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HARYANA VIDHAN SABHA

**PUBLIC ACCOUNTS COMMITTEE
(1990-91)**

(THIRTY SECOND REPORT)

REPORT

ON THE

REPORT OF THE

**Controller and Auditor General of
India for the year 1985-86**

(CIVIL AND REVENUE RECEIPTS)



Presented to the House on.....

**HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH**

1991

TABLE OF CONTENTS

	Paragraph(s)	Page(s)
Composition of the Public Accounts Committee		(iii)
Introduction		(v)
Report on the Report of the Comptroller and Auditor General of India for the year 1985-86 (Civil and Revenue Receipts)		
1. General	1—3	1
Part—I (Civil)		
1. Industries	4—8	5—10
2. Irrigation	9—20	11—28
3. Animal Husbandry	21	29—40
4. Medical and Health	22—23	41—45
5. Home	24	46—47
6. Revenue	25	48—49
7. Supplies and Disposals	26—28	50—60
8. P.W.D. (B&R)	29—31	61—66
9. Town and Country Planning	32—38	67—80
10. Food and Supplies	39—40	81—86
11. Public Health	41—44	87—93
12. Agriculture	45—46	94—97
Part-II (Revenue Receipts)		
13. Industries	47—49	101—104
14. Transport	50	105—107
15. Cooperation	51—52	108—110
16. Irrigation	53—55	111—114
17. Agriculture	56	115—119
18. Public Health	57	120—121
19. Medical and Health	58	122—123
20. Revenue	59—60	124—126
21. Excise and Taxation	61—76	127—142
Appendix showing outstanding observations/ recommendations of the Public Accounts Committee		143—159

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

- *1. Shri Hira Nand Arya
2. Shri Udai Bhan

MEMBERS

3. Shri Shiv Parshad
4. Shri Harnam Singh
5. Shri Rattan Lal Kataria
- **6. Shri Bhagi Ram
- ***7. Shri Mange Ram
- ***8. Shri Jai Singh
- ***9. Shri Surinder Kumar Madan
10. Shri Ashok Kumar
- ****11. Shri Lachhman Singh
12. Shri Anil Kumar Vij
- x13. Shri Tek Chand Nam

SECRETARIAT

- | | |
|--------------------------|------------------|
| 1. Shri Sumit Kumar | Secretary |
| 2. Shri Ram Narain Yadav | Deputy Secretary |

*Resigned from the Chairmanship of the Committee w.e.f. 29-5-90 on his appointment as Cabinet Minister and in the vacancy caused by the resignation of Shri Hira Nand Arya, Shri Udai Bhan was nominated as Chairman of the Committee w.e.f. 16-7-90 for the remaining period of the year 1990-91.

**Resigned from the Membership of the Committee w.e.f. 29-5-90 on his appointment as Minister of State.

***Resigned from the Membership of the Committee w.e.f. 14-11-90 on their appointment as Minister of State.

****Resigned from the Membership of the Committee w.e.f. 15-6-90 on his appointment as Chairman of Municipal Grants Commission, Haryana and Shri Anil Kumar Vij was nominated as Member of the Committee w.e.f. 5-7-90 in the said vacancy for the remaining period of the year 1990-91.

x Nominated as Member of the Committee w.e.f. 22-11-90 for the remaining period of the year 1990-91 against the vacancy caused by the resignation of Shri Mange Ram on his appointment as Minister of State.

(v)

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Thirty Second Report on the report of the Comptroller and Auditor General of India for the year 1985-86 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the year 1985-86 Civil was laid on the Table of the House on 24-12-1987 and Revenue Receipts on 21-12-1987.

3. The Committee during its tenure examined partly the Reports of Comptroller and Auditor General of India for the year 1985-86 Civil and Revenue Receipts and also conducted the oral examination of the representatives of the concerned departments.

4. The Committee considered and approved this Report at their sittings held on 28th, 29th January, 1991 and 4th, 13th, 14th, 15th and 18th February, 1991.

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

6. The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit), Haryana and his officers. The Committee would like to express their thanks to the Secretary to Government, Haryana, Finance Department and the representatives of various departments who appeared for oral evidence before them for the co-operation in giving information to the Committee.

7. The Committee are also thankful to the Secretary, Officers/ Officials of Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

Chandigarh

the 18th February, 1991.

UDAI BHAN

Chairman

REPORT

GENERAL

1. The present Public Accounts Committee was nominated by the Hon'ble Speaker vide Notification No. PAC-14-90/34 dated the 30th April, 1990.

2. The Committee held 76 meetings in all at Chandigarh and other places upto 18-2-1991.

3. The Committee noted that at times requests for postponement of the oral examination were received from the departmental officers on the ground that the concerned officer was busy with some other assignment resulting the Committee had to be adjourned its meetings without transacting any business. The Committee would, therefore, like to invite attention in this behalf to para 5 and 6 of the 17th Report of the Public Accounts Committee and reiterate that their recommendations contained therein should be scrupulously followed by the Heads of Departments/ Administrative Secretaries.

PART—I (CIVIL)

INDUSTRIES

[4] 3.7. *Development of Small Scale Industries*

3.7.1. *Introductory*

Small scale industries (a) have rural, urban and semiurban location, (b) are run by small entrepreneurs, self supporting workers and co-operatives, (c) use power and small machines and (d) have investment in plant and machinery upto Rs. 35.00 lakhs (Rs. 45.00 lakhs in ancillary units). Due to low investments, quick returns, less entrepreneurial risk and high potential for employment generation, promotion of small scale industries (SSI) has been an integral part of the national development strategy ever since the launching of the First Five Year Plan in April 1951. The small scale industries numbering 4500 in the State in November 1966 increased to 58,000 by the end of March, 1985.

During the Sixth Five Year Plan, 92 schemes were sanctioned by the Haryana Government for development of small scale industries. The objectives to be achieved as envisaged in the Sixth Five Year Plan were (i) Improvement in the levels of production and earnings through measures like upgradation of skills and technologies, (ii) creation of additional employment opportunities on a dispersed and decentralised basis (iii) establishment of wider entrepreneurial base through appropriate training and package of incentive, (iv) creation of viable structure of small scale industries sector so as to progressively reduce the role of subsidies.

* * * * *

3.7.6.3. Seed money/interest subsidy/stamp and registration charges/cash subsidy amounting to Rs. 4.95 lakhs was recoverable from 13 defunct rural industries units (Ambala : 2; Narnaul : 7; and Hissar : 4). Similarly recovery of Rs. 10.73 lakhs for the period 1978-79 to 1984-85 was overdue from 293 closed units of Ambala district.

In their written reply, the department stated as under :—

The General Manager, District Industries Centre, Ambala vide memo No. dated 16-11-89 has intimated that the recovery from four closed units of Ambala district to the tune of Rs. 9,350 Principal and Rs. 11,372 interest has been made. Notice for lumpsum recovery has been issued to the remaining closed units and field staff has been directed to recover the loan from the closed units. The G.M., D.I.C., Narnaul vide his memo No. dated 28-09-1989 has intimated that the seven defunct units have availed incentive of seed money. Notices to all the seven defunct units have already been issued. But no recovery has been effected so far. However, efforts are being made to recover the arrears. The G.M., D.I.C., Hissar has requested the Accountant General, Haryana to intimate him the names of 4 defunct rural units of District Hissar.

They have supplied the required list of units. The cases are being examined and action for recovery is being taken and complete position will be intimated in due course.

Both in their written reply and during oral evidence on 22.10.90 the departmental representatives assured the committee that efforts for effecting recovery of seed money/interest subsidy/stamp and registration charges/cash sales from 13 different small industries units (Ambala 2; Narnaul 7, and Hissar 4) were afoot and the detailed latest position would be supplied to the committee within one month. The committee, however, regret to observe that the promised information was not supplied till the drafting of this report.

The Committee, therefore, desire that the matter should be pursued vigorously and the latest position of recovery from these units be intimated to them expeditiously.

[5] 3.7.7.5. In 12 cases (Ambala : 2 Narnaul : 1 and Hissar : 9), assistance for the purchase of generating sets (Rs. 17.10 lakhs) was even more than the actual cost of the sets (Rs. 14.40 lakhs) which resulted in excess release and irregular financial assistance of Rs. 2.70 lakhs; further developments about recovery are awaited (March 1987)

In their written reply, the department stated as under :—

The list of 12 cases have not been appended to para. It is difficult to verify the factual position. The loan for the purchase of generating set is given by Haryana Financial Corporation or Banks. This Department provides subsidy on the basis of subsidy rates approved by the State Government from time to time. The actual subsidy availed by the unit can not exceed the total cost of generating set installed. The para may be dropped.

The committee do not feel satisfied with this plea of the department that the position of these cases could be explained only after receipt of details from AG's office particularly where the draft review 'Development of Small Scale Industries' was carried by the AG's office to department in August 1986 for acceptance of the facts within prescribed time of six weeks. Now at this belated stage when the para came up for discussion before the committee the department is insisting on for details. As a matter of fact the department should have initiated action for obtaining requisite details from AG's office immediately after receipt of the reference from AG in August 1986. The committee think that the department has been rather able to explain its failure more than its difficulty.

The Committee, therefore, desire that in future the department should ensure that replies to draft paras/reviews are invariably furnished to A.G. within the prescribed time so that such a situation does not come up when matters come up before the PAC.

The Committee further desire that the department may investigate the circumstances under which irregular and excess assistance of Rs. 2.70

lakhs for the purchase of generating sets was released in 12 cases (Ambala : 2, Narnaul : 1 and Hisar : 9) and fix responsibility in the matter. A compliance report to this effect be furnished to the committee within six months.

[6] 3.7.9. *Other points*

(i) *Outstanding recovery of loan*

Out of the loans granted to SSI units under the Industries State Aid Act, 1935, Rs. 113 54 lakhs (Principal : Rs. 70.56 lakhs and interest : Rs. 42.98 lakhs) were outstanding for recovery for the period from 1950-51 to 1984-85.

In their written reply, the department stated as under —

At present the loan recovery outstanding is Rs. 91.03 lacs as on 31-3-89 which includes principal Rs. 46.53 lacs and interest Rs. 44.50 lacs.

All out efforts were made to recover the outstanding dues from the laonees. Recovery of loan is effected through the concerned General Manager, of the Distt. Industries centres.

- (i) Recovery Tehsildar has been appointed to recover the loan amount.
- (ii) In Court case stay/order are being vacated.
- (iii) Annual targets have been fixed for the each Distt.
- (iv) Position of recovery is reviewed in quarterly field officers meeting.
- (v) Monthly progress of recovery are obtained from General Manager, Distt. Industries Centres

Main Reasons for Shortfall in Recovery are given below :—

- (i) In certain cases loanees stop their Indl activities and closed the units
- (ii) Non-payment of due instalment in time.
- (iii) Certain parties filed writ petition for stay of recovery of loan and interest.
- (iv) In certain cases due to death of loanee or non-availability of any surety for effecting recovery.
- (v) Natural calamities such as drought, fire etc.

During oral evidence and in their written reply the departmental representative informed the committee that loans granted to 551 units under the Industrial State Aid Act, 1935 were outstanding (Principal : Rs. 46.53 lakhs; Interest : Rs. 44.50 lakhs) for recovery as on 31st

March 1989 and that all out efforts were being made to recover the outstanding dues from the loanees. When called upon to explain the main reasons for shortfall in recovery the department attributed the reasons to closing down of the units, non-payment of instalments in time, stay of recovery by the court of law, death of loanees and non-availability of any surety and natural calamities such as drought, fire etc. When, however, asked to indicate reasonwise breakup of the outstanding dues the department expressed their inability and promised to furnish the information in due course.

The Committee desire that vigorous efforts should be made to accelerate the pace of recovery and result of efforts so made be intimated to the Committee within six months.

The Committee further desire that reasonwise break up of the outstanding dues (Principal and interest) may also be made available to the committee within a month to enable it to have a fair appraisal of the outstanding dues.

[7] 3.7.7.9. (ii) *Shortage of power connections*

To sort out *inter alia* the problems of power connections to industrial units, the Industries Department has, for each district, a District Advisory Committee headed by the Deputy Commissioner and, at the state level, a High Power State Level Co-ordination Committee. In both these Committees, the Haryana State Electricity Board is represented. It was noticed that 6548 applications for industrial power connections were pending (March 1985) of which 1628 were more than one year old.

In their written reply, the department stated as under :—

Pending Electric Connections are reviewed in the meeting of Distt. Advisory Committee headed by Deputy Commissioner and in the monthly meeting of Single Window headed by Additional Director of Industries and at the State Level by a High Powered State Level Coordination Committee. In these Committee's HSEB is a representative.

These pending cases are also reviewed in quarterly meetings of Consultative Committee held under the Chairmanship of Chairman HSEB. Director of Industries is the member of the Committee. Pending Electric connection position as on 31-12-89 is as under :—

	No. of pending connection
Large	210
Medium	428
Small Scale	5771
Total	6409

HSEB has fixed time schedule for release of electric connection but due to non-availability of material and constraints on the availability of funds, the electric connections could not be released to 6409 industrial units upto 31-12-89.

The Committee observe that in spite of the fact that pending electric connections are reviewed in the meeting of Distt. Advisory Committee headed by Deputy Commissioner and at the state level by a Co-ordination Committee and the HSEB had fixed time schedule for release of electric connections, there were still quite a large number of applications (6409 as on 31-12-89) for industrial power connections and out of which nearly 2000 had been lying pending for more than one year. The Committee believe that adequate attention does not seem to have been paid to the problem of power connections to industrial units, and things were taken in a casual manner.

The Committee, therefore, desire that the matter for expeditious power connections to the industrial units should be sorted out with the HSEB so that development of small scale industries is not jeopardised for want of power connections.

The Committee further desire that the latest position of pending applications for power connections be intimated to them within three months.

[8] 3.8. *Alleged Misappropriation*

A number of offices of the Government of Haryana are located in a building at Chandigarh and, according to a long standing practice, water and electricity bills of all these offices are initially paid by the Directorate of Industries, (located in the same building) and reimbursement of their share of the charges is obtained by it from the other offices. In August-September 1984, reimbursement aggregating Rs. 0.66 lakh on this account was received, of which Rs. 0.62 lakh were shown in the cash book of directorate as remitted into treasury on 27th February 1985 and the balance Rs. 0.04 lakh in May 1985.

In another case, a sum of Rs. 0.13 lakh was drawn by the directorate in October 1983 to defray some tour expenses. The tour was, however, cancelled and Rs. 0.13 lakh were shown in the cash book as remitted into the treasury on 28th February 1985.

In test check (30th June—25th July 1986) of the accounts of the directorate it was noticed that in support of the remittances of Rs. 0.62 lakh and Rs. 0.13 lakh (27th/28th February 1985) neither the number and date of treasury challans were indicated in the cash book nor were the challans available in the records of the directorate. An examination of treasury records by Audit revealed that there was no evidence of the treasury having received these remittances. The matter was brought to the notice of the Director of Industries who in his reply stated that the matter was under investigation through the treasury and the bank concerned. According to the information supplied by the Haryana Treasury, Chandigarh and the State Bank of India, Chandigarh (August 1986), the credits were not traceable.

The alleged misappropriation was facilitated by non-observance of codal provisions as follows :—

- (i) Receipts of the day, including refunds are required to be remitted into the treasury the same day or, at the most, the following morning. In the present case, cash of Rs. 0.66 lakh was kept in the cash chest for five months and Rs. 0.13 lakh for fifteen months.
- (ii) Remittances of these amounts were attested by drawing and disbursing officer in the cash book without verifying the actual challans.
- (iii) Consolidated treasury receipt for the month was not obtained from the treasury to reconcile with the remittances shown in the cash book.

The matter was reported to Government in August 1986; reply is awaited (March 1987)

In their written reply, the department stated as under :—

The matter was investigated and it was found that the said amount was not actually deposited into bank as per report of Bank and treasury. Shri Ishwar Chander Gupta and Shri R.S.D. Madan, the then Drawing Disbursing Officer and Cashier respectively were found responsible for misappropriation of this amount and hence the matter was referred to police and FIR No. 357 dt. 14-8-86 was lodged in the Central Police Station, Sector 17, Chandigarh. The embezzlement was detected during Audit by A.G. during 30th June to 25 July, 1986. Shri I.C. Gupta, Supdt. working as DDO had retired on 30-11-1985. Shri R.S.D. Madan the then cashier was placed under suspension on 13-8-1986 vide No. Admn/5/75/29280-A. The police investigated the case and put up the Challan before Judicial Courts at Chandigarh for prosecuting the defaulters. Final decision of court is awaited. As per latest information received from Senior Supdt. of Police Chandigarh the case has been put in the Court on 20-1-88 and is under trial.

Daily departmental receipts are invariably deposited in to the Treasury within the prescribed time limit and same are verified by DDO of the Deptt. on the same day. Further consolidated treasury receipts for the month are now regularly being obtained from the treasury/bank. On receipt of report from Treasury/Bank that the said amount has not been credited into Govt. account, the matter was immediately referred to Police for thorough investigation vide letter dt. 14-8-86. Presently the case is pending in the court.

Both in their written reply and during oral evidence, the departmental representatives intimated that the case for alleged misappropriation was pending in the court.

The Committee desire that the matter may continue to be pursued vigorously to its logical conclusion and the final outcome intimated to the Committee in due course of time.

IRRIGATION

[9] 4.1. *Un-authorised purchases*

Five orders for the supply of stores and tools and plant valuing Rs. 16.32 lakhs were placed by the Superintending Engineer, Drainage Circle, Hisar, without inviting tenders during March-July 1982 on the Haryana State Industrial Co-operative Federation (HSICF) Chandigarh which was not a Government approved supplier for these items, as per details given below :—

Serial number	Date of supply order	Particulars of item	Quantity	Value (in lakhs of rupees)
1.	March 1982	Mortar/Soaking tanks	80 Nos	4.15
		Cribs	100 Nos	
2.	April 1982	Mortar/Soaking tanks	60 Nos	3.53
		Cribs	250 Nos	
3.	April 1982	Cribs	50 Nos	0.34
4.	July 1982	Centrifugal cast iron pressure pipes of	875 metre 250 mm dia	5.20
5.	July 1982	Centrifugal cast iron pressure pipes of	405 metre 300 mm dia	3.10
Total				16.32

Of these, the three orders for Rs. 4.15 lakhs, Rs. 5.20 lakhs and Rs. 3.10 lakhs were placed by the Superintending Engineer on his own initiative without receipt of any demand or indent from any division and also without any estimate or approval of the Chief Engineer.

Against the three supply orders of March-April 1982 for Rs. 8.02 lakhs, articles valuing Rs. 6.89 lakhs were received in the Drainage Division, Sirsa, during May-September, 1982 which had indented articles valuing Rs. 3.87, lakhs. However, the material was not used at all and in April 1983 the entire material was declared surplus by the Executive Engineer. Of this, material valuing Rs. 2.41 lakhs was transferred to other divisions (December, 1985) and the balance valuing Rs. 4.48 lakhs was lying unutilised with the Drainage division, Sirsa (July 1986).

The Chief Engineer (Drainage) asked the Superintending Engineer (August 1982) to cancel both the supply orders of July 1982 which had

been placed by the Superintending Engineer without any demand/indent from any division. Accordingly, the Superintending Engineer issued cancellation orders in September 1982 but, in the meantime, the supplier had despatched (July-August 1982) 388 metre pipe (Rs. 2.30 lakhs) to the Drainage division, Sirsa. Initially, the division refused to accept the material on the ground that it had been despatched by the supplier without prior inspection but later (January 1983) the condition of inspection was waived by the Superintending Engineer and the material was taken on stock of the division in January 1983. The material was not used and was declared surplus by the division in March 1985; the entire quantity is still lying unutilised (July 1986). Moreover, centrifugal cast iron pipe was a DGS&D rate contract item at Rs. 5.85 per kg. against the rate of Rs. 9 per kg., of the HSICF. Thus 388 metres of the pipe (24,618 kg.) were procured from the HSICF at an extra cost of Rs. 0.78 lakh.

For all these irregularities and wastages, the Superintending Engineer (Drainage Circle, Hisar) and the Executive Engineer (Drainage division, Sirsa) were held responsible. The Superintending Engineer was compulsorily retired from service in January 1985 and disciplinary proceedings against the Executive Engineer were contemplated (July 1986). The Chief Engineer stated (June 1986) that the department proposed to recover 3.02 lakhs from the pension/gratuity of the Superintending Engineer on account of extra expenditure (Rs. 0.78 lakh) and half the cost of articles (Rs. 2.24 lakhs).

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

1. It has been decided to censure Sh. S.P. Gulati, XEN. and also to recover from him 50 per cent of the loss cause. The remaining loss is to be recovered from S/Sh. Y.P. Makkar and I.P. Roy, SDOs.
2. Fifty per cent cost of C.I. Pipes amounting to Rs. 2.24 lakhs is not required to be recovered from Sh. H.C. Kaushik, S.E. (Retd.) as material has been disposed off. However, Rs. 0.78 lakh, the loss on account of higher price paid by Sh. H.C. Kaushik is to be recovered from his retiral benefit for which he has been charge-sheeted under 2.2(b) rule of C.S.R.

The committee are surprised to note that the department had made an unauthorised purchase of material worth Rs. 16.32 lakhs out of which material valuing Rs. 12.45 lakhs was without any demand or indent. The committee also note with concern that though the matter was reported by audit in August 1986, the department did not make any efforts to effect recovery from the delinquent officer/officials so far this indicated a sense of apathy on the part of controlling authorities and explains away casual approach of the department. During oral evidence, the departmental representative also admitted the lapse and informed the committee that an executive engineer and an SDO were held responsible, and orders for effecting recovery from them had been passed. He further stated that Rs. 0.7 lakh on account of higher price paid by Sh. K.C. Kaushik, SE (Retd.) was to be recovered from his retirement benefits.

The committee desire that the latest position of recovery from the aforementioned two officers and the position of recovery from the SE be intimated to the committee within 3 months.

The committee further desire that the department should take such measures as would ensure that such types of irregularities do not take place in future.

[10] 4.2. *Excess measurements*

In Procurement division No. 4, Sirsa a contract for three earth works for remodelling Southern Ghaggai Canal in reaches 35-45, 88-92 and 98-104 (tail) was awarded on work order basis to a contractor in March 1979 in anticipation of technical sanction of detailed estimates and design. A total quantity of earth work of 83,081 cum was to be executed in these reaches at an estimated cost of Rs. 2.03 lakhs. No time limit was prescribed for completion of these works. Works commenced in March 1979. For the purpose of making payments of running bills the progress of works was tape measured by the Junior Engineer in December 1979 (RD 35-45), November 1980 (RD 88-92) and August 1980 (RD 98-104) and a quantity of 78,708 cum was found executed and a payment of Rs. 1.85 lakhs was made to the agency. Further quantities executed were not on record. In November 1982, the channel was transferred to the Sirsa division (Irrigation Branch), Sirsa. No action was taken to measure the executed quantity at the time of transfer. In April 1983 the Executive Engineer during his inspection of the canal found that the remodelling work in most of the reaches was not according to the approved design and therefore, he ordered that the work already executed be measured jointly by two Sub-Divisional Officers by associating SDO of the Procurement division and a representative of the contractor who had executed the work so that the remodelling of the canal be completed according to design. The Sub-Divisional Officers after observing cross sections submitted (April 1983) that the quantity actually executed was only 42,673 cum valuing Rs. 0.98 lakh and not 78,708 cum as paid for (Rs. 1.85 lakhs). Thus the contractor was overpaid Rs. 0.87 lakh which have not been recovered so far (June 1986). The Sub-Divisional Officers further observed that for completing the above three reaches, 40,408 cum of earth work was required to be executed. The work on the basis of fresh cross-sections was executed during March 1984 to July 1984 at a cost of Rs. 1.15 lakhs for 40,415 cum.

The Superintending Engineer while according (February-September 1984) technical sanction of estimates based on revised cross-section held by the Executive Engineer, the Sub-Divisional Officer and the Junior Engineer responsible for faulty measurements but no action was taken against them. The amount of Rs. 0.92 lakh being the value of 32,431 cum after making 10 per cent allowance for wastage on 36,035 cum of earth work was placed under the Head Misc-P.W. Advances against the above officers in the ratio of 10 : 30 : 60. The Engineer-in-Chief while admitting the facts intimated (September 1986) that the amount was being recovered from the concerned defaulting official/officials; further developments about recoveries are awaited. (October 1986).

In test check (July 1984) it was noticed that check measurement register in respect of 78,708 cum earth work shown executed was not maintained by the division and in its absence, it was not possible to ascertain whether these quantities were check-measured by the Sub-Divisional Officer/Executive Engineer or not.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

The concerned officers/officials have been indentified and the case for initiating disciplinary action against them is under process.

For this lapse Sh. P.C. Gupta the then Executive Engineer was responsible but no action can be taken against him at this stage as the officer has since retired and pensioned off during 5/81 i.e. prior to the receipt of the Audit Report.

During the course of oral evidence the departmental representative admitted the lapse highlighted in the audit para and informed the committee that the concerned officers/officials had been indentified and the case for initiating disciplinary action against them was under process. He further stated that one of the officers Sh. P.C. Gupta, EE had retired in May 1981 and no action could be taken against him.

The committee desire that action against the delinquent officer/officials should be finalised expeditiously and a compliance report furnished to the committee within 3 months.

The committee further desire that strict instructions be issued to ensure that complete record including check-measurements register are invariably maintained in the divisions to avoid reoccurrence of such irregularities.

[11] 4.3. *Injudicious purchase of machinery*

The Canal Lining (Mechanical) division No. 14, Rohtak is responsible for the procurement of machinery required by the lining units of the Irrigation Department. On the basis of earth work involved (on small channels) under the scheme, Modernisation of existing channels in Haryana requirement of 120 earth rammers was worked out by this division. The requirement was reduced to 60 rammers by the Engineer-in-Chief and accordingly administrative approval for their purchase, at a cost of Rs. 15.00 lakhs was accorded by the Government in March 1981. The Controller of Stores, Haryana, after inviting tenders, placed a supply order on a Calcutta based supplier in August 1981. Earth rammers were supplied during April 1982 to April 1983 for which Rs. 17.80 lakhs were paid to the firm.

The earth rammers were distributed (May 1982—October 1983)

amongst six divisions/circles as under :—

Serial number	Name of the Division	Number of rammers
1.	Procurement division No. IV Sirsa (Canal Lining Circle No. I, Sirsa)	7
2.	Canal Lining (Mechanical) division No. 5, Hisar (Canal Lining Circle No. II, Hisar)	10
3.	Canal Lining (Mechanical) division No. 10, Kaithal (Canal Lining Circle No. III, Kaithal)	11
4.	Canal Lining (Mechanical) division No. 20, Karnal (Canal Lining Circle No. V, Karnal)	5
5.	Canal Lining (Mechanical) division No. 24, Rohtak (Canal Lining Circle No. VI, Rohtak)	12
6.	Canal Lining (Mechanical) division No. 14, Rohtak (Canal Lining Circle No. IV, Rohtak)	15

A test check (November-December 1985) of records relating to working of machinery in all the six divisions revealed as under :—

- (i) Twenty-seven rammers (cost : Rs. 8.01 lakhs) in Canal Lining division No. 24, Rohtak (twelve), Canal Lining division No. 20, Karnal (five) and Canal Lining division No. 5, Hisar (ten) were never put to use as the field conditions on these channels were reported to be such where rammers cannot be put to work.
- (ii) Seven rammers (cost : Rs. 2.08 lakhs) in Procurement division No. IV, Sirsa also remained idle as the division was not allotted any lining work.
- (iii) Eleven rammers (cost : Rs. 3.26 lakhs) in Canal Lining division No. 10, Kaithal worked altogether for only 81 hours in 1983-84 and 59 hours in 1985-86 against the required 1,050 hours, per rammer per year. The Executive Engineer stated (June 1986) that nominal work could only be taken from the rammers because (a) site conditions were unsuitable and (b) it was trouble-some to run the rammers in layers (c) atleast 3 workers were required to handle one rammer.
- (iv) Fifteen rammers (cost : 4.45 lakhs) in Canal Lining division No. 14, Rohtak worked altogether for 130 hours to 555 hours per year (1983-84 to 1985-86) against the required 1,050 hours per rammer per year. According to the Executive Engineer (June 1986) non/under-utilisation was due to the non-availability of adequate work.

Of these 60 rammers, 12 were declared surplus by the Canal Lining division No. 24, Rohtak in February 1985. The other five divisions having 48 rammers have so far (July 1986) neither declared them surplus nor taken any action for their disposal or transfer.

Due to the non-suitability of earth rammers procured for compaction of earth on small channels, the compaction was got done manually by all the Lining divisions.

Purchase of 60 earth rammers at a cost of Rs. 17.80 lakhs was thus injudicious.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In reply to the questionnaire of the committee, the department stated as under :

- (i) The rammers were tried in the field and it was observed that these could not cope with the quantum of earth work within the limited closure time available.
- (ii) Procurement Division No. IV was attached with Lining Division at the time of purchase of rammers. Subsequently, this Division was detached from Lining Admn. to Canal Admn. The rammers were, however, not transferred to Lining Admn.
- (iii)&(iv) As in Para (i) above.

2&3. As stated above, the rammers could not cope with the quantum of earth work within the limited closure time available and that is why they remained unutilised/underutilised. The purchase was made on the basis of test results which were considered satisfactory. And therefore, it would not be correct to find fault with the purchase *per se*. However, the number purchased should have been much less.

4. It would not be able to utilise fully all the 60 rammers and some of them would need to be disposed of. A firm assessment of the number to be retained is expected to be finalised shortly.

During the course of oral evidence the departmental representative stated that 60 earth rammers were purchased on experimental basis but these were not found sinkable for small channels and there fore could not be put to use. He further stated that a firm assessment of the number to be retained was expected to be finalised shortly and, therefore, the surplus rammer would be disposed off. The committee painfully observe that the department procured such a large number of earth rammers costing Rs. 17.80 lakhs on experimental basis without ascertaining the suitability for small channels and reasonableness of the departmental requirement.

The committee desire that the department should avoid resorting to such injudicious purchases in future.

The committee further desire that the progress made in the disposal of unauthorised earth rammers be intimated within 3 months.

[12] 4.4. *Misappropriation*

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Sub-Divisional Officer, Sutlej Yamuna Link, Sub-division No. II, Ambala, while scrutinising the monthly accounts of the sub-division for June 1985 noticed (July 1985) that departmental receipt of Rs. 1,200 had been shown by the sub-divisional clerk as remitted into the treasury but challan thereof was not available with the monthly accounts. The SDO verified the position from the treasury/bank and found that the said amount was fictitiously shown by the sub-divisional clerk in the monthly accounts as having been remitted into the treasury. This was brought (July 1985) by the SDO to the notice of Executive/Superintending Engineer and, on their orders, the matter was investigated by the Executive Engineer/SDO. It was found that on thirty two different occasions between February 1982 and June 1985 funds aggregating Rs. 0.80 lakh had been misappropriated by the sub-divisional clerk by short/non-remittance of departmental receipts into the treasury (Rs. 0.78 lakh) and by not paying the dues (Rs. 0.02 lakh) to a payee though the amount was charged in the cash book. The sub-divisional clerk was suspended from service in July 1985.

Misappropriation was, as noticed in test check (October 1985), facilitated mainly by non-observance of the following codal provisions:—

- (i) Rules stipulate that challans in respect of all the remittances made by a sub-division into the treasury must be submitted by the sub-division to the divisional office along with the monthly accounts. In the present case, no such challans were furnished by the sub-division from March 1982 to June 1985 (except challan No. 65, dated 16th August 1983) and for this lapse only routine letters were issued (December 1982, April and September 1984) by the divisional office to the sub-division asking for challans. Neither was reply furnished by the sub-division to these letters nor was the matter investigated by the divisional office.
- (ii) Rules also stipulate that on receipt of challans from the sub-division along with the monthly accounts, the divisional office will, at the end of the month, prepare a consolidated receipt for all the remittances made during the month and furnish it to the Treasury Officer for verification that all the remittances shown therein agree with the books of the treasury. Differences, if any, between the divisional and the treasury records are required to be reconciled by the Divisional Officer. No such reconciliation was conducted by the Divisional Officer from March 1982 to July 1985 although difference in the remittances as made during this period and as certified by the treasury were very heavy ranging between Rs. 23.80 lakhs (March 1982) and Rs. 17.17 lakhs (July 1985).
- (iii) Under rules it is the responsibility of the Drawing Officer to ensure that payments are made to persons entitled to receive it. This requirement was not observed by the divisional office which resulted in misappropriation of Rs. 0.02 lakh.

- (iv) Although all remittances into treasury were made in cash, yet from February 1982 to May 1985 the Sub-Divisional Engineers had been attesting the entries in the cash book relating to the transactions of payment into the treasury without satisfying themselves about the genuineness of the challans.

The Executive Engineer stated (February 1986) that FIR has been lodged with the Police; further developments are awaited.

The matter was reported to Government in May 1986; reply is awaited (March 1987).

In their written reply, the department stated as under:—

The Divisional Accountant and his staff have been considered responsible for non-observance of the codal provisions. Accountant General, Haryana has been requested to take action against the Divisional Accountant. The remaining staff has been served with Show Cause Notices by the competent authority. Final decision is held up on account of non-availability of records which is in the possession of State Vigilance Bureau and matter pending in the court.

The case is still under trial in the Court of Senior Sub Judge, Ambala against Shri Sohan Lal, Sub Divisional Clerk.

Instructions have been issued to all the Drawing & Disbursing Officers in the field for avoiding recurrence of such misappropriation in future.

The committee observe that the Sub Divisional Clerk continued to embezzle of the amount between February 1982 and June 1985 but the Drawing and Disbursing Officer/controlling officer failed to detect it for such a long period. The committee are constrained to hold that it was a case of gross negligence and lack of supervision on the part of supervisory staff.

The committee, therefore, strongly recommend that a suitable disciplinary action may be initiated against the officers who failed to detect the embezzlement and report furnished to the committee within 6 months.

The committee further desire that the case against the SDC stated to be under trial in the court may also be pursued vigorously to its logical conclusion and final outcome intimated to the committee in due course.

[13] 4.5. *Wasteful expenditure on purchase of tractors*

Administrative approval for the purchase of five Bolgar chain type tractors at an estimated cost of Rs 1.77 lakhs was accorded by the Chief Engineer (Project) Haryana in September 1979. These were required for compaction of earthwork of small distributories/minors. Without calling for tenders, and in anticipation of administrative approval, a supply order was placed in August 1979 by the Executive Engineer, Canal Lining Mechanical Division No. III, Sirsa, direct on a Hyderabad based

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Supplier with whom there was no rate contract either. All the five tractors valuing Rs. 35,500 each were delivered by the supplier to the division in September 1979 at a cost of Rs. 1.99 lakhs including sales tax, freight and cartage. Spare parts valuing Rs. 0.18 lakh were also procured simultaneously. The supply order did not have any warranty/guarantee clause.

Each tractor had a life span of 12,000 hours and was required to work for 1,050 hours per year. Their performance was, however, very poor. One tractor worked for only 21.50 hours during 1979-80 and went out of order. The other four tractors worked, in all, for periods ranging between 282 and 775 hours from 1979-80 to 1981-82 and went out of order. For their major/special repairs, spare parts valuing Rs. 3.55 lakhs were purchased by the division during 1979-80 to 1981-82 of which spares valuing Rs. 0.55 lakh only were used for minor repairs. The Executive Engineer stated (June 1986) that major repairs were not considered economical and the remaining spares (Rs. 3.00 lakhs) were lying unused.

Even after minor repairs the tractors did not work. No enquiry or investigation in the matter was conducted by the department. In June 1985, four tractors were recommended for condemnation by the division to the Executive Engineer, Central Workshop division, Karnal/Superintending Engineer, Remodelling Circle, Karnal. The Superintending Engineer referred the case of condemnation to the Chief Engineer in February 1986; further developments are awaited. About the fifth tractor, the Executive Engineer stated (June 1986) that its history sheet was not available and that it would be recommended for condemnation as soon as the history sheet became available.

Expenditure of Rs. 5.72 lakhs on purchase of tractors and spares thus proved wasteful.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under —

1. It is conceded that the expenditure incurred on the purchase of these tractors and spares proved wasteful. Engineer-in-Chief has been asked to fix responsibility for the lapses connected with this purchase and report the position to the Government within three months.

2. As stated against (1) above.

3&4. The matter is under process and Engineer-in-Chief has assured that it would be finalised within six months.

Both in written reply and during oral evidence, the departmental representative admitted that expenditure of Rs. 5.72 lakhs on purchase of tractors and spares proved wasteful for which disciplinary action against the officers/officials responsible for the lapse was under way and was expected to be finalised within 6 months. He also informed the committee that action for the disposal of the tractors lying unused was also being taken.

The Committee desire that the matter for fixing the responsibility should be finalised within promised time of 6 months and its final out-come intimated to the committee.

The committee further desire that the final position about the disposal of tractors may also be appraised to the committee in due course.

[14] 4.8. *Recovery due from contractors*

For the manufacture and supply of bricks and tiles, three agreements were entered into by three irrigation divisions with brick-kiln contractors as under. In terms of the agreement, coal for burning of bricks and tiles was to be issued by the divisions at the norm indicated against each:—

Name of division	Date of agreement	Quantity to be manufactured and supplied		Due date for completion of work	Norms for consumption of coal	
		Bricks	Tiles		Bricks	Tiles
(Number in lakhs)						
Canal Lining division No. 23 Rohtak	October 1981	5.00	30.00	June 1983	25 tonnes per lakh bricks	30 tonnes per lakh tiles
Jawahar Lal Nehru Feeder division No. III, Rohtak	November 1979	5.00	28.00	June 1980	25 tonnes per lakh bricks	—
Canal Lining division No. 18, Sonipat	April 1982	20.00	3.50	July 1982	35 tonnes per lakh bricks	42 tonnes per lakh tiles

Under Rules, the divisions were required to issue coal to contractors gradually commensurate with the outturn of bricks/tiles and the cost of the coal so issued was to be recovered from each running bill. Contrary to these provisions, the divisions issued coal much in advance of the production of respective lots of bricks and tiles. The contractors left the works incomplete (August 1980 to March 1983) without returning coal issued in excess of norms. The recovery for the excess coal not returned and compensation (for leaving the work incomplete) and miscellaneous charges not recovered from the running bills work out to Rs. 6.46 lakhs.

The entire amount of Rs. 6.46 lakhs has been awaiting recovery for three to six years (July 1986) and no effective steps appear to have been taken by the department to recover the same from the concerned contractors.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

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

1. The present position of recovery in respect of all the 3 Divisions is given as under :—

(a) C/L Divn. No. 23, Rohtak

The department went into arbitration for this recovery of the amount due but the arbitrator dismissed the claim of the department being time-barred. On the advice of L.R., the department has filed an appeal in the Court of Law against the award, which is pending.

(b) JLN Feeder Divn. 3 Rohtak

Sh. S. K. Uppal, SE was appointed Arbitrator in this case by the Court but he should not give award within the stipulated period. The Court has been moved for granting extension of the period.

(c) C/Lining Divn. 18, Sonapat

Against the total recovery of Rs. 1.87 lakhs from the contractor, the Arbitrator has awarded Rs. 53,729/- in favour of the Department. The Department went to the Court for making the award Rule of the Court. The Arbitrator has not accepted the plea for levy of penal rates on account of excess consumption of coal. For excess consumption, action is being initiated against the defaulting officers.

- 2 & 3. There has been a lapse in this regard and Engineer-in-Chief has been asked to fix responsibility for this, within 3 months.

4. The responsibility of the officers/officials will be fixed in accordance with the decision of the Hon'ble Court in each case.

The Committee observe that these cases are seven to ten years old and the department even did not fix any responsibility of the issue of excess coal and non-recovery of cost of coal so issued from running bills. During the course of oral examination the departmental representative, however, stated that the Engineer-in-Chief had been asked in October, 1990 to fix responsibility for the lapse and he also assured the Committee that the responsibility would be fixed by December 1990.

The Committee desire that the matter regarding fixing responsibility be finalised expeditiously, and a compliance report furnished to them within six months.

The Committee further desire that the case stated to be pending in the court of law, may be pursued to its logical conclusion and final outcome intimated to the Committee in due course of time.

[15] 4.9. *Remodelling of Chandani Drain*

In the Drainage division, Gurgaon, five works for earth excavation, leads and lifts including dressing (2.43 lakh cums) in reaches RD 0-22

of Chandeni drain (estimated cost : Rs. 6.83 lakhs) were awarded, on work order basis, to a co-operative labour and construction society during October 1978—June 1979 at its tendered rates. Up to March 1981, the society executed 2.04 lakh cums earthwork which was check-measured neither by the Executive Engineer nor by the Sub-Divisional Officer. The works were later (April 1981) transferred to the Executive Engineer, Ujjina Remodelling division, Gurgaon according to whom (August, 1986) the reasons for not conducting check measurements by the Executive Engineer and the SDO were not known.

As per entries in the measurement book, earth work done (2.04 lakh cums) did not include dressing. The society stopped the work after March 1981 without assigning any reason. For 2.04 lakh cums earthwork done, the society was entitled to a payment of Rs. 5.78 lakhs of which, due to dressing not done Rs. 0.54 lakhs were withheld and, Rs. 5.24 lakhs were released up to March 1981. Under Rules, final payment should not be made without check measurements. The action of the Executive Engineer, Drainage division, Gurgaon in passing the final bill in March 1981 was thus irregular and incorrect.

Security of Rs. 0.23 lakh was recovered from the running bills of the society of which Rs. 0.12 lakh were released in July 1981 and the balance sum of Rs. 0.11 lakh was withheld for leaving the work incomplete. While releasing the security of Rs. 0.12 lakhs, the SDO recorded a certificate on the refund bill that work had been completed by the society as per the design and specifications. This certificate given by the SDO was contrary to facts as dressing had actually not been done by the society. The Executive Engineer, Ujjina Remodelling division, Gurgaon stated (August 1986) that the SDO had not submitted the measurement books along with the refund bill and, as such, the certificate was accepted by the Executive Engineer and refund of Rs. 0.12 lakhs was allowed.

For the release of withheld amount of Rs. 0.54 lakhs (for dressing) and Rs. 0.11 lakhs (security), the society sought arbitration on the ground that the work including dressing had been completed and, in support of this contention, the society cited the certificate earlier recorded by the SDO that the work had been done as per design and specifications. The Superintending Engineer, Remodelling Circle No. II, Gurgaon, was appointed as arbitrator by the Chief Engineer in December 1983. The arbitrator in May 1984, gave his award in favour of the society for Rs. 0.62 lakhs for dressing (Rs. 0.51 lakhs) and release of security (Rs. 0.11 lakhs); payment was made to the society in August 1984.

Thus the incorrect certificate recorded by the SDO at the time of release of part security in July 1981 about completion of work as per design and specifications resulted in avoidable expenditure of Rs. 0.62 lakhs for which no responsibility has so far (October 1986) been fixed.

The matter was reported to Government in August 1986; reply is awaited. (March 1987).

In their written reply, the department stated as under:—

Sh. V.K. Tangri, SDO has been held responsible for recording incorrect certificate at the time of releasing part security due to which over-payment of Rs. 38,321 was made on account of dressing

and not Rs. 0.62 lakhs. Disciplinary action against him is under process.

Sh. R. K. Garg, Executive Engineer is responsible for making payment without check-measurement. Disciplinary action against him is under process.

The Committee observe that though the matter dates back to the to the year 1981, the department was able to fix responsibility for the lapse on 2 SDOs and one XEN only in February 1990. When asked to explain the reasons for this inordinate delay in finalising these cases, the departmental representative could not give any satisfactory explanation. ▲

The Committee desire that strict action should be taken against the faulty officers/officials and the amount of overpayment (Rs. 0.38 lakhs. recovered. expeditiously under intimation to the committee within 6 months.

[16]. 4.10. *Wasteful expenditure*

Chibberwal minor RD 0-31400 was an old earthen minor of Bhakra Canal System. It was completed in 1954-55. The full supply level (FSL) of the channel was 688.39 ft. at head and 680.49 ft. at the tail.

Under the scheme of 'Modernisation of existing channels in Haryana' the L-Section for lining of Chibberwal minor was approved by the Superintending Engineer, Hisar Bhakra Canal Circle-II, Sirsa in March 1978 with a trapezoidal Section with FSL of 688.80 ft. (head) and 681.40 ft. (tail) which was only slightly more than the existing FSL. Although the channel was earthen and very old and jhallars (lifts) were existing at many outlets yet, before approving the L-Section in March 1978, no survey was conducted to find out how much bed level was needed to be raised or FSL to be raised to eliminate jhallars. Without taking into account these facts, single layer tile lining was carried out by Canal Lining division No. IV, Fatehabad, from May 1979 to November 1981 and lining work in part reaches RD 0-2500, 6500-13600 and 23000-26540 was completed at a cost of Rs. 3.30 lakhs. While lining work in the channel was under execution, the cultivators approached the Government in 1980 with their problem of lifting water (due to low FSL) in the outlets at RD 20000, 23000, 27000 and 31400 and demanded raising of the FSL to eliminate the problem of lifting water.

As a sequel to the cultivators' complaints the L-Section of the entire channel was revised by the Superintending Engineer, Canal Lining Circle-I, Sirsa in March 1981 raising the FSL by 1.48 ft. with a 'U-shape' Section. All the reaches of the channel where lining had not already been done were accordingly lined with 'U-shape' section but in the reaches already lined with trapezoidal sections the department decided (March 1981) to construct vertical walls on the top of lining (above coping) on the assumption that the bed of trapezoidal section will be silted and automatically attain 'U-shape' and the vertical walls will prevent water from overflowing the banks. Instead of constructing vertical walls after silting had actually taken place, the department constructed vertical walls before silting in the already lined reaches from April 1981 to May 1982 at a cost of Rs. 3.38 lakhs. Silting, however, did not take place, the desired FSL could not be achieved. Jhallars continued to exist and

the problem of cultivators remained unsolved. Water coming from Bhakra is, almost silt free because silt is deposited in the storage tank at Bhakra itself. The departmental assumption that silting will take place in the channel was thus unrealistic and so was the construction of vertical walls.

The department finally decided (January 1986) to convert the already constructed/lined trapezoidal sections in 'U-shape' section and for this five estimates (Rs. 8.55 lakhs) were approved (January 1986) by the Superintending Engineer. According to these estimates, the trapezoidal sections were to be filled with earth completely, compacted and then cut to achieve U-shape. Work was executed from January 1986 to March 1986 in reaches 6500—9840, 10405—13600 and 23000—26546 at a cost of Rs. 4.12 lakhs. The work in the remaining reaches was yet to commence (October 1986). Single layer tile lining was dumped in earth and vertical walls were abandoned.

Thus expenditure of Rs. 6.68 lakhs (laying of tile lining : Rs. 3.30 lakhs; construction of vertical walls : Rs. 3.38 lakhs) incurred (i) without conducting survey to find out how much bed level was needed to be raised to increase the SLF to eliminate lifts and (ii) on wrong assumption about siltation, proved wasteful/unfruitful.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

The lining of the minor was taken in the first instance with the limited objective of reducing seepage losses. When the work was halfway through the design of the minor had to be revised as the demand of irrigators so as to improve the command and remove the jhallars. The proposal for construction of vertical walls along the section already lined & expectation of siltation were not realistic & the responsibility for the same is being fixed.

Out of 81 Jhallars, 30 have been removed and about 600 acres of jhallari area converted into flow irrigation.

The Committee observe that expenditure of Rs. 6.68 lakhs (laying of tile lining : Rs. 3.30 lakhs; construction of vertical walls : Rs. 3.38 lakhs) incurred without conducting survey to find out how much bed level was needed to be raised to increase the FSL to eliminate lifts and on wrong assumption about siltation proved wasteful. During oral evidence, the departmental representative could not give any satisfactory explanation/justification for this expenditure.

The Committee, therefore, desire that responsibility for the wasteful expenditure may be fixed in the matter within 6 months and a compliance report furnished to the committee.

[17] 5.1.3. *Injudicious purchases resulting in blockade of funds*

Financial Rules lay down that purchase must be made in the most economical manner, in accordance with the definite requirements of public

service. At the same time care should be taken not to purchase stores much in advance of actual requirements. In Western Jamuna Canal (Remodelling) division No. III, Yamunanagar, 4 sets of tubular trusses (Rs. 3.95 lakhs) for the construction of 4 number stores/godowns at (i) Canal Rest House, (ii) Canal Colony, (iii) Buria Village and (iv) Dadupur were purchased from the Haryana State Industrial Co-operative Federation Limited, Chandigarh, during May-June 1982 against supply order placed by the Superintending Engineer, Remodelling Circle, Karnal in April 1982.

Out of 4 sets, only one set has been issued for the construction of store at Canal Rest House. The remaining 3 sets valuing Rs. 3.00 lakhs were lying un-utilised and there was no likelihood of these sets being utilised in view of the instructions of the Chief Engineer (March 1977) that there should be only one central store in a division.

In reply to the questionnaire of the committee the department stated as under :—

This is correct.

It was not in order to have purchased this material for a scheme which was yet to be sanctioned. EIC has been asked to fix responsibility for this lapse and report the position to Govt. by December 1990.

During the course of oral evidence, the departmental representative admitted the lapse pinpointed in the audit para and stated that it was not in order to have purchased this material for a scheme which was yet to be sanctioned. He also assured the committee that Engineer-in-Chief had already been asked to fix responsibility for that lapse and report the position to Government by December 1990.

The Committee desire that final action taken in the matter be intimated to committee and purchases resulting in blockade of funds should not be resorted to by the departmental officers/officials.

[18] 5.1.4. *Shortage of material.*

In Canal Lining division No. I, Tohana which was set up in December 1978 physical verification of stores was conducted for the first time in December 1984. Against a balance of 146.84 tonnes of washery middling coal shown in the bin card the coal found on ground was only 63.26 tonnes. When the charge was finally taken over (on 22nd January 1985) by the successor Junior Engineer, the coal taken over was shown as 59.43 tonnes resulting in shortage of 87.41 tonnes valuing Rs. 0.35 lakh. After seeking approval of the Superintending Engineer, the amount was placed in the Miscellaneous Public Works Advance against the concerned Junior Engineer in March 1985. The department reported (June 1986) that the charge-sheet submitted to the Superintending Engineer in January 1986 was awaiting approval of the Superintending Engineer.

In their written reply, the department stated as under :—

The chargesheet was served upon Sh. S.C. Sharma, J.E. in 6/87. The Junior Engineer submitted his reply in 8/87. E-I-C has

been directed to see that decision in the matter is finalised by November 1990.

During oral evidence and in their written reply the department stated that chargesheet was served upon Sh. S.C. Sharma in June 1987, who submitted his reply in August 1987 which was under examination and the matter was expected to be finalised by November 1990. The committee, however, observe that no further development had been communicated to the committee after November 1990.

The committee desire that final outcome in this case be intimated to them within 3 months.

[19] 52. Misappropriation of lime

For purchase of 70 tonnes lime at an estimated cost of Rs. 0.45 lakh, tenders from approved suppliers were invited by the Executive Engineer, Canal Lining division No. 12, Kurukshetra in January 1982. Of the three tenders, received in February 1982, the rate of Rs. 69 per quintal quoted by the lowest tenderer who was not an approved supplier of lime was negotiated and agreed at Rs. 60 per quintal. Approval to make purchase at this rate was conveyed by the Superintending Engineer on 9th March 1982 and supply of 70 tonnes lime (Rs. 0.42 lakh) was shown as received in the bin card on 26th March 1982. The entire quantity was shown issued (26th March—26th May, 1982) to different works (coping of lining of Bakhli, Teokan, Kharsa and Pindarsi minors).

Test check (July 1985) of the accounts of the division revealed fictitious issue/consumption of 59.43 tonnes lime (Rs. 0.36 lakh) as follows:

- (i) On 14 works, 45.85 tonnes lime was shown as issued after completion of the works; and
- (ii) In reaches KM 4-6 of Bakhli minor and KM 5-9 of Pindarsi minor, lime was not at all used although 13.58 tonnes lime was shown as issued.

The above lapses were pointed out by the vigilance cell during the inspection of works in November 1982, but no remedial action was taken by the division. When this was pointed out by Audit, the Executive Engineer stated (March 1986) that a Sub-Divisional Engineer and a Junior Engineer had been charge-sheeted in July 1985 for misappropriating the above quantities of lime. Further developments are awaited (March 1987).

There was no weightment slip on record issued by any weighbridge and the quantity received was accepted without weightment. The quantity received was also not checked measured by the Sub-Divisional Engineer. These lapses of the division facilitated the misappropriation.

The matter was reported to Government in May 1986; reply is awaited (March 1987).

During the course of oral evidence, the departmental representative informed the committee that replies to chargesheets had been received

from defaulting SDO and JE responsible for misappropriating 59.43 tonnes lime worth Rs. 0.35 lakh and decision in the matter was expected to be finalised by December 1990. When asked to explain the reasons to why the division did not take any remedial action on the report of the vigilance cell in November 1982, the departmental representative could not give any satisfactory explanation and simply stated that the disciplinary action initiated against the defaulters was under process.

The committee desire that disciplinary action against the defaulting officials should be finalised expeditiously and the cost of misappropriated lime recovered from the concerned officials intimated to the committee within three months.

[20] 5.5 Shortage of stores

A Junior Engineer in charge of stores and stocks in Mohindergarh Canal (Mechanical) division, Charkhi Dadri from October 1975 was transferred to another charge in the same division in March 1981. He was relieved in April 1981 though he had not handed over complete charge of stores. From November 1981 to July 1982 he was on leave. Charge was also not handed over in September 1982 when he was finally relieved from this division on transfer to another division. A scrutiny of divisional records in audit (December 1983) showed that the Junior Engineer had not handed over stores worth Rs. 3.25 lakhs and tools and plant worth Rs. 2.09 lakhs.

When this was pointed out by Audit, the division worked out the details of the articles not handed over and after reconciliation of the store account placed Rs. 3.93 lakhs (stores : Rs. 3.25 lakhs and T&P : Rs. 0.68 lakh) under Miscellaneous Public Works Advances against the Junior Engineer in February-June 1984. On further reconciliation in March 1986 stores valuing Rs. 0.93 lakh were adjusted and the net shortage was worked out at Rs. 3.00 lakhs.

It was further seen that (a) annual physical verification had not been conducted from March 1978 and (b) reconciliation of bin cards with priced store ledgers had not been done from April 1977.

Despite lapse of over five years, no action has so far (July 1986) been taken by the department against the Junior Engineer and even a show cause notice submitted by the division to the Superintending Engineer in November 1984 had not been approved so far (July 1986); further developments are awaited.

The matter was reported to Government in August 1986; reply is awaited (March 1987)

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

Junior Engineer was served with a show cause notice under the Rules in January 1987. There has been considerable delay in initiating the disciplinary action against the Junior Engineer. E-i-C has accordingly been directed to fix responsibility for this lapse and also to finalise this case by the end of January 1991.

As explained in Para (1) above:

Recovery orders for an amount of Rs. 38,352.55 from Sh. Raghbir Singh, Junior Engineer have been issued on 6-8-90. In addition, he has been censured for this lapse.

Necessary instructions have been issued to all the field officers for conducting physical verification of Stores/M.A.S. Accounts periodically.

The annual physical verification of stores was conducted in the year 1984-85 and 1985-86, thus there is no lapse.

Both in their written reply and during oral evidence, the department stated that the JE was served with a show cause notice in January 1987 and there was considerable delay in initiating disciplinary action against the Junior Engineer. They further informed the committee that recovery on account of store and stock worked out to Rs. 1.75 lakhs for which recovery order was passed on 12th November 1990 and that after taking into account recovery on account of tools and plants, the total recoverable amount work out to Rs. 2.50 lakh approximately.

The Committee strongly recommend that a strict disciplinary action should be initiated against the delinquent J.E. and amount recovered expeditiously. A compliance report to this effect should be furnished to the committee within 3 months.

ANIMAL HUSBANDRY

[21] 3.9. *Expansion of existing and opening of new Intensive Cattle Cattle Development Projects (ICDP)*

3.9.1. *Introductory*

There are 8 ICDPs in the State set up in 1967-68 (Gurgaon and Karnal), 1969-70 (Jind and Kurukshetra), 1972-73 (Ambala), 1975-76 (Sirsa), 1977-78 (Bhiwani) and 1981-82 (Narnaul) with the main object of increasing milk yield through (a) preliminary survey in the project area (b) controlled breeding by artificial insemination, veterinary aid etc. (c) castration of scrub bulls (d) feed and fodder development (e) systematic registration and recording of milk yield and (f) dairy extension activities.

Mention about the working of the ICDP, Gurgaon and Karnal was made in paragraph 3.3 and 3.4 of the Reports of the Comptroller and Auditor General of India for the year 1973-74 and 1979-80 Government of Haryana (Civil).

All the 8 ICDPs were functioning with a net work of 7 semen banks, 50 regional artificial insemination (A.I.) centres, 648 stockman centres (SMC). Semen banks are responsible for upkeep of bulls, production of semen and its distribution amongst the SMCs. The regional A.I. centres are responsible for supply of essential stores and equipment to the SMCs. The services rendered by SMCs are artificial insemination, veterinary aid, vaccination, castration of scrub bulls and fodder development.

3.9.2. *Financial*

The budget provision and actual expenditure from 1980-81 to 1985-86 in all the eight ICDPs were as follows :—

	Proyision Expenditure (In lakhs of rupees)	
1980-81	22.85	22.91
1981-82	41.44	41.64
1982-83	49.39	50.96
1983-84	52.08	55.67
1984-85	68.01	69.09
1985-86	47.08	46.97
Total	2,80.85	2,87.24

Out of the expenditure of Rs. 287.24 lakhs the expenditure on establishment was Rs. 2.44.97 lakhs. The remaining expenditure was on contingencies (Rs. 37.62 lakhs), grants-in-aid paid to the Agricultural University, Hisar, for training to job seekers in veterinary service (Rs. 2.19 lakhs) and minor works (Rs. 2.46 lakhs).

3.9.3. Scope of review

The working of the ICDPs during 1980-81 to 1985-86 was reviewed in audit (June-July 1986) with reference to the records of the Directorate of Animal Husbandry and field studies in the districts of Gurgaon, Faridabad, Ambala, Bhiwani and Narnaul.

3.9.4. Breeding Programme

(i) *Lack of proper survey*

Village to village survey to verify existence of conditions conducive to good cattle raising, levels of milk production, feed and fodder resources etc., as envisaged in the scheme, was not conducted before taking up a particular area for opening of a new SMC. In the absence of initial data, periodical evaluation of the progress made under the project was not possible. This was also pointed out in paragraph 3.4.3. of the Audit Report for the year 1979-80.

Before opening a new stockman centre in a village a feasibility report in the prescribed proforma on an actual survey was being obtained by the department from the respective Deputy Directors. A scrutiny of the feasibility reports, however, revealed that these did not contain vital information regarding the breedable cattle population, number of scrub bulls in the area, feed and fodder resources and irrigation facilities etc.

(ii) *Non-castration of scrub bulls*

Complete removal of scrub bulls from the area was necessary to ensure full breeding control. Castration was not done except in one case at Bhiwani in 1983-84 and in 47 cases in Ambala from 1980-81 to 1985-86. The department also did not know the number of the scrub bulls present in the project area.

(iii) *Performance analysis of stockman centres*

Each stockman centre was required to inseminate 1000 breedable cattle (cows and buffaloes) in a year but the actual performance (1980-81 to 1985-86) ranged between 41 and 398 as under —

Annual coverage per SMC

Serial number	Name of District	Minimum	Maximum
		3	4
1	2		
1.	Gurgaon	79	236
2.	Faridabad	45	134
3.	Bhiwani	185	398
4.	Ambala	95	219
5.	Narnaul	41	366

The department stated (February 1986) that a stockman centre was opened to cover 1000 breedable cattle population in a year but only 50 per cent of the cows which came in heat could only be inseminated. However, no reasons were assigned by the department for creating idle capacity of SMCs to the extent of 60 to 95 per cent.

Further, 76 stockman centres were opened at places where breedable cattle population was less than one thousand (Gurgaon 16, Faridabad 6, Narnaul 3, Bhiwani 27 and Ambala 24). In 16 cases (Gurgaon 4, Bhiwani 2, Ambala 10) number of breedable animals was even less than five hundred. This was brought to the notice of the department in August 1985. In its reply (February 1986) the department did not spell out the reasons for setting up SMCs in these areas.

Ten stockman centres in Gurgaon, 6 in Faridabad, 7 in Narnaul, 2 in Bhiwani and 5 in Ambala did not do any artificial insemination work for periods ranging from 6 to 36 months during 1980-81 to 1985-86 due to non-availability of equipment and semen or non-posting of stock Assistants. In Ambala, 2 SMCs remained without Stock Assistants from April 1984 to July 1986 but group 'D' employees of the SMCs remained in position and expenditure of Rs. 0.31 lakh from April 1984 to June 1986 was incurred on them. Reasons for non-posting of stock assistants were awaited.

The Public Accounts Committee in its Eleventh Report, 1977-78, had asked the Government to take necessary steps to educate the cattle owning rural population through various media and also by personal contracts regarding the benefit from artificial insemination of their livestock so that they came forward in large number for artificial insemination of their livestock. There was nothing on the record to show what effective steps were taken for motivation of the farmers. During the period 1980-81 to 1985-86, a sum of Rs. 1.01 lakhs provided for travelling allowance for publicity and canvassing of artificial insemination benefits were spent on travelling allowance in connection with departmental meetings, State elections, etc.

(iv) *Efficacy of artificial insemination*

According to the department, of the cases of artificial insemination the conception rate should be between 30 and 50 per cent in respect of cows and 30 and 45 per cent in respect of buffaloes. In paragraph 3.3 of the Audit Report for the year 1973-74 it was mentioned that during the period 1970-71 to 1973-74 percentage of successful inseminations was as low as 22 to 37 in respect of cows and 28 to 40 (except 49 in Gurgaon in the year 1972-73) in respect of buffaloes. The Public Accounts Committee in its Eleventh Report, 1977-78 had desired that after identifying the reasons for low percentage, the department should take remedial steps to decrease the number of unsuccessful cases. The following table would show that the department has not been able to achieve a higher number of successful cases and the percentage continues to be as low as 31 to 38 in respect of cows and 33 to 40 in respect of buffaloes :

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
COWS					
(a) No. of artificial insemination done	3566	6392	15505	15331	12379
(b) Net pregnancy	1342	2137	5052	5080	3831
(c) Calves born	1118	1815	4269	4547	3290
(d) Percentage of pregnancy to artificial inseminations done	37.6	33.4	32.6	33.1	30.9
(e) Percentage of Calving to artificial inseminations done	31.3	28.4	27.5	29.6	7.4
BUFFALOES					
(a) No. of artificial inseminations done	2392	4637	8472	9621	9140
(b) Net pregnancy	965	1690	3090	3520	3011
(c) Calves born	802	1513	2674	3267	2729
(d) Percentage of pregnancy to artificial inseminations done	40.3	36.4	36.5	36.6	32.9
(e) Percentage of Calving to artificial inseminations done	33.5	32.5	31.6	33.9	29.8

The department stated (February 1986) that in order to improve the breeding efficiency the chilled semen which had low preservation

capacity was being replaced by frozen semen in a phased manner. However, it would be seen from the following table that conception rate in Bhiwani where chilled semen was being used was higher than in Gurgaon where frozen semen was being used.

Year	Conception rate			
	Gurgaon		Bhiwani	
	Cows	Buffaloes	Cows	Buffaloes
	(with frozen semen)	(with chilled semen)	(with frozen semen)	(with chilled semen)
1980-81	28	41	40	40
1981-82	24	33	38	38
1982-83	24	33	36	39
1983-84	24	34	38	40
1984-85	31	34	35	36

3.9.5. Feed Fodder Development

Production of green and nutritious fodder all the year round is a prerequisite for rearing milk animals. In order to popularise the cultivation of fodder crops and adoption of improved agricultural, manurial and irrigational practices, the scheme stipulated (a) organising of 4 demonstrations per SMC per year on plots of two kanal each on cultivators' fields and (b) supplying of seeds and planting material of recommended varieties at subsidised rates.

It was seen that no seed and planting materials were distributed or sold at subsidised rates amongst the farmers of the district test-checked 1980-81 to 1983-84. Only 13 Kgs. fodder seed in 1984-85 and 284.25 Kgs. in 1985-86 were sold. Further, against the 2448 demonstrations required to be arranged during 1980-81 to 1985-86, the number of demonstrations organised by the five SMCs test checked was just seventy five.

Even in respect of the 75 demonstrations organised, follow up action to ascertain the success of the programme was not taken. The department stated (February 1986) that in Narnaul and Bhiwani districts no demonstrations for fodder production were organised due to drought conditions and lack of irrigation facilities.

3.9.6. Milk yield

In its Eleventh Report, 1977-78 the Public Accounts Committee recommended that sustained efforts be made to increase the average milk

yield as that was the way by which the State can usher in the white revolution. The department had not fixed any target of daily milk yield per cattle. It was, however, noticed that average milkyield per day in the districts test checked, i.e., Gurgaon, Nainaul and Bhiwani, had rather got reduced as compared to that of 1982-83 (milk-yield for the years 1980-81 and 1981-82 were not made available by the department) as indicated in the following table —

Year	Cow (in litres)	Buffaloes
1982-83	3.82	5.24
1983-84	3.52	4.95
1984-85	2.74	4.56
1985-86	3.23	4.75

According to the department (February 1986) low yield was due to unprecedented droughts and severe floods in these years. The department's reply was not supported by data of rainfall. According to the statistical abstract of the State Government (Planning Department), the rainfall in these districts was never abnormal leading to unprecedented droughts or floods (Data of normal rainfall in respect of these districts was given in the statistical abstract) except in Gurgaon where it was 106 centimetres during the year 1983-84.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

The department in reply to the questionnaire of the committee stated as under :—

The main objective of the ICDP was to boost milk production which has been achieved as is evident from the following table :—

Year	Milk Yield (in M. Tons)	Source
1966-67	10.89	Based on survey conducted by IASRI, Govt. of India.
1977-78	17.26	By the Statistical wing of Animal Husbandry Deptt.
1978-79	17.90	Do
1979-80	19.50	Do
1980-81	21.87	Do
1981-82	22.75	Do
1982-83	23.17	Do
1983-84	24.27	Do
1984-85	24.41	Do
1985-86	25.55	Do

Similarly the average yield per animal per day is based on regular survey of the department also indicates increase year after year which is evident from the following table :—

Year	Average milk yield per animal in milk	
1982-83	3.333 (cows)	4.543 (Buffs)
1983-84	3.335 (Cows)	4.546 (Buffs)
1984-85	3 350 (Cows)	4 549 (Buffs)
1985-86	3 384 (Cows)	4 580 (Buffs)

When the ICDPs were started, a benchmark survey was always conducted which contained vital information on existing facilities in respect of breedable population, cropping, pattern of various crops including fodder crops, feeding practices of concent rates, irrigation facilities, availability of bullocks, tractor power and this survey was repeated during the month of April every year from where the progress made in each field could be evaluated. As this work was to be done by the progress assistants and results compiled by Statistical Officers, the evaluation could be made at village level but the same could not be done at District level as the posts of Statistical Officers both at Gurgaon and Karnal could not be filled up except for six months at Gurgaon only. However, the progress was always evaluated through monthly reports prepared and compiled by technical staff i.e. Stock Assistants, Veterinary Surgeons, Cattle Development officer at SMC, Regional A.I. Centres and ICDP level.

Keeping in view the experience gained out of Central ICDPs, statistical staff was not provided in State ICDPs. However, the feasibility report for opening of a new SMC was ascertained before opening such centre. This report did contain the breedable population which was our main target of performing breeding operation.

The castration of scrub bulls is being done in each district by the concerned Vety. Surgeons and VLDAs. Castration reports on scrub bulls is not submitted separately by the Dy. Directors. The details of the castration work including scrub bulls done by Deputy Directors of Districts of Ambala, Bhiwani, Faridabad, Gurgaon and Narnaul is as follows :—

Name of Districts (in '000')

Year	Ambala	Bhiwani	Faridabad	Gurgaon	Narnaul
1980-81	2.0	1.0	1.0	(a)	2.0
1981-82	2.0	1.0	1.0	(a)	1.0
1982-83	3.0	(a)	1.0	1.0	2.0
1983-84	2.0	(a)	1.0	1.0	1.0
1984-85	1.0	1.0	1.0	1.0	1.0
1985-86	1.0	1.0	(a)	1.0	1.0

(a) stands for less than 500.

Campaigns were organised for castration of scrub bulls where full help of the district administrators was also sought but due to religious sentiments and strong public resentments were evoked so much so at places our field staff was attacked by the angry villagers and even civil suits were also filed in courts which ultimately adversely affected the A.I. programme. These were the compelling reasons that castration of scrub bulls had to be restored with the consent of local Panchayats/public. Our field staff did inject Stilboestrol to such bulls which could be rendered sterile for some period which ultimately helped a lot in A.I. work. Such injections were repeated as and when felt necessary.

It was envisaged to provide breeding coverage to 1000 breedable cow/buffaloe population in each SMO area. It is a scientific phenomenon that about 50M of the breeding stock is either pregnant or freshly calved during the year and it is only the rest of 50% breedable population expected to be covered for breeding. Artificial insemination was a new technique and it was entirely with the consent of the farmer with which this could be done and under no circumstances, A.I. could be done by force or by any law. However, the ultimate aim was that initially few progressive farmers were persuaded to take up A.I. and on seeing the success of A.I. other could follow. But it depended from area to area. The take up of A.I. was more quick in the districts of Karnal, Kurukshetra and Sirsa than in Gurgaon, Faridabad, Bhiwani and Narnaul etc. When the A.I. programme was introduced, most of the public was of the view that perhaps this meant only for those animals which do not conceive with natural service but such animals did not have normal genitalia. The A.I. has to be given to satisfy the farmers but it could not yield results as was expected. Later on, the farmers were convinced that such animals were not normal cases and they required treatment. Many such animals were treated successfully and then only public came forward to take up A.I. As such, the number of A.I. could be increased year by year. However, with continuous efforts of the department and people were getting educated by seeing the results both of conception rate in A.I. and the performance of the progeny borne out of A.I.

The basic objective of ICDPs was to take contiguous area for introduction of breeding and other allied programmes. However, basis of 1000 breedable cattle/buffaloes population was kept as a criteria for opening of SMCs but keeping in view the contiguity of the area, some SMCs had to be opened though the breedable population was not upto 1000 - But the overall breedable population in the project was in accordance with the norms of one SMC.

As the programme was taken up instantaneously, it did take some time for procuring equipment and training of the Stock Assistants. To cope up with a large number of stock man, more than 150 in Karnal and Gurgaon, it was not so easy to make available such huge staff. The department had to start emergency classes which took some time as a result of which some SMCs had to be without staff.

The department had also been making good efforts to educate the cattle owning rural population through hand-outs, pamphlets, film

shows, milk yield competitions, calf rallies and exhibitions which is evident from the following table.—

Year	No. of Publications		No. of film shows	No. of milk yield competitions	No. of calf rallies
	Handlets	Pamphlets			
1980-81	50	—	02	—	07
1981-82	50	—	44	24	34
1982-83	50	—	65	25	10
1983-84	100	—	56	30	13
1984-85	150	—	74	28	23
1985-86	200	—	64	22	27

The department had to meet the expenditure of TA/DA of the staff from the existing budget on travelling in connection with the meetings etc. when no extra budget could be provided. However canvassing for A.I. was being done by the local staff from time to time by making close contact with the local village people in the SMC village itself.

The department has been improving the success rate by introduction of Frozen Semen Technology where the keeping quality of the semen are unlimited and a lot of complication of equipments could also be avoided.

The following table will indicate that conception rate was better in Gurgaon than Bhiwani i.e. with frozen semen as compared to chilled semen :—

Year	Gurgaon Semen)	(Frozen	Bhiwani Semen)	(Chilled
	Cow	Bufs.	Cows	Bufs.
1982-83	50	50	45	47
1983-84	50	50	45	46
1984-85	45	50	47	52
1985-86	54	50	45	44

There is no scientific reasons on this because the entire world including developed and undeveloped countries are slowly switching over to frozen semen technology which is decidedly far superior and giving

better results Initially, some difficulties do arise but with experience, these are overcome and the time is not very far when the frozen semen technology will be the mainstay of the breeding programme. Though now the latest technology of Embryo transfer is also getting popular in most of the developed countries which may replace the frozen semen Technology ultimately.

For fodder demonstration plots, seeds at 50% subsidised rates for different type of fodder crops were distributed amongst progressive farmers of the Distt.

The year/Distt. wise distribution of fodder seeds is given below :—

Year	Ambala		Bhiwani		Faridabad		Gurgaon		M. Garh	
	P	Q	P	Q	P	Q	P	Q	P	Q
1980-81	—	—	226	385	49	157	965	3900	—	—
1981-82	23	126	—	—	79	294	463	1915	—	—
1982-83	7	28	12	36	247	1722	410	1650	—	—
1983-84	4	17	140	320	220	839	267	1170	16	50
1984-85	54	158	151	245	216	925	569	1920	121	388
1985-86	788	4144	339	2008	749	3006	565	3264	84	364

(a) For popularising the scheme amongst cultivators more demonstration plots are being organised not only in ICDP Districts but in other districts as well.

(b) According to the guidelines of the schemes, 4 demonstration plots per stockman centre per annum were to be laid. During the period from 1980-81 to 1985-86, 3239 demonstration plots were set up in District, Gurgaon which comes to the average of about 540 plots per annum. Since there were 100 Stockman Centre/Institutions in District Gurgaon the average number of demonstration plots per stockman centre/Institution was more than 5. In other words the target of 4 demonstration plots per stockman centre had been exceeded.

(c) Follow up action used to be taken by the concerned VLDA/Vety. Surgeons. However, due to inadequate Agricultural staff, proper records could not be maintained.

Sufficient time was not available to conduct detailed realistic surveys so as to fix target of daily average yield of milk of animals. The project was launched to meet the pressure of demand of local population and its leaders.

The figures of milk yield from 1982-83 to 1985-86 in the districts of Gurgaon, Mahendergarh and Bhiwani, as shown by the audit, do not

indicate exact position of any district(s). However, the correct position, as per records based on surveys conducted by Department, is as under :—

Average Milk Yield (in Kgs.) per day per animal in milk

Year	Gurgaon		Mahendergarh		Bhiwani	
	Cows	Bufs.	Cows	Bufs.	Cows	Bufs.
1982-83	3.264	4.682	3.936	5.143	4.573	6.211
1983-84	3.437	4.626	3.694	4.906	4.152	5.192
1984-85	3.412	4.497	3.530	5.538	4.115	5.534
1985-86	3.297	4.311	4.238	5.977	4.283	5.648
1986-87	3.215	4.256	4.661	6.228	4.239	5.943

The variation is insignificant which is due to various reasons stated below :—

1. There is always export of best germ plasma from these districts to various parts of the country which affects the overall milk yield. The details of animals exported are as under :—

Year	Gurgaon		Bhiwani		Mahendergarh	
	Breedable stock		Breedable stock		Breedable stock	
	Cows	Bufs.	Cows	Bufs.	Cows	Bufs.
1982-83	11	—	493	120	4	38
1983-84	41	—	520	386	3	6
1984-85	22	—	740	1131	19	—
1985-86	22	—	513	1151	—	—
1986-87	16	—	17	1860	—	—
1987-88	14	4070	30	1088	19	—

As the milk production is based on surveys conducted by the field staff and not on actual milk recordings, the variations are likely to occur. However, overall annual milk production in the State has registered a significant increase as shown in the following table :—

Year	Milk Production
	(in lacs M.T.)
1980-81	21.87
1981-82	22.75
1982-83	23.17
1983-84	24.27
1984-85	24.41
1985-86	25.55

The main object of the programme was to increase milk yield through preliminary survey in the project area, controlled breed by artificial insemination, veterinary aid, extraction of scrub buls. feed & fodder development etc., etc. The Committee, however, observe that in spite of the expenditure of Rs. 287.24 lakhs incurred on the programme during 1980-81 to 1985-86 no substantial improvement success in artificial insemination and milk yield was achieved. The Committee further note that no preliminary survey to verify the existence of conditions conducive to good cattle raising was conducted before establishing the project. Even the SMCs which were to cater to 1000 breedable cattle by A.I. per year, the department covered only 41329 cattle and the rate of conception was very poor ranging from 30 to 33% in the case of cows and buffaloes. There was not headway in respect of feed and fodder development, no systematic record of registration and recording of milk yield including dairy extension activities, as envisaged in the programme was maintained. The whole project was implemented in a haphazard manner and defeated the very purpose for which such programmes had been launched.

The Committee, therefore, recommend that the department should remove the snags in implementing this programme so that the objectives intended to be achieved through it are achieved and the benefits percolate to the people for whom the programme was intended. Progress report highlight the efforts made in this direction be furnished to the Committee within six months.

MEDICAL AND HEALTH

[22] 3.10. *Non-recovery of bond money*

Students undergoing three years nursing and midwifery course in Medical College, Rohtak are paid by the State Government a monthly stipend at the rate of Rs. 110, Rs. 120 and Rs. 135 for the first, second and third year respectively. At the time of admission an agreement bond of the value of Rs. 6,000 is obtained from each candidate that on completion of course the candidate will serve the State Government for a period of atleast 5 years (nursing) 2 years (midwifery) failing which the candidate would be liable to pay the bond money to Government. In terms of Article 299 of the Constitution of India, the State Government has to direct or authorise an officer to accept and sign the agreement bonds on behalf of the Governor.

Between March 1976 and November 1984, thirty-one nurses and two midwives left their jobs before the expiry of the nursing and midwife bond period but without paying the bond money. At the time of admission to Nursing and Midwifery course all of them had duly executed agreement bonds for Rs. 6,000 each which on behalf of the Governor were signed and accepted by the Director-Principal of the Medical College/Director, Health Services, Haryana. To effect recoveries through civil suits, the Medical Superintendent of the College sought (May 1983) advice of the Deputy District Attorney, Rohtak, who demanded a copy of the Government notification authorising the Director-Principal/Director of Health Services to sign and accept the agreement bonds. As a copy of the notification was not made available so far (July 1986) to the Deputy District Attorney, civil suits could not be filed in the court of law.

Bond money aggregating Rs. 1.98 lakhs was thus awaiting recovery.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under:—

The Administrative Department inspite of its best efforts could not establish whether such a notification was ever issued or not and, therefore, was left with no alternative but to inter that no such notification was issued.

Amount of Rs. 1.98 lakhs was to be recovered from 33 Staff Nurses. Six Staff Nurses have already deposited Rs. 18,000 in instalments and the remaining amount of Rs. 34,000 due to these 6 Staff Nurses is also likely to be deposited within a short span of time in monthly instalments. As far as recovery from the remaining 25 Staff Nurses to the tune of Rs. 1.46 lakhs is concerned, both the Staff Nurses

as well as their sureties have been/are being requested to deposit the bond money. Some of them have given no reply even after our repeated requests. Legal action against such delinquents may be resorted to only after the issuance of the notification by the State Government authorising retrospectively (from 1973) the Director-Principal/Director to sign and accept the agreement bonds of student nurses.

Both in their written reply and during oral evidence on 9-1-90, the departmental representative informed the committee that the department despite their less efforts could not lay hands on government notification authorising the Director Principal/Director Health Services to sign and accept the agreement bonds. The committee do not feel satisfied with the reply of the department and are constrained to observe that an important record which had bearing on recovery of bond money from students undergoing nursing and Midwifery course was perhaps not kept in safe custody. Assuming that the notification had not at all been issued, this still explains away the failure of the department in enforcing the bonds.

The committee desire that the whole matter should be thoroughly investigated and responsibility fixed on the defaulting officers/officials. A compliance report to this effect may be furnished to the committee within a period of six months.

[23] 3.11. *Health coverage for sexually transmitted diseases*

Facilities for the treatment of patients suffering from sexually transmitted diseases are available in civil hospitals all over the State. To arrest the spreading of these diseases the State Government, without conducting any survey about the number of such patients, accorded sanctions for setting up of STD clinics in industrial/slum dominated towns of Faridabad (March 1978), Sonipat, Yamunanagar and Panipat (July 1979). The clinics were actually set up late by 13 to 36 months at Faridabad (January 1980), Sonapat (June 1982), Yamunanagar (July 1980 and Panipat (April 1982). During 1979-80 to 1985-86, an expenditure of Rs. 17.03 lakhs was incurred on pay and allowances of medical, para-medical, social workers and other staff (Rs. 13.48 lakhs) and contingencies (Rs. 3.55 lakhs). The following points were noticed in audit during May-June 1986 :—

- (i) Though the clinic at Faridabad was set up in January 1980, the doctor was appointed in November 1979. Similarly, the clinic at Sonipat was set up in June 1982, but appointments had been made much in advance viz., a doctor (September 1980) laboratory technician, laboratory assistant and clerk, (June 1980) and a peon (March 1981). The financial implications of these appointments in anticipation of setting up of clinics aggregated Rs. 0.85 lakh. The department stated (May 1985) that all this staff was utilised in the general wing of the civil hospitals. No evidence was, however, found in audit in test-check to show that any such post was vacant in the civil hospitals during the relevant period.
- (ii) Each STD Clinic had a sanctioned post of one social worker. Their assigned duties were to motivate the STD patients to

go in for early treatment and to educate the industrial workers/slum dwellers in particular and others in general about the dangers and evil effect of these diseases. One social worker was posted in each clinic from November 1982 (Faridabad), September 1982 (Sonipat) December 1980 (Yamunanagar) and September 1982 (Panipat). No record of the work done by any of these social workers was maintained. In Faridabad, social worker was posted 35 months after the setting up of the clinic.

- (iii) The average number of patients treated in these clinics per month, was only 4 (Faridabad), 9 (Sonipat), 6 (Yamunanagar) and 5 (Panipat). It could not be known from the departmental records whether this abnormally low turn-over was due to the absence of venereal diseases (in which case the continuance of STD clinics is not justified) or due to lack of motivation by the social workers.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

(i) It is incorrect that the staff was utilised for general wing of the hospital. The STD clinic Faridabad was started in Nov. 79 in the O.P.D. but no separate record was maintained. The medical officer investigated each and every patient to find out the STD patients and educated the industrial workers. Similarly STD clinic Sonipat was sanctioned in 11/79 and the staff was posted in 5/80. This STD clinic was also started in the O.P.D. but no separate record was maintained. In view of the position explained above, there was no wastage of Govt. funds.

(ii) It is not correct that the Social workers posted in these STD clinics have not maintained any record. The STD clinic at Panipat was set up during 1982-83. The survey work was started in the factories any motivation was made as per details given below :—

Year	No. of workers motivated	No. of patients whose full history was written
1982-83	500	45
1983-84	1000	39
1984-85	1200	83
1985-86	1500	97

As regards the STD clinic Yamuna Nagar, the STD patients attendance increased to 94 in the year 1981 and 39 positive cases started taking treatment. The number of patients continuously increased year wise till 1987. The Social Worker of Faridabad and Sonipat have also

maintained record. The talks by individual/group discussions and publicity through pamphlets were made to educate the slum dwellers/factory workers.

(iii) The low turn over of the patients was, due to hesitation/shyness attitude of the factory workers/slum dwellers to come forward to disclose about the disease. Efforts are being made to remove the habit of hesitation/shyness in the minds of the patients to come forward for treatment. There was no lack of motivation by the Social workers or any other officials as alleged by the audit. The table below of Panipat will show that sufficient efforts were made by the STD clinic staff :—

Year	No. of Workers motivated	No. of patients registered	No. of positive cases	Total No of cured
1982-83	500	251	45	45
1983-84	1000	854	39	39
1984-85	1000	432	83	83
1985-86	1500	322	97	97

In addition to the above, it is added that the samples, average 70 patients were taken during the year 1983 to 1985, out of which, an average of 6 patients were detected positive for treatment against 4 mentioned by the audit. In Yamunanagar upto November, 1987, there were 1946 patients.

From the above, it is clear that the audit has only taken the number of patients treated for STD patients and not the number of patients investigated. Motivation and investigation of the cases takes sufficient time which is required to be taken into account.

In view of the position explained above the presence of STD clinics in these towns is fully justified:

1. Department has given its comments against observations (i) to (iii):

2. The Govt. was fully aware that sexually transmitted diseases were prevalent in industrial towns of Yamunanagar, Panipat, Sonipat and Faridabad. From Reply given above to the observations of Audit Department against items (i) (ii) and (iii), it is evident that Govt. has sanctioned these clinics in public interest in these towns after full justification.

The Committee note that in three STD clinics the staff had been posted much in advance of setting up of these clinics. The department had, however, justified the appointment of the staff by stating that all the staff was utilised in the general wing of the hospital. During the

course of oral evidence, the departmental representative, however, stated that it was incorrect that the staff was utilised for general wing of the hospital. He pointed out that the staff had been doing work everywhere but no record was maintained. In reply to a question of the Committee as to why the position now placed before the committee was not explained to the Accountant General in 1985 when the Sr. Medical Officer, Civil Hospital, Sonipat wrote a letter to the Accountant General, the departmental representative admitted that the earlier statement that 'all the staff was utilised in the general wing of the hospital' was wrong. The departmental representative could not, however, show any evidence or basis in support of his version that the staff had been functioning out of OPD.

The Committee observe that it is all after thought in as-much as this position had not been stated in the departmental reply to the Accountant General. Thus, the committee is inclined to believe that the position now brought out during oral examination may also not be factually correct because the facts are not available on record. Moreover, the departmental representatives admitted that they had not maintained the record up to the mark that was why they were not able to show the proper record to the audit party.

The Committee, therefore, desire that whole matter should be thoroughly reinvestigated and correct position intimated to the Committee within three months. The Committee further desire that all such matters should be sorted out and reconciled with the Audit Office before these are placed before the committee.

HOME

[24] 3.13. *Blockade of funds/nugatory expenditure*

In June, 1977 and August 1978, the Government of India (Ministry of Home Affairs) informed the State Government (Home Department) that for implementation of the Civil Defence External Radio Communication Scheme, an order for the supply of fifteen (15) wireless sets had been placed on a Bangalore based firm and that the State Government should make immediate arrangements for (a) recruitment of seven operators and one mechanic for these sets and (b) for obtaining site clearance certificate and radio licence from the Wireless Adviser to the Government of India (Ministry of Communications). Due date for the receipt of these sets was January-March 1979.

Fifteen wireless sets valuing Rs. 5.13 lakhs were received by the Deputy Controller, Civil Defence, Ambala (14 sets : Rs. 3.63 lakhs) and Hisar (1 set : Rs. 1.50 lakhs) during March 1979 to April 1983 without antenna change over. Payment was made direct by the Ministry to the supplier. Site clearance certificate in respect of 14 sets applied for by the department as late as in May 1984 was received from the Wireless Adviser in January 1986. Reasons for belated application for the site clearance certificate was attributed by the department (September 1986) to revision of the prescribed form of application for site clearance thrice by the Government of India in August 1980, October 1981 and May 1984. Licence for all these 15 sets had so far (June 1986) not even been applied for want of antenna change over from the supplier and the entire equipment was lying uncommissioned resulting in blocking up of funds of Rs. 5.13 lakhs.

The services of seven wireless operators and one mechanic recruited during 1979-80 were not utilised for the intended purpose. The expenditure of Rs. 5.03 lakhs on salaries upto 1985-86 which too borne by the Central Government was thus nugatory.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

1. Wireless sets valuing Rs. 4.16 lakh were received by the Dy. Controller, Civil Defence, Ambala during March, 1979 to April 1983. All these wireless sets were one-time gift from the Central Govt. It is clarified that these sets can only be operated by the qualified Wireless Operators/Mechanic. Moreover the sets are operated only during emergency, with necessary licences which was issued by the W.P.C. Wing on 16-8-88.

The present position of the commissioning is as under :—

- (i) Radio Licence and antenna change over has been done but the functioning of the sets for external as well as internal warning will start when the antenna is fixed by the Central Govt. at Delhi for which correspondence is being exchanged with the concerned quarter & last reference was made vide No. 12778 dt. 22-9-89 to Direction to Delhi.

The committee note with concern that due to lackadaisical approach of the department, the entire expenditure of Rs. 5.13 lakhs on 15 wireless sets resulted in blockade of funds and the expenditure of Rs. 5.03 lakhs on salaries of 7 Wireless Operators and 1 Mechanic whose services were not utilised for the intended purpose, was nugatory. On a specific question of the Committee, as to why the equipment was not installed in time, the departmental representative could not give satisfactory reply and promised to go through the whole issue and fix responsibility on officers/officials who had received the sets without antenna change over and submit a report to the committee within one month. The committee, however, regret to observe that the promised report had not been furnished till the drafting of his report.

The Committee desire that the matter may be investigated expeditiously and responsibility fixed under intimation to them within three months.

REVENUE

[25] 3.12. *Inadmissible payment*

For damage caused to standing crop by hailstorm in March 1981 and March 1982 the Government decided (March 1981 and April 1982) to pay gratuitous relief to affected farmers at the per acre rate of Rs. 200, Rs. 300 and Rs. 400 for damage exceeding 25, 50 and 75 per cent respectively. The amount of relief was to be released by the district revenue authorities only after verifying the extent/percentage of damage caused by hailstorm through special girdawaries (assessment through special measurements). 100 per cent checking was to be done by the Circle Revenue Officer, 25 per cent by the S.D.O. (C) and 10 per cent by the Deputy Commissioners. Commissioners of the divisions were also responsible to check 2 per cent of the fields reported to have suffered from hailstorm damage. The D.Cs. and the SDO(C) were made personally responsible for the correctness of the extent of the damage reported as result of the girdawaries. Requisite checks were however, not exercised by various authorities.

(a) In Bhiwani and Hisar district, 89 farmers were provided with relief amounting to Rs. 0.4 lakh for crop damaged in 118 acres (Bhiwani : Rs. 0.20 lakh, 55 acres and 17 farmers and : Hisar : Rs. 0.20 lakh, 63 acres and 72 farmers) during Rabi 1981 and 1982 on the basis of entries of ordinary girdawari conducted before the occurrence of hailstorm. These areas had been damaged earlier by cold wave and were, therefore, not entitled to any relief. After hailstorm, these areas were incorrectly shown in special girdawari as having been damaged by hailstorm.

(b) In Ambala 123 farmers were provided with relief amounting to Rs. 0.74 lakh. In test check (August-October 1984), it was noticed that a sum of Rs. 0.59 lakh was paid to 82 farmers who were not entitled to any relief as, according to special girdawari, crops in their fields had not been damaged at all. In the case of 41 farmers the amount of relief payable for damaged crops in identified 24.5 acres at the rate of Rs. 400 per acre worked out to Rs. 0.10 lakh against which a sum of Rs. 0.15 lakh had been paid to the farmers resulting in an excess payment of Rs. 0.05 lakh.

The Deputy Commissioners Bhiwani, Hissar and Ambala admitted (November 1985) the irregular payment and stated that the amounts will be recovered from the farmers and action taken against the officials at fault. Further developments were awaited (September 1986).

The matter was reported to Government in May 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

In Hisar district, the Audit pointed out that a sum of Rs. 19,557.50 (say 0.20, lac) was paid to 72 farmers whose gram crop was damaged by cold wave whereas they were given relief for damage by

hailstorm. The enquiry was got conducted by the D.C. Hisar and the factual position is that the gram crop in this case was damaged by hailstorm and not due to cold wave as pointed out by Audit. No gratuitous relief was paid for damage to crop by cold wave but only such farmers whose crops were damaged by hailstorm was paid the gratuitous relief. Hence, the relief was rightly disbursed as per Govt. instructions and no irregularity was committed by any officer/official while making the payment.

Similarly, in Bhiwani district the Audit pointed out that a sum of Rs. 20207.92 (say Rs. 0.20 lakh) was paid to 17 farmers who were not entitled for the grant of relief as their crop was damaged by cold wave but not by hailstorm. The matter has been got investigated and after careful checking of record of all the villages and the farmers affected by hailstorm, it has been found that inadmissible payment was made to the tune of Rs. 13,171.82 only and remaining amount of Rs. 7,036.10 was paid to the deserving hailstorm victims as per Govt. instructions. The D.C. Bhiwani has been directed to take action against the officers/officials responsible for making inadmissible payments and initiate action against them. He has also been directed to recover the said amount expeditiously.

In so far as district Ambala is concerned, the Audit had pointed out the inadmissible payment of Rs. 0.59 lakh to 82 farmers and excess payment of Rs. 0.05 lakh to 41 farmers was made. Strenuous efforts are being made to recover this amount from the farmers. D.C. Ambala has been directed to take effective steps to recover the amount.

It may be added here that on enquiry it was found that S/Sh. Mohan Lal, Naib Tehsildar and N.L. Handa, Tehsildar were responsible for making this inadmissible payment. No action could be taken against them because Shri Mohan Lal, Naib Tehsildar had retired from service on 30-11-84 and Sh. N.L. Handa, Tehsildar on 30-11-85.

Both in their written reply and during oral evidence before the committee, the departmental representative admitted that inadmissible payment of Rs. 0.13 lakh in Bhiwani district and Rs. 0.64 lakh in Ambala district was made to the farmers.

The Committee desire that action against the officers/officials responsible for making inadmissible/excess payments should be initiated and report furnished to the committee at the earliest or in any case by September 1991 at the latest.

SUPPLIES AND DISPOSALS

[26] 3.15. *Injudicious purchase*

An indent for the procurement of 122 cm×122 cm size 'expansion joint filler sheets' of 18 mm thickness (800 Nos) and 25 mm thickness (450 Nos) was placed by the Superintending Engineer, Procurement Circle (Irrigation Branch) Haryana on the Controller of Stores on 21st December 1982. The indent was urgent requiring delivery of stores by 15th January 1983. Short term tenders for these sheets conforming to ISI specifications were invited by the Controller of Stores on 5th January 1983 in response to which eight firms offered their rates ranging between Rs. 80 and Rs. 215.81 per sheet (18 mm) and between Rs. 120 and Rs. 275.35 per sheet (25 mm). The offers received were evaluated by the Standing Purchase Committee of the department on 24th January 1983. It straight rejected six offers on the ground that these were not accompanied by earnest money, sample, test reports, etc. Of the remaining two, the validity period of the lowest offer dated 3rd January 1983 of a Delhi based firm (Rs. 80 per 18 mm sheet and Rs. 120 per 25 mm sheet) had expired on 22nd January, 1983 and the firm refused to extend it.

The only valid offer that remained available was of a Delhi based firm 'A' at their quoted rates of Rs. 215.81 (18 mm) and Rs. 275.35 (25 mm). About this offer, the Controller of Stores observed before the Committee that as there was wide variation in the rates all the firms be given another opportunity to tender afresh within three weeks. The indenter (Superintending Engineer), however, state on 4th February, 1983 that the material was urgently required and that the supplies must be arranged by 15th February 1983. Accordingly a supply order for 500 (18 mm) and 300 (25 mm) sheets was placed on firm 'A' on 15th February, 1983. The material was received by the indenting department (Massani Barrage Sub-division No. 1, Rewari) in March 1983 and as per their records 500 Nos (18 mm) sheets were consumed from March 1983 to January 1984 and 300 Nos. (25 mm) sheets from February 1984 to March 1985. The requirement of the indenter was thus neither urgent nor realistic and their advice to arrange the supplies by 15th January, 1983/15th February, 1983 resulted in purchase at a heavy price disadvantage.

The six tenders rejected by the Standing Purchase Committee on 24th January, 1983 included tender of the second lowest firm 'B' of Delhi with quoted rate of Rs. 140 per sheet (18 mm) and Rs. 175 per sheet (25 mm) which was rejected on the ground that this firm had not furnished samples and one of the test reports was old. It was noticed in audit that this firm had furnished the sample well in time on 20th January, 1983. The test reports showed that material conformed to prescribed standards and to I.S.I. specification in all respects. Rejection of this firm on the ground that one of the test reports was old was injudicious specially when as per the terms and conditions the goods were subject to inspection prior to packing and despatch. As compared to the offer of 'B', procurement of 1000 sheets from 'A' involved an extra cost of Rs. 0.68 lakh.

In their written reply, the department stated as under :—

In this case special tenders were invited through press advertisement on receipt of urgent demand from the Superintending Engineer, Haryana, Chandigarh, which were opened on 20-1-1983. As per condition No. 1 of the Schedule 'A' all the tenderers were required to send latest test report alongwith tested samples duly sealed and signed from the Govt./Govt. approved/ISI approved/National recognised Laboratory and it should be submitted alongwith the tender certifying that the stores quoted/tendered for, conform to the specifications laid down in the Schedule 'A', failing which, it would be rejected straightaway being invalid offer. No old/belated test report with tested sample would be considered under any circumstances.

In response thereto seven offers were received. The meeting of the Standing Purchase Committee was held in this office on 24-1-1983. The Committee discussed all the offers of the firms in the proceedings as under :—

1. M/S Anil Mfg. Co. Delhi @ Rs. 120 per sheet for 25 mm.
Rs. 30 per sheet for 18 mm.

The firm did not submit that the earnest money/signed schedule 'B'. They sent only tender fee. The validity period quoted by the firm was only for seven days. The committee decided to ask the firm to extend the validity of rates and deposit earnest money upto 10-2-83. Accordingly this office issued a telegram on 25-1-1983 but the firm did not extend the validity of rates of their offer. No action could be taken against the firm under the contract act.

2. M/S S.N. Industries, New Delhi — Rs. 175 for 25 mm.
Rs. 140 per 18 mm.

The firm had not mentioned the sizes in their offer. They had submitted the samples and test reports but as per NIT, all the tenderers were required to submit latest test report with tested sample. The test reports submitted by the firm were without tested sample and of 3/77 and 5/82. Both these test reports were not found as per NIT due to the following reasons :—

Test report of 5/82

This test report was not in the name of the firm but was in the name of M/S NBCC Ltd., New Delhi and this test report was submitted by the firm without any tested sample. Moreover, one test i.e. extrusion test was not given in the test report and as such the test report was not found as per NIT.

Test Report of 3/77

In the test report it was not mentioned that the test report is as per ISS. This test report was also without tested sample and in the test report sizes of sheet were not mentioned. Moreover, the test report was an old one and as per condition of NIT could not be considered, because in the NIT latest test report/tested sample were asked for.

3. M/S A.R. Engineering Corp. Delhi — Rs. 200 per 25 mm.
— Rs. 166 for 18 mm.

This firm did not submit the test reports and tested samples alongwith the offer and the committee rejected the offer of the firm.

4. M/S Llyond Insulations, Delhi — Rs. 145 for 25 mm.
— Rs. 115 for 18 mm.

5. M/S Shalimar Tar Products, Chandigarh — Rs. 205 for 25 mm.
—Rs. 174 for 18 mm.

These firms did not submit the test reports and tested sample alongwith the offer and the committee rejected the offer of these firms.

6. M/S Gay Bield & Co. Delhi — Rs. 275.35 for 25 mm,
—Rs. 215.81 for 18 mm.

This firm submitted the test report alongwith the tested samples. The test report an tested sample submitted by the firm was found as per NIT specifications and the committee decided to accept the offer of this firm.

7. M/S Gurzinder Industries, New Delhi — Rs. 191 for 25 mm.
—Rs. 146 for 18 mm.

This firm submitted the test report from the Central Research, New Delhi which was of 1975 and was old and violated condition No. 1x of the NIT. The firm did not submit the tested samples as required in the NIT. Hence, the committee rejected the offer of the firm.

From the above, it appears that only one offer of M/S Gay Field & Co. Delhi was found as per NIT specifications. The demand of the Indenting Department was of urgent nature as the material was required by him upto 15-2-1983. The order therefore was placed with the firm on 15-2-1983 and the same was delivered to the representative of the firm on 15-2-1983.

From the above, it appears that being urgent demand of the Indenting Department, demand was advertised in a special tender Notice giving 15 days time whereas normally one month period is to be given to the tenderers. Hence, the tenderers could not be given chance to submit test report/tested samples. The offer of M/S S.N. Industries, New Delhi, was rightly rejected as they only submitted the sample but these were not tested one. The test reports were not sent alongwith tested sample as was required in the NIT specifications. More over one test report was old i.e. of 77' and other test report was having one test missing and was also not in the name of the firm, details of which have been explained as 1—2 against the firms name In view of the position as explained above, the part may kindly be dropped.

In the indent the Indenting Department stressed urgency and requested to arrange supply before 15-2-1983. The tenders were opened on 20-1-1983. The offer of M/s. Anil Mfg. Co. was dated. 5-1-83: with

validity period of 7 days. Which means the offer was valid only upto 22-1-1983, and the meeting was held on 24-1-83. The firm had not deposited fresh earnest money and signed Schedule 'B'. In view of this, the lowest firm was requested to send E.M. sign Schedule 'B' and confirm the delivery period as given in the NIT and extend the validity of their offer upto 10-2-1983 vide this office letter dated 25-1-83. In reply thereto the firm had informed vide their letter dated 28-1-1983 that they were not ready to extend the validity of their offer and their sample and test report may be returned.

In the indent the Indenting officer stressed urgency that material is required very urgently and either NIC be issued so that S.E. Mossani Barrage Circle may be able to arrange supply at his own level or supply may be arranged before 15-2-83. Keeping in view the urgency of the I.O. this office had invited tender through Special tender Notice which were opened on 20-1-83. As regards consumption of the material this office does not come into picture but the reply of I.O. showed that the material was consumed by the Deptt. from 12-3-83 to 11-3-84. The Indenting Department has been asked to justify this plea of urgent requirement. However the lowest offers were rightly rejected being not as per NIT.

The procedure in vogue at this office is that only valid offer which is found exactly as per specifications is accepted even though it may be the highest and the offer which is not valid as per specifications even though the lowest is rejected. There is nothing irregular in the procedure which was adopted by this office in finalising this purchase. Hence this did not result in purchase at a disadvantage to Govt. Regarding reply of the said observation this office has already explained the whole position in detail against the comments on firm's offer at page 2&3. It is further stated that although inspection is done in all cases prior to despatch, but to see whether the quality manufactured by a firm is as per specifications or not, test report/tested sample are asked in the NIT. The test report should be latest and complete in all respects.

During oral evidence before the committee, neither the representatives of Supplies and Disposals department nor those of indenting departments (Irrigation Deptt.) could justify the urgency in purchasing the material which culminated in an injudicious purchase involving an extra cost of Rs. 0.68 lakh. The material was received by the indenting department in March 1983 and was consumed during February 1984 to March 1985. The requirement of the indenter, was thus, neither urgent nor realistic. In fact, their advice to Supplies and Disposals department for arranging the supply by 15th January/15th February 1983 resulted in purchase at a heavy price disadvantage. The committee also feel that the Supplies and Disposals Department should also have been circumspect in analysing that the indenting department actually needed the material urgently and then it did not mark the supplies as 'urgent' just apprehending inordinate delay in the procedure of the Supplies and Disposals Department and receiving the supply expeditiously.

The committee, therefore, recommend that Supplies and Disposals Deptt. should take effective measures to ensure that all the indenting department in future mark 'urgent' only in cases where supplies are urgently

needed and mark all other supplies as 'Ordinary' so as to facilitate the purchasing department to procure better material at economical rates.

The committee also desire that the indenting department do not resort to the practice of maintaining routine supplies as 'urgent' as a matter of course and for serving strict compliance to the effect, Finance Department should issue specific instructions to all the departments.

[27] 3.16 *Extra expenditure on purchase of generating sets*

Against an indent (7th January, 1985) from the Engineer-in-Chief (Public Health), tenders for 10 generating sets of 15 KVA and 9 sets of 20 KVA were invited through the press by Director, Supplies and Disposals, Haryana (DSD) on 21st January, 1985. Of the offer received from 17 firms (February 1985) the offers of the following two firms were found to be the lowest and the next lowest :—

	Per unit rate	
	15.KVA	20 KVA
	(In rupees)	
Firm 'A' (Delhi-based)	43,680	47,840
Firm 'B' (Chandigarh based)	51,000	55,000

The High Power Purchase Committee decided (May 1985) that order be placed on 'A' with the condition that the firm may get the engines tested to ISI specifications by DGS&D, New Delhi and furnish the test reports within a month. Conditional acceptance of offer was communicated to 'A' on 31st May, 1985 and the DGS&D was advised on 15th June, 1985, for taking necessary tests.

As the indent was marked 'urgent' and DGS&D tests were likely to take atleast 45 days, the DSD without approval of the High Power Purchase Committee, or the Engineer-in-chief cancelled the order on 'A' and placed the order on 'B' on 5th July 1985 at a total price, which compared to that of 'A', was more by Rs. 18 lakhs.

It was noticed in audit that :—

- (i) 'B' had, neither furnished any test reports with his tender nor were the tests by DGS&D insisted upon, unlike the condition imposed on 'A'.
- (ii) The order placed on 'B' on 5th July, 1985 stipulated delivery of the sets within 12 weeks. At the request of 'B' however, the delivery period was extended by the DSD up to July 1986. Extended delivery period indicated that stores were not required urgently and therefore, cancellation of the order on 'A' on grounds of urgency was not warranted.

The above extra expenditure of Rs. 1.38 lakhs was reported to the Government in July 1986; reply is awaited (March, 1987).

In their written reply, the department stated as under :—

1. (i) The type test certificate was not obtained from M/s. Greaves Cotton & Co., Ltd., due to the following reasons :—

(a) There was no such condition in the tender specifications that engine should be type tested.

(b) M/S. Greaves Cotton & Co., Ltd., had submitted complete printed technical literature showing detailed specifications as well as mentioning that M/S. Greaves Cotton & Co., Ltd., are selling & servicing the products manufactured by M/S. Ruston Horns by India Ltd., In the NIT it was mentioned that complete leaf let/literature should be sent with the tender so the offer of this firm was complete in this regard.

(c) M/S. Greaves Cotton & Co., Ltd., had offered to supply Ruston make engine manufactured by M/S. Ruston & Hons by India Limited in collaboration with M/S. G.E.C. Diesels Ltd., (U.K.). It is pointed out here that Ruston make engine are one of reputed make engine being manufactured in India.

1. (ii) However, DGS&D Type Test Certificate was required to be obtained from M/S. Krishna Engineering works, because of the following reasons .—

(a) The offer of this firm was incomplete in respect of NIT requirement, because of non-submission of leaflet/literature of the engine and alternator, authority letter from the manufacturers. The firm had not even sent earnest money. The offer was examined by the Technical Committee and it was decided by the Committee to obtain clarifications from this firm within 10 days.

In response, M/S. Krishna Engineering Works, Delhi sent technical specifications only and not the printed technical literature as per NIT requirement. So the offer of this firm was incomplete even after giving opportunity to this firm.

It is pointed out here that technical literature was asked from the firms to verify the genuineness of the material quoted by the firm.

(b) As the firm had not submitted technical literature but had quoted, as per NIT specifications with lower rates as compared to M/S. Greaves Cotton Co., there was no other alternative for assuring genuineness of the material offered by the firm but to get the equipment tested from Govt. laboratory/ Organisation. Accordingly, it was recommended by the Technical Committee to ask M/S. Krishna Engineering Works to arrange type test certificate as per relevant ISS from DGS&D.

- (c) High Powered Purchase Committee in its meeting held on 29-5-85 also decided to obtain the type test certificate in respect of Javahar make engine from DGS&D within one month.

In view of the above it is clear that type test certificate was not required to be obtained from M/s. Greaves Cotton & Co., as asked from M/s. Krishna Engg. Works.

Observations made by the Audit that order was cancelled by DSD, Haryana on M/S. Krishna Engineering Works and was placed on M/s. Greaves Cotton & Co., without approval of High Powered Purchase Committee or Engineer-in-Chief, (P.H.), Haryana, is not correct because High Powered Purchase Committee in its meeting itself had decided that if M/S. Krishna Engineering Works fails to submit Type Test Certificate within one month then order may be placed to the next technically valid offer M/s. Greaves Cotton & Co., Chandigarh. Actually supply order was not placed on M/s. Krishna Engineering Works but only the conditional acceptance was issued to M/s. Krishna Engineering Works. It was asked on 31-5-85 to obtain Type Test Certificate within one month. The firm failed to submit Type Test Certificate within the stipulated period. Moreover as the validity of M/s. Greaves Cotton was expired on 5-7-85 and I.O. was stressing urgency of the material, this office was left with no alternative but to place acceptance order on M/s. Greaves Cotton on 5-7-85 as per decision of High Powered Purchase Committee. If the acceptance had not been conveyed to M/s. Greaves Cotton Co., within the validity period, then it may not have been possible to procure the material from this source also. Moreover, the advice of L.R. was also taken on above action and he agreed with the action taken by the Department.

In view of the above, it is clear that order was rightly placed on M/s. Greaves Cotton taking into consideration the decision of the High Powered Purchase Committee and circumstances of the case.

The acceptance order in favour of M/s. Krishna Engineering Works, Delhi was cancelled not only due to the urgency but on account of the the following reasons also :—

- (i) The firm failed to submit the Type Test Certificate within the stipulated period of one month.
- (ii) The validity of the offer of M/S. Greaves Cotton was expiring on 5-7-85.
- (iii) Extension was granted to M/s. Greaves Cotton & Co., on account of the following reasons.
 - (a) The firm intimated vide their letter dated 6-12-85 that there was lock out from 26-4-85 at the manufacturing premises of KIRLOSKAR at Bengalores so, due to the heavy back-logs there has been delay in receiving the engines. These reasons were examined by Indenting Department and they recommended the extension. Accordingly extension was allowed by DSD,

Haryana for a period of 8-10 weeks from 24-1-1986. Moreover, amendment in respect of specification was also allowed on 24-1-86. So even if the extension have not been allowed, a fesh delivery period would have to be allowed to the firm in view the amendment.

The firm further requested for extension upto 31-7-87 intimating that Generating sets are in advance stage of manufacturing and extension is required to enable the DGS&D to conduct the inspection who do not carry out the inspection unless the order is valid. These reasons were also examined by the Indenting Department and who certified it to be the genuine. Accordingly, extension was allowed to this firm upto 31-7-86 to enable the firm to complete to the supplies.

It was further clarified by the Indenting Department that if delivery period would not have been extended, the alternative left for procuring the material was to go for risk purchase which would have resulted in more delay in making the supplies, because the same purchase procedure would have to be repeated again.

Keeping in view of the above facts, the delivery period was rightly extended by the DSD, Haryana on the recommendation of Indenting Department.

It is, therefore, requested that P.A.C. Para may kindly be dropped by taking into consideration the factual position explained above.

The committee do not feel satisfied either with the written reply or oral evidence of representatives of both the procuring department and indenting department (Public Health) with respect to the purchase of generating sets. The committee feel that since the indent was marked 'urgent' and DGS & D tests were likely to take at least 45 days, it was not appropriate for the Director, Supplies and Disposals/Engineer-in-Chief to have cancelled the order on firm 'A' and placed it on firm 'B' without approval of High Power Purchase Committee, rather, they should have granted the extension to firm 'A' as asked for by it, specially when the firm 'B' also had not submitted any test report with its tender and nor were the tests by DGS & D insisted upon it unlike the condition imposed on firm 'A'. Moreover, the order placed on firm 'B' on 5th July 1985 stipulated delivery of the sets within 12 weeks but this delivery period was extended by the Director, Supplies and Disposals upto July 1986, which indicated that stores were not required urgently and therefore cancellation of the order on firm 'A' on grounds of urgency was not at all warranted.

In the light of the foregoing circumstances, the committee desire that department should reinvestigate the whole matter thoroughly and highlight the lapses of the Officers/Officials leading to extra expenditure of Rs. 1.38 lakhs on the purchase of generating sets and submit a compliance report to the committee within 3 months.

[28] 3.17 *Injudicious purchase*

The Director, Supplies and Disposals, Haryana (DSD) received two indents from the Medical Department in April 1982 (615 tonnes) and September 1982 (615 tonnes) for the purchase of malathion. On receipt

of the first indent, the DSD invited tenders through the press and in response received 7 tenders (May 1982) from the suppliers based in Haryana, Delhi and Rajasthan with their rates ranging between Rs. 14,951 and Rs. 16,900 per tonnes. The lowest offer of a Haryana (Gurgaon) based supplier, not supported by ISI licence, was rejected and the next two lower offers of 'A' (Rs. 14,990 per tonne) and 'B' (Rs. 15,808 per tonne) were recommended (May 1982) by the DSD for consideration and approval of the High Power Purchase Committee (HPPC). Both these offers were valid upto 15th July, 1982, but 'A' had offered to supply only 200 tonnes. Both 'A' and 'B' were Alwar-based (Rajasthan) firms having the same address and telephone number and their tender papers appeared to have been signed by the same person. All these facts were to the knowledge of the DSD. No efforts were however, made to negotiate with 'B' to get their rates reduced to the level of 'A' for making balance purchase of 415 tonnes. The HPPC decided (28th June, 1982) that order for supply of 200 tonnes of malathion may be placed on firm 'A' at their quoted rate of Rs. 14,890 per tonne and if they did not agree to supply the balance quantity, then order for the balance quantity of 415 tonnes be placed on 'B' at its quoted rates of Rs. 15,808 per tonne. As 'A' declined to supply more than 200 tonnes, orders were placed on 'A' (200 tonnes) and 'B' (415 tonnes) (July 1982).

On receipt of the second indent in September 1982, repeat orders, approved by the HPPC on 17th September, 1982, were placed again on 'A' for 200 tonnes and on 'B' for 415 tonnes at their earlier quoted rates. Repeat order was accepted by 'A' although they had declined to supply more quantity against the first order of July 1982.

The department justified (September 1986) the purchase from 'A' and 'B' on the ground that both the firms were having separate sales tax registration and ISI licence. The department however, overlooked the vital fact that both these Alwar based firms, 'A' and 'B' were operating from the same premises with common management and therefore, efforts should have been made to negotiate with 'A' to increase the quantities offered or with 'B' to reduce its rates to the level of those quoted by 'A'. Compared with the rate of 'A', 830 tonnes malathion purchased from firm 'B' in 1982-83 was at an extra cost of Rs. 6.79 lakhs.

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply the department stated as under :—

After receipt of indent from the Director, Health Services, Haryana, the Director, Supplies & Disposals, Haryana invited tenders through press advertisement and opened on 10-5-1982. The case was placed before the High Powered Purchase Committee in its meeting held 28-6-1982 wherein it was decided as under :—

- (i) An order of 200MT Malathion 25% WDP should be placed with M/s. Bharat Minerals & Chemicals, Alwar @ Rs. 14990 per metric tonne F.O. R. destination.

- (ii) They should be asked to confirm, within a week as to whether they would also be willing to supply the balance 415 M.T. Malathion 25% WDP at the same rates and terms and conditions. If they confirm it, then the order for balance quantity may also be placed with them.
- (iii) In case M/s. Bharat Minerals and Chemical Alwar do not confirm within 7 days about the supply of balance quantity at the same rates, the order may be placed with M/s. Parkash Pulverising Alwar at Rs. 15,808/- PMT FOR destination for the remaining quantity.

Accordingly this office issued acceptance letter to M/s. Bharat Minerals, Alwar on 29-6-82, to supply material i.e. 200 M.T. Malathion @Rs. 14,990/- PMT. It was also requested the firm to confirm if they were willing to supply additional 450 M.T. material at the same terms and conditions as above. This confirmation was asked to be sent by return of post within 7 days. The above firm vide their letter dated 1-7-82 regretted to supply more quantity. Accordingly the supply order was placed with M/s. Prakash Pulverising Mills Alwar for 415 M.T. @Rs. 15808/- per M.T. The repeat orders were also placed with both the firms on 21-10-82 for the same rates and same quantity on the basis of the decision of the H.P.C. meeting held on 17-9-1982.

In this behalf, it is stated that identities of the two firms in question were different as far as the following aspects were concerned:—

- (a) The Central sale tax and R.S.T., numbers were different.
- (b) Separate ISI licence were submitted by these firms.
- (c) Both these firms had been separately registered with CIB and DGS&D, New Delhi.

The telegraphic addresses of these two firms were different.

There are no legal restrictions on the operation of two different firms from one premises having same telephone numbers.

M/s. Bharat Minerals, Alwar had stated in that offer dated 8-5-82 that they would supply 200 M.T. Malathion 25% WDP and accordingly as per decision of the H.P.C. order was placed with them for 200 M.T. Malathion the management of both the firms are separate and details are given below :—

M/S. Prakash- Pulverising Mills, Alwar.

(i) Sh. Radhya Shyam Goel.

(ii) Sh. Ashok Kumar Goel.

M/S. Bharat Minerals, Alwar.

(i) Sh. A.K. Goel.

(ii) Smt. Mishri Devi.

(iii) Sh. Bimal Kumar Goel.

In view of the facts explained above, the observations made in the draft para are not confirmed because the identities of both the firms in question were different. It may again be made clear that two different firms quoting different rates can not legally be forced to bring down their rates simply because they are operating from one business premises. However, their C.S.T. R.S.T. numbers and separate registration from C.I.B. and DS&D New Delhi are different and supply orders in question were correctly placed from legal angle as well as in view of the Stores Purchase Rules. There is no provision in Stores purchase Rules to negotiate rates with any firm. The negotiations were started in 1985 by the H.P.P.C. and the practice has again been stopped now. In view of position explained above, the draft para may kindly be dropped.

During oral evidence before the committee on 15-5-1990, the departmental representative could not justify the reasons for not making any negotiations with firm 'A' to increase the quantities offered or with firm 'B' to reduce its rates to the level of those quoted by firms 'A'. The committee observe that if this exercise had been done, the department could have avoided any extra cost of Rs. 6.75 lakhs on the purchase of 830 tonnes Malathion from firm 'B'. The committee think that the department overlooked the vital fact that both these Alwar based firm 'A' and 'B' were operating from the same premises with common management and therefore, there should not have been any difficulty with the department is going for negotiations with either of the firms. The plea of the department that both the firms were having separate Sales Tax registration and ISI licence, are not tenable, in as much as it did not stipulate any for on the department to have negotiated with either of the two firms for this reason alone to watch financial interests of Government.

The committee, therefore, desire that the whole matter be investigated *de novo* and responsibility fixed on the concerned officers officials for not availing themselves of the opportunity of negotiations. The final outcome of the action taken in the matter be intimated to the committee within 6 months.

P.W.D. (B&R)

[29] 4.11. *Splitting up of tenders.*

The widening and strengthening of a 7.30 Km. long portion of Karnal-Ambha-Indri-Ladwa road was administratively approved (Rs. 13.56 lakhs) in July 1984. Detailed estimates for this work technically sanctioned in January 1985 (Rs. 14.56 lakhs) contained a provision of Rs. 6.23 lakhs for collection and carriage of stone soling (1,514.60 cum), stone metal (5,336 cum) and screening (685 cum). The work was to be completed in six months time after commencement.

For the supply of material, the Executive Engineer, division No. 1, Karnal, invited tenders and allotted the works in two instalments, first in October 1984 (for part supply : Rs. 2.30 lakhs) and then in May 1985 (for the balance supply : Rs. 3.66 lakhs). On both the occasions, the contractor was the same but the rates offered and accepted in May 1985 were higher which resulted in an extra expenditure of Rs. 0.71 lakh on actual quantities obtained.

The Executive Engineer stated (July 1986) that tenders were split up due to shortage of funds and lack of space for stacking of the material at site. The reply is not tenable as would be seen from the following facts :—

- (i) At the rates tendered by the contractor in September 1984, the entire material would have cost only Rs. 4.86 lakhs against which the division had an allotment of funds of Rs. 7.10 lakhs for this work. Of this, the division spent only 0.92 lakh as payment to the contractor during 1984-85 and reappropriated the balance Rs. 6.18 lakhs to other works in March 1985.
- (ii) The contractor was neither required to supply the entire quantity in one lot nor was the division required to make lumpsum payment to the contractor at the commencement of supplies. Thus against the contract of September 1984 for Rs. 2.00 lakhs, material was supplied by the contractor in instalments from October 1984 to June 1985 and payments were made in instalments between February—September 1985 through five running bills.
- (iii) The material was not to be stacked at one and the same place, at one time. The portion of the road under widening and strengthening was 7.30 Km. long and the quantity if stacked on the sides of the road throughout its length would not have created any traffic problem. The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply the department stated as Under :—

Main reason for splitting up of the tenders was the tight field situation and in-sufficient space available for stacking of stone metal along the entire length of road on both sides sandwiched by the protected forest land covered with plantation of forest department, which could not be encroached-upon without prior sanction from the Govt. of India.

Shri S. K. Singal, the then Executive Engineer Provl. Divn. No. II Karnal has been held responsible for not phasing out the work in planned manner by allotting the work to one agency at one time, splitting up the tenders and causing loss of Rs. 0.71 lacs. His explanation was called for. Comments of E-in-C on his explanation have been received vide E-in-C UO No. 186-IC-K-88/623/IC-2 dated 29.9.1989 recommending the issue of chargesheet under rule 8 of the Punishment and Appeal Rules. The matter is under examination of Govt.

Both in their written reply and during oral evidence, the departmental representative informed the committee that Sh. S. K. Singal, the then Executive Engineer, Provl. Divn. No. II Karnal had been held responsible for not phasing out the work in a planned manner and allotting it to one agency. He admitted that by splitting up the tenders, he caused loss of Rs. 0.71 Lakh to the State exchequer and, therefore, his explanation had been called for and the case for issue of charge sheet to the Officer under rule 8 of the Punishment and Appeal Rules was under execution of the Government.

The committee desire the case may be finalised expeditiously and the final outcome intimated to the committee within 6 months.

[30] 4.12 Avoidable extra expenditure

In the Provincial division No. 1, Rohtak, construction of a linked road from Dehkora to Rohad (4 Km) was administratively approved in August 1981 and detailed estimates for earth and metal works (Rs. 6.81 lakhs) were sanctioned by the Engineer-in-Chief in August 1982. Earth work was to be completed by August 1983. Earth work commenced in February 1982 was completed (28.757 cum) in November 1982.

Tenders for supply of stone soling (1,810 cum), stone metal (1,487 cum), screening (330 mm) and bajri (246 cum) were invited in August 1982 and work was awarded in October 1982 to the lowest tenderer 'A' the estimated and the tendered cost of the work was Rs. 2.26 lakhs. According to the work order, supply of materials was to commence after completion of earth work and time limit for supply was one year. No stipulation was made in the work order about the manner in which the fact of completion of earthwork was to be conveyed to the contractor so that he could commence supply of materials. Although earth work was completed on 15th November 1982 the Executive Engineer did not ask the contractor to supply road metal. After one year, on 8th November 1983, the contractor of his own informed the Executive Engineer that he was not ready to execute the work as thirteen months had since elapsed and during this period he was not informed by the Executive Engineer whether the earth work had been completed or not. For breach of agreement a compensation of Rs. 0.23 lakhs was levied on the contractor (October 1984) which on a representation from the contractor, was waived by the Superintending Engineer (December 1984) stating that the action of the Executive Engineer was illegal.

Fresh tenders for the same works were invited in January 1985 and the work awarded to the lowest tenderer 'B' at his tendered cost of Rs. 2.30 lakhs. Work order issued to the contractor by registered post in January 1985 was, however, received back with the remarks that addressee was not available at the given address. His whereabouts could not be known. Earnest money of Rs. 2,300 was forfeited (June 1985) and he was blacklisted for the year 1985-86.

Tenders were again invited, for the third time in September 1985. In response, only one contractor 'C' tendered in October 1985 (cost Rs. 3.06 lakhs) which was accepted and the work was awarded to him in March 1986. Supply of material commenced in March 1986. As compared to the rates of 'A' the work awarded to 'C' resulted in extra cost of Rs. 0.80 lakh.

Meanwhile, out of the 28,757 cum earth work executed on the road up to November 1982, due to non-execution of metal works 14,086.42 cum was washed away during 1983-85 and was re-executed during February 1984—May 1986 at a cost of Rs. 0.46 lakh.

By not informing contractor 'A' about the completion of earth work in November 1982 the department suffered a loss of Rs. 0.80 lakh due to higher rates of contractor 'C' as compared to that of 'A' and Rs. 0.46 lakh due to re-execution of earth work. For these losses no responsibility had been fixed on the officials at fault (March 1987).

The works, scheduled for completion by August 1983, were in progress (July 1986).

The matter was reported to Government in August 1986; reply is awaited (March 1987).

In their written reply the department stated as under:—

As per condition No. 3 of the allotment letter issued by the Executive Engineer, Provl. Divn. No. 1, Rohtak vide his No. 4266 dated 14-10-82 the time limit of one year was to start after completion of earth work. It is also stated here that the earth work in reach 3.00 to 3.35 Km. (350 metres) has not so far been completed as yet due to the fact that the land in this particular portion is still to be taken possession of. The people of the village have demanded change of alignment. Due to incompleteness of earth work in this portion as stated above, the contractor 'A' (Society) could not be informed of completion of earth work.

It is also stated that the action under clause II and III against the agency 'B' (The Bahadurgarh Coop. L&C Society) was taken and the arbitrator has been appointed vide E-in-C No. 18-R-III-80/3399-3402 dated 7-7-89 for the recovery of Rs. 92177/- incurred in excess due to the 'high rates' of agency 'C' (M/s Partap Construction Co.), as compared with the rates of agency 'B' (The Bahadurgarh Coop. L&C Society.)

Regarding re-execution of earth work amounting to Rs. 0.46 lacs, it is stated that there were unprecedented rains during 1983-84 and for the reason of natural calamities all the roads in this season were under heavy rainy water and there were damages on roads at many places in the region.

The following officers were held responsible for the loss. The action against them is indicated below :-

- I. *Shri Jagan Nath Head Clerk* : He has been charge sheeted by E-in-C under rule 7 of the P&A rules vide No. 4216/I&C-II dated 3-10-89.
- II. *Shri S. L. Gupta XEN (Since retired)* : He was chargesheeted under Rule 8 of the P&A rules. Comments on his reply received from E-in-C vide memo No. 119-R-88/632/IC-2 dated 6-10-89, recommending a punishment of recovery of Rs. 5670/- from his DCRG are under consideration of the Govt.
- III. *Shri A. K. Kakkar, SDE* : Revised chargesheet to be served on this officer received vide E-in-C letter No. 119-IC-R-88/632/IC-2 dated 6-10-89 is under the consideration of the Govt.

During oral evidence, the departmental representative admitted that by not informing contractor 'A' about the completion of earth work in November 1982 the department suffered a loss of Rs. 0.80 lakh on account of reexecution of earth work. He, therefore, informed the committee that S/sh. S. L. Gupta Xen (Rtd.) A. K. Kakkar SDE and Jagan Nath, Head Clerk were held responsible for the loss and action against them was under process.

The committee desire that the cases of delinquent officers/officials should be finalised expeditiously and disciplinary action taken against them under intimation to the committee within 6 months.

(31) 4.13. *Extra expenditure*

Construction of a bypass at Dhand (District Kurukshetra) was administratively approved in November 1979 at a cost of Rs. 4.63 lakhs and revised (September 1985) to Rs. 8.72 lakhs. Tenders were invited in June 1983 for 7.17 lakh cubic feet of earth work (estimated cost : Rs. 0.60 lakh). Eight tenders were received (June 1983) and the lowest rate offered was Rs. 45 per thousand cubic feet upto 50 feet lead and beyond that at Haryana Schedule of Rates 1974 plus 120 percent premium. On this basis the lowest tendered rate worked out to Rs. 55.44 per thousand cubic feet. After negotiations, the agency reduced its rate to Rs. 54.84 per thousand cubic feet, which was much below the sanctioned rate of Rs. 81.87 per thousand cft. This offer was recommended by the Executive Engineer in June 1983 to the Superintending Engineer for approval. The Superintending Engineer directed (July 1983) the Executive Engineer to persuade the agency for taking up the work at the rate of Rs. 45 per thousand cft. The Executive Engineer informed (July 1983) the Superintending Engineer that the rates already negotiated (Rs. 54.84 per thousand cubic feet) were highly beneficial to Government and lower rates would not be possible even if tenders were recalled. This recommendation was not accepted by the Superintending Engineer and tenders were recalled in September 1983. The lowest rate received this time (October 1983) was Rs. 335 per thousand cft. from another tenderer which the tenderer after negotiations; reduced to Rs. 100 per thousand cft. The Superintending Engineer initially did not (September 1983) approve of

this higher rate either and asked the Executive Engineer to execute the work departmentally but on the Executive Engineer pointing out that if executed departmentally, the work will cost more the Superintending Engineer accorded his approval in October 1983 and the work was allotted to the contractor in November 1983.

When the work was in progress the quantities of earth work were increased from 7.17 lakh cft. to 13.14 lakh cft. due to increase in the scope of work. The agreement was terminated in November 1985 after execution of 12.58 lakh cft. of earth work at a cost of Rs. 1.26 lakhs.

By rejecting lower rate of Rs. 54.84 per thousand cft. and allotment of work at higher rate of Rs. 100 per thousand cft. the department had to incur an extra expenditure of Rs. 0.57 lakh on execution of 12.58 lakh cft. earth work.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

As per NIT, the agencies were required to give tenders on through rate basis no percentage rates were acceptable. The agencies quoted their rates contrary to the NIT thus all these tenders were required to be rejected but keeping in view the financial aspect, these tenders were considered. Since the Executive Engineer was not the final authority case was sent by him to Superintending Engineer, Karnal for approval.

The Kaithal Jai Bharat Coop. L&C Society was the lowest and this Society had quoted the rate of Rs. 45/- per thousand cft. upto '50' lead and beyond '50' HSR+120% above with certain other conditions. On persuasion the Society withdrew the conditions but increased its original quoted rates from Rs. 45/- per thousand cft. to 54.84 per thousand cft. This increased rate was not approved by the Superintending Engineer and he directed the Executive Engineer Prov. Divn. Kaithal to persuade the Society to retain his original rate of Rs. 45/- per thousand cft. The Society however, refused to do the work at Rs. 45/- per thousand cft, other agencies also did not agree to do the work at this rate. The S. E. did not agree to approve the increased rate over the original quoted rates of 45/- per thousand cft. and asked the Executive Engineer to recall the tenders or to do the work departmentally.

The Executive Engineer pointed out that if the work is got done departmentally it will cost more. The tenders were recalled through press on 12-9-83. The lowest rate this time was Rs. 335/- per thousand cft. which on persuasion was reduced to Rs. 100/- per thousand cft. The Executive Engineer informed that there seems to be no likelihood of achieving lower rates keeping in view the market trend. In view of this position, the rate of Rs. 100 thousand cft. was approved by S. E.

Shri B. K. Wadhwa, the then Superintending Engineer Karnal (Now C. E.) has been held responsible for taking injudicious decision of rejecting the negotiated rates of Rs. 64.84 per thousand cft. and then accepting enhanced rates of 100/- per thousand cft. on recall of tenders inspite of his own earlier order to carry out the work departmentally. Sh. C. B. Sharma, Executive Engineer has been held responsible for not carrying out the work departmentally as ordered by S. E.

The explanations of both the officers received through E-in-C vide his letter No. 956-AC-86/SOIV/355/AC dated 30-8-89 are under consideration of Govt.

The committee observe when the work was in progress, the quantities of earth work were increased from 7.17 lakh cft. to 13.14 lakh cft. due to increase in the scope of work. During the course of oral evidence before the committee, the departmental representative could not, however, give any satisfactory explanation for this increase.

The committee desire that the whole matter should be thoroughly investigated and the quantity of earth work executed at site should be got re-checked and a detailed report to this effect be furnished to the committee within 3 months.

The committee further desire that action taken against the Executive Engineer who had recalled the tenders and revised the rates be also intimated to the committee within 3 months.

TOWN AND COUNTRY PLANNING (HUDA)

(32) 6.4. *Avoidable expenditure/over-payment to a contractor*

On the basis of tenders invited in March 1975 construction of 50,000 gallon capacity overhead service reservoir in Industrial area, Panchkula, was allotted (June 1975) by the Project Public Health Circle, Chandigarh, to a firm at a lump sum cost of Rs. 1.05 lakhs (based on the load bearing capacity of soil as 0.8 ton per sq ft.) The contract, *inter alia* envisaged testing of load bearing capacity of soil by the firm, submission of detailed design/drawings of reservoir for approval and completion of the work within one year from the date of approval of design by the department.

According to the test report submitted by the firm in July 1975 the load bearing capacity worked out to 0.61 ton per sq ft. which was reduced to 0.41 ton per sq ft by the Executive Engineer on the ground that the firm while working out the load bearing capacity had not taken into account the over burden pressure of soil above the foundations. After prolonged correspondence, the design of foundations and shaft of the reservoir submitted by the firm were approved by the Executive Engineer (May 1977) after increasing the depth of foundations from 5 feet to 6 feet 6 inches on account of the reduced load bearing capacity. Thereafter, the firm commenced work on foundations and shaft in June 1977. On formation of HUDA, the work was taken over by HUDA division No. 1, Panchkula (September 1977). In September 1977 the firm demanded extra payment over the lump sum rate due to reduction in the load bearing capacity. Extra payment of Rs. 0.34 lakh on this account was made to the firm in October 1977.

The detailed design/drawings of dome of reservoir submitted by the firm however, remained under correspondence between HUDA and the firm upto December 1978. Thereafter, it was approved (January 1979) with certain modifications in consultation with the Engineering College, Kurukshetra. The firm objected to the changes proposed by the College and left the work (July 1979) after executing work valuing Rs. 0.81 lakh (including extra item of Rs. 0.34 lakh). On failure of the firm to complete the work the Executive Engineer levied compensation of Rs. 0.11 lakh (January 1980) and decided (September 1980) to get the balance work done at the risk and cost of the firm.

Tenders for the balance work were invited in April 1981 and the balance work was allotted (July 1981) to another firm at a lump sum cost of Rs. 2.40 lakhs. The firm was asked to submit its own design. The design submitted by the firm was sent to the Panjab Engineering College, Chandigarh (January 1982) for approval. The College asked HUDA (February 1982) to get the load bearing capacity of soil re-checked as bearing capacity adopted by the department as 0.41 ton per sq ft appeared to be incorrect. On re-checking, it was found to be 0.8 ton per sq ft as originally taken

in June 1975. On this basis, the College opined (April 1982) that the foundations and portion of the shaft already constructed required stiffening by providing circumferential re-inforcement. Accordingly additional R. C.C. was laid around foundations already constructed and the shaft was re-constructed after its demolition. For execution of these extra items of work, payment of Rs. 2.48 lakhs was made by the Executive Engineer to the firm (September 1983). In the process an overpayment of Rs. 0.99 lakh was made to the firm due to adopting an incorrect rate.

The Chief Engineer decided (March, 1984) to recover the amount overpaid from the Executive Engineer responsible for approving incorrect rates; recovery has not been made so far (June 1986). The work was completed in November 1984 at a cost of Rs. 4.99 lakhs.

Responsibility for extra expenditure of Rs. 0.34 lakh due to adoption of incorrect load bearing capacity and incurring avoidable expenditure of Rs. 1.49 lakhs (Rs. 2.48-0.99 lakh) was not fixed. Amount of Rs. 0.99 lakh over paid had also not been recovered and no steps were taken by HUDA to workout/recover the extra expenditure incurred in getting the work completed on behalf of the original firm (June 1986).

The matter was reported to Government in June 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :-

- (i) In this regard it is intimated that as per approved D.N.I.T, it was mentioned in schedule No. 8 that the foundations shafts shall be designed for bearing pressure not to exceed 0.8T per sqft. The bearing test was got conducted by the firm through M/s. United Technical consultants pvt. Ltd. & the bearing capacity of soil was intimated as 0.61T per sqft. which was reduced to 0.41T per sqft. by taking the over burden pressure of soil above the foundations into account and the design of O.H.S.R. was done by assuming the above bearing capacity accordingly. However, HUDA, has gone into Arbitration for making the recovery of over payment of Rs. 0.34 lacs made to the firm by the then authorities for which efforts are being made. As such no responsibility has been fixed of any officer/officials in the absence of decision of Arbitration case.

So far, as the question of avoidable expenditure of Rs. 1.49 lacs is concerned, it is submitted that the expenditure of Rs. 1.49 lacs was not avoidable in any case.

Because the expenditure has been incurred keeping in view the safety of the structure as advised by the Punjab Engineering College, Chandigarh. The O.H.S.R. has been completed and functioning quite well. As such there is no one at fault for incurring expenditure of Rs. 1.49 lacs as it was required as per the latest technology.

2. Shri M.K. Midha, Executive Engineer on deputation from B&R Deptt. was held responsible for overpayment of Rs. 0.99 lacs to the firm due to approval of incorrect rates. The Officer was charge sheeted through his parent Department and the Govt. has warned the officer, with copy to be placed in his A.C.R. file vide Order / Endstt. No. 8/28-B&R(E)-830 dated 24-10-88.

3. It is submitted that to recover the amount of Rs. 0.34 lacs due from the firm and to execute the balance work at his risk and cost, HUDA, has gone into Arbitration the decision of which has not yet been awarded by the Arbitrator so far. As reagr recovery of over payment of Rs. 0.99 lacs is concerned, the then Executive Engineer, Sh. M.K. Midha, is responsible, as explained in reply to question No. 2 page 3. The balance amount of Rs. 1.49 lacs was not avoidable as explained against question No. 1 Page I.

In their written reply and during oral evidence, the departmental representatives admitted that an over-payment of Rs. 0.99 lakh was made to the firm due to adopting of an incorrect rate and the Chief Engineer directed in March 1984 to recover the amount overpaid from the Executive Engineer responsible for approving the incorrect rates. The Committee are, however, surprised to learn that instead of effecting the recovery from the Executive Engineer, Govt. only awarded him a warning for causing a huge loss to Government.

The Committee, therefore, desire that the recovery of overpayment may either be made from the concerned firm or the officer at fault. Action taken in the matter and its final outcome be intimated to the committee within 6 months.

The Committee, also desire that the matter regarding recovery of Rs. 0.34 lakh due from the firm on account of extra payment made to them in October 1977 over the lumpsum rate due to reduction in the load bearing capacity should be pursued to its logical conclusion and final outcome intimated to the committee in due course.

[33] 6.5. Recoveries due from a contractor

On the basis of tenders invited in November 1980 by the Executive Engineer, HUDA division No. II, Panchkula, the work of construction of a green house complex (estimated cost Rs. 4.90 lakhs) was entrusted to a contractor in January 1981 at his tendered cost of Rs. 4.99 lakhs for completion by March 1982. The work was commenced by the contractor in May 1981. After executing work of the value of Rs. 2.74 lakhs, the contractor left (March 1982) the work incomplete without assigning any reason and removed from the site of work unconsumed material the value of which at penal rate (double the issue rate) worked out to Rs. 1.96 lakhs. For leaving the work incomplete, compensation of Rs. 0.49 lakh was levied by the division in May 1982. For unauthorised removal of material, however, neither any report was lodged with the police nor was the matter of recovery pursued with the contractor.

In addition to these recoveries, a sum of Rs. 0.47 lakh was also recoverable from the contractor on account of secured advance paid in March 1981 (Rs. 0.23 lakh), cost of material consumed but not adjusted in the running bills (Rs. 0.17 lakh) and water charges and cost of empty cement bags (Rs. 0.07 lakh). Against these recoverable amounts aggregating Rs. 2.92 lakhs, security deposit of Rs. 0.13 lakh only was available with the division.

In June 1982, the Executive Engineer HUDA division No. II, Panchkula decided to get the balance work done at the risk and cost of the contractor but, before any action to this effect could be taken by him, the administrative control of the work transferred (September 1982) to division No. I. Division No. I did not take up the balance work due to non-transfer of records by division No. II. The control of the work was retransferred to division No. II in January 1984 and the Executive Engineer took up the matter (June 1984) with the contractor to return the unconsumed material removed by him from the site of the work. Tenders for the balance work invited by the Executive Engineer in February 1985 and again in April 1985 but were not accepted due to defects in the detailed notice inviting tenders. In January 1986, several structural defects such as cracks in the walls, damaged floor/RCC shelves and white and damage in wooden chowkhats were noticed by the division in the work already executed. The contractor was informed (January 1986) that the work left incomplete by him and the defect noticed in the executed work would be completed/rectified at his risk and cost. The balance work of green house had, however, not been allotted to any other contractor so far (September 1986) and the extra expenditure at the contractor's risk and cost was thus not known.

Action to fix responsibility against defaulting officials/officers for issue of material in excess of actual requirement of work to the contractor was stated by the Executive Engineer (February 1986) to be under process. Further developments are awaited (September 1986).

The matter was reported to Government in July 1986; reply is awaited (March 1987).

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

In this regard, it is submitted that the balance work of Green House Complex which was left incomplete by Sh. V.P. Uppal Contractor, has been allotted to M/s. Shakti construction, Notified Area Committee, Manimajra (U.T.) Chandigarh vide memo No. 13630 dated 18-12-87, at his risk and cost.

2. The work is almost complete. The amount to be spent for the completion of the balance work at the risk and cost of Sh. V.P. Uppal, contractor may work out to be Rs. 0.90 lacs.
3. In this regard, it is submitted that the following Officer/

Officials have been found at fault for the loss shown against each :—

	Rs.
1. Sh. M.K. Midha, XEN, P.W.D. B&R Haryana	249946.90
2. Sh. M.R. Sachdeva, S.D.E.	119607.04
3. Sh. S.K. Sachdeva, S.D.E.	11906.04
4. Sh. R.K. Kakkar, S.D.E.	249946.90
5. Sh. Jaspal Singh, J.E.	236657.87
6. Sh. H.C. Verma, J.E.	249946.90

However the charge sheet against the above defaulting officer/officials were prepared and served upon them by the Chief Administrator, HUDA, Manimajra except Sh. M.K. Midha, the then Executive Engineer. As far as the case of Sh. Midha is concerned, it is intimated that on the basis of charge-sheet framed by HUDA, the Engineer-in-Chief

* * * * *

P.W.D. B&R Haryana, Chandigarh had called the explanation of the officer vide his office memo No. 2339 dated 29-9-86. The comments on the reply submitted by Sh. M.K. Midha Executive Engineer as well as other officer/officials is under consideration. So far as the question of recovery is concerned this office had filed claims for an amount of Rs. 3,59,432.18 to the Arbitrator O/o Superintending Engineer, HUDA, Panchkula, but the contractor has filed an application in the Hon'ble Court at Ambala for chance of Arbitrator. The case is under hearing in the Court. As such further action will be taken in the matter after decision of the Arbitration case.

The Committee observe that action to fix responsibility against defaulting officers/officials for issue of material in excess of actual requirement of work to the contractor has been pending since February 1986. The officers/officials having been found at fault, necessary recovery of the amount of loss caused by them to Government has not so far been made from them.

The Committee, therefore, desire that the matter regarding recovery of the amount from the 6 officials officers at fault may be finalised expeditiously and final outcome intimated to the committee.

The Committee further desire that action should also be initiated against the officers/officials responsible for non-lodging the report against the contractor with the police for unauthorised removal of material from site of work. A compliance report in this regard be furnished to the committee within 6 months.

[34] 36.6. Non-completion of reservoir

In November 1975 construction work of a reinforced cement concrete underground reservoir of 10 lakh gallons capacity in Sector-8, Panchkula (estimated cost of Rs. 2.45 lakhs) was entrusted by the Executive Engineer, Project Public Health division, Chandigarh to a contractor at 140.90 per cent above the common schedule of rates. The work was required to be completed within a period of twelve months. The contractor executed the work to the extent of Rs. 1.49 lakhs (May 1976) and, thereafter, stopped the work without assigning any reason. For non-completion of the work the Executive Engineer decided (September 1976) to levy a compensation of Rs. 0.25 lakh on the contractor and to get the balance work completed at his risk and cost. Compensation, however, could not be recovered as no dues of the contractor were pending with the division. For completion of reservoir fresh tenders were invited in October 1976 and in response a single tender was received which, being incomplete and also on the higher side (250 per cent above CSR), was rejected (November 1976). In January 1977 HUDA was formed and the work of incomplete reservoir was transferred to Executive Engineer, HUDA division No. 1, Panchkula.

The Executive Engineer, division No. 1, Panchkula reinvited tenders in October 1977 but the lone tender received was again on the higher side (245 per cent above the CSR) and was, therefore, not accepted.

In March 1978 the Executive Engineer decided to get the balance work executed departmentally but no action was taken till May 1979 when major cracks on the floor and walls of the incomplete reservoir were noticed and the Superintending Engineer directed the Executive Engineer to prepare an estimate for repairs and completion of the reservoir. Estimate (Rs. 1.39 lakhs) was prepared in June 1979 but so far (April 1986) the work has not been executed, the reasons for which were neither on record nor intimated by the Executive Engineer and the reservoir partly constructed at a cost of Rs. 1.49 lakhs had thus been lying abandoned and damaged since May 1976.

A second reservoir of similar capacity was, however, sanctioned by the Chief Engineer, HUDA in May 1981 on the ground that there was a provision of two reservoirs in the said Sector, and the same was completed in April 1983 at a cost of Rs. 10.53 lakhs.

The matter was reported to Government in June 1986; reply is awaited (March 1987).

The department stated in their written reply as under —

- (1) The reservoir partly constructed by Sh. Janam Singh, Contractor, is still lying abandoned.
- (2) The repair to incomplete reservoir could not be carried out as the work already done was adjudged as defective and below specification and could not be depended upon for

further construction thereon. To conduct further investigation a Committee of 5 Officers, i.e., 2 from P.H. Deptt. and 2 from HUDA, was set up under the Chairmanship of S.E. HUDA, Circle Panchkula to consider the matter. The Committee in its 1st meeting, held on 6-6-88 decided to take action on the following lines :—

- (i) To take 2-3 samples of concrete from columns walls and concrete laid in the slopping profiles and get the same tested for its quality.
 - (ii) To take samples of exposed steel both from the baffles and outer wall and get these tested for the strength to see its suitability for completion of balance work.
 - (iii) Get the bed of the tank cleaned of silt and debris to check its quality and suitability.
 - (iv) To check the exposed steel whether it conforms to the provision of respective component as per approved drawings.
- (a) The samples for testing of steel were sent to Deptt. of Industries, Haryana Govt. quality marketing Centre for Engineering goods Hisar. The report of these tests is that the steel has badly rusted and its correctional Area has been reduced to 78.5 Sqm. instead of 113.2 sqm. as per I.S.I. code. The correctional area has been decreased and is 78.5 Sqm. Which is on the lower side and it is not possible to construct structure with this steel.
- (b) The samples of concrete were got tested from the P.W.D. B&R. Research Laboratory, Hisar which are not according to specification and if the structure is constructed on this it will be un-safe.
- (c) The exposed steel has been checked and the detail of which is as under :—
- (i) Spacing of 12mm. dia steel in the wall is not uniform and it is from 14" to 16" C/C where as in the design 15" C/c.
- (ii) Steel in the columns has been checked & it is 6 Nos. 5/8" dia. bar in the inner column, 6 Nos. 3/8" extra bar has been provided in the outer column.
- (iii) The structural design drawings and quality of work of the reservoir was got checked by the team from Punjab Engineering College, Chandigarh consisting of Dr. M.C. Syal and Prof. N.P. Devgan. Expert opinion of the Engineering College is as under :—

"From the above observed strength of column side walls and concrete slab, it is evident that the concrete strength

at present is below M 150 concrete. In view our opinion the concrete in the reservoir is not fit for carrying out further construction."

The test report is under consideration with the Committee.

During oral evidence, the departmental representative could not justify non-acceptance of tenders for the completion of reservoir when a second reservoir for similar capacity had already been completed in April 1983 at a cost of Rs. 10.53 lakhs. The committee was, however, informed that a Committee of Officers of Public Health and HUDA was investigating the whole matter and the same would be finalised within the period of three months and action would taken against the persons found responsible for negligence.

The Committee desire that the final outcome in the matter be intimated to them within six months.

[35] 6.8. Alleged embezzlement

dropped on 16/11/2010
An Assistant entrusted with the work of realisation of water and sewerage charges in HUDA division No. 2, Faridabad allegedly embezzled an amount of Rs. 1.03 lakhs during December 1977 to March 1985 from the cash collected by him on this account from residents of Urban Estate. The modus operandi adopted by him was (a) showing incorrect totals in the Daily Collection Register (DCR) and in the cash book (Rs. 0.25 lakh), (b) less accountal of receipts (Rs. 0.09 lakh), (c) non-accountal of receipts (Rs. 0.03 lakh), (d) amounts shown transferred from DCR but not taken in cash book (Rs. 0.43 lakh) and (e) non-deposit in bank of amounts realised (Rs. 0.23 lakh). The embezzlement was detected by internal audit of HUDA : Rs. 0.55 lakh (March 1985), by Audit : Rs. 0.24 lakh (January 1986); and by the division : Rs. 0.24 lakh (April 1986).

Rules prescribe that amounts realised on account of water and sewerage charges be entered first in the DCR and then lumpsum amounts be taken to main cash book. The entries so made in the DCR are required to be checked by the D.D.O. with reference to counterfoils of receipt book and those taken to cash book be checked with reference to the DCR. The alleged embezzlement was facilitated mainly by the fact that no such check was exercised in the division. Non-observance of checks was first pointed out by Audit in December 1983 but no remedial measures appear to have been taken by the division.

The Assistant was placed under suspension (April 1985) and framing of charge-sheet against him was stated to be under process (April 1986). Action against other officers/officials was awaited. The report had not been lodged with the Police reportedly due to instructions being awaited in the division from higher authorities.

The matter was reported to Government in January 1986; further developments are awaited (March 1987).

In their written reply, the department stated as under :—

- (1) The concerned Assistant Sh. Sultan Singh, has since been dismissed from service vide order No. CA-I-88/19035 dated 30-5-88.
- (2) The following officials/officers found responsible for the lack of supervision, have been charge-sheeted under rule 7 & 8 of punishment and appeal rules 1952 :—
 1. Sh. Raj Kumar Gupta, S.D.E.
 2. Sh. Ashok Kumar Somal „
 3. Sh. R.K. Malik „
 4. Sh. N.K. Verma „
 5. Sh. Bhupinder Singh „
 6. Sh. G.C. Garg „
 7. Sh. S.K. Gupta S.O.
 8. Sh. J.S. Walia „
 9. Sh. S.K. Arora „

The replies to the charge-sheets pertaining to the officers from Sr. No. 1 to 4 and 6 have been received and are under process. The charge-sheet of the officers at Sr. No. 5 & 7, 8 & 9 have been sent to their parent Deptt. for necessary action.

- (3) The case was not registered with the police. Now the Executive Engineer, HUDA, Division No. II, Faridabad has been directed to file a Civil Suit in the Court of law to recover the amount.
- (4) The Internal audit party headed by Accounts Officer (Audit) is regularly inspecting the branches and the irregularities pointed out are being removed. The S.D.E. incharge of bill branches, are also regularly checking the collection of water and sewerage charges which are being deposited into bank account operated by the Executive Engineer concerned. The collections of all branches are accounted for in the Divisional accounts as well as reconciliation of cash deposited and transferred to, is also carried out regularly.

The Committee note that while dismissing the services of the Assistant, the recovery of the embezzled amount was not effected from the delinquent official. During oral evidence, the departmental representative, however, assured the committee that a Civil Suit would be filed against the Assistant for recovering the embezzled amount.

The Committee desire that the matter may be pursued vigorously to its logical conclusion and progress report be sent to them from time to time.

The Committee further desire that action already initiated against other officials/officers responsible for the lapse in the case be also finalised expeditiously and its outcome intimated to the Committee within three months.

[36] 6.9. Loss due to defective storage of cement

In HUDA division No. I, Panchikula 64780 bags (370.45 tonnes) of cement were in stock at the end of December 1982. Of this, 62731 bags were issued to various works upto December, 1984 and the remaining 2049 bags valuing Rs. 1.15 lakhs were found (June 1985) to have set.

For storage of cement, the Public Works specifications require that godowns should be weather-tight and its floor, damp-proof and at least 18" above the natural surface of the ground. The godowns where cement bags were stored by the division were not to the required specifications which resulted in setting of 2,049 bags (Rs. 1.15 lakhs).

The matter was reported to Government in June 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

- (1) The following Officers/Officials are held responsible for the loss of 2049 bags of cement which got set and who were charge-sheeted :—

1. Sh. S.K. Sachdeva, S.D.E.
2. Sh. S.K. Bhatia, J.E.
3. Sh. Arvind Kumar Sodhi, J.E.

Sh. A.C. Sharma, Sr. Accounts Officer, HUDA, Manimajra was appointed as enquiry officer to investigate and report the extent of responsibility. The enquiry report has recently been received and is under finalisation.

- (2) The storage of cement was done according to the specifications which are already being followed in the Divisions.

During the course of oral evidence, the departmental representative informed the committee that a case of negligence of duty had been established against the officers/officials responsible for the loss of 2049 bags of cement costing Rs. 1.15 lakhs and was under consideration of a committee headed by the Chief Secretary and was expected to be finalised shortly.

The matter should be finalised expeditiously and progress made in fixing responsibility on defaulting officers/officials and in effecting recovery be intimated to the committee within six months.

[37]. 6.10 Shortages

On the basis of tenders invited by Executive Engineer, HUDA, division No. II, Panchkula, in August 1982, two contracts for the supply of 19,937 cum of stone soling/metal (Rs. 8.44 lakhs) were placed on a firm in September 1982 (4375 cum : Rs. 1.84 lakhs) and October 1982 (15,562 cum : Rs. 6.60 lakhs). The material under the first contract was to be supplied by March 1983 (extended upto June 1983) and under the second by October 1983 (extended upto April 1984). The firm supplied 3908 cums of stone soling (Rs. 1.63 lakhs) upto June 1983 against the first contract and 12,311 cums of stone metal (Rs. 5.17 lakhs) upto December 1983 against the second. Thereafter, it stopped further supplied without assigning any reason. For not supplying full quantities, compensation of Rs. 0.84 lakh was levied on the contractor in September 1983 (Rs. 0.18 lakh) against the first contract and in September 1984 (Rs. 0.66 lakh) against the second its recovery had not been effected so far (June 1986); security of Rs. 0.34 lakh available with the division has also not been forfeited so far (March 1987).

Out of 3908 cums received against the first contract, a quantity of 804 cums was shown consumed departmentally on works during May—July 1983 leaving a balance of 3104 cums at the site. In January 1984 the charge of the work was transferred and the successor S.D.E. reported (March 1984) that stone soling/metal lying at site was either un-stacked or the stacks were under-size and that actual quantity therefore, could not be measured. To measure the quantity, the Executive Engineer appointed a committee (January 1985) which reported in June 1985 that 1,865 cum stone soling (1332 cum) and stone metal (533 cum) valuing Rs. 0.65 lakh were short.

Against the second contract, of the total 12311 cum quantity received, 8933 cum was shown as consumed departmentally (April 1983—October 1984) leaving a balance of 3,378 cum at site. In November 1984, the charge of the Junior Engineer was transferred and his successor reported shortage of material at site. A committee formed (June 1985) by the Executive Engineer after measurement reported shortage of 1,657 cum stone soling (332 cum) and stone metal (1325 cum) valuing Rs. 0.86 lakh.

For recovery of compensation (Rs. 0.84 lakh) and shortage (Rs. 1.51 lakhs) from the firm, the division filed a claim before the arbitrator in March 1986 which was rejected by the arbitrator in April 1986. It was noted, however, that quantities supplied by the firm were paid for only after measurement in July and December 1983 and for shortage noticed in January/June 1985 responsibility should have been fixed on the SDE/JE concerned which has so far (June 1986) not been done.

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply, the department stated as under :—

In this regard, it is submitted that to recover the amount on account of shortage of material, counter claims for an amount of Rs. 1,00,452-46 P. in case of sector-11 and Rs. 2,30,840 in case of Sec.-12-A, Panchkula were filed before the Arbitrator in March, 1986. But the Arbitrator awarded a sum of Rs. 45,400 in case of Sec. 11 and Rs. 79,300 in case of Sector 12-A, Panchkula in favour of contractor vide his decision dated 24-4-86. The following officer/officials were found guilty in this case :—

- (i) Sh. N.S. Neena, XEN
- (ii) Sh. R.K. Kakkar, SDE
- (iii) Sh. Vinod Kumar Sharma, JE
- (iv) Sh. H.C. Verma, JE

The charge-sheet have been serve on these Officer/Officials except Sh. Neena XEN, an XEN, (vigilance) has been appointed enquiry officer.

So far, as action against Sh. N.S. Neena, XEN is concerned, the charge-sheet has been framed and served on him through his parent Deptt. i.e. Engineer-in-Chief P.W.D. B&R Haryana.

The replies of above Officer/Officials are under process and decision will be taken on completion of enquiry.

- (2) The award give by the arbitrator is not self speaking. As such it cannot be ascertained on which ground the counter claim of HUDA, has been rejected by him.

During the course of oral evidence, the departmental representative informed the committee that the enquiry officer would submit his report by 20-11-90 and thereafter they would be taking further action in the matter.

The Committee desire that the matter may be finalised expeditiously and final outcome intimated to the committee in due course.

[38] 6.11. Fictitious consumption of material

Through tenders invited in August 1982, the Executive Engineer, HUDA division No. II, Panchkula obtained from a contractor (October 1982—December 1983) 6162 cum stone soling (Rs. 2.50 lakhs) and 6149 cums stone metal (Rs. 2.68 lakhs) for construction of various roads in Sector 12-A, Panchkula, with a thickness of 8 inches layer.

Construction work on roads was executed departmentally (May 1983—September 1984) and 4744 cum stone soling (Rs. 1.92 lakhs) and 4189 cum stone metal (Rs. 1.82 lakhs) were shown as consumed in two layers of 4 inches thickness, each. During the course of execution, the works were not check measured by the Executive Engineer. In

June 1985, the Executive Engineer of the division, during the course of his routine inspection, noticed that the layers were not 8 inches thick and directed the Sub-Divisional Engineer to conduct a through check of the roads at every 50th metre. Detailed checks conducted by the SDE (July—September 1985) disclosed average thickness of only 4 inches (instead of 8 inches). Thus 2372 cum stone soling/2094 cum stone metal valuing Rs. 1.87 lakhs was fictitiously shown consumed on the roads for which no responsibility has been fixed so far (July 1986)

The matter was reported to Government in August 1986; reply is awaited (March 1987).

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

It is submitted that the audit has based its objection regarding the loss of material as per quantity of loose material while loss should have been calculated on the basis of compacted material as per details given in *Annexure 'A'* which has been worked out to Rs. 83603 only. As such question of fictitious consumption of 2372 cum stone soling and 2094 cum stone metal valuing Rs. 1.87 lacs is not admitted at all.

The following Officer/Officials were found at fault in this case :—

- (i) Sh. N.S. Neena, XEN
- (ii) Sh. R.K. Kakkar, SDE
- (iii) Sh. H.C. Verma, JE

The charge-sheets against these Officer/Officials have been framed and served to them by the competent authority. The reply submitted by the officials are under process.

ANNEXURE 'A'

Differbase of the cost of Material received as per M.B. and found at site as per the report attached

1. Total quantity of stone Metal/Stone Soling laid as per M.B./R.M.R.(Loose). 8933.14 cum

2. Quantity of Stone Metal/Stone Soling found at site.

Compacted 5224.51

Loose 5224.51×8

6 96966.01 cum

1967.13 cum

Average rate of stone soling/stone metal as paid to the contractor	$\frac{41 + 44}{2}$	=	Rs. 42.50 per cum
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Total cost of the material observed short.

Rs. 83603.02

say Rs. 83603.00

During the course of oral evidence, the departmental representatives admitted fictitious consumption of material worth Rs. 0.84 lakh and informed the Committee that the replies to the charge-sheet submitted by the officials at fault were not found satisfactory and the appointment of an enquiry officer had been made to hold a regular enquiry. He further assured the committee that the case would be finalised shortly.

The Committee desire that the matter should be finalised expeditiously and final outcome intimated to the committee within three months.

FOOD AND SUPPLIES

[39] 7.6. Public distribution system through fair price shops

7.6.1. Introductory

The Public Distribution System (PDS) introduced by the Government of India intends to ensure supply of essential consumer articles of mass consumption to people at reasonable prices particularly to the weaker sections of the society and to control prices, reduce price fluctuations and to ensure an equitable distribution of essential consumer goods i.e. wheat, rice, sugar, controlled cloth, kerosene oil and edible oils etc. The State Government could include, in PDS any other commodity considered as essential for mass consumption by arranging its procurement through agencies nominated by it.

The commodities are supplied by Central Government at controlled issue prices which are subsidised and/or controlled. The State Government is authorised to add to these central issue prices certain incidental charges to determine the end retail consumer price of such commodities. The consumer price of levy sugar is, however, uniform all over the country.

7.6.4. Allocation and distribution

The requirement of foodgrains and other essential commodities is assessed by the State Government on the basis of population of the State including migrated industrial labour and is sent to the Government of India from time to time for allocation from Central Pool. The department makes the allotment of essential commodities out of the allocation made by the Central Government to the wholesalers with the instructions to lift the allocated quantity and supply the same to fair price shops each month for further distribution to the consumers. Whereas the wholesale distribution of controlled cloth, imported edible oil had long been entrusted to CONFED, the distribution of rice and sugar was entrusted to it only from 1983-84 and 1984-85 respectively.

The requirement of foodgrains and other essential commodities as assessed by the State Government, the quantity demanded, allocated by the Government of India and lifted by the wholesalers during three years period from 1983-84 to 1985-86 is detailed below :

1983-84 1984-85 1985-86

(In lakhs of tonnes)

Commodities

Wheat

Requirement (on the basis of units registered)	17.67	17.98	18.00
Demand	4.44	4.16	4.77

	1983-84	1984-85	1985-86
	(In lakhs of tonnes)		
Allocated	2.17	4.10	6.59
Lifted	N.A.	0.47	1.42
Sugar			
Requirement (on the basis of units registered)	0.71	0.72	0.72
Demanded	0.78	0.78	0.78
Allocated	0.69	0.71	0.75
Lifted	0.66	0.69	0.72
Rice			
Requirement (on the basis of units registered)	3.53	3.60	3.62
Demanded	0.36	0.40	0.42
Allocated	0.25	0.26	0.34
Lifted	0.20	0.09	0.11
Imported Edible Oil*	(In tonnes)		
Requirement	N.A.	N.A.	N.A.
Demanded	N.A.	N.A.	N.A.
Allocated	6,150	18,790	11,276
Lifted	5,861	11,276	5,901
Controlled Cloth*	(In bales)		
Requirement	N.A.	N.A.	N.A.
Demanded	N.A.	N.A.	N.A.
Allocated	3,600	2,840	2,433
Lifted	648	4,399	2,178

(i) The demand in respect of wheat and rice was neither according to the number of units registered in ration cards nor based on population during a particular period but was substantially less than the actual requirement during all these years. The demand in respect of sugar was, however, on the higher side.

*The demand is sent as and when needed on *ad hoc* basis and not on the basis of units registered.

In their written reply, the department stated as under :—

As explained above in comments on para 7.61 & 2 demand for foodgrains remaining during the lean months wheat is always available in the State in open market and the consumers gets wheat from fair price shops only when the open market price is much high. Hence demand or allocation have to be based on experience and not on population.

No major difficulty has been experienced and the allocations generally meet the demand of the consumers.

Issue of excess quota Sugar during the year 1985—86 was on account of a special festival season demand. The said quantity was allocated during the month 9/85 to 11/85.

The Committee are not satisfied with the present system of distribution of food grains and other essential commodities at the fair price shops/depots to public in general and industrial and student population in particular. The Committee observe that ration items are generally brought/supplied to depots during last days of the month and as a result people specially poor sections have to face great difficulty in procuring their ration due to financial constraints. The ration commodities thus not made available to the public become surplus with the depot holders who often resort to blackmarketing in disposing the surplus stock.

The Committee, therefore, recommend that Govt. should review the present system of distribution of ration and make necessary arrangements to ensure that the ration is invariably distributed to public on 7th of each month. This will go a long way in alleviating the plight of labour class who usually get their wages in the first week of a month. A compliance report to this effect may be sent to the Committee within 4 months.

[40] 7.6.5. Retail outlets

(a) Setting up of fair price shops

In pursuit of the objective of providing essential commodities at controlled prices to general public at large, the State Government had initially envisaged opening a fair price shop for every 2000 persons (units). The criteria was, however, revised from 1983-84 envisaging opening of a fair price shop for every 3000 persons in urban areas and 2000 persons in rural areas. The table below indicates the progress in setting up of fair price shops vis-a-vis the population of the State during the Sixth Plan (1980—85) and the annual plan 1985—86 :—

Year	Population (In lakhs)	Fair Price shops		
		Required	Established (In numbers)	Shortfall
1	2	3	4	5
1980—81	129.23	6461	5184	1277
1981—82	131.29	6564	5348	1216
1982—83	134.97	6749	5590	1159
1983—84	138.86	6433	5909	524
1984—85	142.79	6616	5970	646
1985—86	146.61	6792	6185	607

The setting up of fair price shops has not been able to keep pace with the growth of population and the extent of shortfall in establishment of fair price shops during these six years (upto 1985-86) ranged from 8 to 20 per cent. The department stated (October 1986) that shops were opened keeping in view the requirements of consumers.

(b) Catering to the needs of the different sections of the Society

(i) Rural Public

The State of Haryana had 6745 villages as per the 1981 census. The table below indicates the extent of coverage by fair price shops during the period 1980-81 to 1985-86 :—

Year	Number of villages	Number of fair price shops	Number of villages not having independent fair price shops	Average number of villages covered by fair price shop
1980-81	6,745	4,046	2,699	1.69
1981-82	6,745	4,062	2,683	1.66
1982-83	6,745	4,220	2,525	1.60
1983-84	6,745	4,413	2,332	1.53
1984-85	6,745	4,405	2,340	1.53
1985-86	6,745	4,552	2,193	1.52

About 2193 to 2699 villages remained without an independent fair price shop during these years and on an average each shop catered to the needs of 1.52 to 1.69 villages.

(ii) Industrial labour

In January 1982, emphasis was laid on catering to the needs of industrial workers. The table below indicates the extent of fair price shops established near industrial units vis-a-vis industrial population of the State at the end 1983-84 and 1984-85:

1983-84 1984-85

(i) Industrial population (In thousands)	1,394	1,323
(ii) Number of fair price shops		
(a) Required	697	661
(b) Established	236	241
(c) Short fall	461	420
(iii) Average number of persons covered by each shop	5,909	4,911

The fair price shops established for catering to the needs of industrial population thus fell much short of actual requirement.

(iii) Students

Under the new 20-point programme expansion of public distribution system through opening of more fair price shops to make available text books and exercise books to students was envisaged. All the students irrespective of whether they were residing in hostel or not were to be covered under the scheme. The table below brings out the number of fair price shops established near schools/colleges to cater to their needs of text books and exercise books at the end of 1982-83 and 1983-84:

	1982-83	1983-84
1	2	3
(i) Number of students (In lakhs)	22.19	23.28
(ii) Number of fair price shops established near schools/colleges	95	97
(iii) Average students covered by a shop (In lakhs)	0.23	0.24

On an average, students covered by a shop ranged between 0.23 and 0.24 lakh and thus the number of shops established near schools/colleges was not adequate to cater to the needs of students.

In their written reply the department stated as under :—

(a) 1&2 We have 6550 Fair Price Shops in the State. These are so well organised that no consumer is to travel more than 2 K. M. to meet his requirement of essential commodities. The department has fixed the norm of 400 and 600 ration cards for rural areas for opening of a fair price shops. Keeping in view the population of the State the position about the opening of fair price shops is reviewed from time to time and if the shops are less, than the requirements of the consumers, New Fair Price Shops are opened. Non lifting of full allocated quantities except sugar by depot holders shows that the number of existing Fair Price Shops is adequate to meet the consumer demand.

7.6.5 (ii) (a) & (b) (c) The criteria adopted for opening of fair price shops is 400 ration cards in rural and 600 in urban areas implemented in letter and spirit and these fair price shops covers the entire population. Labour colonies are attached nearest fair price shops if their own population does not qualify for allotment of Fair Price Shops The department have not felt necessity of opening such shops specifically for Industrial labour.

I, II, III In this regard instructions have been issued to CONFED to make available exercise books to the students and open more fair price shops if needed so that the students of schools and colleges could get exercise books from these shops.

The Committee observe that the programme of expansion of public distribution system by opening more fair price shops to make available text books and exercise books to students as envisaged in the new 20-Point Programme was not given a fair trial with the result, the text books and exercise books are either not at all available in fair price shops or these are made available to them very late often when half of the academic session is over. Thus, the purpose of sale of text books/exercise books through such fair price shops is defeated.

The Committee, therefore, desire that the department should streamline the supply of text books and exercise books so as to ensure that students get them in the beginning of academic session.

The Committee further desire that efforts should be made to open more fair price shops near schools/colleges so as to cater to the needs of students at their doorsteps.

PUBLIC HEALTH

[41] 4.14. Urban water supply and sewerage scheme.

4.14.1. Introductory

Potable and piped drinking water for household consumption and covered sewerage facilities are essential pre-requisites for good health of people, elimination of disease/epidemics and for environmental improvements.

The State has 81 towns with a population of 28.27 lakhs. At the time of formation of the State (November 1966) partial water supply was available in 37 towns and skeleton sewerage facilities in 16 towns. From November 1966 to 1979-80 an expenditure of Rs. 15,71.00 lakhs was incurred on partial water supply schemes (31 towns) and Rs. 8,40,000 lakhs on partial sewerage schemes (14 towns) and thus in March 1980, 13 towns were without partial water supply and 51 towns without skeleton sewerage facilities. The Sixth Five Year Plan (1980—1985) envisaged coverage of 5 towns with water supply, 10 towns with sewerage facilities and 35 towns with augmented water supply.

4.14.2. Bunding pattern.

The municipalities on whose behalf water supply and sewerage schemes are executed arrange funds through loan taken from the Life Insurance Corporation (herein after called 'LIC-aided schemes') and/or grants/loans taken from the State Government (non-LIC aided schemes). In LIC-aided schemes, while LIC loan is 66 per cent of the estimated cost, Government contribution (grant/loan) is restricted to 29 per cent and municipalities own contribution is 5 per cent. In non-LIC aided schemes Government contribution is 95 per cent in the shape of grant (57 per cent) and loan (38 per cent) and the balance 5 per cent is borne by the municipalities.

LIC loans are obtained by the municipalities against guarantees of the State Government. LIC loans are not routed to municipalities through the Consolidated Fund of the State and also do not form part of budget allotment. Government grants/or loans were found to have been sanctioned without ensuring that the municipalities had the capacity to contribute their 5 per cent share and also for the timely repayment of loans. There were heavy arrears on this account but their recoveries were not pressed by the department as indicated elsewhere in this review.

4.14.5. (v) Arrears due from municipalities

While water supply and sewerage works are maintained by the Public Health Department, expenditure on their maintenance is borne exclusively by the municipalities through advance deposits or reimburse-

ment of claims. Mention was made in para 7.10 of the Report of the Comptroller and Auditor General of India for the year 1979-80 Government of Haryana that as on 31st March 1978, Rs. 1,67.03 lakhs were due for recovery from 49 municipalities on account of expenditure on maintenance. The Public Accounts Committee in its 22nd Report (1984-85) had observed that immediate efforts be made to liquidate these arrears. It was, however, noticed that instead of liquidating the arrears, these have went up and, as on 31st March 1986, Rs. 8,89.15 lakhs were recoverable from 51 municipalities.

In their written reply, the department stated as under:

This pattern was evolved in consultation with the Local Self Government Department.

All possible efforts are made to recover the arrears. Recently on 3-1-90, a meeting was held at C. M.'s. level also for this purpose.

The position of Mtc. arrears for last four years is as under: (Figures in lacs of Rs.)

Period	W/S	Sewerage	Total
1	2	3	4
31-3-86	778.97	208.57	987.54
31-3-87	965.04	247.29	1212.33
31-3-88	1200.69	298.60	1499.29
31-3-89	1200.69	298.60	1499.29

From time to time Public Health Department has been pressing the Local Govt. Department to get the arrears due from various municipalities paid to the Public Health Department. In this connection, the following meetings at the highest level have also been held, to expedite recovery of arrears from the Municipalities.

Date of meeting	Place of meeting	Under Whose Chairmanship
1	2	3
8-7-82	Panchayat Bhawan Chandigarh	Commissioner, Local Govt.
9/10-8-84	Karnal	Commissioner Local Govt. & Public Health
28-6-88	Chandigarh	Minister Public Health

The last meeting was held on 28-6-88 under the Chairmanship of Hon'ble Public Health Minister for expediting the payments of arrears by the various Municipal Committees. The meeting was attended by the Secretary to Govt. Haryana, Local Self Government and the Director, Local Bodies, Haryana also. The Secretary, Local Self Govt. assured that some positive steps would be taken to raise the resources by M. C. s and pay the arrears to the Public Health Department. Lastly, C. M. took a meeting with the concerned Minister and Secretary. Local Self Department has promised to raise the resources of the Municipal Committees and see that maintenance dues are cleared by them in time.

The Committee observe that the funding pattern for urban water supply and sewerage schemes executed by the Haryana Public Health Department on behalf of municipalities is that in L. I. C. aided schemes while L. I. C. loan is 66% of the estimated cost, Govt. contribution is 29% and in non L. I. C. aided schemes, Govt. contribution is 95% and in both the cases, municipalities contribution is 5%. Even the L. I. C. loans are obtained by the municipalities against the guarantees of the state Govt. of late, the Committee has been observing that despite all possible efforts to recover the arrears on account of 5% contribution from the municipalities, arrears are mounting up each year. These have gone up from Rs. 987.54 lakhs in 1985-86 to Rs. 1499.29 lakhs at the close of March, 1989. The departmental representative explained to the committee that due to poor financial position of the municipalities they were not in a position to contribute their 5% share much less repayment of loans raised from the L. I. C. The Committee was further informed that this funding pattern was evolved in consultation with Local Self Govt. Department long ago. The departmental representative stated that Govt. could justify the expenditure on maintenance works without its reimbursement by the municipalities on the ground that Urban Water Supply and Sewerage Schemes being of a public utility, maintenance had to continue in the public interest. While conceding to this argument of Govt. the Committee feel that virtually the entire expenditure on these schemes is being borne by the State Govt. and there are no prospects of effecting recovery of any arrears or even future due on account of 5% contribution from the local bodies.

In the light of the foregoing observations, Govt. may consider the desirability of changing the funding pattern by exempting the municipalities from paying any contributions, as Govt. action of sanctioning grants/loans to the municipalities without measuring their financial capacity to bear the burden of even 5% contribution will be a futile exercise. A detailed report indicating the decision taken in the matter be submitted to the Committee within 6 months.

[42] 4.14.5, (ii) *Commencement of works without sanction*

Estimates are required to be prepared by the Executive Engineer concerned for obtaining technical sanction of the Engineer-in-Chief, Public Health and rules provide that no work should be executed till sanction of detailed estimates. In violation of this provision 32 schemes (estimated cost Rs. 23,87.73 lakhs) were taken up for execution during 1980-81 to 1985-86 without technical sanction of detailed estimates of which estimates for 25 schemes had even not been prepared so far (July 1986).

Failure to complete the schemes, quickly resulted in heavy cost escalation. Seven schemes taken up during 1980-81 with estimated cost of Rs. 7,09.99 lakhs, were revised to Rs. 11,77.93 lakhs (1984-85). Increase of Rs. 4,67.94 lakhs included Rs. 2,55.79 lakhs on account of price escalation alone of labour and material.

In their written reply, the department stated as under :—

It is lapse on the part of the field officers who did not submit the detailed estimates for technical sanction. They are being asked to explain.

The execution of works is delayed on account of paucity of funds. The price index rise with the passage of time. Due to paucity of funds more time is taken for completion of the scheme, thus causing heavy cost escalation. As such, the schemes are not completed quickly within the prescribed period due to reasons explained above.

The Committee observe that in contravention of the Govt. instructions for commencement of work only with the approved estimate/technical sanction, 32 schemes involving estimated cost Rs. 2387.73 lakhs were, however, taken up for the execution during 1980-81 to 1985-86 without technical sanction of detailed estimates. This resulted in heavy cost escalations in the execution of these schemes. On a specific question of the Committee as to how the department justified the commencement of works without technical sanction, the departmental representative stated that it was a lapse on the part of field officer who had not submitted the detailed estimates for technical sanction. They were being asked to explain their lapse.

The Committee desire that action taken against the defaulting officers be finalised expeditiously and a final report furnished to the Committee within 3 months.

[43] 4.15. *Extra expenditure due to defective work*

A work for the construction (earth work and lining) of 5180 feet of an inlet channel to supply water to villages Jassour kheri and Kheri Jassaur (estimated cost : Rs. 1.80 lakhs) was awarded by the Executive Engineer, Public Health division (World Bank) Rohtak to a contractor on 30th June 1982 at his tendered cost of Rs. 1.80 lakhs. The agreement stipulated (a) completion of works by 31st August 1982 (b) satisfactory testing of works by the contractor before commissioning (c) levy of compensation for delay and defective works (d) rectification of defects, if any at his risk and cost. Though the work commenced on 31d July 1982 but only 24 percent of it was executed upto the target date of 31st August 1982. While the work was in progress the Executive Engineer inspected the site on 3rd and 10th September 1982 and noticed that the work done by the contractor was not as per the design and specifications. Inspection note was, however, not issued by the Executive Engineer to the Junior Engineer. The contractor completed the entire 5180 feet length of the channel in September 1982 but did not rectify the defects. The work was tape measured by the Junior Engineer and certified (without rectification of defects), as per design and specifications and on 28th September 1982 contractor's running bill was passed by the Executive Engineer for Rs. 0.77 lakh after with-holding Rs. 0.10 lakh for testing of the channel.

The channel was commissioned in October 1982 without rectification of defects. Immediately after commissioning a length of 1279 feet was damaged and water supply was restored by laying temporary asbestos cement pipe in the damaged portion. For defective works a compensation of Rs. 0.18 lakh was levied on the contractor in June 1983 which was recovered from his final bill for Rs. 1.59 lakhs passed on 4th December 1984. The damaged portion was got repaired (October 1983—February 1984) through another contractor at a cost of Rs. 0.62 lakh. Although the cost of repairing the damaged portion could be recovered from the contractor in terms of the agreement, the risk and cost clause was not invoked for reasons not on record and recovery of Rs. 0.62 lakh was thus not made from the contractor.

For the release of compensation (Rs. 0.18 lakh) and testing charges (Rs. 0.10 lakh) the contractor applied (August 1983) for arbitration contending that the work executed by him had been certified correct by the Junior Engineer in September 1982 as per design and specifications and that the said certificate was accepted by the Sub Divisional Engineer / Executive Engineer. The arbitrator gave his award (December 1984) in favour of the contractor and, accordingly the withheld amount of Rs. 0.28 lakh was released in July 1985.

Incorrect certificate given by the Junior Engineer thus resulted in the refund of Rs. 0.28 lakh to the contractor mainly because earth work executed by the contractor was not checked measured by the Executive Engineer and even at the final stage of the work cross sections were not observed. Additional loss of Rs. 0.62 lakh was also borne by the department by not invoking the risk and cost clause for rectification of defects.

No responsibility in the matter has been fixed by the department (September 1986).

The matter was reported to Government in July 1986; reply is awaited (March 1987).

In their written reply the department stated as under:—

The Junior Engineer has been placed under suspension. He has also been charge-sheeted and follow up action is being taken according to the rules.

Charge sheet is also contemplated against the Executive Engineer for not following up the arbitration case properly. The Executive Engineer did not take action regarding invoking of the risk and cost clause timely for raising a sum of Rs. 18000/- as compensation against the contractor.

When asked to intimate the action taken against the J. E. for recording an incorrect certificate that resulted in an award of Rs. 0.28 lakh in favour of the contractor and the reasons for not invoking the Risk and Cost clause for reconstructing damaged portion of the inset channel, the departmental representative informed the Committee that the J. E. had been placed under suspension and follow up action was being taken according to rules. For not invoking the Risk and Cost clause, the departmental representative informed the Committee that chargesheet was also being contemplated against the Executive Engineer.

The Committee observe that this matter dated back to August, 1982 and the department has not been able to finalise action against the defaulting officers, even after a lapse of about 8 years. The Committee, therefore, desire that action against the delinquent officers be finalised without further loss of time and final outcome intimated to the Committee within 6 months.

[44] 4.16 *Inflated measurements*

The work of laying pipeline to provide safe drinking water to Nehra group of seven villages estimated to cost Rs. 2.00 lakhs was allotted by the Executive Engineer, Public Health division Jind to a contractor in May 1982 at his tendered cost of Rs. 2.00 lakhs. Meanwhile the work was transferred to the Mandi Public Health division, Rohtak, in August 1982 which got the works executed through the same contractor at the same tendered rates.

The work due for completion in December 1982 was completed in December 1983 at a total cost Rs. 2.21 lakhs. The contractor's final bill was settled in April 1985. The delay was attributed to non-availability of Poly-Vinyl Chloride specials. For this work 27,334 metres pipe was issued to the contractor of which 26,984.21 metres were shown as consumed in the measurement book (MB) and 349.79 metres taken back by the division in the stores.

In October 1984, the villagers of the area complained to the department that the pipeline had been laid at a very shallow depth with the result that it was damaged every now and then by miscreants resulting in failure of water supply to one village or the other. On these complaints, the department ordered (November 1984) re-measurement of the entire length of the laid pipe-line. Re-measurement by a team of three S. D. Os. in the presence of the Executive Engineer, revealed (November 1984) that (a) against 26,984.21 metres shown as consumed in the M. B. only 25,776.66 metres pipe-line had actually been laid and (b) that earth work in trenches was less than that recorded in the M. B. Thus, 1,207.55 metres pipes-line was fictitiously shown utilised in the M. B. the value of which (Rs. 0.78 lakh) has so far (May 1986) not been recovered. For less earth work in trenches a sum of Rs. 0.03 lakh was, however, recovered in April 1985 from the contractor's final bill.

It was noticed in test check (September 1985) that—

(a) The Executive Engineer, in whose presence re-measurement was done in November 1984, passed the final running bill for Rs. 0.11 lakh in April 1985 without adjusting the recoveries. The balance Rs. 0.67 lakh should have been placed in the schedule of miscellaneous public works advances to watch recoveries from his bill for other works, but this was not done ;

(b) responsibility for recording inflated measurements had not been fixed;

(c) the defects in the water supply were rectified by the division in March 1985 by replacing 3" dia pipe (as originally provided in the plan) with 6" dia pipe in a length of 628 metres at a

cost of Rs. 0.45 lakh including earth work. The reasons for not providing 6" dia pipe in the original plan were not on record; and

- (d) The quantities of earth work in trenches re-measured in November 1984 were not recorded in the M. Bs. The recovery of Rs. 0.03 lakh effected from the contractor was thus only *ad hoc* and not based on actual quantities less excavated.

The Executive Engineer informed (April 1986) that for recording inflated measurements a Sub-Divisional Engineer was being charge-sheeted; further developments in the matter are awaited.

The matter was reported to Government in June 1986; reply is awaited (March 1987).

In their written reply the department stated as under—

Enquiry was conducted by Sh. J. C. Nagia, Executive Engineer and to the according enquiry report the remeasurement was approximate tentative and flaying and was carried out after two years of its actual execution. As such it was subject to variation because the entire lines had been made in borrow pits of the road. Sh. F. C. Aggarwal the then Executive Engineer incharge of the work stated that accurate remeasurement of 2700 running metre of pipe line was not possible without baring the pipe line and the cost of baring pipe line and restoring it to its original condition would have meant an expenditure of Rs. 72,000. If accurate remeasurement were to be carried out this infuctuous expenditure would have to be incurred. This case is being reopened afresh and another enquiry officer will be appointed to investigate the matter thoroughly.

- (a) This aspect will be examined on receipt of report of the second enquiry officer.

- (b) As above at (a).

- (c) At that time, full quantity of 6" i/d pipe was not available. Therefore in part 3" i/d pipe line was laid to commission the water supply. Later on 3" i/d pipe line was replaced by 6" i/d pipe.

- (d) As against para (A & b) above.

When asked to intimate the final outcome of the chargesheet served on the S.D.E. for inflated measurements, the departmental representative stated, inter alia, this case was being reopened afresh and another enquiry officer would be appointed to investigate the matter thoroughly.

The Committee desire that the matter may be finalised expeditiously and action taken against the defaulting officer on the basis of second officer intimated to the Committee within 6 months.

AGRICULTURE

3.1: *Pulses development programme*

[45] 3.1.1. *Introductory*

The Centrally sponsored 'Pulses Development Programme' undertaken in Haryana from October 1972 was initially implemented in Hisar and Bhiwani districts. It was later extended to other districts and by the end of 1983-84 the entire State was covered. The main objective of the programme was to increase production of pulses through the following measures :—

- (a) increasing productivity by improved technology;
- (b) cultivation of short duration varieties with irrigation in summer after oil seed, sugarcane, Potatoes, wheat;
- (c) inter-cropping of arhar in soyabean, bajra, cotton, sugarcane and ground nuts both under irrigated and un-irrigated conditions;
- (d) multiplication and distribution of certified seed of improved high yielding varieties;
- (e) adoption of plant protection measures;
- (f) propagating use of phosphatic fertilizers and rhizobium culture (used for treating seed to increase the yield);
- (g) organising gram villages in various blocks to promote integrated approach to production, procurement and marketing based on the best available know-how;
- (h) organising demonstration of different varieties of pulses crops on farmers fields to popularise improved seed and technology;
- (i) free distribution of minikits (containing improved seed) to ensure quick spread of latest varieties amongst farmers.

Hundred per cent central assistance was available for production of foundation seed, subsidy to farmers on sale of certified seed, supply of minikits to farmers and operational charges for spraying. For the remaining activities viz., production of breeder seed, laying of demonstration plots, plant protection equipment/chemicals and sale of rhizobium culture packets the expenditure was to be borne by the State Government and the Government of India on 50 : 50 basis.

In their written reply, the department stated as under .—

All out efforts were made by department to achieve the objectives for increasing the production of pulses by adopting the

measures as envisaged under pulses development/production programme, however, there was no substantial increase in production due to serious constraints like adverse weather conditions, rise in water table in the pulse growing areas, rise in salt concentration in soil. The major pulse crop of Haryana is gram and more than 90% of total area under pulses is covered under this crop. It is also mentioned here that the overall increase in production of all crops is tremendous and has gone up from 19.5 lakh tonnes during the year 1966-67 to 93 lakh M.Ts. during the year 1988-89. The efforts for increasing the production of all crops were not lacking on the part of department of Agriculture, but there were serious constraints in certain cases which come in the way for boosting production of such crops and pulses were one of them. It has been observed that there is a decline in production of pulses throughout the country, the details of production from 1981-82 onwards is given below :—

Year	Production (in 000 tonnes)	
	Haryana	India
1982-83	310	4642
1982-83	282	5091
1983-84	315	4750
1984-85	319	4547
1985-86	625	5787
1986-87	413	4455

The Govt. is not satisfied with the achievements, therefore, all out efforts are being made to find out the ways and means not only to bring production at par at the previous level, but also to make a quantum jump in increasing the production and productivity of major pulses crops like gram. The Haryana Agricultural University is making all efforts to evolve high yielding varieties of gram which are suitable for the changed condition and at the same time to compete with other crops like wheat, etc. in overall return/income to farmers. H.A.U. have already identified a variety of gram which is diseases-resistant and can be successfully grown under late sown condition. It possess a high yield potential which can favourably compete with wheat and other crops of rabi in production/productivity and per unit income to the farmers.

The Committee observe that the Pulses Development Programme which was initially implemented in Hisar and Bhiwani Districts and later on extended to other districts of Haryana did not achieve much headway.

The target laid down for various programmes under the scheme were also not achieved and the average yield decreased from 6.3 quintals per hectare in the year 1980-81 to 5.2 quintal per hectare in 1984-85. The Committee further noted that the performance of demonstration plots and Mini-kits trials was also not met, nor were the prescribed requirement of allowing the use of inputs which had bearing on the production of pulses not followed. Similarly the Rhizobium culture which was considered for high yielding production, was not popularised and the farmers were not motivated to use it before sowing. So much so adequacies in plant protection measures and supply of certified seeds effected the production adversely.

During oral evidence when asked whether the Government were satisfied with the achievements, the departmental representatives replied in negative stating that they were not satisfied with the achievement and that all out efforts were being made to find out the ways and means not only to bring the production at par at the previous level but also to make a quantum jump in increasing the production and productivity of major pulses crops like gram. He further informed the Committee that the Haryana Agricultural University Hisar was also making all efforts to evolve high yielding varieties of gram which was suitable for the changed conditions and at the same time could compete with other crops like wheat etc.

The Committee did not feel satisfied with the performance of the department in implementing the programme effectively in as much as the average yield of pulses decreased. Since the main objective of the programme was to increase the production of pulses by adopting such measures as improved technology, cultivation of short duration varieties, inter-cropping of Arhar in Soyabean Bajra, Cotton, Sugarcane and ground-nuts, multiplication and distribution of certified seeds of improved high yielding varieties, these measures were lacking in making the programme a success.

The Committee desire that the programme should be stepped up in such a manner that its objectives are fully achieved and production of pulses increased in the State.

A detailed report giving out the results of efforts made in this direction be furnished to the Committee after six months.

[46] 3.2. *Intensive Oil Seeds Development Programme*

The Centrally sponsored Intensive Oil Seed Development Programme was launched in Gurgaon district of Haryana from 1974-75 covering an area of 0.70 lakh hectares with production of 0.56 lakh tonnes. The programme was later extended to six more districts namely Mohindergarh (1976-77), Hisar (1979-80), Sirsa, Bhiwani, Ferozabad (1982-83) and Rohtak (1984-85). The total area under the programme in March 1986 was 2.50 lakh hectares and production 1.60 lakh tonnes. From 1984-85 it was re-named as the 'National Oil Seeds Development Project'. The aims and objectives of the programme/project were to :—

- (a) raise productivity through intensive cultivation by using improved agronomic techniques;

- (b) increase acreage by popularising multiple cropping pattern;
- (c) introduce non-traditional oil seeds and to provide adequate supply of high yielding varieties of certified seed to farmers;
- (d) make inputs available to farmers in time;
- (e) organise plant protection measures on a campaign basis;
- (f) lay out demonstration plots; and
- (g) provide technical advice and service in locating factors hampering high productivity.

The entire expenditure upto 1978-79 was borne by the Government of India. During 1979-80 the expenditure was shared between the Central and the State Government on 50 : 50 basis. From 1980-81 to 1983-84, the cost of mini-kits and demonstration plots was shared between the Central and State Government on 50 : 50 basis while expenditure on subsidies to farmers for seeds aerial operations and ground spraying was borne entirely by the Government of India. Central assistance was again raised to hundred per cent on all activities from the year 1984-85.

In their written reply, the department stated as under .—

The Department of Agriculture, Haryana is making all out efforts to achieve the objectives laid down under the oilseed production programme. The Department of Agriculture, Haryana is arranging necessary inputs like seeds (improved varieties), chemical fertilizers, adequate and timely plant protection cover, laying out of demonstration and also transmission of latest agricultural Technology to the farmers at their door steps through T & V system. It is due to the combined efforts of Department of Agriculture, Haryana and inputs distributing agencies that the production and productivity of oilseeds is progressively increasing. However, there are constraints which during certain years cause serious set back to both production and productivity. The year wise production figures of oilseeds are an ample proof of the above. The Department of Agriculture, Haryana is satisfied with the achievements but still there is an ample scope for further improvement both in production and productivity.

The Committee observed that Intensive Oil Seeds Development Programme launched with a view to raise the productivity of oilseeds through intensive cultivation failed to bring out any new high yielding variety of seeds which adversely affected the programme.

The Committee further noted that even the seeds and mini-kits supplied free of cost also did not serve that purpose as there was new variety popularised.

The department stated in their written reply that there was ample scope for further improvement both in production and productivity under the programme.

The Committee desire that departmenta should make an earnest endeavor to probe deficiencies and short comings in implementing this programme and bring out improvement so as to fully achieve the objective underlined in the programme. Results of the efforts made in this behalf be intimated to the Committee in due course.

PART—II
REVENUE RECEIPTS

INDUSTRIES

[47] 1.5. *Uncollected revenue*

As on 31st March 1986, arrears of revenue pending collection under principal heads of revenue as reported by the Departments were as under :—

Heads of revenue	Total arrears	Arrears outstanding for more than 5 years	Remarks
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(In crores of rupees)

Mine and Minerals	1.39	0.49	
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In their written reply, the department stated as under :—

The arrears of Rs. 1.39 crores pertains to the period right from the inception of this Department. Out of this amount of Rs. 1.39 crores, a sum of Rs. 72 lakhs has since been recovered. Out of balance of Rs. 67 lakhs, a sum of Rs. 2.56 lakhs has been held to be not recoverable being not due by the District Judge Faridabad. An appeal of State Govt. against this order in the High Court for the State of Punjab & Haryana is pending. A sum of Rs. 12.47 lakhs is to be recovered from the three parties who are residing out of the State. Recovery certificate have been issued against them and collectors of the districts concerned are being regularly remained. For the remaining amount of Rs. 41.97 lakhs. Recovery Certificate have been issued and strenuous efforts are being made to effect these recoveries. In some cases, the defaulters have dies. Efforts are being made to recover the amounts from their legal heirs.

The Committee did not feel satisfied with the reply of the department and reply tendered during oral examination especially in cases of recovery from the defaulters residing within the State of Haryana. When asked to intimate the latest position of the recovery, the departmental representative informed the Committee that a sum of Rs. 80 lakhs had been recovered leaving a balance of Rs. 59 lakhs.

The Committee desire that concerted efforts should be made to accelerate the pace of recovery and the progress made be intimated to the Committee from time to time.

The Committee further desire that in cases where recovery certificates are issued should be pursued vigorously with the concerned collector and latest position intimated to the Committee.

[48] 6.1. Results of Audit

Test check of records in District Industries Centres, conducted in audit during the year 1985-86, revealed short recovery/non-recovery of royalty and other irregularities in 949 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs of rupees)
1. Non-recovery of contract money	92	70.06
2. Short realisation/non-realisation of royalty	364	17.25
3. Illegal extraction of brick earth	303	10.60
4. Short levy/non-levy of interest	92	1.25
5. Other cases	98	19.83
Total	949	118.99

Out of 949 cases pointed out in audit, in 57 cases, the department recovered a sum of Rs. 2.19 lakhs. In the remaining 892 cases, replies are awaited from the department (December 1986).

In reply to a question of the Committee in regard to the recovery of outstanding amount the department stated that out of Rs. 1,18.99 lacs, a sum of Rs. 6.45 lacs is not due and thus is not recoverable. Paras involving Rs. 5.40 lacs have been settled and Rs. 64.40 lacs have been recovered leaving a balance of Rs. 42.74 lacs. Courts have stayed the recovery of Rs. 1.41 lacs leaving a balance of Rs. 41.33 lacs. Out of Rs. 41.33 lacs Rs. 27.43 lacs relate to the defaulters who are residing out of the State for which the Recovery Certificates have been sent to Collectors to recover the amount as arrears of land Revenue and they are being remained time and again for effecting the recovery. The progress in the recovery is very slow.

The Committee desire that the cases of recovery be expedited and progress made may be intimated to them. The Committee be apprised of the latest position of recovery periodically i.e. after every six months.

[49] 6.2. Short recovery or non-recovery of royalty on bricks

Under the Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana, a brick-kn owner is required to pay royalty at the rate of rupee one per tonne of brick earth extracted from the leased area or rupees three per thousand of *pucca* bricks sold by him. He is also required to submit to the department, quarterly returns showing quantities of minor minerals (brick earth) extracted by him from the leased area or number of bricks sold by him.

6/6/09

(i) In five District Industries Centres at Sirsa, Kurukshetra, Narnaul, Hisar and Jind, returns of brick earth extracted or bricks sold during the years 1980-81 to 1982-83 were not submitted by 398 brick-kiln owners to the department, nor were these returns called for by the department. The brick-kiln owners, however, paid royalty amounting to Rs. 5.11 lakhs, which was accepted by the department without verifying its correctness. A scrutiny in audit of the records in the concerned offices of the District Food and Supplies Controllers showed that during the aforementioned period 6,613.03 lakh bricks and 43.45 lakh brick-bats had been sold by the kiln owners, on which royalty amounting to Rs. 19.88 lakhs was recoverable. The brick-kiln owners had, therefore, paid royalty short by Rs. 14.77 lakhs.

On the short recovery being pointed out in audit (between June 1982 and October 1983), the department recovered (between July 1982 and January 1986) Rs. 6.47 lakh. Report on recovery of the balance amount is awaited (December 1986).

The cases were reported to Government between September 1982 and November 1983; their reply is awaited (December 1986).

(ii) In District Industries Centres at Faridabad, Rohtak Gurgaon and Panipat, returns of brick earth extracted or bricks sold were not submitted by 201 brick-kiln owners to the department nor were these called for by the department. The department accepted the royalty paid by the kiln owners without verifying its correctness. A scrutiny in audit of records in the concerned offices of the District Food and Supplies Controllers showed that 2,608.14 lakh bricks and 47.42 lakhs brick-bats were sold by the kilnowners during the year 1982-83, on which royalty amounting to Rs. 7.86 lakhs was recoverable. As against this, royalty amounting to Rs. 2.27 lakhs only was paid by the kiln owners. Royalty realised short amounted to Rs. 5.59 lakhs.

On the mistake being pointed out in audit (between May and September 1983), the department recovered (between May 1983 and January 1986) Rs. 2.60 lakhs. Report on recovery of the balance amount is awaited (December 1986).

The cases were reported to Government between September 1982 and November 1983; their reply is awaited (December 1986).

In their written reply the department stated as Under :—

As has been clarified in the paras under the category of short/non realisation of royalty brick kiln owners in view of the decision taken by the State Government in October, 1976 pay royalty on brick earth every quarter on self assessment basis and final calculation of the royalty on the basis of their assessment order of sales tax by Excise & Taxation Department or on the basis of figures of sale submitted by them with the Food and Supplies Department. The final calculations are made at the end of the financial year.

When these reconciliations were being made the audits conducted because of this reason, some amount of royalty not paid by the Brick

Kiln owners remained undetected which would have been detected when reconciliation were made with the assessment order of sales tax/figures submitted to the Food and Supplies Department.

When asked to intimate the latest position of the recovery of balance amount of Rs. 8.30 lakhs, the departmental representative stated that only Rs. 0.96 lakh remains to be recovered and vigorous efforts are being made to recover this amount.

On a question put by the Committee in regard to the royalty due from the Brick Kiln owners, the departmental representative stated that out of Rs. 7.86 lakhs, a sum of Rs. 6.58 lakhs has been recovered leaving a balance to Rs. 1.28 lakhs. The department also intimated that Field Officers of the department have initiated the action against the defaulter brick kiln owners under section 21(5) of Mines and Mineral (R&D) Act, 1957 for recovery of royalty and price of brick earth.

The Committee desire that the final outcome of the recovery of the balance amount of Rs. 0.96 lakh and Rs. 1.28 lakhs respectively be intimated to them within six months and the cases which are pending in the Courts be pursued.

The Committee also desire that penal action against defaulters should be initiated immediately without waiting for the Audit to Commerce on the non-delayed recovery cess.

TRANSPORT

[50] 1.9. *Outstanding Inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to next higher departmental authorities through local audit inspection reports. The more important irregularities are also reported to the Heads of departments and to Government. Government have directed that first replies to inspection reports should be sent within six weeks. Halfyearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) As at the end of November 1986, 1,716 inspection reports (issued upto March 1986), containing 8,544 audit objections, remained to be settled. Figures for the two preceding years are also given below :—

	As at the end of		
	November 1984	November 1985	November 1986
Number of outstanding reports	1,396	1,679	1,716
Number of unsettled audit objections	10,702	10,361	8,544

Of the 8,544 outstanding audit objections 2,791 objections were outstanding for more than 5 years out of which 388 audit objections were more than ten years old.

(ii) In respect of 86 inspection reports, issued between March 1984 and March 1986, even the first replies had not been received (December 1986).

(iii) Relatively large number of audit objections were outstanding under the following heads :—

	Year	Number of inspection reports	Number audit objec- tions
Taxes Upto on Vehicles	1981-82	87	320
	1982-83	10	169
	1983-84	13	131
	1984-85	13	107
	1985-86	20	244
Total		143	971

In their written reply, the department stated as Under :—

- (i) The main reasons for non settlement of a large number of outstanding audit objections were that most of the owners of vehicles from whom token tax etc. was to be recovered have shifted to the un-known, places/other states and their present whereabouts were not known to the concerned Registering Authorities. The owners can deposit further getting their token tax any where in India without obtaining any NOC or getting their vehicle transferred. Despite all these difficulties the Registering Authorities have made serious efforts to recover the amounts pointed out by audit and got a fairly large number of paras settled as would be clear from the table given in the succeeding paragraphs. Number of present staff dealing with this work was also not commensurate with manifold increase in the work load.
- (ii) Vigorous efforts have been made for the settlement of old objections by way of arranging of meetings with the registering authorities/A.G. for on the spot disposal. Special review were also conducted by the A.G. Audit Party in collaboration with the Internal Audit Cell of this department. Audit objection clearance week/fortnight were/are being observed for speedy disposal of these audit paras each year. As a result of all these efforts out of 971 audit paras, 774 audit paras have since been got settled leaving 197 audit paras to be settled. These paras are one to five years old. These are being hotly pursued with the concerned Registering Authorities for early settlement.
- (iii) Out of 143 audit reports, 85 audit reports have since been finalised and out of 971 paras, 774 paras were settled by the A.G. (Audit) upto 30-9-89 leaving 58 No. audit reports and 197 audit paras. Efforts are being made to settle these paras as early as possible.
- (iv) Internal audit Cell was created in this deptt. in 11/87 under the charge of a Senior Accounts Officer. This audit Cell conducts audit of offices of all the 37 Registering Authorities (MV) in the State, Three Secretaries Regional Transport Authorities, 12 Road Tax Check Barriers and 6 Motor vehicle Inspectors. In addition the work of settlement/disposal of all the Audit paras including C.A.G. /P.A.C. reports have been entrusted to this Cell upto 30-9-89 the internal audit of 60 Registering Authorities under head 0041 Taxes on Vehicles have been conducted by this cell and nearly 16,585 No. of cases of under assessment/short/non recovery of Token tax etc. *Offices of R.As were conducted by this cell with A.G. (Audit) parties and as result of these efforts out of 1018 audit paras involving a sum of Rs. 17,86,49,880, 606 audit paras involving a sum of Rs. 16,66,36,636 have since been settled. More efforts are being made to get the remaining

outstanding audit paras settled. The progress of recovery pointed out during internal audit of various Registering Authorities is also being watched by this Cell.

The Committee are not satisfied with the pace of clearance of outstanding paras of inspection reports and desire that the department should streamline the working of internal audit wing and take effective steps to settle long outstanding objections expeditiously as these have become five to ten years old. The Committee further desire that the progress made in this regard be intimated to them periodically i.e. after every six months.

COOPERATION

[51] 1.5. *Uncollected revenue*

As on 31st March 1986, arrears of revenue pending collection under principal heads of revenue as reported by the Departments were as under :—

Heads of revenue	Total arrears	Arrears outstanding for more than 5 years	Remarks
	(In crores of rupees)		
Co-operation	0.87	0 13	

In their written reply the department stated as Under :—

The registered coop. socs. are subject to levy of audit fee till their coming under winding up process. Some of the societies are non-working or defunct which are liable to audit fee but the recovery of their amounts is difficult. It is only when either the socs. start working or are finally wound up then that amounts can be recovered.

Out of Rs. 0.87 crores, Rs. 0.34 crores have been recovered. Out of the amount outstanding for more than 5 years amounting to Rs. 0.13 crores, Rs. 0.10 crores have been recovered. It has been decided that the societies which are in arrear of audit fee for more than five years should be brought under winding up and this process is being started.

The amounts exceeding Rs. 50,000/- are outstanding against the following Coop. Apex Institutions —

1. Hafed	Rs.0.29 crores
2. HDDCF	Rs.0.08 crores

For recovery of the above amounts, these institutions are being persuaded for early deposit of the amounts.

During the course of oral examination and in their written reply, the department assured the Committee that the two institutions against whom the amounts of Rs. 0.29 crores and Rs. 0.8 crores are outstanding are being persuaded for early deposit of the amount. The Committee may be informed of the position after one month.

The Committee desire that other cases may be pursued vigorously and progress made in effecting the recovery of the balance amount of Rs. 0.53 crores may be intimated to the Committee at the earliest.

[52] 6.11. *Short recovery of audit fee*

Under the Punlab Co-operative Societies Rules, 1963, as applicable in Haryana, every co-operative society is liable to pay audit fee to Government for audit of its annual accounts by the auditors of the Co-operation Department. The fees prescribed by Government for audit of different types of Societies are certain percentage of the net profit of the societies subject to certain minimum and maximum limits. The rates of fee differ if audit is done concurrently, instead of annually.

(i) In Rewari, credit for interest recoverable on loan given to members by 32 societies during the year 1979-80 had not been taken into account in the profit and loss accounts of the societies. This resulted in reduction of the net profits on the basis of which audit fee is computed. As a result, audit fee was realised short by Rs. 1.04 lakhs.

On the omission being pointed out in audit (March 1982), the department recovered Rs. 1.04 lakhs from the societies between November 1983 and January 1985.

(ii) In the Offices of Assistant Registrars of Co-operative Societies, Ferozepur Zhirka and Kaithal, audit fee from 16 societies was recovered on the basis of net profits reflected in the accounts for the years 1980-81 to 1983-84 before these accounts were audited by the department. Later, on completion of audit of accounts of the societies, additional fee amounting to Rs. 29,877 became recoverable on the basis of audited figures of profit, but was not recovered.

On the omission being pointed out in audit (October 1984 and June 1985), the department recovered Rs. 26,500 between November 1984 and November 1985. Report on recovery of the balance amount of Rs. 3,377 is awaited (December 1986).

(iii) In Hisar, fee for concurrent audit of a Central Co-operative Bank for the year 1978-79 was charged at the rate of Rs. 25,000 which was the rate prescribed for annual audit, instead of at the correct rate of Rs. 35,000 prescribed for concurrent audit. The mistake resulted in short realisation of fee by Rs. 10,000.

On the mistake being pointed out in audit (December 1982), the department recovered Rs. 10,000 from the Bank in October 1984.

(iv) In the office of the Assistant Registrar, Co-operative Societies, Hisar audit fee from 56 societies was recovered on the basis of net profits reflected in the accounts for the years 1981-82 and 1982-83 before these were audited by the department. Later, on completion of audit of the accounts of these societies, additional fee amounting to Rs. 38,449 became recoverable from them on the basis of audited figures of profit, but was not recovered.

On the omission being pointed out in audit (November 1984), the department recovered Rs. 31,071 between January 1985 and June 1986. Report on recovery of the balance amount is awaited (December 1986).

The above cases were reported to Government between April 1982 and May 1986 their reply is awaited (December 1986),

In their written reply, the department started as under :—

- 1 (a) The entire amount under objection of Rs. 1.04 lakhs has been recovered. The profit checked by the department Auditors was correct. Objection raised by the A. G. is on the method of accounting. They objected to the net profit being worked out according to the department instructions and checked by the departmental Auditors. According to the department instructions, interest recoverable is not included in profit till its realisation. The matter was taken up with A. G. as agreed to be them in the PAC meeting held on 28-1-87.

In the meeting held on 5-7-89 the A. G. agreed with department view so profit worked out by the deptt. Auditors is correct.

- (ii) (a) The audit fee is initially assessed provisionally on the profit and loss account prepared by the society in their annual statement. Later on audit fee is finalised on the basis of audited profit and loss figures.

Thus naturally there is a time gap in the initial and final assessment.

- (ii) (b) The concerned A. R. has been asked to explain their position on receipt of their explanation further action will be taken.

- (ii) (c) The amount of Rs. 3377/- is recoverable from the Kaithal Wire Knitting Coop. Industrial Society. The Society has objected to the assessment of the said audit fee. The objection of the society has been over-ruled and recovered the amount.

- (iii) Reasons for non recovery of audit fee on concurrent basis are being ascertained from the A. R. Hisar. Responsibility will be fixed on receipt of explanation of Assistant Registrar.

- (iv) The audit fee is initially assessed provisionally on the profit and loss accounts prepared by the socs. in their annual statements. Later on audit fee is finalised on the basis of audited profit and loss accounts figures. Naturally there is a gap in initial and final assessment.

- (b) Out of Rs. 38449/- Rs. 35440/- has been recovered and only Rs. 3409/- are recoverable for which efforts are being made.

- (c) There is no provision of charging interest for the delay in payment of audit fee and there is no such proposal under consideration of the Department.

After going through the written statement and oral examination the committee desire that the balance short recoveries be realised and progress be intimated to the Committee within a period of three months.

IRRIGATION

[53] 6.6. *Non-realisation of water rate charges*

Under the Haryana Canal Drainage Act, 1974 and the rules made thereunder, the Divisional Canal Officer shall determine charges for canal water supplied to cultivators for the purpose of irrigation and raise demands, which shall be realised by the Collector,

In Hisar district charges recoverable for canal water supplied for irrigation during *Rabi* 1981-82 to *Kharif* 1983 were assessed at Rs. 121.91 lakhs and demand statements (*Khataunies*) were sent (between May 1982 and December 1983) to the Collector for recovery. However, demand statements for Rs. 69.51 lakhs were returned by the Collector (between May 1982 and December 1983) for rectification after allowing special remission granted by Government from time to time. No action was taken to rectify the demands and to send revised statements to the Collector for recovery.

On the omission being pointed out in audit (May 1985), the department stated (March 1986) that demand statements for Rs. 35.21 lakhs had since been revised and recovery statement for Rs. 13.18 lakhs sent to the Collector after allowing special remission of Rs. 22.03 lakhs. Report on recovery of Rs. 13.18 lakhs as also action taken to raise revised demand in respect of the balance amount of Rs. 34.30 lakhs is awaited (December 1986).

The case was reported to Government in February 1986; their reply is awaited (December 1986).

In their written reply, the department stated as under

For implementation of the decision of Government for granting special remission during *Rabi* 1982-83 and *Kharif* 1982 due to hail storm and draughts respectively, the ratio of damaged area and sown area was to be calculated for each producer's land holding. The demand statements received from the Collector could be rectified only after receipt of desired information from the Revenue Patwaries for incorporation of the remission in water rate charges. Out of the demand statements amounting to Rs. 69.51 lakhs, information for demand statements amounting to Rs. 40.22 lakhs only was received and the same were returned after rectification to the Collector. The rectified amount for these statements worked out Rs. 14.73 lakhs only. The information in respect of demand statements for balance of Rs. 29.29 lakhs is still awaited. The matter was taken up with the Collector, who decided that the demand statements be resubmitted to his office for needful at his level. Accordingly these have been sent to Collector, Hisar.

Engineer-in-Chief has been advised to identify the extent of delay and levels at which it has taken place in the Irrigation Department in attending to this task, besides the delay that might have taken place in District Collectorate and send his report to Government.

The extent of loss on account of delay in finalisation of the demand statements and recovery would depend upon the rate of interest, which may be assumed. It may, however, be mentioned that no interest is charged from irrigators on account of outstanding recoveries.

Out of Rs. 13.18 lakhs an amount of Rs. 10.58 lakhs is still outstanding for realisation from the irrigators and the same is to be done by the Collector.

3. Out of demand statements for Rs. 34.30 lakhs, statements for Rs. 5.01 lakhs was revised to Rs. 1.55 lakhs after allowing special remission and sent to the Collector for realisation. Demand statements for the balance amount of Rs. 29.29 lakhs could not be rectified and resubmitted to the Collector due to non-receipt of information as detailed in the reply to para(1). The demand statements have now been returned to the Collector in light of discussions held with him.

During the course of oral examination the departmental representative stated that action against the Revenue Patwaries who delayed the submission of demand statement for Rs. 29.29 lakhs and other relevant information has been initiated and the responsibilities will be fixed accordingly. The departmental representative also assured the Committee that the other employees, if found involved in such delay, will also be punished. The departmental representative also informed the Committee that a total amount of Rs. 11.09 crores was outstanding as on 31-12-1989 against the irrigators in the State.

The Committee desire that the final outcome of the action taken against the persons responsible together with the final outcome of recovery of the outstanding amount be intimated to the Committee within six months.

The Committee do not feel satisfied with the manner in which the case was handled at various levels. Adequate importance needed to be given to this item of work.

[54] 6.7. *Non-recovery of lease money*

Under the Departmental Financial Rules, (Financial Hand Book No. 3), when a public land or other property is let out to a person other than a Government servant, full amount of rent assessed is recoverable in advance.

In Rohtak Government land admeasuring 212 acres was let out to private cultivators during the years 1980-81, 1982-83 and 1983-84 for Rs. 45,010. The allotment was made against the part payment of lease money of Rs. 11,277, instead of realising the full amount in advance. No action was taken thereafter also to recover the balance amount of Rs. 33,733.

On the omission being pointed out in audit (May 1985), the department stated (April 1986) that the amount was being recovered as arrears of land revenue. Report on recovery is awaited (December 1986)

The case was reported to Government in February 1986; their reply is awaited (December 1986).

In their written reply the department stated as under:—

Non-realisation of the leased amount from the highest bidders before making over the auctioned property to them is a lapse and Engineer-in-Chief has been asked to fix responsibility in the matter & to send his report to the Government within 2 months.

Balance amount to be recovered was Rs. 54058/- and not Rs. 33,733/-. This balance amount has since been recovered.

The Committee desire that the final action taken against the defaulting officers in the matter may be intimated to them within a period of three months.

The Committee would also like to know the reasons for charge sheeting the officer as late as September, 1990 when the lapse was pointed out by Audit in June-August, 1985.

[55] 6.9. *Non-recovery or short recovery of water charges*

Under the Haryana Canal and Drainage Rules, 1976, charges for canal water supplied to brick-kiln owners for the purpose of brick making are recoverable at the rate of rupee one per hundred cubic feet.

(i) In Sirsa, demands for water charges for canal water supplied to 6 brick-kiln owners, for various periods between April 1982 and June 1985 were not raised. This resulted in non-realisation of water charges amounting to Rs. 18,532.

On the omission being pointed out in audit (September 1985), the department recovered (September and November 1985) Rs. 12,830 and raised demand for the balance amount of Rs. 5,702. Report on recovery is awaited (December 1986).

(ii) In Sirsa water charges for canal water supplied to six brick-kiln owners during August 1984 to September 1985 were recovered at a lower rate of Rs. 5 per 2,500 cubic feet instead of Rs. 1 Per hundred cubic feet of water. This resulted in short realisation of water charges amounting to Rs. 16,215.

On the mistake being pointed out in audit (September 1985) the department issued (June 1986) notices to the defaulters. Report on recovery is awaited (December 1986).

The above cases were reported to Government in November 1985; their reply is awaited (December 1986).

The above cases were reported to Government in November 1985; their reply is awaited (December 1986).

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

1. (a) A comprehensive report fixing responsibility for this lapse

has been sought from the Engineer-in-Chief. Further action including action against the defaulting officials would be taken on receipt of the report.

1. (b) The full amount of Rs. 18532/- has since been recovered during the year 1985-86.
2. (a) This was a lapse and action is being taken in-line with reply in Para 1 (a). The water charges for the entire supplies have since been charged at the rate of Rs. 1/- per hundred cubic feet, which is for moulding bricks and tiles.
2. (b) Actually the amount involved was Rs. 15,482/- and not Rs. 16,215/-. The full amount of Rs. 15,482/- has since been recovered.

The Committee desire that responsibility for non-recovery/short recovery of water charges be fixed and action taken against the officials/officers at fault be intimated to the Committee within three months. The Committee further desire to know the steps taken by the department to avoid the recurrence of such lapse.

During the course of oral examination, the Committee observe that in many works there is no close co-ordination between the Revenue Department and Irrigation Department. The Committee therefore recommend that there should be close coordination between the two departments to check the financial losses to the State exchequer.

AGRICULTURE

9/11/12

[36] 6.12. *Embezzlement of licence fee money*

Under the Haryana Khandsari Sugar Manufacturers Licencing Order 1972, no manufacturer shall, except under a valid licence obtainable on payment of a prescribed fee, carry on or undertake any process connected with manufacture of Khandsari sugar by means of a power crusher. The fee is payable by the applicants through treasury challans. The Punjab Treasury Rules, Volume I, as applicable to Haryana, require that when any amount payable to Government is paid into treasury by a challan, the person making payment will prepare and submit challan giving full particulars of nature, amount and head of account etc., to the concerned official of the Department, who will after examination, enter the challan in the appropriate register of challans issued (daily collection register) and put his dated signatures in token of authentication.

The Punjab Financial Rules, Volume-I as applicable to Haryana, also require each administrative department to ensure that all Government dues are correctly assessed, collected and paid into treasury. In order to ensure proper classification of the sums paid into the treasury, the rules further require that a consolidated receipt for remittances made during the month should be obtained from the treasury officer and the amounts entered in daily collection register should be reconciled with those in the treasury record.

In the office of the Cane Commissioner, Chandigarh, fee for granting licences for manufacture of khandsari sugar was collected in cash from the applicants by the dealing official for deposit into bank through challans. The challans were, however, prepared by the official for amounts lesser than the prescribed fee collected in cash.

These challans were not entered in the prescribed daily collection register as no such register was being maintained by the department and the amounts mentioned in the challans were paid into Government Treasury. After remittances into treasury but before issue of the requisite licences, the amounts of the receipted challans were tampered with and raised to agree with the amounts of prescribed fees collected from the applicants. By adopting this *modus operandi*, a sum of Rs. 1.60 lakhs was short deposited and embezzled by the official in 99 cases between September 1974 and May 1984.

The following lapses facilitated the embezzlement:—

1. The department did not maintain daily collection register and thus failed to record amounts of the challans authenticated for payment into treasury and to compare the amounts of the receipted challans with entries in the register.
2. The department did not obtain consolidated treasury receipts for the sums paid into the treasury.

3. The department did not reconcile the amounts paid into treasury as per entries in its record with those in the record of the treasury officer.
4. The licencing officer did not scrutinise the receipted challans to ensure correct payment of fees prescribed.

On the omission being pointed out in audit (March 1986), the department admitted the objection and stated (September 1986) that the dealing official had been suspended and First Information Report lodged against him on 5th August 1986. It was further stated that the matter was being pursued with the licensees, but the extent of their involvement in the matter would be known only after the completion of police investigation. Further progress is awaited (December 1986).

The case was reported to Government in April 1986; their reply is awaited (December 1986).

In their written reply, the department stated as under :—

As per requirement under clause 2 of the Haryana Khandsari Sugar Manufacturer's Order 1972 an application in prescribed form for a license, when made to a Licensing Authority, shall be accompanied with a treasury challan for the license fee prescribed in the schedule. Accordingly, as and when applications for the grant/renewal of licenses of Khandsari units were submitted to this office, they used to be accompanied with treasury challans of the requisite license fee issued from various treasuries in the State. A record used to be maintained in this office about such treasury challan. From time to time, the concerned treasuries were written to verify the receipts of amounts shown in the challans. Except for Chandigarh treasury the other treasuries in the State used to respond and verify the amounts deposited in the treasuries through challans. This work was being attended to by the Head Clerk Sh. Jai Dayal Dewan in the office of the Cane Commissioner, Haryana, Chandigarh. On the detailed scrutiny of the record pertaining to this case, it was found that although letters were written from this office to Chandigarh treasury for the verification of amounts, no follow up action was taken by the office in cases in which there was no response from Chandigarh treasury. Some of the verifications from Chandigarh treasury are available but in majority of cases, these verifications are missing from the office record. It is feared that in certain cases the Chandigarh treasury might have replied to the communications issued from the office of the Cane Commissioner, but the same might have been fraudulently removed from the official record. During a test check by the Joint Director of Agriculture (Cane) during September-October, 1985, it was noticed that although verifications from various other treasuries in the State for the crushing season 1984-85, were available in the office record, there was practically no confirmation from the Chandigarh treasury for the amounts shown in the treasury

challans deposited in the said treasury. Accordingly, immediate steps were taken for verification of the amounts shown in the challans which were issued by the Chandigarh treasury. On verification, it was revealed that there were discrepancies with regard to the amounts shown in the challans and the amounts actually deposited in the Chandigarh treasury. It was on the basis of this verification that immediate steps were taken for recovering the amounts deposited less by various licensees and the entire default amount of Rs. 13,500 was got deposited from the concerned khandasari units towards license fee for the year 1984-85. It was simultaneously ordered that detailed checking be conducted of such deposits pertaining to the earlier years. In the meantime, the audit party of the Accountant General office started the audit inspection during which it was ultimately revealed that there were discrepancies right from 1974-75 and that the entire amount, which was deposited less, was found to be about Rs. 1.60 lakhs. (Rs. 1,59,690). Immediately on the receipt of the report of the audit, a detailed enquiry was conducted and prima-facie it has been established that certain licensees in collusion with the Head Clerk of the office of the Cane Commissioner, were responsible for this loss to the State exchequer.

Simultaneously, steps were taken for recovering the entire amount from the defaulting khandasari licensees and notice were issued to all of them. A report in this regard was also sent vide this office D.O. No. 3836 dated 30-7-1986 addressed to Shri T.S. Sekhon, Deputy Accountant General (Audit), Haryana. It is again made clear that the discrepancies have been found in case of amounts deposited through challan in Chandigarh treasury. The fraud could not be detected earlier mainly because of the involvement of Head Clerk of the office of the Cane Commissioner, Haryana who was allegedly in league with the khandasari licensees. So far Rs. 48230 have been got deposited from the 17 defaulting licensees. 13 licensees against whom Rs. 54960 were due, went to the Civil Court against this recovery. 14 licensee whom notices were issued for recovering remaining amount of Rs. 56500 have either closed their units or are untraceable.

Sh. Jai Dayal Dewan, Head Clerk has been placed under suspension vide this office letter No. 39783-85/E-3(1) dated 5-8-1986. FIR has also been lodged with the Chandigarh police against this official under section 409 and 468 IPC on 7-8-1986. It may be worthwhile to mention here that from 1974 to 1984 four Audit Parties of Accountant General, Haryana, conducted the audit of the accounts of this office, but this embezzlement escaped their attention.

As regard the responsibility for the reconciling the amounts paid into treasury as per treasury record and as for non scrutinising the receipted challans to ensure correct payment of fees, it is stated that since job was handled directly by Sh. Jai Dayal Dewan, the then Head Clerk, therefore he is responsible for

these lapses. The period during which this lapse occurred the following were the Drawing and Disbursing Officers from time to time :—

Sr. No.	Name of D.D.O.	Period
1.	Sh. Pryag Dutt Sharma	1974-75 to 1975-76
2.	Sh. L.C. Sharma	10-5-76 to 6-12-79
3.	Sh. Kuldeep Singh	7-12-79 to 3-8-82
4.	Sh. L.C. Sharma	4-8-1982 to 11-8-87

Although Drawing and Disbursing Officer is required to exercise the check and ensure the correctness of amount remitted into treasury, yet under routine day to day functioning, it is very difficult for a D.D.O. to exercise his full control in various official affairs. He has to depend upon various senior office functionaries for different types of jobs. Since Sh. Jai Dayal Dewan was Head Clerk of the sugarcane section and being the senior most official of the section, all above quoted D.D.O's. never suspected any such malafide on his part. As indicated above that four parties had conducted the audit of the accounts of this section from 1974 to 1984 but this fraud could not be detected by any of these audit parties.

There is no provision for internal audit system in this department.

After the registration of F.I.R. the matter was pursued with the Police Department, Chandigarh. The police had collected all the relevant record of this case on 11-8-1986 and 5-5-1988. Department is reminding the Police from time to time for expeditious completion of investigation.

The remedial measures which has been taken to avoid recurrence of such cases in future are enumerated as under :—

- (a) No application for khandsari licenses are entertained in the office of Cane Commissioner, Haryana or A.C.D.O's. alongwith license fee in the form of cash payment.
- (b) No application for khandsari license is accepted directly in the office of the Cane Commissioner, Haryana, Chandigarh.
- (c) Such applications alongwith treasury challans for the license fee are submitted by the applicant to the concerned A.C.D.O's., who forward the same to the office of Cane Commissioner, Haryana with his recommendation.
- (d) At the close of the month of all A.C.D.O's. get the necessary verifications of the license fee challans forms done from the respective treasuries and send a communication back to the office of Cane Commissioner, Haryana.

The Committee are constrained to note that Shri Jai Dayal Dewan, Head Clerk continued to embezzle the amount from 1974 to 1984 and all the Drawing and Disbursing officers/Controlling Officers during the period of 10 years failed to detect the embezzlement. The Committee observe that it was definitely a case of utter negligence and lack of supervision on the part of the D.D.O.'s / Controlling Officers. The Committee, therefore, recommend that suitable disciplinary action may be initiated against the defaulting officers facilitating the Head Clerk to embezzle the Government money.

The Committee further desire that the progress made in regard to the recovery of balance amount be intimated to the Committee and the case may be pursued to its logical conclusion.

The Committee also desire that the case of Shri Jai Dayal Dewan, as stated under trial in the Court, be pursued vigorously and the Committee may be apprised of its outcome in due course of time.

PUBLIC HEALTH

[57] 6.16. Non-recovery of water charges.

As per bye-laws framed by Public Works Department (Public Health Branch) in September 1978, charges for water supplied to industrial units are recoverable at the rate of Re. 0.60 per thousand litres for metered supply and at Rs. 110 per month for an unmetered connection upto 15 mm.

In Rohtak, connections for supply of water to 61 industrial units were released between January 1978 and October 1984, but demand for water charges was not raised till November 1984. This resulted in non-realisation of water charges amounting to Rs. 59,248.

On the omission being pointed out in audit (December 1984), the department raised demands for Rs. 59248 and recovered (December 1984) Rs. 8,819 out of it. Report on recovery of the balance amount is awaited (December 1986).

The case was reported to Government in January 1985; their reply is awaited (December 1986).

In their written reply, the department stated as under :—

"The bye-laws were framed by Public Health Department on the behalf of Industries Department and the same were approved by the Industries Department, Haryana. According to these bye-laws Sub Divisional Engineer's and Junior Engineer's were authorised to sanction the connection. The water charges were to be paid to the Sub Divisional Engineer concerned or any authorised office fixed for this purpose by the Industries Department.

The explanations of the officers concerned who sanctioned water connections to the Industrial Units but failed to recover the water charges at the first instance have been called for. Disciplinary action will be taken against the defaulting officers after examination of their explanations.

Out of total outstanding water charges of Rs. 59,248 the recoveries which have been effected are as under :—

Rs. 8819 recovered upto December, 1984.

Rs. 18219 recovered upto May, 1986.

Rs. 10047 has been recovered in 7/89 to 9/89.

and the balance of Rs. 22,163 still remains to be recovered. In order to recover the balance amount of Rs. 22163 notices have been issued to the owners of the factories.

All efforts are being made to get the outstanding of Rs. 22,163 deposited by the concerned Industrial Units.

Instructions have been issued to all the Executive Engineers of this department to review the position of the water charges from Industrial Units (If any) for recovering the amount at the earliest possible. The information is still awaited from them."

During the course of oral examination, the departmental representative informed the Committee that the balance amount of Rs. 22,163 is recoverable from 20 Industrial Units out of which 17 Units have been closed down by the owners. However, he assured that the recovery of balance amount will be affected shortly through the Deputy Commissioners as arrears of land revenue.

The Committee desire that the progress made in affecting the recovery of balance amount of Rs. 22,163 be intimated to them within six months.

The Committee further desire that the final action taken against the Officers at fault for non-realisation of water charges well in time be intimated to them within six months.

MEDICAL AND HEALTH

[58] 1.5. *Uncollected revenue*

As on 31st March 1986, arrears of revenue pending collection under principal heads of revenue as reported by the Departments were as under :—

Heads of Total revenue arrears	Arrears outstanding for more than 5 years (In crores of rupees)	Remarks
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Medical	0.83	0.62
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In their written reply, the department stated as under :—

Arrears of Revenue receipt pending upto 31st March, 1985 of this department was 0.79 crore which has increased to Rs. 0.96 crore upto 31st March, 1989. This amount is due from local bodies on account of provincialisation of Hospital/Dispensaries from 1963-64 which were taken over by the Govt. with the condition that Zila Parishad/Municipal Committee will hand over the building in a satisfactory state of affairs failing which they shall pay to Govt. the amount equal to the average expenditure for the last 3 years was to be incurred by the local bodies on account of repairs. The Govt. vide letter No. 6728-IHBI-175/25981 dated 13th August, 1975 have decided not to recover this contribution from local bodies/Panchayat samities in future and also intimated that the case to write off this arrear may be sent to Govt. for approval. Accountant General, Haryana was also apprised about this position vide this office letter No. 6651 dated 27th June, 1975 that such contribution should not be treated as arrear of revenue receipt. This para was received in this office vide Finance Department letter No. 18/1/81-3B & C dated 28th October, 1984 for inclusion in the report of C.A.G. of India. The matter remained under correspondence with the Govt. on different clarifications since long and as desired by Govt. the reference was made to Govt. to write off this amount vide D.H.S. letter No. 33/17-3 Acctt-88/338 dated the 4th April, 1988 but as per advice received from Govt. vide letter No. 8/378/80-4HBII dated 15th June, 1988 that in this case opinion of L.R. was also sought by the Govt. which is reproduced below :—

“In the opinion of this department the local bodies whose Hospital/Dispensaries have been taken over by the Govt. can certainly ask for compensation from Govt. in respect of movable /immovable properties. The Govt. would be well advised to ask the local bodies to make a gift deed.

The Case is under process with the department for obtaining gift deed from the Municipalities.

The Committee observed that huge arrears amounting to Rs. 0.96 crore had accumulated due from various local bodies on account of provincialisation of Hospitals/Dispensaries from 1963-64.

During oral evidence the departmental representatives informed the Committee that Government was approached to write off this amount. The Legal Remembrancer, who was consulted in the matter opined that local bodies whose hospitals/dispensaries had been taken over by the Government could certainly asked for compensation from Government in respect of movable/immovable properties so that the Government would be well to ask these local bodies to make the gift deeds. When asked to inform the position about making the gift deeds, the departmental representatives informed that the case was under process with the department for obtaining the gift deed from these municipalities.

The Committee desire that since the matter dated back 1963-64, it should be finalised expeditiously and a report be furnished to the Committee, within six months.

REVENUE

[59] **5.1. Results of Audit** — Test check of records in departmental offices, conducted in audit during the year 1985-86, revealed short levy and nonlevy of stamp duty and registration fee also other irregularities in 1,845 cases, which broadly fall under the following categories:—

Number of cases	Amount (In lakhs of rupees)
1. Loss of stamp duty and registration fee due to under-valuation	503 17.02
2. Evasion of stamp duty and registration fee	113 7.80
3. Irregular exemption of stamp duty and registration fee	96 4.95
4. Short levy/non-levy of stamp duty and registration fee	398 3.41
5. Other irregularities	735 4.69
Total	1,845 37.97

Out of 1,845 cases of under-assessment pointed out in audit, the department had since taken rectificatory action in 41 cases and recovered Rs. 1.83 lakhs. In the remaining 1,804 cases, replies are awaited from the department (December 1986).

In their written reply, the department stated as under :—

The reasons for short levy/non-levy of Stamp Duty and Registration Fee was due to the posting of in experienced and sometimes unqualified staff. However, action was taken against the defaulting officials where necessary by issuing warning/stoppage of increment.

The Committee observe that stamp duty and registration fee was not levied or short levied by Rs. 37.97 lakhs in 1845 cases. When called upon to explain the reasons for short levy/non levy of stamp duty and registration fee, the department attributed it to the posting of in-experienced and sometimes un-qualified staff.

The Committee did not feel satisfied with this explanation of the department and desire that the staff posted for levying or assessing the stamp duty should be well trained/qualified. In case the staff recruited a-fresh is deployed on the job, they should first be trained and equipped with adequate moderate experience expected of the job.

The Committee, further observed that generally the audit observation are not attended to promptly.

The Committee, therefore, desire that in future under assessment pointed out by audit should be attended to promptly and replies furnished to the audit.

[60] 5.3. *Incorrect application of rates*

(i) As per Article 31 of Schedule 1-A to the Indian Stamp Act, 1899, as applicable to Haryana, an instrument of exchange of immovable property is chargeable with duty as a conveyance under Article 23(a) of Schedule 1-A of the Act for a consideration equal to the value of the property of the greatest value as set forth in such instrument.

(a) On 101 instruments of exchange of immovable properties registered (between May 1982 and January 1985) in 10 registry offices in Rohtak, Narnaul and Faridabad districts, stamp duty was charged at lower rates applicable to "other conveyances" under Article 23(b) of Schedule 1-A instead of at the appropriate rates applicable to conveyance by sale of immovable properties under Article 23(a) of the Schedule. The mistake resulted in short realisation of stamp duty by Rs. 32,751.

On the mistakes being pointed out in audit (between February 1984 and March 1986), the department recovered (between December 1985 and July 1986) Rs. 14,449 and issued (between November 1984 and April 1986) notices for recovery of the balance amount of Rs. 18,302. Report on recovery is awaited (December 1986).

(b) In Karnal, on 20 instruments of exchange of property, registered during the year 1983-84, stamp duty was charged at incorrect rates prescribed in Article 23(b) instead of those prescribed in Article 23(a) of Schedule 1-A to the Act. The mistake resulted in stamp duty being levied short by Rs. 23,317.

On the mistake being pointed out in audit (January 1985), the department recovered Rs. 812 (between February and August 1985) and issued notices for recovery of another amount of Rs. 16,135 (in April and October 1985). Further progress is awaited (December 1986).

(ii) Under the Indian Stamp Act, 1899 and the rules made thereunder, as applicable to Haryana, stamp duty in respect of an instrument of mortgage (where possession of property is not given) is chargeable at one and a half per cent of the amount of loan secured by such instrument.

On 22 such instruments of mortgage registered (between June and September 1984) in the office of the Sub-Registrar, Kurukshetra, stamp duty was charged at the flat rate of Rs. 75 each, instead of at one and a half per cent of the amounts of loans secured (Rs. 10.32 lakhs). The mistake resulted in short realisation of stamp duty by Rs. 13,830.

On the mistake being pointed out in audit (September 1985), the department recovered Rs. 5,400 in 11 cases.

Report on recovery of the balance amount is awaited (December 1986).

The above cases were reported to Government between February 1985 and June 1986; their reply is awaited (December 1986).

In their written reply, the department stated as under :—

a(i) The clarification to the effect that the exchange deed is chargeable under article 23(a) of Schedule 1-A of the Indian Stamp Act, 1899 was issued by the Government vide letter No. 343-STR-II-85/26633, dated the 3rd September, 1985 and prior to this, all the exchange deeds were stamped under article 23(b) of Schedule 1-A. As the audit pertains to the year 1984-85, which figured in C.A.Gs Report of 1985-86 and the clarification of Government was issued on the 3rd September, 1985, the responsibility can not be fixed on any official/officer.

(iii) The Deputy Commissioners have informed that efforts are being made to recover the balance amount of Rs. 18,302. However, the latest position of recovery is as under :—

Total amount involved	Amount recovered	Balance
32,751 (This includes Rs. 18,302)	25,543	7,208

(b)(i) Deputy Commissioner Karnal has informed that the concerned Sub Registrar and Registration clerk are responsible for the short realization of stamp duty. They have been asked to explain the reasons for short recovery.

(ii) As reported by the Deputy Commissioner Karnal, the amount actually recovered is Rs. 312 and not Rs. 812 as shown in the report and as such the balance amount to be recovered is Rs. 23,005.50 instead of Rs. 16,135/. The position of recovery of balance amount of Rs. 23,005.50 as informed by Deputy Commissioner Karnal is as under :—

Sr. Cases No.	Name of Sub-Registrar	Amount involved	Recovered	Balance
1. 6	Smalkha	6370	—	6370
2. 10	Panipat	16605	—	16605
3. 2	Israna	155.50	125	30.50
4. 1	Assandh	62	62	—
5. 1	Karnal	125	125	—
Total 20		23317.50	312	23005.50

Deputy Commissioner has asked the concerned Sub Registrar (Tehsildars), Joint Sub Registrars (Naib Tehsildar) to recover the amount immediately.

The Committee desire that recovery of balance amount of Rs. 21381 (Rs. 7208 plus Rs. 14173) may be expedited and progress made in this regard be intimated together with the disciplinary action taken against the defaulting officials.

EXCISE AND TAXATION

[61] 1.5. *Uncollected revenue*

As on 31st March 1986, arrears revenue pending collection under principal heads of revenue as reported by the Departments were as under :—

Heads of revenue	Total arrears	Arrears outstanding for more than 5 years	Remarks
	(In crores of rupees)		
1. Sales Tax	33.02	7.34	
2. State Excise	3.12	1.43	
3. Taxes on Goods and Passengers	0.92	0.04	
4. Entertainment Duty and Show Tax	0.29	—	

In their written reply, the department stated as under :—

The main reason for accumulation of arrears is that the assessee had gone to the courts of Law against the Addl. demands and Courts granted stay orders for the recovery of amount. Similarly some firms have gone under liquidation and the matter has to be taken up with the official liquidator. In some cases the dealer closed down their business and change their residence and it become very difficult to effect the recovery. The reason-wise detail are also given below :—

Out of Rs. 37.35 crores as on 31st March, 1986, Rs. 13.70 crores have been recovered upto 31st August, 1989 leaving a balance of Rs. 23.65 crores as detailed below :—

(Amount in crores)

S. No.	Head of Account	Arrear as on 31-3-86	Recovery made from 1-4-86 to 31-8-89	Arrears as on 31-8-89
1.	Sales Tax	33.02	12.19	20.83
2.	State Excise	3.12	0.44	2.68
3.	Taxes on Goods & Passengers	0.91	0.81	0.11
4.	Entt. Duty & Show Tax	0.29	0.26	0.03
	Total	37.35	13.70	23.65

Out of 8.72 crores which were more than 5 years old as on 31-3-86, 2.79 crores have been recovered leaving a balance of Rs 5.93 crores as on 31-8-89 as detailed below :—

(Rs. in crores)

S. No.	Head of Account	Arrears as on 31-3-86	Recovery from 1-4-86 to 31-8-89	Balance as on 31-8-89
1.	Sales Tax	7.34	2.70	4.64
2.	State Excise	1.34	0.09	1.25
3.	P.G.T.	0.04	—	0.40
Total		8.72	2.79	5.93

The Committee noted that arrears on account of sales tax, State Excise and Taxes on goods passenger etc. pending collection were accumulating. On 31st August, 1989, Rs. 2365 lakhs were pending for collection which include Rs. 20.83 crores on account of sales tax alone. The Committee observe that the pace of recovery has been very slow and earnest efforts are not being made to recover the outstanding dues expeditiously.

The Committee desire that specific measures be adopted to accelerate the pace of recovery and for this purpose the department should pursue all those cases as mentioned in para 2.13.

The Committee further desire that progress report on the position of recovery be furnished to the Committee within six months.

During oral evidence when asked to explain the reasons for outstanding balance of Rs. 32.91 lakhs due from M/S Jage Ram & Co., the departmental representatives informed the Committee that the whereabouts of the party were not known. When further confronted by the Committee as to how the whereabouts of the party were not known when they have been contesting the case in the Supreme Court upto 1989. The Committee are surprised to point out that the case which dated back to 1968-69 has been pending merely because of the apathy and in action on the part of the department.

The Committee desire that the entire case should looked into afresh and efforts may be made to locate the party to effect recovery. A compliance report of this case be furnished to the Committee within six months.

[62] 1.9. Outstanding Inspection reports

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to next higher departmental authorities through local audit inspection reports. The more important irregularities are also reported to the Heads of departments and to Govern-

ment. Government have directed that first replies to inspection reports should be sent within six weeks. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

i) As at the end of November 1986, 1,716 inspection reports (issued upto March 1986), containing 8,544 audit objections, remained to be settled. Figures for the two preceding years are also given below :—

		Year	Number of inspection reports	Number of audit objections
		1)	2)	3)
1. Sales Tax	Upto	1981-82	131	723
		1982-83	21	216
		1983-84	10	90
		1984-85	22	300
		1985-86	22	493
		Total	206	1,822
2. State Excise	Upto	1981-82	44	92
		1982-83	11	61
		1983-84	11	65
		1984-85	10	61
		1985-86	12	59
		Total	88	338
Passengers and goods Tax	Upto	1981-82	58	119
		1982-83	13	56
		1983-84	13	62
		1984-85	13	63
		1985-86	14	81
		Total	111	381

In their written reply the department stated as under :—

The Assessment of the dealers is framed by the Assessing Authority after the returns are filed by them. For this purpose notices are issued to dealers, when any case of under assessment is detected by audit the case is referred to revisional authority for Suo-Moto-action. The revisional Authority may either finalise case at its own level or remand to Assessing Authority for denovo assessment. This procedure takes much time and audit objection remains unsettled till the addl. demand is raised and demand notice is issued to the assessee and amount recovered. In certain cases the assesses go in appeal to appellate authorities / Courts

2. Efforts are being made by the Department to get the remaining paras settled at the time of review/inspection of various district offices by A.G.'s (Audit). Their programme will be followed and maximum paras will be got settled with cooperation of special A.G. (Audit) parties.

3. Present position of outstanding inspection reports/ audit objections as on 31-3-90 as mentioned in the questionnaire is cited below :—

S.No.	Name of the Act	I/R Paras		Objections settled from		Objections pending as on	
		outstanding as on 31-3-86		1-4-86 to 31-3-90		31-3-90	
		I/R	Paras	I/R	Paras	I/R	Paras
1.	Sales Tax Act	206	1822	119	1445	87	377
2.	Excise Act	88	338	52	232	36	106
3.	P.G.T.	111	381	63	275	48	106
Total		405	2541	234	1952	171	589

The perusal of the above figures show that out of 2541 paras 1952 paras have since been settled. The progress of settlement comes to about 76.82 percent.

The department is maintaining liason with A.G.'s Office and list of outstanding objections are obtained from that office and follow up action is taken.

With respect to outstanding inspection reports when asked whether the department has initiated any action against the officers/officials on the basis of the objections raised in the Audit Report and in how many cases the mala fide intention were established and how many cases warning were issued and proceedings initiated. The departmental representatives informed the Committee that this detail was not available with them and it would be supplied later on.

The Committee further regret to observe that the requisite information was not supplied/furnished to the Committee till the drafting of this report.

The Committee desire that the detailed information should be supplied now expeditiously and in any case not later than 30th June, 1991.

[63] 2.2.3. Irregular grant of exemption to non-manufacturers

(i) As per Government notification dated 22nd November 1978 and 2nd June 1979, exemption from payment of tax under the Haryana General Sales Tax Act, on purchase of raw material is admissible to manufacturing units on the value of raw material used in the manufacture/production of goods in their own industrial units and on the sale of such manufactured goods.

On the basis of genuineness certificates granted by the Khadi and Village Industries Board, exemption certificates were issued (between October 1983 and January 1986) to four dealers of Sirsa. A scrutiny of assessment records revealed that cotton valuing Rs. 6.65 crores purchased from within the State during the years 1984-85 and 1985-86 on the strength of their exemption certificates had been transferred to their head offices outside the State of Haryana without undertaking any manufacturing process. The dealers had not established any industrial units at all. They were, thus, not entitled for exemption. Irregular grant of exemption resulted in tax amounting to Rs. 26.60 lakhs being not realised.

In their written reply the department stated as under :—

This case pertains to following four firms of Sirsa District

- (i) M/s Rajindra Khadi Gram Udyog, Sirsa, A.Y. 84-85/85-86.
- (ii) M/s Bihar Khadi Gram Udyog, Sirsa, 1984-85, 1985-86.
- (iii) M/s Nirman Gram Udyog Samiti, Sirsa, A.Y. 1984-85.
- (iv) Shree Gandhi Ashram, Lucknow, Camp Sirsa, 1984-85, 1985-86.

The audit has pointed out that these dealers had not established any industrial units but on the strength of their exemption certificates they have been allowed to transfer the cotton to their Head Offices outside the State of Haryana without undertaking any manufacturing process resulting a loss of Rs. 26.60 lakhs.

The parawise comments are given below :—

- (a) The Assessing Authority had allowed exemption on the basis of exemption certificate granted on the basis of notification dated 22nd November, 1987. However the whole position has been examined and all DETCs have been issued clarification vide this office memo No. 2730/ST.III dated the 11th September, 1989 that no exemption was to be granted to parties, which do not have manufacturing units within the State of Haryana from 9th August, 1983 to 30th December, 1987. All DETCs have been directed to move the cases for suo-moto action.
- (b) The demand will be raised in these four cases when the suo-moto action is finalised by revisional authority.
- (c) The D.E.T.C., Sirsa has moved the cases for suo-moto action in March, 1990. The revisional authority has been requested to finalise the cases on priority basis.

During oral evidence when asked to explain as to why the Assessing Authorities failed to conduct proper scrutiny before granting irregular exemption, the departmental representatives stated that the Assessing Author-

ities allowed the exemption on the basis of exemption granted in certain cases in pursuance of the notification of 22nd November, 1978. He further informed the Committee that clarification had now been issued in September 1989 prohibiting the grant of exemption to parties which did not have manufacturing units within the State of Haryana.

The departmental representatives further assured the Committee that the demand will be raised against 4 firms of Sirsa district when suo-moto cases would be finalised by the revisional authorities.

The Committee desired that these cases should be finalised expeditiously and final outcome intimated to them.

[64] 2.2.4. *Misapplication of exemption notification*

(i) Exemption to two dealers of Jind from payment of Haryana General Sales Tax was granted for a period of two years from 15th November 1981 to 16th November 1983. The dealers had purchased paddy against their exemption certificates during the period of exemption but had sold rice valuing Rs. 23.16 lakhs (between 17th November 1983 and 31st March 1984) husked from that paddy after the expiry of validity period of the exemption. Grant of unauthorised exemption from payment of tax on sale of rice, after the expiry of exemption, resulted in non-levy of tax amounting to Rs. 92,649.

In their written reply, the department stated as Under —

This case pertains to M/s Jai Durga Mills, Jind A/Y 83-84 and M/s Adrash Mini Rice Mills, Safidon, A/Y 81-82 to 83-84.

The audit has pointed out that grant of unauthorised exemption from payment of tax on the sale of rice after the expiry of exemption resulted in non-levy of tax to Rs. 92,649/-.

The cases have been sent for suo-moto action during Feb., 1990. The result of suo-moto action will be intimated to PAC in due course.

During oral evidence when called upon to explain the reasons for the grant of unauthorised exemption from payment of tax on the sale of rice after the expiry of exemption, the departmental representatives stated that all these cases had been sent for suo moto action during February, 1990 and that the result of suo moto action has to be intimated to the Committee in due course. The Committee desire that the final outcome of these cases be intimated to them by September, 1991.

[65] 2.2.7. *Grant of exemption to units whose capital investment on machinery and equipment exceeded prescribed limit.*

Exemption to 8 dealers (Rohtak : 3; Sonapat : 3; Hisar : 1 and Sirsa : 1) was allowed even though values of machinery and equipment as per details appended to balance sheets, exceeded the stipulated limit of rupees one lakh. Irregular grant of exemption resulted in non-levy of tax amounting to Rs. 4,33,132 in seven cases during different periods falling between 1981-82 and 1984-85. Assessment in the remaining one case was yet to be finalised (December 1986).

With respect to grant of exemption to units whose capital investment on machinery and equipment exceeded the prescribed limit, the departmental representative informed the Committee that action in this case was being taken and final outcome would be intimated to them in due course.

The Committee observe that action in this case has been inordinately delayed and desired that this case may now be finalised expeditiously and progress be furnished to the Committee.

[66] 2.2.8.(a)(ii) Exemption certificate granted to a dealer of Karnal from payment of Haryana sales tax was valid upto 30th June 1979. There after, exemption certificate was not renewed as the dealer did not obtain genuineness certificate from the Khadi and Village Industries Commission. The assessing authority, however, while framing assessments (between November 1980 and February 1985) allowed exemptions for the period from 1st July 1979 to 31st March 1984 without verifying the validity of the exemption certificate. This resulted in tax amounting to Rs 75,142, not being demanded.

In their written reply the department stated as Under :—

This case relates to M/s. The Karnal Achar Murba PCIS Ltd., Karnal for the A.Y 1979-80 to 83-84

The case was sent to E.T.O (i) for taking suo-moto action U/s 40 the H.G.S.T. Act as on 6-2-87 the assessing Authority is not competent to reopen the case. Result of the suo-moto action is awaited. Explanation of the defaulting Assessing Authorities who failed to verify the validity of exemption certificate have been called vide memo Nos. 9/AAI and 11/AAI dated 4-1-90

During oral evidence when called upon to explain the reasons as to why the Assessing Authorities failed to verify the validity of exemption certificate before allowing exemption, the departmental representatives stated that the explanation of the defaulting assessing authorities had been called for.

The Committee desire that the final outcome of the action initiated against the defaulting authorities be intimated to the Committee within three months.

[67] 2.3 (viii) A dealer of Narwana purchased, without payment of tax, goods valuing Rs. 3.68 lakhs from within the State and used them in the manufacture of tax-free goods (agricultural implements). While finalising the assessment, the assessing authority omitted to levy purchase tax on the purchase value of the goods so used. The omission resulted in tax amounting to Rs. 14,755 not being realised. Besides, interest was also chargeable for non-payment of tax alongwith quarterly returns

On the omission being pointed out in audit (August 1984), the department raised (February 1986) an additional demand for Rs. 22,428 (tax : Rs. 14755 interest : Rs 7,673) and recovered the amount in April and June 1986.

In their written reply the department stated as Under :—

This case pertains to M/s Devis India Iron Foundary and Engg. Works, Narwana for the A.Y. 1982-83.

On omission being pointed out by the Audit. The case was reopened. The Assessing Authority vide orders dated 6-2-86 created an additional demand of Rs. 22428/- which has since been recovered. Explanation of Sh. B.N. Singh, Excise & Taxation Officer who originally decided the case has also been called for.

When asked upon to explain the circumstances under which the the Assessing Authorities had either failed to levy the purchase tax or levy it short, the department in their written reply has stated that an additional demand was created for Rs. 22428/- against the firm and the entire amount had since been recovered and the explanation of the concerned defaulting Excise & Taxation Officer called for. The Committee desire that final outcome of the disciplinary action initiated against the Excise & Taxation Officer be intimated to the Committee.

[68] 2.5. *Short levy due to application of incorrect rates of tax*

(i) Under the Central Sales Tax Act, 1956, on inter State sales of oil produced from cotton seed, tax is leviable at the rate of four per cent subject to production of declaration in the prescribed form.

In Hisar, on inter-State sale of cotton seed oil valuing Rs. 7.34 lakhs made during the year 1982-83, tax was levied at One per cent instead of at the correct rate of four per cent. This resulted in short levy of tax amounting to Rs. 22,027. Besides, interest of Rs. 5,041 was also chargeable for non-payment of tax alongwith the returns.

On the mistake being pointed out in audit (November 1985), the department raised (January 1986) demand for Rs. 27,068 and realised the amount in March 1986.

In their written reply the department stated as Under :—

This case pertains to M/s. Aggarwal Oil Mills, Hansi A.Y. 1982-83.

The para-wise comments are as under :—

The Assessing authority assessed Inter-State-Sales of Rs. 7,34,249/- under the impression that cotton seed oil was duly covered in the item of edible oil.

The case was reassessed by Sh. Bhisham Pitamah, E.T.O., on 15-1-86 and created additional demand of Rs. 27068/- which was deposited on 29-3-86. The explanation of Sh. D.S. Mehra, Assessing Authority has been called for. As the whole amount has already been recovered Para may be dropped.

When asked to intimate the progress on the rectificatory action taken and recovery effected, the department in their written reply has stated that an additional demand had been created and the amount has been recovered and the explanation of the Assessing Authority concerned called for.

The Committee observed that disciplinary action had not been completed despite a lapse of 4 years.

The Committee desire that the case should be finalised expeditiously and final outcome intimated to them as early as possible.

[69] 2.9. *Irregular levy of tax at concessional rate*

Under the Central Sales Tax Act, 1956, inter-State sales to Government departments are taxable at concessional rate of four per cent when such sales are supported by valid certificates in the prescribed forms given by a duly authorised officer of a Government. The concession is not admissible in respect of inter-State sales to autonomous bodies or other non-Government institutions. They are liable to pay tax at the full rate (10 per cent).

(i) On inter-State sales valuing Rs. 2.63 lakhs, made by a dealer of Faridabad during the year 1979-80 to the National Dairy Development Board, Ajmer and Jaipur and the Indian Dairy Corporation, Baroda, tax was levied at the concessional rate of 4 per cent. These being autonomous bodies, tax was actually leviable at the rate of 10 per cent. Besides, the dealer had delayed the payment of tax for the fourth quarter of the year but interest for belated payment was not charged. The mistakes resulted in short levy of tax and interest by Rs. 17,920.

On the mistakes being pointed out in audit (March 1984), the department raised (October 1985) additional demand for Rs. 17,920 (tax : Rs. 15,820; interest : Rs. 2,100) Report on recovery is awaited (December 1986):

In their written reply, the department stated as Under :—

This case pertains to M/s. Chemical Vessels Fabricators (P) Ltd., F/bad A.Y. 1979-80.

In this connection it is brought out that the assessing authority was misled by the assessee because he produced 'D' forms in support of the transactions which could only be issued by the Govt. department. In this case additional demand of Rs. 15,820/- was created but could not be recovered as the party left Haryana and settled at Calcutta. However, recovery certificate has already been issued to collector which is being pursued by the department. The explanation of Sh. K.S. Dhakka, Assessing authority who could not detect the omission at the time of assessment has been called for and awaited.

The Committee desire that the results of the efforts made to recover the amount of Rs. 15820/- be intimated to the Committee together with the action initiated against the Assessing Authority without accepting D-Form wrongly.

[70] 2.10 (ii) Under the Haryana General Sales Tax Act, 1973, if a dealer fails to pay the tax due as per his return by the prescribed date, he is liable to pay interest at the prescribed rate for the period of default. In addition, he is liable to pay penalty not exceeding one and a half times the amount of tax to which he is assessed or is liable to be assessed.

A dealer of Sirsa failed to pay tax amounting to Rs. 59,010 alongwith quarterly returns for the third and fourth quarters of 1981-82. The assessing authority, while framing the assessment (December 1983), charged interest for the delay in payment of tax and recorded in the assessment order that penal action for failure to pay tax as per the returns would be taken against the dealer separately. No action to impose penalty was, however, initiated

On the failure being pointed out in audit (October 1984), the department levied (April 1985) penalty of Rs. 30,000 Report on recovery is awaited (December 1986)

In their written reply, the department stated as Under.—

This case pertains to M/s. Namdhari Rice Mills, Jiwan Nagar
A Y. 1981-82/15-12-83

The proceedings U/s 47 of the Haryana General Sales Tax Act, 1973 were initiated by the then Assessing Authority on 19-12-83 by issuing a notice for 30-12-83. But there was some unavoidable and inadvertent delay in finalization of penal proceedings due to non traceability at first and secondly due to non cooperation on the part of the dealer, who wanted to avoid imposition of penalty. The final action in this matter could be taken on 30-4-85 by imposing a penalty of Rs. 30000/- It is submitted now that the penal proceedings U/S 47 were duly initiated much before this could be pointed out by the audit party rather these were started right after finalization of original assessment. A proper record of penal proceedings is maintained in the Office & Proper watch is kept. The amount of penalty stands recovered as detailed above.

(b) Yes Rs 2000/- on 31-3-87

Rs. 28000/- on 26-5-87

Rs. 30000/-

Since the whole amount of Rs. 30,000/- has been recovered. Sh. S.N. Bajaj, E.T.O., responsible for the delay in finalising of proceedings has retired. As such the para may be dropped.

During oral evidence when the Committee pointed out that the department usually realised tax amount but avoid to levy interest and penalty, the departmental representatives stated that they really feel that somebody had played foul and deliberately not recovered the amount and he further assured the Committee that disciplinary proceedings against the Assessing Authorities would certainly be initiated.

The Committee desire that in such cases stern action should be initiated against the defaulting officers/officials.

5-2-81 [71] 2.11 (iii) A dealer of Faridabad purchased raw material valuing Rs. 87.85 lakhs during the year 1980-81 and used it in the manufacture of finished goods. Part of the manufactured goods were consigned to his branches outside the State. He did not pay alongwith his returns tax in respect of the material used in the manufacture of goods so transferred to his branches. The assessing authority, while framing the assessment (February and March 1984), levied tax (Rs. 3,37,058) on the proportionate value (Rs 70.07 lakhs) of the raw material purchased from within the State and used in the manufacture of goods transferred to branches outside the State, but omitted to charge interest for non-payment of tax alongwith the returns. Interest chargeable amounted to Rs 1,75,292. Besides, penalty for non-payment of tax alongwith the quarterly returns was also leviable.

On the omission being pointed out in audit (January 1985), the department issued (May 1986) a notice to the dealer for revision of the assessment. Further progress is awaited (December 1986).

In their written reply, the department stated as Under .—

This case pertains to M/s Dabriwala Steel & Engg. Works, F/bad A.Y 1980-81.

Levy of tax U/S 9 was under dispute and challenged in the Hon'ble High Court/Supreme Court. Hence no interest was levied.

Interest of Rs. 183388/- has been levied vide order of the Assessing Authority dated 2-3-1987. As regards levy of penalty U/S 47 it is revivable only when the default if payment is intentionally and merrrea is there but in the present case the tax relates to Section 9 and as such no penalty has been levied. The property of the dealer has been attached on 26-3-1987.

Both during oral evidence and in their written reply the departmental representatives informed the Committee that the property of the dealer has been attached in March, 1987. When asked about the value of the property so attached and whether that property would fetch them the recoverable amount, the departmental representatives stated that this information was not available with them and would be supplied within fortnight. The Committee, however, regret to observe that the wanting information had not been supplied till the drafting of this Report.

The Committee desired that the requisite information be supplied now expeditiously.

[72] 2.11 (ix) In Panchkula (Ambala), tax amounting to Rs. 75,736 for the year 1979-80, demanded from a dealer in March 1980, was not paid by him within the prescribed period. The department allowed the dealer to pay the amount in instalments but omitted to charge interest which amounted to Rs. 20,201.

On the omission being pointed out in audit (September 1982), the department raised (June 1986) additional demand for Rs. 21,332. Report on recovery is awaited (December 1986)

In their written reply, the department, stated as Under:—

This case relates to M/S Jawahar Lal & Co L-2 Licensee, Panchkula.

(i) The firm was assessed to tax of Rs. 75736/-. Since the financial position of the firm was weak, it was allowed to deposit the tax in monthly instalments. The last instalment was deposited during the month of June, 1982. The Assessing Authority raised the Addl. demand on a/c interest U/s 59 for Rs. 21332 on 16-6-86.

(ii) No recovery has been effected as the party has closed down business in Haryana and recovery certificate has been sent to collector Chandigarh.

The Committee desire that the circumstances under which the demand was not raised in the first instance togetherwith the reasons for delay of four years in raising the demand even after the last instalment of tax had been paid in June 1982, be intimated to the Committee.

The Committee further desire that action against the persons responsible for raising the demand at belated stage may also be intimated and recovery be effected.

[73] 3.2 Irregular allowance of wastages

The Punjab Brewery Rules, 1996 and the Punjab Excise Fiscal Orders, 1932, as applicable to Haryana, provide for making an allowance of ten per cent towards wastage of beer after it is brewed. The allowance for wastage is calculated on the quantity of beer on which excise duty is leviable. However, in terms of provision of para 5 of Punjab Excise Fiscal Orders, 1932, 10 per cent wastage allowance shall not be calculated on the quantity of beer issued in bond.

A brewery at Murthal, cleared 18.77 lakh bulk liters (28,87,200 bottles) of beer under bond without payment of excise duty during the year 1984-85 and claimed 10 per cent wastage on this clearance. The department allowed the wastage which was not admissible. This resulted in short realisation of duty amounting to Rs. 4.33 lakhs.

On the irregularity being pointed out in audit in September 1985, the department stated (January 1986) that the case was under examination of the Excise and Taxation Commissioner. Further progress is awaited (December 1986).

The case was reported to Government in October 1985; their reply is awaited (December 1986).

Similar cases of irregular grant of allowance for wastage were also reported in Paras 4.1 (c), 4.2, 4.4(b), 3.3., 3.3 (ii), 3.3(i) and 3.3 of the Audit Reports on Revenue Receipts for the years 1977-78 to 1979-80 and 1981-82 to 1984-85 respectively.

In their written reply, the department stated as Under —

As pointed out already, the provisions for wastage under the brewery rule and the Punjab Excise Fiscal Orders, 1232 were inconsistent whereas under the brewery rules wastage was allowed on the total production. Under the fiscal order wastage was to be allowed only after deducting the quantity issued in bond. The local officer of the department had calculated the wastage on the basis of Punjab Brewery Rules, 1956. However as a result of this audit para the E.T.C. had after issuing a show cause notice fixed the wastage as per fiscal orders. The total quantity issued in bond was found to be 20,32,290 bulk litres and no wastage was allowed on this quantity. The order was made on 23-12-1987.

The position as explained in reply to para 4(1) (c) of the CAG report for the year 1977-78 and the committee had accepted the version of the department on 7-3-1990 and dropped this para. It is therefore requested that the para may kindly be dropped.

In so far as recovery is concerned the same has been stayed by the State Govt. exercising their appellate jurisdiction against the order of the E.T.C.

The Committee desire that the case may be finalised expeditiously and final outcome of the stay granted in this case be intimated to them.

[74] 3.3. *Non-levy or short levy of duty on excess wastage*

(i) The Punjab Distillery Rules, 1932, as applicable to Haryana, do not provide for exemption from levy of excise duty on spirit lost in the process of redistillation or conversion of rectified spirit into plain spirit.

In a distillery at Panipat, in respect of 10,756.4 proof litres of spirit reported to have been lost in the process of redistillation during the year 1985-85, excise duty was not realised. Excise duty recoverable amounted to Rs 75,295 at the rate of Rs. 7 per proof litre.

On the omission being pointed out in audit (September 1985), the department stated (January 1986) that action to effect recovery had since been initiated. Report on recovery is awaited (December 1986).

In their written reply, the department stated as 'Under' :—

This case pertains to Haryana Distillery, Panipat. In this connection it is intimated that it was already been brought out to the A.G. (A) vide memo. No. 1209/AA.II, dated, 12-5-89 that Section 3(16) of the Punjab Excise Act, 1914 defines the word manufacture as under :—

"Manufacture including every process whether natural or artificial by which any intoxicant is produced or prepared and also redistillation and every process for the rectification reduction flavouring blending or colouring of liquor."

The distillation and redistillation process are covered under this definition. Therefore losses in manufacturing cannot be accounted for. It is only the spirit obtained from distillation/re-distillation the account of which can be kept, which allowance has been prescribed in rule 101-A of Punjab Distillery Rules, 1932. Keeping in view the above facts nothing is recoverable and hence the para may be dropped.

The Committee reiterate their earlier observation/recommendation made in para 55 of 29th Report and desire that action be finalised expeditiously.

[75] 4.2. *Inter-State vehicular traffic schemes*

4.2.1. *Retention of revenue out of Government Account*

Under the national and zonal/free zone permit schemes regulating inter-State vehicular traffic, vehicles registered in one State, are allowed to ply in other States on payment of prescribed composite permit fee (goods tax in the case of free zone permit scheme) which is initially recovered from the vehicle owners by the home States by means of crossed demand drafts and, thereafter, transmitted to the transport authorities of the States, in which the vehicles are permitted to ply. The Excise and Taxation Commissioner Haryana issued (April 1984) instructions to all district offices to maintain "Draft Collection Register" to keep a record of receipt and disposal of bank drafts and to watch early credit of money to Government Account. According to Financial Rules of Government also, all revenue collections are required to be accounted for in Government Account and remitted into the Government Treasury without undue delay. However, numerous instances indicated below came to notice of Audit where these provisions/instructions were not being observed strictly by the departmental authorities, resulting in huge amounts remaining out of Government Account for considerably long periods. There were other omissions/deficiencies in the bank drafts received from other States which also led to delay in crediting the amounts to Government Account.

(i) 1,001 demand drafts for Rs. 5,97,470 received from other States between October 1985 and March 1986 had not been entered in the Draft Collection Register. There was also nothing on record to show

whether these drafts had been sent to the bank for encashment or had been returned to the respective State Transport Authorities for revalidation, attestation or for furnishing any further details.

(ii) 111 demand drafts for Rs. 59,700 received between January 1983 and March 1986, from other States had become stale as these were not sent to the bank in time for encashment. These drafts were returned to the concerned authorities for revalidation between January 1984 and May 1986 but 14 bank drafts, duly revalidated, had not been received back (June 1986).

In their written reply, the department stated as under :—

The system has been improved to ascertain the recoverable amount in lieu of Goods Tax from different States and by maintaining different register for different States RTA wise to watch receipt & encashment of Drafts.

2. The previous procedure has been changed and now the draft on receipt, are entered into different registers maintained for different States RTA wise. As and when the drafts are received, these are entered in the register and sent to SBI immediately for encashment clearance.

3. Yes, the department is satisfied with the now evolved procedure. These registers will help in locating individual entry as and when required when the Drafts are sent to SBI the department has no force to press the Bank authorities to clear the drafts immediately as the bank authority take their own time to clear the drafts, being an independent agency. However, personal efforts are being made by the department to get draft clear. At present all the drafts are being received in the office of Dy. E.T.C Ambala. It was felt that the work load in respect of these drafts was too heavy to be handled properly. After due considering all the Transport authorities of other States have been requested to send these drafts to the DETCs, Hisar and Faridabad (E) also. Hence the para may please be dropped.

Out of 1001 drafts as many as 911 drafts for Rs. 536070/- have already been traced and found entered and encashed. The remaining are being traced out. Previously only one draft collection register was being maintained and it was difficult to locate entries of drafts in the register. Now RTA wise and states wise register have been maintained. However, it appears that the remaining 90 drafts must have been entered and encashed but due to non maintenance of proper register at that time these are not being located. Which may not be pressed Now the record has been maintained.

The drafts in question were received time barred and hence these were sent back to the concerned authority for revalidation. Out of 111 drafts 80 drafts amounting to Rs. 17500/- have been found received and encashed.

The Committee desire that the position regarding tracing out of the balance drafts may be intimated to them within three months

[76] 4.2.I (v) Full particulars of vehicles were not indicated by the home States in the statements forwarding 61 demand drafts for Rs. 45,450 to Haryana State during April 1982 to February 1984. Instead of calling for the particulars of vehicles the demand drafts were returned (between April 1982 and February 1984) to the home States concerned. The demand drafts had not been received back alongwith the particulars of vehicles (December 1986).

(vi) 31 demand drafts for Rs. 20,080 received (between February 1983 and March 1986) from other States were incomplete. These were returned (between March 1983 and May 1986) for getting the omissions rectified by the banks concerned but these were not received back. The department also did not pursue the matter.

In their written reply, the department stated as Under :—

The concerned states have been again reminded to intimate the latest position. Which will be intimated as and when the reply received from the quarter concerned.

The Committee observe that the department has been adopting lackadazling approach in handling Bank Drafts in respect of government demand in certain cases, instead of asking for particulars of vehicles, the demand drafts were returned to the concerned states and their receipt was not maintained by the department whereas in certain other cases the department did not pursue the matter with the concerned banks for getting the bank drafts rectified and the department did not initiate any action against the officials/officers responsible for the lapse.

When asked to intimate the latest position, the department merely stated that the concerned States had again been reminded to intimate the latest position.

The Committee desire that earnest efforts be made to check the said state of affairs in respect of handling the Bank drafts and work and action be initiated against the persons responsible for mis-handling the drafts.

During the course of examination of replies received from the department, the Committee observed that the action against the defaulting officials is in either not initiated or if initiated not finalised expeditiously. The Committee views this position with concern and desired that the disciplinary cases should invariably be decided well in time in future.

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 decision.

Sr. No.	Name of Department	Paragraph	Brief Subject
1	2	3	4
6th report			
1.	Industries	8	Investments.
2.	Industries	9	Other investments.
7th report			
3.	Haryana Khadi & village Industries Board	16	Gobar Gas Plant.
4.	P.W.D. (B&R)	33	Payment of work done.
9th report			
5.	Industries	5	Credit facilities for development of small industries.
11 report			
6.	P.W.D. (B&R)	37	Recoveries due from a contractor.
14th report			
7.	Industries	16	Purchase of Cotton Yarn
8.	Colonization	32	Development of Mandis.
9.	Co-operation	44	Haryana State Co-operative supply and Marketing Fed., Ltd., Chandigarh.
15th report			
10.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.

1	2	3	4
16th report			
11. Industries	2(a), (b), 2(c.iv) & 2(d)	Subsidy for setting up Industries Units in selected backward areas.	
12. Industries	3(ii)	Industrial Development Colonies.	
18th report			
13. Agriculture	14	Distribution of taccavi loans in form of chemical fertilizers.	
14. P.W.D. (Public Health)	31	Recoveries due from Contractors.	
15. Industrial Training	34	Shortages.	
16. Co-operation	39	Co-operative Consumer Stores.	
17. Co-operation	41	Hr. State Co-op. Industrial Fed. Ltd. Chandigarh.	
18. Revenue	44	Under-valuation of immovable property.	
19. Revenue	46	Non-levy of stamp duty and registration fee.	
20. Revenue	49	Incorrect application of rates of stamp duty and registration fee on lease deeds.	
19th report			
21. Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).	
22. Education	10	Grants paid to educational institution.	
23. Co-operation	23	Financial assistance to co-operative societies.	
24. Co-operation	25	Co-operative Consumers stores.	
25. Co-operation	26	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.	
26. Agriculture	28	Social conservation and water management works.	

1	2	3	4
27.	Excise and Taxation	40	Loss of duty on excess wastage.
28.	Transport	44	Short levy of tax due to incorrect application of rates.
29.	Transport	45	(a) Short levy of token tax due to incorrect classification of vehicles.
30.	Revenue	47	Non-recovery of stamp duty on certificate of sale.
31.	Revenue	48	Short levy of registration fee.
32.	Revenue	49	Short levy of stamp duty.
33.	Revenue	50	Short levy of stamp duty and registration fee on lease deeds.
21st report			
34.	Medical and Health	5	Idle Machinery and equipment.
35.	Housing	7	Low Income Group Housing Scheme.
36.	Education	8	Establishment of book banks in schools.
37.	Agriculture	11	Drought Prone Area Development Agency Narnaul.
38.	P.W.D.(Public Health)	12	Outstanding Recoveries against contractors.
39.	Irrigation	14	Excess Payment to contractors.
40.	Irrigation	15	Outstanding recoveries against contractor.
41.	Irrigation	16	Gates and gearing for head regulator.
42.	Local Government	19	Grants/loans paid to Local bodies.
43.	Irrigation	23	Arrears of water rates for supply of water for irrigation/non-irrigation purpose
44.	Irrigation	24	Non-Utilisation/disposal of surplus land abandoned canal.
45.	Revenue	25	Result of Audit.

1	2	3	4
46.	Revenue	26	Short levy of Stamp duty and registration fee on lease deed.
47.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
48.	Excise and Taxation	28	Results of test audit in General.
49.	Excise and Taxation	29	Incorrect deductions.
50.	Excise and Taxation	30	Short levy of Purchase tax.
22nd Report			
51.	Revenue	4	Outstanding Audit observation.
52.	Industries	10	Industrial Estates.
53.	Industries	11	Design centre for fancy leather goods, Rewari.
54.	Industries	13	(iii) Excess grants.
55.	Co-operation	14	Financial assistance to Co-operative Societies.
56.	Co-operation	15	Co-operative Banks.
57.	Co-operation	16	Co-operative Consumer stores.
58.	Co-operation	17	Haryana State Federation of Consumers Co-operative Wholesale Stores Limited, Chandigarh.
59.	Irrigation	18	Remodelling and lining of Hansi Branch.
60.	Irrigation	19	Construction of Sewana Majra Minor.
61.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess of requirements.
62.	Irrigation	21	Synopsis of important stores accounts.
63.	Irrigation	22	Physical verification of stores.
64.	Irrigation	23	Shortages.

1	2	3	4
65.	Medical and Health	25	Shortages in stores.
66.	Agriculture	29	Alleged mis-appropriation of cash and stores
67.	Revenue	39	Land holding tax.
68.	Revenue	40	Non-levy of registration fee.
69.	Industries	42	(b&c) Non-realisation of dues.
70.	Irrigation	43	Non-recovery of royalty
71.	P.W.D. (B&R)	44	Receipts from residential buildings.
72.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.
73.	Excise and Taxation	53	Loss of duty on excess storage wastage.
74.	Excise and Taxation	54	Shortfall in duty.
75.	Excise and Taxation	56	Recovery due from contractor.
76.	Excise and Taxation	57	Short levy of passengers tax.
77.	Excise and Taxation	58	Non-recovery of entertainment duty.
23rd report			
78.	Printing and Stationery	5	Shortage of books.
79.	Welfare of scheduled castes & backward classes	8	Construction of houses for Harijans in Jayanti Villages.
80.	Medical and Health	12	(ii) Other topics of interest.
81.	Lotteries	27	(2) Naugatary expenditure.
82.	Irrigation	28	Theft of cash.

1	2	3	4
83.	Irrigation		29. Avoidable loss.
84.	Irrigation		30. Recoveries due from defaulting contractors.
85.	Irrigation		31. shortages.
86.	Special project Cell,		32. Integrated Rural Development Programme.
87.	Co-operation		33. Co-operative Banks.
88.	Co-operation		34. Co-operative Consumer stores.
89.	Co-operation		35. Haryana State Federation of Consumers Co-operative Wholesale Stores Limited Chandigarh.
90.	Co-operation		36. Co-operative Sugar Mills.
91.	Industries		38. Short realisation of royalty on brick earth
92.	Industries		39. Short collection of royalty
93.	Revenue		40. Under-valuation of immovable property.
94.	Revenue		41. Short levy of stamp duty and registration fee.
95.	Excise and Taxation		47. Uncollected Revenue.
96.	Excise and Taxation		48. Outstanding inspection reports
97.	Excise and Taxation		49. Results of test audit in general.
98.	Excise and Taxation		51. Under-assessment of Central sales tax.
99.	Excise and Taxation		53. Inadmissible deduction from gross turnover.
100.	Excise and Taxation		55. Results of test audit in general.
101.	Excise and Taxation		57. Failure to initiate section to recover the license fee.
102.	Excise and Taxation		58. Loss of duty on excess storage wastage.
103.	Excise and Taxation		59. Loss of duty excess wastage in bottling-operation.

1	2	3	4
25th Report			
104.	Co-operation	3	Financial assistance to Co-operative societies.
105.	Co-operation	4.	Co-operative Banks.
106.	Co-operation	5.	Co-operative Consumer Stores.
107.	Co-operation	6.	Co-operative Sugar Mills.
108.	Colonization	7.	Development of Mandis.
109.	Colonization	8.	Fixation of reserve price and sale.
110.	Colonization	9.	Encroachment of Land.
111.	Colonization	10.	Delay in auction of plots.
112.	Colonization	11.	Recoveries from plot holders.
113.	Colonization	12.	Non-accountal of recoveries.
114.	Colonization	12.	(a) Financial Results.
115.	Sports	13	Grants to sports organisations.
116.	Food and Supplies	14.	Misappropriation of wheat stocks.
117.	Food and Supplies	15.	Abnormal shortage/quality cuts on damaged wheat stocks.
118.	Transport	18.	Theft of cash.
119.	Industries	27.	District Industries Centres.
120.	Industries	28.	Export Production Project, Panipat.
121.	Industries	29.	Haryana Khadi and Village Industries Board
122.	Education	30.	Embezzlement.
123.	Fisheries	31.	Development of fisheries.
124.	Medical and Health	32.	Community Health Volunteer/Health Guides Scheme (case of Dr. Baniwal.
125.	Irrigation	34.	Pandit Jawahar Lal Nehru Lift Irrigation scheme.

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126.	Irrigation	35.	Nangal Lift Irrigation scheme.
127.	Irrigation	36.	New Tajewala Barrage at Hathnikund.
128.	Development	37.	Desert Development Programme.
129.	Forest	38.	Non-recovery of liquidated damages.
130.	Industries	39.	Short realisation of royalty on bricks.
131.	Industries	40.	Short recovery of royalty.
132.	Industries	41.	Interest not charged on delayed payments.
133.	Transport	43.	Results of audit.
134.	Transport	45.	Non-levy of tax for additional seat.
135.	Excise and Taxation	54.	Un-collected revenue.
136.	Excise and Taxation	55.	Outstanding inspection report.
137.	Excise and Taxation	56.	Results of audit.
138.	Excise and Taxation	57.	Failure to levy tax.
139.	Excise and Taxation	58.	Incorrect computation of tax on interstate sales.
140.	Excise and Taxation	59.	Incorrect grant of exemptions.
141.	Excise and Taxation	60.	Mistakes in applying rates and in calculation.
142.	Excise and Taxation	61.	Failure to take timely action to safeguard revenue.
143.	Excise and Taxation	62.	Non-levy or short levy of penalty.
144.	Excise and Taxation	63.	Interest not charged.
145.	Excise and Taxation	64.	Delay in reassessment of remanded cases.
146.	Excise and Taxation	65.	Results of audit.
147.	Excise and Taxation	66.	Internal audit of tax assessment and collection.

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148.	Excise and Taxation	67. Irregular allowance for wastage
149.	Excise and Taxation	68. Interest not recovered.
150.	Excise and Taxation	69. Failure to enforce license conditions
151.	Excise and Taxation	70. Assessment in arrears
152.	Excise and Taxation	71. Shortfalls in demand and recovery.
26th Report		
153.	Printing and Stationery	3 Loss due to fire.
154.	Labour Department	4 Review on the working of Inspectorate of Factories and Steam Boilers and Control of Smoke Nuisances.
155.	Home	5 Embezzlement.
156.	Home	6 Over payment.
157.	Home	7 Outstanding inspection report.
158.	Revenue	10 Gratutions relief for crops/houses damaged
159.	Revenue	11 Stamps.
160.	Education	12 Outstanding audit observations.
161.	Food and Supplies	14 States Reserve Food Scheme.
162.	Medical and Health	15 Rural Health Programme.
163.	Medical and Health	16 Extra Payment.
164.	Medical and Health	17 Idle/under-utilised machinery and equipment.
165.	Environment	18 Implementation of the Water (Prevention and Control of Pollution) Act, 1974.
166.	Irrigation	19 Minor Irrigation Development Programme.
167.	Irrigation	20 Injudicious purchase of G. I. pipes.
168.	Irrigation	21 Defective Execution of earth work.
169.	Irrigation	22 Faulty measurements of work resulting in overpayments.

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170.	Irrigation	23.	Breach in the Sunder Sub-Branch.
171.	Irrigation	24.	Extra expenditure on electric charges.
172.	Irrigation	25.	General.
173.	Irrigation	26.	Pilferage of bricks & tiles.
174.	Civil Aviation	28.	Irregular payment of customs duty.
175.	P.W.D. (B & R)	30.	Additional liability due to delay in acceptance of a tender.
176.	P W.D. (B & R)	31.	Extra liability due to faulty allotment letter.
177.	P.W.D. (B & R)	32.	Outstanding inspection report.
178.	Transport	33.	Sub-Para (3) Fabrication of bus bodies.
179.	Transport	33.	Sub-para (5 & 6)—do—
180.	Industries	37.	Non-utilisation of staff.
181.	Transport	38.	Irregular grant of exemption from Motor Vehicles tax.
182.	Transport	39.	Non-realisation of fee for issue of trade certificate to dealers in motor vehicles.
183.	Revenue	40.	Short recovery of stamp duty and registration fees due to under-valuation of immovable property.
184.	Revenue	41.	Short levy due to mistake in computation.
185.	Revenue	42.	Irregular grant of exemption from stamp duty and registration fee
186.	P.W.D. (B & R)	43.	Short recovery of rent for fans.
187.	Industries	44.	Mines and Minerals.
188.	Industries	45.	Non-recovery of royalty on brick earth.
189.	Industries	46.	Non-recovery of dues on minerals extracted illegally.

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190.	Excise and Taxation	49.	Uncollected revenue.
191.	Excise and Taxation	50.	Outstanding inspection reports.
192.	Excise and Taxation	51.	Results of Audit
193.	Excise and Taxation	52.	Loss of Revenue due to delay in assessment of tax in demanding tax
194.	Excise and Taxation	53.	Non-levy of penalty for suppression of sales.
195.	Excise and Taxation	54.	Non-levy of penalty on default in payment of tax and submission of returns.
196.	Excise and Taxation	55.	Interest not charged
197.	Excise and Taxation	56.	Non-levy of sale or purchase tax.
198.	Excise and Taxation	57.	Short levy of tax due to mistakes in computation.
199.	Excise and Taxation	58.	Short levy due to application incorrect rate of tax.
200.	Excise and Taxation	59.	Extent of internal audit.
201.	Excise and Taxation	60.	Assessment in Arrears
202.	Excise and Taxation	61.	Duty not recovered on spirit lost in bottling operation in excess of norms
203.	Excise and Taxation	62.	Short recovery of duty on beer produced in brewery.
204.	Excise and Taxation	63.	Non-recovery of licence fee and interest
205.	Excise and Taxation	64.	Assessment in arrears.

28th Report

206.	Public Health	3.	Supply of drinking water to problem villages.
207.	Public Health	4.	Injudicious purchase.
208.	Education	5.	Irregularities in release/utilisation of grant.

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209. Transport		6. Short recovery of adda fee.	
210. Food and Supplies		7. Loss in milling of paddy.	
211. Housing		8. Rural house Sites-cum-house construction programme.	
212. Irrigation		9. Construction of Ujina Diversion Drain and Remodelling of Ujina Drain.	
213. Irrigation		10. Masani Barrage Project.	
214. Irrigation		11. Excess payment.	
215. Irrigation		12. Avoidable expenditure on breach.	
216. P.W.D. (B & R)		13. Fraudulent drawals.	
217. P.W.D. (B & R)		14. Shortage of steel.	
218. Town and Country Planning		15. Loss on sale of industrial plots.	
219. Town and Country Planning		16. Avoidable expenditure.	
220. Town and Country Planning		17. Outstanding recoveries.	
221. Town and Country Planning		18. Non-maintenance of accounts.	
222. Town and Country Planning		19. Recovery of enhanced compensation.	
223. Printing and Stationery		20. Working of Printing and Stationery Department.	
224. Printing and Stationery		21. Text book scheme.	
225. Printing and Stationery		22. Stationery branch.	
226. Printing and Stationery		23. Printing and issue of forms (Form Branch).	
227. Welfare of Scheduled Castes and Backward Classes		24. Welfare of Scheduled Castes/ Scheduled Tribes and other Backward Classes.	
228. Social Welfare		25. Accelerated Programme of Welfare for Women and Children and Nutrition Programme.	
229. Police		26. Over-payment of daily allowance.	
230. Medical and Health		27. National Programme for the Prevention of Visual Impairment and Control of Blindness including Trachoma.	

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231.	Industrial Training	28.	Avoidable expenditure.
232.	Development	29.	National Rural Employment Programme.
233.	Development	30.	Selection of works.
234.	Development	31.	Integrated Rural Development Programme.
235.	Development	32.	Irregular release of subsidy.
236.	Co-operation	33.	Financial Assistance to Co-operative Societies.
237.	Co-operation	34.	Co-operative Consumer Store.
238.	Co-operation	35.	Co-operative Sugar Mills.
239.	Co-operation	36.	Haryana Dairy Development Co-operative Federation Limited.
240.	Co-operation	37.	The Haryana State Co-operative Supply and Marketing Federation Limited, Chandigarh.
241.	Excise and Taxation	38.	Variations between Budget estimates and actuals.
242.	Excise and Taxation	39.	Uncollected revenue.
243.	Excise and Taxation	40.	Results of Audit.
244.	Excise and Taxation	41.	Registration of dealers under Sales Tax Act.
245.	Excise and Taxation	42.	Mistakes in computation of Tax
246.	Excise and Taxation	43.	Shortlevy due to application of incorrect rate of tax.
247.	Excise and Taxation	44.	Non-recovery of licene fee and interest.
248.	Excise and Taxation	45.	Interest not charged
249.	Excise and Taxation	46.	Irregular allowance toward wastage.
250.	Excise and Taxation	47.	Unauthorised is sue of liquor without realisation of duty.
251.	Transport	48.	Short levy of tax.

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252.	Transport	49.	Irregular grant of exemption or rebate.
253.	Transport	50.	Non-renewal of registration of vehicles.
254.	Revenue	51.	Irregular grant of exemption.
255.	Revenue	52.	Non-recovery of stamp duty.
256.	Industries	53.	Non-recovery of money due under contract and interest.
257.	P.W.D. (B & R)	54.	Non-recovery of rent for fans.
258.	P.W.D. (B & R)	55.	Non-recovery of rent for lands leased to private parties
259.	Finance	56.	State Lotteries.

29th Report

260.	Agriculture	3.	National project on Bio-gas development setting up of Bio-gas plants in Haryana.
261.	Agriculture	4.	Institutional finance.
262.	Agriculture	5.	Excessive purchase of pesticide.
263.	Education	6.	Universal Elementary Education in the age group of 6-14 and Adult Education age group 15-35.
264.	Education	7.	Idle investment on purchase of equipment.
265.	Forest	8.	Afforestation, Social Forestry (including Rural fuel wood plantation) and farm forestry.
266.	Labour and Employment	9.	Working of employment exchanges.
267.	Tourism	10.	Blockade of funds.
268.	Tourism	11.	Uneconomical running of luxury bus.
269.	Industries	12.	Idle staff.
270.	Irrigation	13.	Major and medium irrigation projects.

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271.	Irrigation	14.	Financial results of Irrigation projects.
272.	Irrigation	15.	Modernisation of existing channel
273.	Irrigation	16.	Water logging.
274.	Irrigation	17.	Excess issue of coal.
275.	Irrigation	18.	Injudicious purchase.
276.	Irrigation	19.	Loharu lift irrigation project.
277.	Irrigation	20.	Purchase of low grade coal.
278.	Irrigation	21.	Misappropriation.
279.	Irrigation	22.	Miscellaneous Public Works Advances.
280.	Irrigation	23.	Shortages in stores.
281.	P.W.D. (B&R)	24.	Loss due to an injudicious decision.
282.	Public Health	25.	Avoidable expenditure.
283.	Public Health	26.	Cash settlement suspense account.
284.	Public Health	27.	Miscellaneous Public Works Advances.
285.	Medical and Health	28.	Sub-standard medicines/drugs.
286.	Medical and Health	29.	Physical verification.
287.	Home	30.	Shortages.
288.	Development	31.	Desert Development Programme.
289.	Development	32.	Forestry sector.
290.	Medical Education	33.	Extra expenditure.
291.	Medical-Education	34.	Avoidable expenditure.
292.	Transport	35.	Performance and utilisation of fleet and consumption of lubricants
293.	Transport	36.	Breakdowns and accidents.
294.	Transport	37.	Repair and maintenance of vehicles.
295.	Transport	38.	Use of diesel oil for cleaning of parts of vehicles.

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296.	Transport	39.	Fabrication of bus bodies.
297.	Transport	40.	Purchase of Kailwood.
298.	Excise and Taxation	41.	Assessments in arrears.
299.	Excise and Taxation	42.	Uncollected revenue.
300.	Excise and Taxation	43.	Results of Audit.
301.	Excise and Taxation	44.	Short levy due to failure to detect suppression of purchase.
302.	Excise and Taxation	45.	Short levy due to misclassification of goods.
303.	Excise and Taxation	46.	Application of incorrect rate of tax.
304.	Excise and Taxation	47.	Non levy of penalty.
305.	Excise and Taxation	48.	—do—
306.	Excise and Taxation	49.	—do—
307.	Excise and Taxation	50.	—do—
308.	Excise and Taxation	51.	—do—
309.	Excise and Taxation	52.	Short levy of surcharge
310.	Excise and Taxation	53.	Interest not charged.
311.	Excise and Taxation	54.	Loss of revenue due to non-registration of dealers.
312.	Excise and Taxation	55.	Non-levy of duty on spirit lost in redistillation or conversion.
313.	Excise and Taxation	56.	Interest not charged on belated payments of licence fee.
314.	Excise and Taxation	57.	Non levy of tax.
315.	Transport	58.	Results of Audit.
316.	Transport	59.	Application of incorrect rates of tax.
317.	Transport	60.	—do—
318.	Transport	61.	Short recovery of tax on vehicles having temporary permits.

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319.	Revenue	62.	Results of Audit.
320.	Revenue	63.	Under valuation of immovable property.
321.	Revenue	64.	—do—
322.	Revenue	65.	Non levy of stamp duty.
323.	Revenue	66.	Mistake in calculations.
324.	Revenue	67.	Misclassification of instruments.
325.	Revenue	68.	Short levy of fine on late presentation of documents for registration.
326.	Revenue	69.	Other topics of interest.
327.	Revenue	70.	Arrears of stamp duty and registration fee.
328.	Industries	71.	Results of Audit.
329.	Industries	72.	Non-realisation/short realisation of royalty.
330.	Industries	73.	Non-recovery of contract money and royalty and interest on belated payments.
331.	P.W.D. (B & R)	74.	Non-recovery of rent for fans.