	Failure in recovering milk cess
1205.	Animal Husbandry	51	Livestock insurance
1206.	Animal Husbandry	52	Outsourcing of Artificial Insemination Services
1207.	Animal Husbandry	53	Poultry Disease Investigation and Feed Analytical Laboratory
1208.	Animal Husbandry	54	Hi-Tech Dairy Shed Scheme
1209.	Animal Husbandry	55	Quality control of feed, milk and milk products
1210.	Animal Husbandry	56	Avoidable payment of departmental charges
1211.	Animal Husbandry	57	Construction of veterinary polyclinics
1212.	Animal Husbandry	58	Construction of Pet Clinic at Panchkula
1213.	Animal Husbandry	59	Lack of monitoring of execution of works
1214.	Animal Husbandry	60	Internal Audit System
1215.	Animal Husbandry	61	Delay in furnishing Utilisation Certificates
1216.	Animal Husbandry	62	Misappropriations, Losses, defalcations, etc
1217.	Excise And Taxation	63	Analysis of arrears of revenue
1218.	Excise And Taxation	64	Analysis of collection
1219.	Excise And Taxation	65	Position of Inspection Reports
1220.	Excise And Taxation	66	Results of audit
1221.	Excise And Taxation	67	Lack of co-ordination between implementing Agencies to recover the demand on premature Closure of business
1222.	Excise And Taxation	68	Non-maintenance of production level
1223.	Excise And Taxation	69	Non-recovery of tax
1224.	Excise And Taxation	70	Evasion of tax by fraudulent utilization of fake forms
1225.	Excise And Taxation	71	Evasion of tax by fraudulent utilization of fake forms
1226.	Excise And Taxation	72	Evasion of tax by fraudulent utilization of fake forms
1227.	Excise And Taxation	73	Concealment of sales
1228.	Excise And Taxation	74	Irregular grant of concession/exemption on invalid Forms/forms issued to other dealers

1229.	Excise And Taxation	75	Short/non-accounting of goods imported through Use of declaration form
1230.	Excise And Taxation	76	Input tax credit allowed incorrectly
1231.	Excise And Taxation	77	Incorrect allowance of input tax credit
1232.	Excise And Taxation	78	Incorrect deductions of High sea sale and Transit Sale
1233.	Excise And Taxation	79	Transit sale
1234.	Excise And Taxation	80	Transit sale
1235.	Excise And Taxation	81	Evasion of value added tax due to Suppression Of purchases and sale
1236.	Excise And Taxation	82	Non-realisation of differential license fee on Re-actioun
1237.	Transport	83	Lack of IT strategy and planning resulting in Implementation of unauthorized software
1238.	Transport	84	Partial utilization of the system
1239.	Transport	85	Lack of change control mechanism
1240.	Transport	86	Lack of proper documentation and system development controls
1241.	Transport	87	Inordinate delay in finalization of tenders of Smart cards
1242.	Transport	88	Non-development of technical expertise within the Department
1243.	Transport	89	Non-provision of citizen centric service
1244.	Transport	90	Monitoring and evaluation of the project
1245.	Transport	91	Deficiencies in operation of Vahan Software
1246.	Transport	92	Usage of local software having no linkage withVAHAN
1247.	Transport	93	Dual database
1248.	Transport	94	Delay in implementation of revised rates of road Tax
1249.	Transport	95	Delay in implementation of revised penalty rates
1250.	Transport	96	Non-availability of MIS reports to identify the Vehicle required to the re-registered
1251.	Transport	97	assigning of same engine number and chassis Number to more than one vehicle
1252.	Transport	98	Tampering of chassis number
1253.	Transport	99	Incomplete capture of chassis code
1254.	Transport	100	Unreliable data
1255.	Transport	101	Registration of two or more vehicles with same Insurance cover note
1256.	Transport	102	Data accuracy of SARATHI
1257.	Transport	103	Insufficient logical controls and non segregationof duties
1258.	Transport	104	Absence of Business Continuity and disaster recovery plan
1259.	Transport	105	Conclusion
1260.	Transport	106	Recommendations
1261.	Transport	107	Non/short recovery of token tax

1262.	Transport	108	Stage carriage bus owners
1263.	Transport	109	City bus owners
1264.	Revenue	110	Evasion of stamp duty due to misclassification of Documents
1265.	Revenue	111	Evasion of stamp duty due to undervaluation of immovable property
1266.	Revenue	112	Short levy of stamp duty due to application of incorrect rates of immovable property
1267.	Revenue	113	Suspected misappropriation of stamp duty
1268.	Revenue	114	Short levy of stamp duty on partition deed
1269.	Revenue	115	Irregular exemption of stamp duty
1270.	Industries	116	Excess benefit of deferment for expansion Of industrial unit
1271.	Industries	117	Non/short recovery of interest free loan
1272.	Industries	118	Non/short recovery of interest free loan
1273.	Industries	119	Incorrect computation of fixed capital Investment and excess tax concession
1274.	Power	120	Failure of senior officials to enforce accountability and protect the interest of the State Government
1275.	Mines and Geology	121	Non-recovery of royalty and interest
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1276.	Labour	3	Short realization of cess
1277.	Labour	4	Short collection of cess
1278.	Labour	5	Delayed/non-deposit of cess
1279.	Irrigation	6	Planning
1280.	Irrigation	7	Non-receipt of share from other States
1281.	Irrigation	8	Unfruitful Expenditure on Dadupur Nalvi Irrigation Project
1282.	Irrigation	10	Damage of head regulator costing Rs.1.35 crore
1283.	Irrigation	11	Disposal of sewage and effluent water in Western Jamuna Canal causing environmental hazards
1284.	Irrigation	13	Non-recovery of balance amount from LAO
1285.	Irrigation	14	Mutation of land not made
1286.	Irrigation	15	Non-recovery/adjustment of amount lying in MPWA against staff and others
1287.	Irrigation	16	Non-transfer of amounts lying in deposit to revenue
1288.	Irrigation	17	Non-deposit of labour cess with Labour Welfare board
1289.	Irrigation	18	Lack of seriousness towards making payments of land compensation
1290.	Irrigation	20	Utilisation of Acquired/Allotted Land and Management of Government Land
1291.	Irrigation	21	Non-recovery of cost of land
1292.	Irrigation	22	Extra voidable expenditure due to non-use of excavated earth in dam embankments

1293.	Town and Country Planning	24	Acquisition of land under prohibited area
1294.	Town and Country Planning	25	Recovery of external development charges
1295.	Town and Country Planning	26	Delays in payment of Annuity to landowners
1296.	Town and Country Planning	27	Non-maintenance of records
1297.	Town and Country Planning	28	Payments made without updating the revenue records
1298.	Town and Country Planning	29	Wrong calculation of Income Tax at source
1299.	Town and Country Planning	30	Deduction of Income Tax at source
1300.	Town and Country Planning	31	Conclusions
1301.	Town and Country Planning	32	Audit Findings
1302.	Town and Country Planning	33	Non-recovery of lease rent from petrol pumps
1303.	Town and Country Planning	34	Undue favour to the Society
1304.	Town and Country Planning	35	Grant of licenses to private colonizers
1305.	Public works(Buildings & Roads)	36	Status of Acquisition and Allotment of Land at State Level
1306.	Public works(Buildings & Roads)	37	Acquisition of land
1307.	Public works(Buildings & Roads)	38	Conducting of physical verification of Government land
1308.	Public works(Buildings & Roads)	39	Non-mutation of land acquired
1309.	Public works(Buildings & Roads)	40	Avoidable expenditure on reconstruction of a portion of road
1310.	Public works(Buildings & Roads)	41	Unfruitful expenditure on incomplete building
1311.	Public Health	44	Avoidable expenditure on purchase of costly material
1312.	Rural Development	48	State Employment Guarantee Council (SEGC:)
1313.	Rural Development	49	Financial irregularities in Gram Panchayats
1314.	Rural Development	50	Physical performance

1315.	Rural Development	51	Registration of households, allotment of job cards, and allocation of employment
1316.	Rural Development	52	Planning and execution of works
1317.	Rural Development	53	Execution of forest works
1318.	Rural Development	54	Maintenance of records and data automation for monitoring and Information System (MIS)
1319.	Rural Development	55	Lack of transparency in implementation ;of the scheme, monitoring and evaluation
1320.	Rural Development	56	Registration of households and allotment of job cards
1321.	Rural Development	57	Suspected double payments
1322.	Rural Development	58	Payment of wages in excess of rates
1323.	Rural Development	59	Mechanism to assess the impact
1324.	Rural Development	60	Delay in furnishing utilization certificates (STATE FINANCES)
1325.	Development and Panchayats	61	Irregular release of grants
1326.	Development and Panchayats	62	Irregular release/non-utilization of grants
1327.	Development and Panchayats	63	Monitoring and Internal Control
1328.	Home	64	Audit Findings
1329.	Home	65	Non-forfeiture of surely bonds
1330.	Urban Local Bodies	66	Audit Findings
1331.	Revenue	67	Audit Findings
1332.	Revenue	68	Misappropriations, losses, defalcations, etc.(STATE FINANCES)
1333.	Social Justice and Empowerment	69	Disbursement of old age summan allowances to ineligible persons
1334.	Health and Family Welfare	70	Embezzlement due to inadequate internal control
1335.	Health and Family Welfare	71	Misappropriations, losses, defalcations, etc. (STATE FINANCES)
1336.	Education	72	Non-functioning of terminals installed under EDUSAT programme
1337.	Agriculture	74	Blockade of funds on construction of incomplete buildings of Agro Malls due to ill planning
1338.	Technical Education	76	Grants-in-aid
1339.	Technical Education	77	Non-adjustment of temporary advance
1340.	Technical Education	78	Delay in setting up of new polytechnics in the State
1341.	Technical Education	79	Construction of Scheduled Caste Hostels
1342.	Technical Education	80	Special coaching for competition/placement for SC Students
1343.	Technical Education	81	Under utilization of staff
1344.	Technical Education	82	Internal control

1345.	Technical Education	85	Financial Irregularities
1346.	Industries	87	Delay in furnishing utilization certificates (STATE FINANCES)
1347.	District Gurgaon	89	Perspective and annual Plan
1348.	District Gurgaon	90	Gaps in fund flow and expenditure incurred
1349.	District Gurgaon	91	Physical verification of selected schools
1350.	District Gurgaon	92	Girls' Education and Scheduled Caste/Scheduled Tribe Children
1351.	District Gurgaon	93	Allotment of civil works without requirement
1352.	District Gurgaon	94	Delay in completion of Civil works
1353.	District Gurgaon	95	Village Education Committee/School Management Committee Training
1354.	District Gurgaon	96	Internal control
1355.	District Gurgaon	97	Water quality
1356.	District Gurgaon	98	Non-handling over of tubewell based water supply scheme to Panchayats
1357.	District Gurgaon	99	Non-recovery of water and sewerage charges
1358.	District Gurgaon	100	Construction of haats
1359.	District Gurgaon	101	Incorrect reporting of expenditure
1360.	District Gurgaon	102	Non-completion of dwelling units
1361.	District Gurgaon	103	Benefit given in contravention of the guidelines
1362.	District Gurgaon	104	Allotment of houses
1363.	District Gurgaon	105	Common irregularities noticed in Panchayati Raj Institutions
1364.	District Gurgaon	106	Physical verification
1365.	District Gurgaon	107	Excess expenditure over estimate
1366.	District Gurgaon	108	Non-revision of list of BPL/AAY beneficiaries
1367.	District Gurgaon	109	Fair price shops
1368.	District Gurgaon	110	Challans for violation of traffic rules
1369.	Excise and Taxation	112	Evasion of tax
1370.	Excise and Taxation	113	Non-Production of records to Audit for scrutiny
1371.	Excise and Taxation	114	Arrears in assessments
1372.	Excise and Taxation	115	Position of Inspection Reports
1373.	Excise and Taxation	116	Non-levy of Tax/Penalty for misuse of form VAT D-1
1374.	Excise and Taxation	117	Material supplied by contractee to contractor
1375.	Excise and Taxation	118	Other interesting cases
1376.	Excise and Taxation	120	Non-levy of value added tax on sale of Guar Gum
1377.	Excise and Taxation	121	Evasion of tax due to suppression of sales
1378.	Excise and Taxation	123	Analysis of arrears of revenue
1379.	Excise and Taxation	124	Non-realisation of differential license fee on re-auction

1380.	Excise and Taxation	125	Non/short recovery of interest
1381.	Excise and Taxation	126	Non/short recovery of license fee and interest
1382.	Excise and Taxation	135	Non/short recovery due to non-assessment of cases
1383.	Excise and Taxation	136	Results of Audit
1384.	Revenue	137	Evasion of stamp duty due to undervaluation of immovable property
1385.	Revenue	138	Non-levy of stamp duty on plant and machinery
1386.	Revenue	139	Evasion of stamp duty due to misclassification of documents
1387.	Revenue	140	Short levy of stamp duty and registration fee due to misclassification of documents
1388.	Revenue	141	Short levy of stamp duty due to application of incorrect rates of immovable property
1389.	Revenue	142	Irregular exemption of stamp duty
1390.	Transport	143	Non/short realization of bid money on stage carriage permits
1391.	Mines & Geology	144	Results of Audit
1392.	Mines & Geology	145	Non/short realisation of bid money
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1393.	Education	4	Information and Communication Technology
1394.	Education	5	Opening of Government Model Schools
1395.	Education	6	Scheme for establishment of Government Model Sanskriti Schools
1396.	Education	8	Implementation of State Policy on safety measures in Schools
1397.	Education	9	Establishment of Satya Bharti Schools
1398.	Education	12	Avoidable expenditure on procurement of dual desks
1399.	Education	13	Extra expenditure due to de-centralized purchase of containers
1400.	Health	15	Construction of CHCs, PHCs and SCs
1401.	Health	16	Improper-functioning of PHCs/Sub-Centres
1402.	Health	17	Lack of basic amenities in Sub-Centres
1403.	Health	18	Procurement of Absorbent Cotton Wool from a black listed firm
1404.	Health	19	Dispensing adulterated/spurious medicines to the patients
1405.	Health	20	Unfruitful expenditure on non-functional Drug Testing Laboratory and State Ayurvedic Pharmacy
1406.	Health	21	Embezzlement due to inadequate financial control
1407.	Town & Country Planning	22	Planning not done in consonance with the Regional Plan of NCRPB
1408.	Town & Country Planning	23	Extra payment of interest due to delay in referring the cases to Courts
1409.	Town & Country Planning	24	Infructuous expenditure on development of auto market



1410.	Town & Country Planning	25	Non development of acquired land
1411.	Town & Country Planning	26	Abnormal rates allowed to a contractor
1412.	Town & Country Planning	27	Execution of works not in the ambit of HUDA
1413.	Town & Country Planning	28	Sewer and storm water drainage works
1414.	Town & Country Planning	29	Water supply works in Gurgaon
1415.	Town & Country Planning	30	Development of roads
1416.	Town & Country Planning	31	Non-development of land for commercial complexes
1417.	Town & Country Planning	32	Allotment of flats for EWS category under Ashiana Scheme
1418.	Town & Country Planning	33	Irregularities in allotment of plots under reserve categories
1419.	Town & Country Planning	34	Issues related to private colonizers
1420.	Town & Country Planning	35	Inadequate control over colonizers
1421.	Town & Country Planning	36	Non-completion of low cost/affordable housing colonies
1422.	Town & Country Planning	37	Non-renewal of licences
1423.	Town & Country Planning	38	Non-approval of building plans
1424.	Town & Country Planning	39	Time schedule for completion of projects as a whole
1425.	Town & Country Planning	40	Non-submission of accounts statements
1426.	Town & Country Planning	41	Non-recovery of EDC/IDC
1427.	Town & Country Planning	42	Non-recovery of lease money and other charges
1428.	Agriculture	43	Non-recovery of cost of land
1429.	Development & Panchayats	44	Total sanitation Campaign/Nirmal Bharat Abhiyan
1430.	Environment	45	Implementation of Bio Medical waste Management Rules in Haryana
1431.	Environment	46	Loss of interest due to blockade of funds
1432.	Environment	47	Delay in furnishing utilization certificates
1433.	Finance	48	Non-claiming of interest on unutilized funds
1434.	General	49	Withdrawal of posts from the purview of Haryana

	Administration		Public Service Commission
1435.	Technical Education	50	Withdrawal of posts from the purview of Haryana Public Service Commission
1436.	Home	52	Unfruitful expenditure/blockade of Government funds
1437.	Home	53	Misappropriations, losses, defalcations etc
1438.	Irrigation	54	Wasteful expenditure on Single Layer Brick (SLB) lining of escape channel
1439.	Irrigation	55	Working of Command Area Development Authority
1440.	Public Health Engineering	58	Wasteful expenditure on non-functional water supply scheme
1441.	Renewable Energy	60	Implementation of Solar Street Lighting Systems Programme
1442.	Transport	62	Employment of bus conductors in excess of requirement
1443.	Transport	63	Avoidable loss due to procurement of buses violating CMVR
1444.	Welfare of SC & BC	64	Deficiencies in implementation of the schemes for 'Welfare and Protection of Girl Child
1445.	Rural Development	65	Delay in furnishing utilization certificates
1446.	Urban Local Bodies	66	Delay in furnishing utilization certificates
1447.	Science & Technology	69	Delay in furnishing utilization certificates
1448.	Excise and Taxation	70	Arrears in assessments
1449.	Excise and Taxation	71	Evasion of tax detected by the Department
1450.	Excise and Taxation	72	ITC allowed on Petroleum Products
1451.	Excise and Taxation	73	ITC allowed on goods not sold
1452.	Excise and Taxation	74	Incorrect/less reversal of ITC
1453.	Excise and Taxation	75	Incorrect ITC allowed on Pre-owned Cars
1454.	Excise and Taxation	76	Non levy of tax and penalty on bogus claim of ITC
1455.	Excise and Taxation	77	Excess benefit of ITC
1456.	Excise and Taxation	78	Incorrect carry forward of Input Tax Credit
1457.	Excise and Taxation	79	Non production of records
1458.	Excise and Taxation	80	Incorrect deduction of transit sale where goods were dispatched directly to ultimate purchaser
1459.	Excise and Taxation	81	Sale during import
1460.	Excise and Taxation	82	Under assessment of tax due to application of incorrect rate of tax
1461.	Excise and Taxation	83	Under assessment of tax due to application of incorrect rate of tax
1462.	Excise and Taxation	84	Under assessment of tax due to calculation mistake
1463.	Excise and Taxation	85	Evasion of tax by submitting fake declaration forms 'C'
1464.	Excise and Taxation	86	Under assessment of tax due to wrong deduction of sale to SEZ units
1465.	Excise and Taxation	87	Non levy of tax and penalty for unauthorized collection of tax

1466.	Excise and Taxation	88	Under assessment of tax due to irregular deduction allowed
1467.	Excise and Taxation	89	Non-realisation of differential amount of license fee on re-allotment of vends
1468.	Excise and Taxation	90	Non/short recovery of license fee and interest
1469.	Excise and Taxation	91	Non/short recovery of licence fee and interest
1470.	Excise and Taxation	92	Non levy / recovery of penalty for illegal possession and trade of liquor
1471.	Excise and Taxation	93	Non/short realization of passengers tax from taxi/maxi owners
1472.	Revenue	94	Results of audit
1473.	Revenue	95	Misclassification of sale deeds
1474.	Revenue	96	Critical fields left blank
1475.	Revenue	97	Measurement units
1476.	Revenue	98	Wrong input of construction year
1477.	Revenue	99	Incomplete data capturing
1478.	Revenue	100	Acceptance of junk data input
1479.	Revenue	101	Non-capturing of second property details
1480.	Revenue	102	Non-mapping of locations falling within/outside MC limits
1481.	Revenue	103	Non-digitisation of prime Khasra master
1482.	Revenue	104	Transactions by farmers and minus data in case of land purchased against compensation
1483.	Revenue	105	Transactions on agricultural land within municipal Omits
1484.	Revenue	106	HUDA plots having preferential number 'P'
1485.	Revenue	107	Continued dependence on manual procedures
1486.	Revenue	108	Non recording of Khasra numbers in the Collector rate list
1487.	Revenue	109	Non-disposal/recovery of pending cases of undervaluation referred to the Collectors
1488.	Revenue	110	Short levy of stamp duty due to undervaluation of immovable property
1489.	Revenue	111	Improper maintenance of record
1490.	Revenue	112	Short levy of stamp duty due to misclassification of sale deeds into collaboration agreement
1491.	Revenue	113	Evasion of stamp duty due to undervaluation of immovable property
1492.	Revenue	114	Short levy of stamp duty due to application of incorrect rates of immovable property
1493.	Revenue	115	Undue benefit through reduction in stamp duty
1494.	Revenue	116	Exemption of stamp duty on collusive decrees
1495.	Mines and Geology	117	Non/short realisation of bid money
1496.	Transport	118	Non renewal of permits of transport vehicles
1497.	Transport	119	Non collection of Adda fees

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1498.	Public Health Engineering	1	Expenditure in excess of estimates
1499.	Public Health Engineering	2	Recoverable amount from HUDA
1500.	Public Health Engineering	3	Irregular splitting of works
1501.	Public Health Engineering	4	Advances to Land Acquisition Collectors
1502.	Urban Local Bodies	8	Non-preparation of perspective and annual plans
1503.	Urban Local Bodies	9	Accounts of ULBs
1504.	Urban Local Bodies	10	Financial performance
1505.	Urban Local Bodies	11	Non-recovery of supervision charges
1506.	Urban Local Bodies	12	Diversion of grants
1507.	Urban Local Bodies	13	Split-up of estimates
1508.	Urban Local Bodies	14	Non-recovery of regularisation charges
1509.	Urban Local Bodies	15	Non-recovery of Service Tax on rental receipts
1510.	Urban Local Bodies	16	Non-availment of exemption from Service Tax
1511.	Urban Local Bodies	17	Non-recovery of Labour Cess
1512.	Urban Local Bodies	18	Non-recovery of Municipal Electricity Tax
1513.	Urban Local Bodies	19	Non-recovery of old outstanding taxes, fees etc
1514.	Urban Local Bodies	20	Non-allotment of EWS houses constructed under JNNURM
1515.	Urban Local Bodies	21	Solid Waste Management
1516.	Urban Local Bodies	22	Urban wage employment programme
1517.	Urban Local Bodies	23	Payment made without execution of works
1518.	Urban Local Bodies	24	Payment of wages
1519.	Urban Local Bodies	25	Internal Control
1520.	Urban Local Bodies	26	Loss due to non-recovery of outstanding lease money
1521.	Urban Local Bodies	27	Delay in furnishing utilization certificates
1522.	Education(HSSPP)	28	Learning Enhancement Programmes
1523.	Education(HSSPP)	29	Maintenance of bank accounts
1524.	Education(HSSPP)	32	Intervention for 'Out of School Children'
1525.	Education(HSSPP)	34	Delay in distribution of "Free Text Books"
1526.	Education(HSSPP)	35	Delay in construction of residential hostel/school buildings
1527.	Rural Development	38	Irregular payments
1528.	Rural Development	39	Non-utilisation of funds and assistance to ineligible families
1529.	Co-operation	40	Retention of funds outside the Government Account
1530.	Co-operation	41	Excess release of subsidy and irregular utilisation of unspent amount
1531.	Co-operation	42	Non-recovery of audit fee

1532.	Co-operation	43	Negligible return from share capital in Co-operative Societies and outstanding loan
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