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HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE

(1980-81)

SEVENTEENTH REPORT

REPORT

ON THE

**Appropriation Accounts/Finance Accounts of the Haryana
Government for the year 1977-78, the Report of the
Comptroller and Auditor General of India for the
year 1975-76 (Revenue Receipt) and Supplementary
Report of the Comptroller and Auditor
General of India for the year
1975-76 (Civil)**



**VIDHAN SABHA SECRETARIAT
CHANDIGARH
MARCH, 1981**

(Presented to the House on 25th March, 1981)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

- *1 Shri Shamsher Singh (upto 14-1 1981)
- 2 Shri Harswarup Bura (from 3 2 1981)

MEMBERS

- 3 Shri Baldev Tayal
- 4 Shri Lehari Singh
- *5 Shri Mange Ram Gupta (upto 14 1 1981)
- 6 Shri Sant Kanwar
- 7 Shri Sukh Dev Singh
- 8 Shrimati Sushma Swaraj
- 9 Shri Zile Singh

SECRETARIAT

- 1 Shri Raj Krishan, Secretary
- 2 Shri Surinder Kumar Accounts Officer

* Resigned from the membership of the Committee w e f 14 1 1981 on their appointment as Ministers

INTRODUCTION

I the Chairman of the Public Accounts Committee, having been authorised by the Committee in this behalf present this their Seventeenth Report on the Appropriation Accounts/Finance Accounts of the Haryana Government for the year 1977 78, the Report of the Comptroller and Auditor General of India for the year 1975 76 (Revenue Receipt) and the Supplementary Report for the year 1975 76 (Civil)

2 The Committee framed questionnaires on the followings

- (i) Appropriation Accounts/Finance Accounts of the Haryana Government for the year 1977 78
- (ii) Supplementary Report of the Comptroller and Auditor General of India for the year 1975 76 (Civil) and
- (iii) Report of the Comptroller and Auditor General of India for the year 1976 77 (Civil)

3 A brief Record of the proceedings of the meetings of the Committee has been kept in the Haryana Vidhan Sabha Secretariat

4 The Committee place on record their appreciation of the valuable assistance given to them by the Accountant General Haryana and his staff, are thankful to the Secretary to Government Haryana Finance Department and the representatives of the various departments who appeared before them from time to time. The Committee are also thankful to the Secretary Haryana Vidhan Sabha and his officers and staff for the whole hearted cooperation and assistance given by them

Chandigarh

HAR SWARUP BURA

The 5th March 1981

Chairman

REPORT

GENERAL

1 The present Public Accounts Committee was constituted by election vide notification No PAC 1/80/39 dated the 15th April 1980

2 The Committee held sixty three meetings in all at Chandigarh and other places

3 It was a common experience with the Committee that the replies to the questionnaires were not furnished by the departments within the prescribed period in spite of the fact that the time for sending the replies was raised from two weeks to four weeks on the suggestion of the Chief Secretary to Government Haryana, as mentioned in paragraph 3 of 15th Report of the Committee. The Committee noticed that replies to the questionnaires were furnished only a few days or in certain cases only a few hours before the commencement of the meetings of the Committee which not only caused inconvenience to the members but the very purpose of the oral examination of the departmental representatives was frustrated due to lack of proper study of the material by the members of the Committee and verification of the facts by the Accountant General

4 The Committee feel that the responsibility to ensure submission of the replies within the stipulated period is entirely that of Administrative Secretary of the Department concerned. The Committee reiterate their earlier recommendations contained in para 3 of their 15th Report and desire that suitable instructions be issued to all the Administrative Secretaries in this behalf. If in a particular case it is not found possible for the department to send the reply within the stipulated period, grounds for such inability be intimated to the Vidhān Sābha Secretariat well before the date of meeting indicating firm date by which the replies would be sent

5 The Committee also observed that at times requests for postponement of the oral examination were received from the departmental officers just before the start of the meeting. In most of the cases the requests were received on the grounds that the concerned officer was on tour or that he was busy with some other assignment. As a consequence of that the meetings of the Committee had to be adjourned without transacting any business causing inconvenience to the members and considerable loss to the State exchequer

6 The Committee feel that now when the notices of meetings are generally being issued about two weeks in advance of the date of meeting there is no justification for making such requests for adjournments and that the departments should be in a position to prepare themselves for oral examination on the due dates. However, if in a case of extreme urgency it is necessary to seek postponement the departments should send written requests for the purpose which should reach the Vidhan Sabha Secretariat at least one week in advance of the date of the meeting so as to enable the Vidhan Sabha Secretariat to contact the Chairman and seek his further instructions in regard thereto

7 The Committee came across a number of cases where responsibility for losses occurring to the State exchequer could not be fixed because the

officials concerned were stated to have retired. In some cases departmental action to fix responsibility was not taken as those cases were said to be pending in the courts of law.

8 The Committee found that proper action was not taken with due promptitude to determine the responsibility of the defaulting officials who, in the meanwhile, had retired from service and the department felt helpless. The Committee feels that with the passage of time it becomes difficult to pin point responsibility on the officials concerned because of non availability of old records etc. The Committee therefore recommends that suitable instructions be issued by the Finance Department to all the Administrative Departments to ensure that as and when any case of embezzlement or loss comes to notice immediate steps be taken to fix the responsibility on the erring officials at various levels and in any case well before any of them becomes due for retirement.

9 As for finalisation of departmental action in court cases the Committee finds that there are clear instructions in the Punjab Financial Rules stipulating that the initiation of departmental proceedings against the officials at fault should not be deferred in such cases. The Committee would like that these instructions should again be brought home to the Administrative Departments for strict compliance.

10 In this connection the Committee would also like to invite attention to their observation contained in para 3 of their 9th Report and para 16 of their 3rd Report.

EXCESS OVER VOTED GRANTS/CHARGED APPROPRIATIONS

11 Cases of excesses over voted grants/charged appropriation in Revenue Portion and Capital Portion for year 1977-78 requiring regularisation by the Legislature in accordance with the provisions of Article 205 of the Constitution are detailed below —

Excesses over voted Grants

Sr No	Particulars of grants	Original grant	Supplementary grant	Total	Expenditure	Excess
1	2	3	4	5	6	7
		Rs	Rs	Rs	Rs	Rs
Revenue Portion						
1	4 Revenue	3 37 07 630	95 63 270	4 32 70 900	4 36 61 024	3 90 124
2	9 Education	39 46 50 200	3 95 68 095	43 42 18 295	43 64 31 703	22 13 408
3	10 Medical and Public Health	22 35 35 670	—	22 35 35 670	22 97 90 842	62 55 172
Capital portion						
1	15 Irrigation	64 67 93 150	—	64 67 93 150	66 70 96 281	2 03 03 131
Charged Appropriation						
Revenue Portion						
1	2 General Administration	16 20 250	1 39 350	17 59 600	18 22 963	63 363
Capital Portion						
1	8 Buildings & Roads	—	4 13 875	4 13 875	4 59 510	45 635
2	15 Irrigation	—	—	—	44 996	44 996
3	Public Debt	1 26 64 93 970	—	1 26 64 93 970	1 87 50 58 078	60 85 64 108

The Committee regret to observe that cases of excess expenditure over the grants/appropriations continue to occur despite the Committee's observations time and again. In this connection, the Committee invite attention to para 4 of their 15th Report and desire that the expenditure should be limited to the grants/appropriations as authorised by the legislature. The Committee do not believe that the Departments are unable to assess their budgetary requirements accurately or to take timely steps to obtain additional funds through Supplementary grants or by advances from the Contingency Fund, as the case may be to meet the excess expenditure.

As desired by the Committee earlier the cases of excess expenditure be investigated by the Finance Department in detail to determine and analyse the circumstances leading to such instances and take suitable remedial measures to eliminate their recurrence in future.

Subject to the above observations the Committee recommend that the excess expenditure indicated above may be regularised by the Legislature in the manner prescribed under Article 205 of the Constitution of India.

TRANSPORT

Paragraph 3 2—Results of audit

12 During the period April 1975 to March 1976 test audit of documents of the departmental officers revealed under assessment of tax to the extent of Rs 16.71 lakhs in 1,602 cases. The under assessments were due to mistakes which may be categorised broadly under the following heads —

	Number of cases	Amount (in lakhs of rupees)
1 Short levy of motor vehicles tax	859	13.03
2 Irregular exemptions	270	3.11
3 Non/short levy of permit fee	7	0.02
4 Other reasons	466	0.55
Total	1,602	16.71

In reply to the questionnaire of the Committee the Department in their written reply explained the position as under —

The Registering Authorities were instructed by the Commissioner to check all cases of under assessment of tax and it has been reported that the registering Authorities have done so. Besides inspections were also done by the Commissioners of the Divisions concerned D.C.s and Registering Authorities themselves with the result that correct assessment is being made now.

Strict instructions have been issued by Commissioner to the D.C.'s/ Registering Authorities to ensure that there is no such case of under assessment in future.

Secondly Superintendents of Police have been impressed upon to launch a campaign of checking the vehicles to ensure proper payment of tax

Against a sum of rupees 493 251 10 pertaining to Ambala Division Rs 20,409 39ps have been recovered & out of Rs 11 80044 48ps a sum of Rs 562/ have been recovered in Hissar Division Strenuous efforts are being made for the recovery of the remaining dues

During oral evidence it was admitted that lack of internal audit system was the main reason for non detection of cases involving under assessment

The Committee therefore recommend that the desirability of creating an effective internal audit system be considered in order to minimise the cases of under assessment of tax

The Committee also desire that the pace of recovery of the remaining dues be accelerated and progress of recovery effected be intimated to them

Paragraph 3 3 Short recovery of token tax

13 (1) By a notification issued on 9th February 1973 Government enhanced the rate of token tax from Rs 130 per seat to Rs 550 per seat with effect from 1st January 1973 on stage carriages plying for hire and used for the transport of passengers Wherever token tax at the old rate was paid in advance for the whole year 1972 73, arrears representing the difference were accordingly payable by owners of vehicle for the fourth quarter beginning from 1st January 1973

It was noticed in audit (July 1974 and December 1974) that arrears amounting to Rs 1 71 lakhs and Rs 10 920 in the jurisdiction of Registering Authorities of Ambala and Dadri respectively were omitted to be recovered

On the omission being pointed out in audit (July 1974 and December 1974) the Registering Authority Dadri realised Rs 5 460 in October 1975 and approached the Collector for the recovery of the balance amount of Rs 5,460 as arrears of land revenue Final reply in respect of Ambala region is awaited (March 1977)

The matter was reported to Government in July 1976 reply is awaited (March 1977)

(11) In the course of audit of Registering Authority Mohindergarh it was noticed that registration certificate in respect of a bus was deposited on 30th March 1972 Later on the bus was sold on 10th July 1972 and the certificate was released on 18th July 1972 but token tax in respect of the bus for the 2nd to 4th quarters of 1972 73 and arrears for the 3rd quarters of 1971 72 amounting to Rs 11 640 in the aggregate was not collected by the department

On this being pointed out in audit (March 1975) the department accepted the short levy of tax and issued orders for the recovery of the amount (August 1976) Particulars of recovery are awaited (March 1977)

The matter was reported to Government in August 1976, reply is awaited (March 1977)

In reply to the questionnaire issued by the Committee the department in their written reply stated —

(i) (a) The arrears of token tax could not be realised promptly after the revision of rates due to inadequate staff

(b) A sum of Rs 1 62 851 75 after deducting the rebate was recovered by the R A Ambala Against the gross recovery of Rs 1,71,423 00 & the balance amount of Rs 5 460/ has been also recovered by R A Dadri Intimation of both the recoveries was given to the Accountant General vide No 9 (33)/77/2470 dated 29 3 79 Particulars of recovery are as under —

S No	Amount	Try Challan No & date	Head of Account
1	5 460	10,13 10 75	041 Taxes on Veh under the State Motor Taxation Act/ Rule
2	5 460	91,25 7 78	
3	1,62,851 75	Particulars are still awaited	

(c) Since the recovery in the old rate was made and there after arrears were recovered Hence the question of penalty does not arise

(ii) (a&b) Out of the total recovery pointed out by Audit only a sum of Rs 705/ was recoverable by the Haryana State for the 3rd quarter of 71 72 which has been recovered on 20 5 80 from the 2nd quarter of 72 73 to 4th quarter of 72-73 the said vehicles was plyed in the Rajasthan State by the owner of the veh & a sum of Rs 10,935 has been paid in the office of Registering Authorities Alwar

(c) The Token tax was charged on the pre revised rates which resulted into short recovery of Rs 705/

(d) Action is being taken to fix responsibility by the D C Narnaul

The Committee would like to know complete particulars of the recovery of Rs 1 62 851 75 stated to have been made in respect of Ambala District

The Committee also desire that action taken by the Deputy Commissioner Narnaul against the official held responsible for the short recovery of Rs 705/- be intimated

Paragraph 3 5 Non registration of vehicles

14 Under the Motor Vehicles Act 1939, every owner of a vehicle shall cause the vehicle to be registered by a Registering Authority in the State in which he has residence or place of business where the vehicle is normally kept

In the course of audit of four Registering Authorities it was noticed that 22 tractors and four trailers owned by a State owned Corporation* were not registered during 1973 74 Similarly a truck owned by the State Electricity Board was registered in 1969 but the trailer attached to it was not registered This resulted in non realisation of registration fee amounting to Rs

* Haryana Agro Industries Corporation Limited

3 015 and token tax amounting to Rs 11,500 leviable on these tractors and trailers up to 1974-75

On the omission being pointed out in audit (December 1974 and September 1975) one Registering Authority stated (April 1976) that Rs 2 275 (registration fee Rs 775 and token tax Rs 1 500) had been recovered. Report from the other three Registering Authorities is awaited (January 1977). Demand of Rs 4 975 in respect of the trailer of the Electricity Board was realised in January, 1976

During the course of oral examination on 20 6 1980 the departmental representatives promised to issue general instructions to the field officers to clarify that the vehicles owned by the Corporations Autonomous bodies etc were not exempt from the payment of registration fee and token tax to avoid such mistake in future. But till the time of writing this report the Committee are not aware whether the said instructions have been issued or not

The department was also required to apprise the Committee about the progress made in the realisation of registration fee and token tax by the three Registering Authorities who were stated to have issued notices to the Haryana Agro Industries Corporation Limited

The Committee recommend that comprehensive instructions to the effect that the vehicles owned by the Corporations Autonomous bodies etc are not exempt from the payment of registration fee and token tax be issued at the earliest under intimation to the Committee. The Committee also desire that the pace of recovery of remaining dues be accelerated and the progress intimated to them

The Committee would further like that the position about the non registration of vehicles owned by the corporations Autonomous bodies etc in other districts should also be reviewed to detect similar cases of non recovery such as of registration fee and token tax and the Committee be informed of the results of review

Paragraph 3 6 Irregular grant of rebate

15 Under the Punjab Motor Vehicles Taxation (Haryana Amendment) Act 1970 a deduction of five per cent on the amount of annual tax is allowable when tax in respect of motor vehicle is paid for the whole of the financial year (i.e. for all the four quarterly periods) in advance which means by 31st March of the preceding financial year or latest by the date upto which tax for the first quarterly period is payable i.e. 30th April

In the course of audit of the accounts of the Registering Authority Karnal it was noticed that Haryana Roadways Karnal was allowed a rebate of Rs 2 75 lakhs on account of token tax for the year 1973 74 even though the tax for the whole of the financial year was paid after 30th April 1974. On the irregularity being pointed out in audit (January 1976) the Registering Authority requested the Roadways to make good the deficiency

The matter was reported to Government in January 1976 reply is awaited (March 1977)

The department in their written reply to the questionnaire of the Committee stated as under —

A sum of Rs 62 60 723 50 on account of token tax was drawn and

disbursed by the General Manager Haryana Roadways Karnal to the Registering Authority Karnal on 26 4 74. Thus the rebate allowed/received was quite in order and the objection is not tenable.

However this amount was invested in the small saving and deposited in the proper head of account on 22 5 74 by the Registering Authority Karnal.

The Committee would like to know the name of officer/official in whose name the money was deposited in small saving account and how and by whom the benefits of interest etc. which accrued on the deposits were utilized.

Paragraph 3 8 Non realisation of trade certificate fee

16 Under the Punjab Motor Vehicles Rules 1940 a manufacturer or a dealer in motor vehicles is required to obtain trade certificates on payment of the prescribed annual fee in advance for vehicles which remain in his possession in the course of his normal trade.

In the course of audit (April 1975) it was noticed that the trade certificate fee had not been realised from certain dealers falling in the jurisdiction of five Registering Authorities for periods ranging from one to nine years. The amount involved in these cases at the minimum rate was Rs 7 000.

The matter was reported to Government in September 1975, reply is awaited (March 1977).

In reply to the questionnaire of the Committee the department stated

"Out of the total recovery of Rs 7000/ pointed out by Audit a sum of Rs 1700/ has been recovered & efforts are being made to recover the balance amount from the defaulters. The main reasons for non recovery are that the defaulters are not traceable. However efforts are being made for recovery by way of issuing notices etc.

The Committee are unhappy to note that the recovery of trade certificate fee had not been realised from the dealers in time and was allowed to fall into arrears. The defaulters are now stated to be not traceable. The Committee recommend that the matter be investigated and responsibility for non realisation of fee be fixed.

The Committee would also like to have a list of the defaulters together with the action taken for the recovery of the amount from each one of them.

REVENUE

Paragraph 5 2 Non execution of conveyance deeds

17 According to the sale conditions of Nazul land (unoccupied Government land) a deed of conveyance duly stamped and ready for execution is required to be sent by the purchaser to the Deputy Commissioner at least seven days before the date fixed for the completion of the purchase.

In the course of audit of records of the office of Deputy Commissioner Hissar (April 1973 to June 1973), it was noticed that conveyance deeds in respect of Nazul land sold by public auction by the Revenue Officer and sales confirmed by the Nazul Land Disposal Committee in the years 1971 72

and 1972 73 were not executed and sent to the Deputy Commissioner. This involved non recovery of revenue to the extent of Rs 74 276 (stamp duty Rs 67 295 registration fee Rs 6 981) in respect of 57 cases in 4 tehsils (Hissar, Fatehabad Sirsa and Dabwali)

On the omission being pointed out in audit (January 1974) the department stated in November 1975 and March 1976 that conveyance deeds had since been executed and registered

The department in reply to the questionnaire of the Committee in their written reply explained the position as under —

There are two types of Nazul land (i) Nazul land (escheated) and (ii) Nazul land (non escheated). Nazul land (escheated) is allotted to the Scheduled castes and people belonging to backward classes under Nazul land transfer rules 1956. Such land is escheated to Government due to the death of the issueless land owners. According to rule 11 of the Nazul Land (Transfer) Rules 1956, as soon as the last instalment of the price of land is paid by the allottee the Collector, grants him under his signature and seal, certificate of transfer of ownership. Under this rule no time limit for execution of conveyance deed has been fixed.

(ii) All other land outside the Municipal limit and is in a revenue record is called Nazul land (Non escheated). Such land is usually sold in open auction and by negotiations by the Nazul land disposal committees constituted at each Sub divisional levels. The land is disposed of in accordance with the terms and conditions contained in para 3 of the Punjab Govt circular letter No- 871 FPT 57/2327 dated 28 3 57. Even in this letter no time limit has been fixed by which the executioner must produce the conveyance deed to the Collector. In the questionnaire the Accountant General has referred to the Indian Stamps Act but in our humble opinion it is pointed out no such provision exists in the Act *ibid*. The Indian Stamps Act only states how much stamp duty is to be affixed on any deed at instrument. Even in this Act no time limit for execution of deed has been stipulated anywhere. The Deputy Commissioner in his reply has admitted the late execution of the conveyance deeds by the purchaser. It appears that the D C Hissar has based his comments keeping in view the instructions issued in Punjab Government letter No 139 S (Revenue General) dated the 26th May 1916 (Para 12). The perusal of these instructions will show that they do not relate to the disposal of the Nazul land. Hence it may be intimated to the committee that the rules/instructions governing the disposal of escheated/non escheated Nazul land have not been violated and no action is called for on behalf of the Government.

The provisions for imposing penalty on the purchaser for non execution of conveyance within the prescribed period do not exist in the Nazul land (Transfer) Rules, 1956 and instructions issued for the disposal of non escheated Nazul land. Hence the question of realisation of penalty does not arise.

During the course of oral examination the departmental representative promised that after making critical study of the existing instruction on the subject latest instructions in a codified form would be issued.

The Committee recommend that consolidated instructions, as promised, be issued at the earliest under intimation to the Committee. Desirability of laying down suitable time limit within which the conveyance deeds in such cases be executed and registered be also examined.

Paragraph 5 3 Non recovery of stamp duty

18 Under the Indian stamp Act 1899 as applicable to Haryana State certificates of sale granted to the purchaser of any property sold by public auction by a Civil or Revenue Court or other Revenue Officer chargeable with the same duty as a conveyance for a consideration equal to the amount of the purchase money only and the expenses of providing the proper stamps are to be borne by the purchasers of the property to which the certificates relate Government clarified in June 1973 that certificates of sale issued under the Displaced Persons Compensation and Rehabilitation Act 1954 are not exempt from stamp duty and these are compulsorily registrable

In the course of audit it was noticed that stamp duty amounting to Rs 57 030 was not charged during 1972 73 and 1973 74 in respect of certificates of sale of property granted by Rehabilitation Department of Gurgaon Mohindergarh Bhiwani and Rohtak districts

On the omission being pointed out in audit (October 1975) Government stated (March 1977) that instruction had been issued in January 1977 that proper stamp duty was to be charged at the time of registration of sales certificates

The department in its written reply to the questionnaire of the committee stated —

‘ The clarification that the sale certificate issued by the Rehabilitation Department were not exempt from Stamp duty and that their registration was Compulsory was given to the Inspector General of Registration on 13 6 73 who in turn conveyed the above clarification on 30 7 73 only to the Registrar Hissar who had sought guidance in the matter The discrepancies of non recovery of stamp duty on sale certificates as pointed out by audit in Oct 75 relate to the years 1972 73 & 1973 74 and the amount then involved was as under —

1972 73	
District Gurgaon	=26290 00
District Mohindergarh	= 2660 00
District Bhiwani	=15380 00
1973 74	
District Bhiwani	=5100 00
District Rohtak	=7600 00
Total	=57030 00

The Government however issued instructions in 1977 impressing upon Deputy Commissioners (Registrars) to ensure that Stamp duty is properly charged on the sale certificates In view of the position explained under item (i) above there is no point in fixing any responsibility on the part of Deputy Commissioners However, the G R should have given this clarification to all the Registrar including D C Hissar

(iii) & iv) Hissar Division — Out of the recovery of Rs 57030/ a sum of

Rs 31421/ now pertains to Hissar Division Out of this a sum of Rs '0281/ has since been recovered leaving a balance of Rs 21140/ Efforts for the recovery of remaining amount are being made

Ambala Division —The Commissioner Ambala Division has reported that Deputy Commissioner Faridabad and Gurgaon are making special efforts to effect recovery of Rs 25609/ after adopting proper procedure against the defaulters'

The Committee desire that the progress made in the matter of recovery of the remaining amounts be intimated The position of the sale certificates issued by the Rehabilitation Department in other districts should also be checked and if similar cases of non recovery of stamp duty are detected recovery in respect thereof be also effected under intimation to the Committee

Paragraph 5 4 Under valuation of property

19 Instruments of gift of immovable property are compulsorily registrable documents Stamp duty and registration fee are chargeable on the value of consideration set forth in the instruments It was noticed in audit (March 1976) that value of land and the transfer of which was involved in gift deeds executed by six executants in the jurisdiction of Sub Registrar, Rewari and Mohindergarh between July 1974 and January 1975 was set forth as Rs 1 19 188 as against Rs 3 10 483 based on average rate calculated from other mutations relating to the same area and of approximately the same period The deficient amount of duty worked out to Rs 11 580 (stamp duty Rs 9 650 registration fee Rs 1 930) These cases of under-valuation of property were not referred to the Collector for determination of the value of the property and the proper duty payable thereon as provided under the law

Similarly in another case an instrument of exchange of property (land) setting forth the consideration of Rs 48 000 was executed on 30th July 1974 in the jurisdiction of Sub Registrar, Rewari The value of land involved in the exchange based on average rate calculated from other mutations pertaining to the same village and carried out in the year 1973 74 worked out to Rs 1 14 lakhs The deficient amount of duty worked out to Rs 3,340 (stamp duty Rs 2 675 registration fee Rs 665) This case of under valuation was also not referred to the Collector

The matter was reported to Government in May, 1976, reply is awaited (March 1977)

In reply to the questionnaire of the Committee the department in its written reply explained as under —

'The Commissioner Ambala/Hissar division have stated that according to the reports of Deputy Commissioners Gurgaon and Narnaul it was not possible to determine the value of the property in these deeds at the time of registration as there are so many kinds of land in the same Village having different rates Mostly the deeds are registered after verifying the average rate of land of the same village

It has been admitted by the Deputy Commissioner Narnaul that out of Six cases of under valuation 5 cases of Mohindergarh have since been finalised by the Collector One case pertaining to Rewari is still pending with the Deputy Commissioner, Narnaul for want of certain information from the Sub Registrar

Out of the 5 cases of Tehsil Mohindergarh, a sum of Rs 551/ and 1140/ as determined by the Collector has since been recovered and deposited in to Govt Treasury on 17 7 74 and 31 7 74 respectively Regarding other case action is still going on

No such case is reported to have come to the notice of Deputy Commissioners Gurgaon and Faridabad The Deputy Commissioner Hissar has however reported that during the course of audit for the year 1975 76 a sum of Rs 34649/ on account of under valuation was pointed out in 27 cases of this district Enquiry as required under section 47 A of the Indian Stamp (Haryana amendment Act) was conducted in almost in all the cases and were got settled by the audit in the subsequent audit At present only two cases in office of Sub Registrar, Hissar are pending Necessary enquiry in these cases is in progress The deficient amount pointed out by the audit in these cases comes to Rs 2580/

To Committee recommend that a comprehensive procedure be prescribed to avoid under-valuation of property for the purpose of registration and the Committee be informed of the action taken in this behalf

The Committee also desire that action taken in the pending cases of under-valuation/recovery be intimated to them

CHIEF ELECTRICAL INSPECTOR (POWER DEPARTMENT)

Paragraph 5 6 B Taxes and Duties on Electricity Non realisation of inspection fees

20 As a general safety precaution the Indian Electricity Rules 1956 provide for periodical inspection and testing of consumer's installations by the Officers of the Electrical Inspectorate Such inspection are to be carried out on payment in advance of fees by the consumers

It was noticed in audit (March 1976) that inspections of high tension installations of a consumer in Hissar district required to be conducted once in a year were not conducted for the years 1967 to 1971 Consequently fee amounting to Rs 4 400 (Rs 3 955 and Rs 445 deposited in April 1972) for the years 1967 to 1970 was refunded in February 1974 partly in cash (Rs 3 955) and partly by adjustment towards fee receivable for the year 1974 Similarly yearly inspections due in respect of electrical installations of three order consumers for the years 1974 and 1975 were not conducted Consequently fee amounting to Rs 2 300 realisable for these inspections could not be realised This besides endangering safety resulted in loss of revenue to Government

The matter was reported to Government in October 1976 reply is awaited (March 1977)

In reply to the questionnaire of the Committee the department stated in their written reply as under

The annual inspection of H T installations could not be conducted for the year 1967 71 as the fee from the firms have not been deposited in time The person who was responsible for this omission has since left the Deptt so no action can be taken against him

-Regarding not charging the fee from other firms it is informed that all the three firms had already deposited the inspection fee and there is no

loss of revenue to the State. The timely inspection cannot be carried out by this Deptt. due to withdrawal of powers of Electrical Inspector from Xen HSEB and non filling up the post of Asstt Engineer. Now there is no firm left in the State of which the inspection is not being carried out. Hence, there is no loss of revenue to this State. The Rule 46 (3) of I E Rules 1956 is as under —

Notwithstanding the provisions of this rule the consumer shall at all times be solely responsible for the maintenance of his installation in such condition as to be free from danger

Hence the consumer is himself responsible for correct maintaining the installation.

During the course of oral examination in reply to the question of the Committee as to why further action was not taken against the firm when it did not deposit the requisite inspection fee after a year in 1969, the departmental representative stated that the firm continued to deposit the fee in instalments @ Rs 125/ per instalment and therefore no action was taken against the firm. However he agreed with the view of the Committee that the correct courses of action after the second instalment of fee had been deposited would have been to take action against the firm and that a notice should have been served for the disconnection of electric supply.

The departmental representative further told the Committee that the Government was going to amend the rules to streamline the system of inspection and to devise suitable procedure to ensure that the inspection of the installations was done within a year.

The Committee are constrained to observe that there was failure on the part of departmental authorities to comply with the requirement of the Indian Electricity Rules, 1956 in as much as that no steps were taken to disconnect the installation of the defaulting firm after the requisite fee was not deposited and that the situation was allowed to continue for four years. The Committee would like to be informed about the action taken for streamlining the system to ensure that inspection of the installations was done within one year.

EXCISE AND TAXATION

Paragraph 18 Arrears in assessment

21 The number of assessments finalised by the Excise and Taxation Department and the assessments pending finalisation as at the end of 31st March 1975 and 1976 as reported by the department are indicated below —

Year	Number of cases for disposal	Number of assessments completed	Number of assessments pending at the end of the year
(1)	(2)	(3)	(4)
Sales Tax			
1974 75	86 431	59 902	26,529
1975 76	87,396	53 151	34,245
Taxes on Passengers and Goods			
1974 75	907	257	650
1975 76	781	135	646

The yearwise break up of the pending cases as at the end of 31st March 1976 was as under —

	Year	Sales Tax	Taxes on Passengers and Goods
Upto	1971 72	1,369	148
	1972 73	1,893	82
	1973 74	7,440	100
	1974 75	23 543	114
	1975 76		202
	Total	34,245	646

In reply to the questionnaire of the Committee the department stated as under —

- (i) During the year 1975 76 a Training School was started with a view to impart refresher training to the Assessing Authorities. As such many assessing authorities were deputed to the Training School for a period of 1½ month during the year 1975 76. These assessing authorities could not attend to their assessment work during this period. Also, the strength of E.T.O.s working during the year 1975 76 was less by 3 as against that of 1974 75. The shortfall which occurred during 1975 76 was mainly due to these reasons.
- (ii) As per position obtaining on 30.9.1979, 31,834 cases of Sales Tax and 570 cases of the passengers and Goods Tax have been disposed of leaving a pendency of only 2411 cases of sales tax and 76 cases of Passengers & Goods Tax.
- (iii) For getting the old cases decided the assessing authorities on priority basis the Department has been issuing instructions to the district officers from time to time. Vide instructions issued on 21.8.1978 the assessing authorities were directed to finalise the cases for and upto the year 1973 74 by the 30th September, 1978. They were again directed vide letter dated 10.10.1979 to finalise the assessment cases for and upto the year 1977 78 by the close of the year 1979 80.

The Committee recommended that more effective steps be taken to analyse and clear the pending cases, particularly the old ones and involving heavier amounts, without any further delay. The Committee would also like that the progress made in this behalf be intimated to the Committee. The Committee further desire that the Government should not remain content with issuing directions/instructions to the field officers but should ensure their prompt implementation by the field officers to liquidate the arrears.

Paragraph 2.2 Result of audit in general

22 The test audit of Sales tax assessment and other records pertaining to 12 621 cases conducted between April 1975 and March 1976 revealed under assessment of tax of Rs 48 46 lakhs in 510 cases. The under assessment of tax was mainly due to one or the other of the following reasons —

Nature of irregularity — — — — —	Number of cases	Amount (Rupees in lakhs)
1 Under assessment of Central Sales Tax	60	8 42
2 Application of incorrect rate of tax	45	14 99
3 Incorrect computation of turnover	136	6 56
4 Incorrect exemption	75	3 20
5 Non levy/short levy of penalties — — —	45	2 41
6 Miscellaneous — — — — —	149	12 88
Total	510	48 46

Over assessments of tax of Rs 2 382 was also noticed in two cases during test audit

In reply to the questionnaire of the Committee the department in their written reply stated as under —

“On verification from the record it has been found that in 349 cases out of the 510 reported by Audit there was no under-assessment. This position of the Department has been accepted by Accountant General during review of audit paras and the paras concerning these 349 cases have since been dropped. In 130 cases an under-assessment to the tune of Rs 4 14,654 63 was found. Additional demand of this amount has been created and realised and the audit objections pertaining to these cases have also since been dropped by Accountant General. The remaining 31 cases involving an amount of Rs 8 38 538 29 are pending in suo moto action/verification. It remains to be seen as to what extent under assessment will be provided in these cases. These figures make it that the number of cases in which under assessment has come to light is less than one percent of the total number of cases checked by audit. The percentage of error is nominal which shows that things are well under control.

On verification by the Department under assessment has been found only to the extent of Rs 2 00 lakh in 1972-73 Rs 1 99 lakh in 1973-74 and Rs 6 62 lakh in 1974-75 which shows that the incidence of error is not high or alarming possibility of errors in assessment cannot be ruled out because the sales tax law has been subject to frequent amendments and there have been different rulings by the sales Tax Tribunal and the Courts on several points which some times confuse the Assessing Authorities in the correct application of Law. However efforts are made to guide and refresh the Assessing Authorities from time to time through issue of instructions clarifications and short term training courses.

In order to impart upto date knowledge of law to the Assessing Authorities the Department started a departmental Training School in 1975. In this school the officers are educated about the scrutiny of accounts and framing of assessment orders. Ten posts of Excise and Taxation Officers (Inspection) have been created for the districts. These officers inspect the assessment orders framed by the various Assessing Authorities (Assistant Excise and Taxation Officers) in the district in order to detect errors if any in the assessment orders. Inspection of the orders framed by the Excise and Taxation Officers are made by the Deputy Excise and Taxation Commissioners in charge of the respectively districts. A Deputy Excise and Taxation Commissioner (Inspection and Enforcement) posted at the Head quarters supervise the work of the inspecting officers. Prompt action is taken to rectify the errors detected in such inspections. In cases of serious default the concerned Assessing Authority is called upon to explain its position and disciplinary action is also taken where called for. Penal action by way of civil or criminal proceedings against the Assessing Authorities is not called for as these officers frame the assessment orders in good faith in exercise of statutory powers vested in them.

The Committee feel that the number of cases of under assessment could have been minimised if the internal audit wing of the Department had done the job effectively and efficiently. The Committee recommend that the working of the internal audit wing of the Department should be streamlined so as to eliminate cases of under assessment as far as possible.

The Committee regret to observe that the work of internal audit has not been given due importance and at times the internal audit parties are diverted for ordinary assessment work at the cost of internal audit work. The Committee recommend that the internal audit parties should invariably be put exclusively on the job of internal audit and should not be assigned any other work.

Paragraph 23 (i) & (ii) Incorrect deduction from taxable turnover

23 Under the Central Sales Tax Act, 1956, sale of goods in the course of inter State trade or commerce is exempt from levy of tax if sale of such goods is exempt from tax generally in that State. Such sales shall not be deemed to be exempt from central sales tax if under the sales tax law of the appropriate State it is exempt only under specified circumstances and conditions. Under the Punjab General Sales Tax Act 1948, sales of goods to any undertaking supplying electrical energy to the public are exempt from tax if the goods are for use by it in the generation or distribution of such energy.

(i) In the course of audit of District Excise and Taxation Office Ambala it was noticed that sales of poles valued at Rs 8.52 lakhs during 1972-73 to electricity undertakings of other States were exempted from levy of tax resulting in under assessment of Tax of Rs 85,194. When this was pointed out in audit (February 1975) an additional demand of Rs 29,471 was raised against the dealer (July 1976). Further report about realisation of the demand and the reasons owing to which demand was worked out as Rs 29,471 instead of Rs 85,194 is awaited (March 1977).

The Matter was reported to Government in April 1976. Reply is awaited (March 1977).

(ii) A dealer of Faridabad who sold electric poles worth Rs 1.59 lakhs during 1962-63 to 1965-66 to Delhi Electric Supply Undertaking was not assessed to tax under the Central Sales Tax Act, 1956 in respect of these sales.

When the omission was pointed out in audit (June 1974), tax of Rs 15 870 was levied (March 1976) Report regarding realisation of the amount is awaited (March 1977)

The matter was reported to Government in September 1976 reply is awaited (March 1977)

- (i) In reply to the questionnaire of the Committee the department in their written reply explained the position as under —

"It appears that the exemption was allowed by the Assessing Authority on account of his own interpretation of law as it is considered that there was scope for a different interpretation. However the Assessing Authority concerned Sh T C Yadav has since retired and neither the exact position can be ascertained nor any action taken against him

Against the demand of Rs 29 471/ the assessee went in appeal in which the arrear of tax was reduced to Rs 26947 40/. Out of this amount a sum of Rs 5247 40 has been recovered leaving a balance of Rs 21700/. The dealer has since left the State for Patiala leaving no liquid assets behind. The dealer was allowed to make payment in instalments. Efforts are being made to recover the amounts

During the course of oral examination the departmental representative informed the Committee that in this case the recovery certificate had since been obtained from the Deputy Commissioner, Ambala and sent to the Deputy Commissioner Patiala for effecting recovery of the amount from the contractor

The Committee regret to observe ^{that} the unusual delay has been allowed to occur in effecting the recovery of the balance amount of Rs 21 700 simply for the reason that the dealer had shifted to Patiala. This is not at all a plausible ground for the non recovery of the amount

The Committee recommend that the recovery case be pursued vigorously and progress of the case be intimated to them

- (ii) In reply to the questionnaire of the Committee the department in their written reply stated as under —

"The concerned Assessing Authorities are being called upon to explain the lapse. Thereafter the matter will be investigated and a report shall be made to the Committee at an early date

During the course of oral examination in reply to a question by the Committee as to why the explanation of the concerned Assessing Authorities had not been obtained till then the departmental representative promised to furnish the information to the Committee later on. The Government vide their letter No 3340 ET (8) 80/38774 dated 31st October 1980 informed the Committee as under —

'The explanation of the Assessing Authorities has since been considered and the matter has been referred to Government vide this office memo No 1400/AA III dated 29 5 80. Decision taken in the matter shall be reported to Public Accounts Committee

The Committee desire that the decision in the matter be taken and intimated to them as early as possible

Paragraph 2 9—Non levy of tax on packing material

24 Under the Punjab General Sales Tax Act 1948 sale of packing material and containers is exempt from tax when sold by a person who deals exclusively in goods declared tax free but sells packing material and con-

tainers only as incidental to his main business. If however, there is an explicit or implied contract for sale of packing material along with tax free goods, tax is leviable on the sale of packing material.

In the course of audit of the District Excise and Taxation Officer Kurukshetra it was noticed that two Co-operative Marketing Societies of Kurukshetra district were allowed deduction from their gross turnover of the value of sales including packing material of tax free goods i.e. sugar cloth and fertilizers during the years 1971-72 and 1972-73. When it was pointed out in audit (January 1975) that sale of packing material along with tax free goods was an implied condition of the contract for sale and that the tax was thus leviable on packing material the department raised an additional demand of Rs 31,797 and realised the amount in February 1976.

In reply to a questionnaire of the Committee the department stated in their written reply as under —

1. The Explanation of the Assessing Authority has been examined and it appears that he determined the tax in the light of his interpretation of the law on the subject. There is a scope for honest difference of opinion.

2. In view of (1) above no action is called for against the Assessing Authority.

The Committee do not feel convinced with the argument that there was scope for honest difference of opinion in such a case because the law was quite specific on the point. The Committee recommend that such cases should not be taken lightly in future and suitable action should be taken against the officials responsible for causing loss to the State exchequer.

Paragraph 2.12—Non levy of penalty

25. Under the Punjab General Sales Tax Act 1948 as applicable to Haryana if a dealer has maintained false or incorrect accounts with a view to suppressing his sales purchases or stocks of goods or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act or the rules made thereunder any account, return or information which is false or incorrect he is liable to pay by way of penalty in addition to the tax to which he is assessed or is liable to be assessed, an amount which shall not be less than ten per cent of the amount of the tax to which he is assessed or is liable to be assessed.

(i) -In the course of scrutiny of the records of two dealers (district Kurukshetra) the department impounded the books of the dealers and enhanced the turnover of one dealer for the year 1971-72 by Rs 15,000 and of the other by Rs 10,000 for each of the years in 1970-71 and 1971-72 for the purpose of levy of tax. But no proceedings for the levy of penalty were initiated. On the omission being pointed out in audit (December 1974 and December 1975) proceedings were initiated by the department and penalty of Rs 14,197 was imposed (December 1975 and January 1976). The amount was collected in January 1976 Rs 7,525 and March 1976 (Rs 6,672).

(ii) Under the Punjab General Sales Tax Act, 1948 tax in the case of paddy is leviable on the purchase thereof. A dealer of Ambala City disclosed purchases of paddy to the extent of Rs 13.00 lakhs in his returns for the year 1972-73 against the actual purchases of Rs 17.82 lakhs. This

was detected by the assessing authority and additional demand was also raised. Proceedings for penalty leviable under the Act for furnishing returns which were false or incorrect in material particulars were however not initiated.

On the omission being pointed out in audit (July 1975) the assessing authority levied a penalty of Rs 6725 (March 1976) which was recovered in August 1976.

In reply to the questionnaire of the Committee the department in their written reply stated as under —

It appears that the penalty proceedings were not initiated due to oversight.

The following Assessing Authorities were responsible for the lapse. They have since retired from service —

Sh Harbhajan Singh

Sh Jai Singh Rao

Sh T C Yadav

In view of this no action has been taken against them.

However the departmental officers conceded during the course of oral examination that the written reply was not satisfactory and that it was not a case of oversight but of negligence. The Committee were further told that Sarvshri Jai Singh Rao and T C Yadav had retired prior to the receipt of the audit objections by the Department and that as such no action could be taken against the two officers.

The Committee are constrained to observe that even in the case of the third officer viz Shri Harbhajan Singh who retired in 1977 after the receipt of audit objection the department failed to take any action against him. The Committee consider it a serious lapse on the part of the Department and feel that action should have been taken against the concerned officers who failed to initiate penal proceedings negligently or deliberately with some other motivation.

The Committee recommend that in future prompt and stern action should be taken against the defaulting officials in all such cases to discourage such lapses.

Paragraph 2 13 — Mistakes in calculation

26 In the course of audit, it was noticed that in the case of five dealers (three in Ambala district, one each in Rohtak and Kurukshetra districts), there was under assessment of tax of Rs 10 000 for the years ranging

between 1970 71 and 1973 74 for one or more of the following reasons

- (i) incorrect computation of taxable turnover
- (ii) incorrect computation of tax and
- (iii) incorrect adoption of the figure of tax payment and consequent refund

— When these omissions were pointed out in audit (February 1973 December 1974 July 1975 and June 1976) the department rectified the mistakes in three cases and collected Rs 6 000 Report regarding rectification of mistakes and realisation of the demand in respect of the remaining two cases awaited (March 1977)

The matter was reported to Government in July 1976 reply is awaited (March 1977)

In reply to the questionnaire of the Committee the department in their written reply stated as under —

‘ The assessment were not correctly made in the first instance on account of clerical calculation mistakes In view of this position no action is proposed to be taken against the Assessing Authorities concerned

Except in one case of Ambala District involving a sum of Rs 3000/ which is under *suo moto* action all the mistakes have been rectified In the other case a sum of Rs 1000/ has been recovered in October 1976

The Committee do not agree with the view of the Department that as the mistakes were of clerical nature no action was necessary The Committee are of the view that even in the case of clerical mistakes the explanation of the concerned assessing authorities should have been called

The Committee observe that Government would have been put to unnecessary loss of revenue because of the mistakes pointed out in the audit para The Committee feel that the mistakes could have been detected at the initial stages if the internal audit wing of the Department had worked effectively and efficiently As recommended in para 22 of this report the Committee urge that the internal audit wing of the department should be strengthened suitably

The Committee also desire that the progress of the recovery of the balance amount in the case relating to Ambala District be intimated to them

Paragraph 4 1 9—Loss of spirit in storage/bottling operation

27 Excise duty on each kind of spirit wasted in excess of the prescribed limit is chargeable from the distilleries & Ceiling limit prescribed for wastage in storage (spirit store room) and bottling operation is 2 per cent and 1 5 per cent respectively The table below shows the wastage in excess of the prescribed norms and the duty leviable on excess wasted

Year	Place of occurrences of wastage	Kind of spirit stored	Total quantity stored including balance if any at the beginning of the year (In proof litres)	Actual wastage (In proof litres)	Wastage permissible (In proof litres)	Excess wastage (In proof litres)	Duty on excess wastage (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A Panipat distillery							
1974 75	Spirit store room	Re-distilled spirit for I M F S*	3 15 476	22 387	6 309	16 078	3 22
1974 75	Bottling operation	Ordinary spiced country spirit	22 88 269	37 126	34 324	2,802	0 22
1974 75	Bottling operation	Special spiced country spirit	67 710	1 356	1 016	340	0 07
1974-75	Bottling operation	I M F S *	96 552	3 639	1 448	2 191	0 43
1975 76	Spirit store room	Re-distilled spirit	4 01 525	15 885	8 031	7 854	1 65
*		*	*		*	*	

Report about actual recovery of duty on excess wastage is awaited (March 1977) In Karnal distillery neither the wastage was worked out nor the basic records in respect of wastage were maintained

In reply to the questionnaire of the Committee as to whether the department investigated the reasons of excess wastage of spirit in storage and bottling operation *vis a vis* prescribed ceiling limit the department in their written reply stated

Panipat Cooperative Distillery

'As regards loss of spirit in spirit store room and Bottling operation for 1974 75 and spirit store room for 1975 76 in the Panipat Cooperative Distillery the matter is under adjudication

The Committee desire that the final decision in regard to loss of spirit in the Panipat distillery be intimated to them early

The Committee would also like to know whether the excess wastage of spirit in the case of Yamunanagar distillery had been investigated and if so with what results

The Committee further desire that the reasons why the wastage in the Karnal distillery was not worked out and why the basic records in respect of wastage were not maintained be intimated to them along with the position about the shortages in spirit store room and bottling operation in that distillery

*IMFS stands for Indian made foreign spirit

Paragraph 4 1 10—Short levy of excise duty

28 Under the Punjab Brewery Rules, 1932 and the Punjab Exoise Fiscal Orders 1932 the duty on beer becomes due immediately the account of brewing has been taken

While assessing duty on beer manufactured in any quarter beer issued in bond during the quarter shall be deducted from the total quantity brewed and the ten per cent wastage allowance shall be calculated on the balance thus arrived

It was noticed in audit (August 1976) that the department had been allowing wastage allowance on the total quantity of beer brewed without deducting the quantities issued in bond during the years 1974 75 and 1975 76 This resulted in short levy of duty owing to allowance of excess wastage to the extent of 41 379 bulk litres involving duty of Rs 63 660

In reply to the questionnaire of the Committee the department stated in their written reply as under —

The actual practice in the Breweries is that beer is not issued in bond in bulk but in bottled form The breweries do not ear mark separately the quantities of beer to be issued in bond The actual practice is that beer is manufactured, the wastage is calculated on the total quantity manufactured and charge of duty framed Thereafter beer is bottled and issued in bond as and when any requisition to that effect is received by the breweries because when bottled beer is issued the quantity so issued is taken into account while calculating the charge of duty The wastage allowance is given to the breweries for compensating them for the losses which may arise in the bottling operation Similarly if beer meant for export in bond is bottled the wastage will have to be given in the same manner as in the case of beer meant for consumption in the State The proviso to Order 5 of the Fiscal order clearly mentions that while in view of reply given para 1 the question of fixing responsibility does not arise

The question of recovery amount of duty also does not arise

As essing duty on beer manufactured in any quarter in accordance with the provisions of the Punjab Breweries Rules 1956 beer issued in bond during the quarter shall be deducted from the total quantity brewed and the 10% wastage allowance shall be calculated on the balance thus arrived at The basic fact is that wastage is to be calculated before beer is bottled and duty is to be charged on the quantity of beer so worked out Similarly the quantity of beer to be issued in bond will have to be taken into account at the time of working out the charge of duty and deduct from the total production taken into account which element is not there The Accountant General s Audit Party deducts the quantity of bottled beer issued in bond and calculate the charge of duty accordingly which is against the spirit of the provisions contained in rule 35 of the Punjab Breweries Rules 1956 and in proviso to Order 5 of the Fiscal Orders 1932 It shall have to take into account the bulk quantity and not the bottled quantity

During the oral examination the departmetal representatives informed the Committee that they were considering to amend the Rules which were framed as early as 1956 under the Punjab Excise Order 1932 and Punjab Brewery Rules 1932

The Committee would like to know the decision in regard to the amendment of the existing rules so as to eliminate the chances of any ambiguity and different interpretations

REPORT ON THE SUPPLEMENTARY REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1975 76

Irrigation Department

29 The Comptroller and Auditor General of India in his Supplementary Report for the year 1975 76 has indicated the result of studies undertaken by audit in regard to the utilisation of the potential created in Haryana by Irrigation Projects through substantial investments by Government for increase of agriculture production and diversification of cropping pattern. In particular the report contains a study of the utilisation of irrigation potential created in (1) the Bhakra Nangal Project and (2) the Rewari Lift Irrigation Schemes. The following broad aspects have been covered in this report —

- (a) the extent of area irrigated in different crop seasons as compared to what was planned to be irrigated in project report
- (b) the factors specifically relevant to the utilization of irrigation potential in the selected projects with particular reference to efficiency in use of water for irrigation such as the system of distribution of available supplies of water, preparation of land for irrigated agriculture and suitability of the cropping pattern. Constructional aspects relevant to utilization of potential such as availability of irrigable area and adequacy of the capacities of canals have also been gone into. Attention has been focussed, through quantification in physical and financial terms, on the problems and the action pending on remedial measures suggested from time to time.
- (c) the implementation of command Area Development programme to accelerate the process of utilization of irrigation potential and improve the efficiency of utilization through inter departmental co ordination and
- (d) Comparison of the revenue and working expenses of the projects & return on investment to Government with the anticipated return.

The Committee find that the report is a valuable document for its illuminating analysis as well as for its comprehensiveness. The Committee spent considerable time in examining this report and undertook visual inspection of the actual projects at Pandoh, Sunder Nagar, Slapper, Bhakra Nangal and Tajewala in order to have better appraisal and first hand knowledge of the working procedures and systems in the creation of irrigation potential under the above schemes. The Committee were indeed impressed by the valuable work done by the Engineers on those projects.

The Committee also examined the departmental representatives on the following specific points in the report and their observations are indicated below —

Construction and Maintenance of the Bhakra Nangal Project

30 In the construction of the Bhakra Nangal Project the States concerned were Punjab, PEPSU (Later merged in Punjab) and Rajasthan. The funds required for this project were to be found in the first instance by the

Government of India and given to the States concerned as loans. It was decided that each State should construct that part of the project which lay in its territory through its own Public Works Department except that Bhakra Dam and appurtenant works which were partly in Punjab and partly in Himachal Pradesh should be constructed by the Chief Engineer, Punjab. A Control Board was established in September 1950 by an executive decision of the Central and State Governments concerned to take quick decisions on all technical and financial questions relating to the construction of the project and to allot suitable priorities to the portions of project in different States. The Bhakra Control Board under Chairmanship of the Governor of the Punjab in his personal capacity included the administrative technical and financial heads of the three States Governments assisted by a whole time Engineer Secretary. The Chairman of the Central Water and Power Commission and the Chairman of the State Electricity Boards were also added as members later. In general the Board exercised the powers of a State Government for the execution of the project. The State Government had delegated to their Chief Engineers powers to contract for works, supplies and services at the direction of the Control Board and such contracts were entered on behalf of the State Government concerned under the Punjab reorganisation Act 1966 the Central Government constituted a Board called Bhakra Management Board for the administration, maintenance and operation of the following works —

- (a) Bhakra Dam and Reservoir and appurtenant works
- (b) Nangal Dam and Nangal Hydel Channel up to Kotla Power House
- (c) Irrigation head works at Ropar, Harike and Ferozepur
- (d) Bhakra Power Houses
- (e) Ganguwal and Kotla Power Houses, and
- (f) Sub stations at Ganguwal, Ambala, Panipat, Delhi, Ludhiana, Sangrur and Hissar on the 220 K V lines

Of the above the control of irrigation works mentioned at item (c) above has not yet been handed over by the Punjab State to the Bhakra Management Board (August 1977)

In reply to a question of the Committee whether the control of the irrigation Head Works at Ropar, Harike and Ferozepur had been handed over by the Punjab State to the Bhakra Management Board and if not what were the impediments in the transfer of the control the departmental representatives stated in written reply that the control of Irrigation Head Works at Ropar, Harike and Ferozepur had not so far been handed over by the Punjab State of the Bhakra Management Board. It was further mentioned that the matter was under consideration with the Government of India and that it was for the Government of India to take a final decision in the matter.

The Committee observe that the transfer of the control of Irrigation Head Works at Ropar, Harike and Ferozepur is of utmost importance in order to ensure equitable distribution of water resources among the concerned States including Haryana. The Committee recommend that the State Government may take effective steps to impress upon the Government of India to have the control over the Irrigation Head Works at Ropar, Harike and Ferozepur transferred to Bhakra Management Board without any further delay.

Construction and Lining of water courses

31 According to the provisions of the Northern India Canal and Drainage Act, 1873 the Divisional Canal Officer may on his own motion, prepare a draft scheme for the construction of water courses and call upon the cultivators to implement this at their own cost within the period to be specified if a cultivator fails to implement the scheme the Divisional Canal Officer may undertake the construction and recover the cost thereof from the cultivators

It has been pointed out in the audit report that the Chief Engineer had reported in January 1977 that neither any assessment had been made regarding the actual requirement of water courses on the Bhakra Nangal Project nor any details were available with the Department about the water courses not constructed so far. The Divisional Officer also did not maintain any consolidated record showing the required length of water courses and the length of existing water courses.

During oral examination a question was asked by the Committee whether water courses of canals which were required to be completed earlier had been completed or some of them remained to be completed. The departmental representative explained that in all the existing canal systems other than the Jui Lift Canal System the water courses had by and large already been dug either fully or partly. He further added that before the lining work was taken up all the water courses were finalised right upto the end and that the whole thing was done under the provision of law.

In reply to another question as to what was the basis for undertaking the work of lining the departmental representative stated that the lining was preferred in areas which were more sandy and that the water courses were taken up in a consolidated block in a distribution system. It was further submitted that 2000 water courses had been lined and that the department had capacity of lining 700 water courses in a year. It was also added that on that basis it was expected that all the water courses would be lined during the coming 12-13 years. The Committee was also informed that Government had taken the decision effective from 15.11.1979 that 50% of the cost of lining shall be recovered from all the farmers and in the case of small farmers having less than 2½ acres of land there would be no recovery at all.

The Committee attach the utmost importance to the job of lining the water courses and canals for the development of irrigation in the State. The Committee recommend that effective measures be taken to ensure the completion and lining of all the water courses in the State in the shortest possible time. While recommending the lining of the water courses at the earliest the Committee also desire that it may be ensured that the cement and mortar used for the work of lining are mixed according to the specified proportions and no pilferage of cement is allowed to occur.

The Committee would also like that suitable records should be maintained by the Department to show the length of existing water courses, the length of water courses required to be constructed and action taken for the construction of these water courses, along with the progress made in the lining of the water courses.

Revenue and Financial Return

32 No financial forecast of the Bhakra Nangal Project was prepared for the Haryana State. The financial results of the project for the period from 1971-72 to 1975-76 revealed that

- (i) That the net revenue could not meet simple interest during 1971-72 to 1973-74 and 1975-76
- (ii) That Betterment levy collected was Rs 17.05 crores against Rs 57.81 crores assumed in the project report. The Act for the collection of betterment levy was repealed in September, 1975
- (iii) That water rates for the different crops were not changed till Kharif 1975 and
- (iv) That Receipt from the project did not cover even the working expenses in 1974-75

During the course of oral examination, the departmental representatives assured the Committee that efforts would be made to enhance the financial returns from the project particularly with a view to ensuring that the gross receipts from project cover the working expenses as far as possible. In its written reply to a question of the Committee as to what were the reasons for not revising the water rates for about fourteen years when the value of produce per acre had registered phenomenal increase, the department, *inter alia* stated that the water rates were revised *w e f* Kharif 1975 and further revision was under consideration at Government level and that for that purpose, a Standing Inter Departmental Water Rates Review Board had been constituted during 1976 and that the recommendation of the department for further increase of the water rates had been submitted to Government for examination by the Review Board. As regards short recovery of betterment levy, it was stated in the written reply of the department that it was due to non finalisation of Schedules of betterment charges. Although the Punjab Betterment charges and Acreage Rates Act 1952 was amended to provide for levy of advance payment of betterment charges which was actually levied from Kharif, 1958 (instead of from 1953 because of non finalisation of Schedules) people filed writs in the High Court that unless proper account of every right holder was prepared no recovery could be effected. It was also stated that since the realisation of betterment charges became impossible the Act had to be repealed. The amount of betterment charges outstanding was stated to be Rs 11.73 lakhs which was to be recovered as arrears of land revenue through the civil authorities.

The Committee recommend that suitable and effective measures be devised to ensure that gross receipts from the project cover the working expenses and the net revenue meets simple interest charges.

The Committee further desire that the decision of the Water Rates Review Board for the up ward revision of the water rates be intimated to them.

The Committee would also like to know the progress in the recovery of the outstanding betterment charges, along with the detailed reasons for the non finalisation of the schedules due to which the Government had to fore go substantial revenue.

Unauthorised Irrigation

33 It was mentioned in the Audit Report that in all the Six Divisions of the Bhakra Canal System 8346 cases of unauthorised irrigation occurred during Kharif 1971 to Rabi 1975-76 involving an area of 29.56 thousand hectares and revenue of Rs. 8.58 lakhs at single rate. Of these 6,671 cases were decided by the Collector imposing a penalty of Rs. 22.44 lakhs, 507 cases were filed without imposing any penalty and the remaining 1,168 cases were pending for decision by the end of December, 1976.

The Department stated in its written reply that out of 1,168 cases, 1,068 cases had since been decided leaving the undecided cases at 100. It was added that a penalty of Rs. 14.80 lakhs was imposed in the cases decided and that all out efforts were being made to get the remaining cases decided at the earliest.

It was also stated in reply to a question of the Committee that a sum of Rs. 6.06 lakhs was spent on restoring the cuts/breaches in the canals.

The Committee would like to know the progress in the finalisation of the remaining 100 cases and the amount of penalty imposed in these cases.

The Committee desire that the number of cases of unauthorised irrigation coming to notice in the subsequent years and action taken for their early settlement be intimated to them alongwith the measures taken to reduce the number of such cases to the minimum possible extent.

Rewari lift Irrigation Scheme Command area Development

34 Government of India formulated in September 1973 a Scheme for proper utilisation of water and execution of on farm development works in the project command areas such as field channels land levelling land shaping and drainage. Command Area Development Authorities were to be set up by April, 1974 to carry out these functions. A Command Area Development Authority was set up at Rohtak in March 1976 for the command area of the Rewari Lift Irrigation Scheme. Progress of the work done has been reflected in paragraph 11.2 of the supplementary report which reads as under —

Progress of Work Done

A total expenditure of Rs. 2.30 lakhs was incurred on CAD programmes up to October 1975 on vehicles and furniture establishment and contingencies and cost of soil survey equipment.

The targets fixed in the action programme for 1976-77 in respect of various on farm developmental works and the actual achievements upto

October 1976 were as under —

Sr No	Items of work	Target fixed	Actual achievements
1	2	3	4
1	Soil Survey (hectares)	47,000	2,500
2	Farm Planning (hectares)	4 000	Nil
3	Land Levelling and landscaping (hectares)	2 000	Nil
4	Installation of tubewells (Nos)	400	Nil
5	Installation of Jhallars (Nos)	30	Nil
6	Land Reclamation (hectares)	25	Nil
7	Digging of Katcha water courses (Nos)	19	Nil

The department in written reply to a question as to whether the targets fixed for various items of work in the action programme for the year 1976 77 had been achieved explained the position as under —

- (i) The targets for the year 1976 77 mentioned in the Audit para were proposed at the time of submission of the CAD project to GOI, the CAD Authority Rohtak proposed the following targets during that year and the achievement there of is mentioned against each item —

Sr No	Item	Physical targets	Achievement
1	Soil Survey	14 000 Hac	12,000 Hac
2	Land levelling	400	50 „
3	Underground Pipelines/ Field Channels	25 00/200	7/ 056
4	Field Drains	40 K M	—
5	Land Reclamation	19 Hac	—
6	Tubewells	200 Nos	100 Nos

The reasons for slow progress are as under —

- (i) The Project for lining of watercourse of JLN & Rewari Lift Irrigation Scheme have not so far been sanctioned and under these circumstances, the lining scheme cannot be executed on both the systems. It is further stated that Chakbandi on JLN S,stem has not

so far been approved by Canal Authorities because of adhoc system, & unless Chakbandi of the outlets is sanctioned it is not possible to frame the lining Project. As a result of this the execution work of Inter farm channels has not been taken in hand.

(ii) The CAD Rohtak comprises of the Command of —

(i) Rewari Lift Irrigation System

(ii) Jawahar Lal Nehru Lift Irrigation System

Of the two systems the Rewari Lift Irrigation System is perennial while the JLN Sytem is non perennial and depends upon the completion of Beas Satluj Link and availability of water from this Project. Hence any longterm of OFD works can only be taken up in the system which is perennial. Since the Rewari Lift System falls in the basin of Sahibi river and its functioning has been affected by floods for the past 4 5 years adversely. As a result of this impact of flooding many channels of the system have either been cut or breached and are consequently not in use. Without the major repairs the farmers are not getting the assured water supply which reveals from the Annexure A of Irrigation booking at fourteen Minors of the system. Due to this reason the farmers showed their reluctance to adopt DFD works in the command of Rewari Lift Irrigation System.

(iii) After the registration of CAD Rohtak the demand for the posting of staff to be sent on deputation by Govt. was made well in time but the Govt. posted the staff in OCT/NOV, 76 as a result of which the Land Levelling works and other OFD works could not be pushed as the season of L L was over.

(iv) During the year 1976 77 the definition of small/marginal farmers in CAD Area was on the pattern of SFDA which was too tight for identifying the beneficiaries where as the definition in the same area under DPAP was very liberal and on the higher side. The definition under CADA was made at par with DPAP in the year 1978 79.

It was as under —

	IRRIGATED		UNIRRIGATED
1976 77 SFDA	S F	20	40 Canal
CADA	M F	10	20
1976 77 DPAP	S F	30	140
	M F	15	70

(v) The central Assistance in case of certain items such as construction of Katcha Water Courses field drains Jhallars and Land reclamation was not approved by GOI because these items had been approved in DPAP scheme.

(ii) Since CADA Rohtak is comprising of the Command of Rewari Lift Irrigation as well as JLN Lift Irrigation Project with a view to

achieve maximum utilization of available canal water by executing OFD works viz land levelling/scaping construction of field channels and underground pipelines etc. As mentioned above both the systems are not giving the assured water supply in the command area according to the water allowance and Irrigation intensities. Unless the sanctioned water supply is available with the OFD Units in the command area the actual benefits can be estimated there after.

During oral examination the departmental representatives assured the Committee that it would be possible to irrigate more area than the area given in the approved irrigation project as had been possible in the case of Bhakra Canal System. The Committee were informed that in the Bhakra system, the approved irrigation was 60 % but they had actually irrigated 78 % which was about 20 % more than the approved irrigation in that project.

The Committee cannot but lay great emphasis on the speedy development of irrigation under the Scheme. The Committee do appreciate the progress achieved in the matter of creating irrigation potential in the State but feel that more concerted steps are required in this behalf. The Committee would urge the Command Area Development Authority to devote full attention to the urgent implementation of the projected schemes and ensure that the prescribed targets for irrigation are achieved as early as possible.

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Published under the authority of the Haryana Vidhan Sabha and
Printed by the Controller Printing and Stationery Haryana Chandigarh