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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(1992-93)

(THIRTY SIXTH REPORT)

REPORT

ON THE

REPORT OF THE

**Comptroller and Auditor General
of India for the year 1987-88**

(CIVIL AND REVENUE RECEIPTS)



Presented to the House on... **12 MAR 1993**

VIDHAN SABHA SECRETARIAT
CHANDIGARH
1993

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(iii)

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

1. Shri Rajinder Singh Bisla

MEMBERS

2. Shri Azmat Khan
3. Shri Phusa Ram
4. Shri Brij Anand
- *5. Shri Anand Singh Dangi
6. Shri Dhir Pal Singh
7. Shri Amar Singh Dhanak
8. Shri Ram Bhajan Aggarwal
9. Shri Ram Bilas Sharma
- **10. Shri Amir Chand Makkar

SECRETARIAT

- | | |
|----------------------|-----------------|
| 1. Shri Sumit Kumar | Secretary |
| 2. Shri Kuldip Singh | Under Secretary |

* Resigned from the membership of the Committee w.e.f. 12th October, 1992 on his appointment as Cabinet Minister

** Nominated as member of the Committee w.e.f. 6th November, 1992 for the remaining period of the year 1992-93 against the vacancy caused by the resignation of Shri Anand Singh Dangi on his appointment as Cabinet Minister.

(v)

INTRODUCTION

1. the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Thirty Sixth Report on the report of the Comptroller and Auditor General of India for the year 1987-88 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the year 1987-88 Civil was laid on the Table of the House on 15th January, 1990 and Revenue Receipts on 11th September, 1989

3. The Committee during its tenure examined the Reports of Comptroller and Auditor General of India for the year 1987-88 Civil and Revenue Receipts and also conducted the oral examination of the representatives of the concerned Departments. The Committee also made on-the-spot study in order to make an assessment of the actual working of various projects/departments.

4. The Committee considered and approved this Report at their sittings held on 20th, 21st, 22nd January, 1993 and 2nd and 9th February, 1993.

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 the 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/Officer/ Officials of Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

Chandigarh :
the 15th February, 1993

RAJINDER SINGH BISLA
Chairman

REPORT

GENERAL

1. The present Public Accounts Committee was nominated by the Hon'ble Speaker vide Notification No. PAC-14/92/25 dated the 1st May, 1992.

2. The Committee held 82 meetings in all at Chandigarh and other places upto 15-2-1993.

PART—I (CIVIL)

LOCAL SELF GOVERNMENT

[3] 3.15. *Non-recovery of Government dues*

The work of supervision of the municipal committees was vested with the Director of Elections (Local Bodies) upto 1981-82 and the entire cost on its establishment was recoverable from the municipal committees. After the formation of the Directorate of Local Bodies (DLB) (April 1982), the supervision of the municipal committees was entrusted to it and one per cent of the income accrued to the municipal committees during a financial year was required to be deposited by them with the State Government towards expenditure on DLB's establishment in terms of the Haryana Municipal Act, 1973.

A test-check of records of the DLB (September 1987) disclosed that Rs 21.92 lakhs on account of establishment charges of the Director of Election (Local Bodies) for the period from 1962-63 to 1981-82 and Rs. 75.04 lakhs on account of one per cent of the accrued income in lieu of establishment charges of DLB from 1982-83 to 1986-87 were outstanding for recovery against 57 municipal committees.

The department reported (June 1988) a recovery of Rs. 4.73 lakhs, made after September 1987 and stated that the accumulation of outstanding recoveries was due to the weak financial position of the municipal committees.

The matter was reported to Government in November 1987 reply has not been received (April 1989).

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

The total recoverable amount on account of establishment for conducting Elections in Municipalities from 1962-63 to 1981-82 was Rs. 21.92 lacs, out of which an amount of Rs. 56,112 has been recovered from Municipal Committees Jakhal, Thanesar, Jagadhari & Uklana Mandi as per detail given below :—

Name of M.C.	Over Head charges	Pension contribution	Leave contribution	Total
1. Jagadhari	13818.00	604.00	574.00	14996.00
2. Thanesar	32007.00	1097.00	1022.00	34126.00
3. Jakhal	1069.00	46.00	51.00	1166.00
4. Uklana Mandi	5344.00	233.00	247.00	5824.00
Total	52238.00	1980.00	1894.00	56112.00

The remaining amount of Rs. 21,35,888/- is to be recovered from the 55 Municipal Committees.

- (ii) An amount of Rs. 75.04 lacs on account of 1% share of D.L.B. - U/s 57(1)(b) Municipal Act, 1973 w.e.f. 1982-83 to 1986-87 was recoverable from 77 M.Cs out of which Rs. 46,629 has since been recovered from M.Cs Barwala, Sohna, Indri and Ratia. The year wise outstanding amount is as under :—

1982-83	8,40,748.84
1983-84	9,96,247.93
1984-85	14,09,306.19
1985-86	22,92,911.50
1986-87	19,18,156.63
Total	74,57,371 09 paise

2. Municipal Committees have time and again been directed to deposit the amount into the Govt. treasury. But, due to their poor financial position, they are not depositing the amount. Even, Deputy Commissioner have been directed to ensure the recovery of this amount. For instance a copy of each of the following letters/D.O. written to the D.Cs will indicate the efforts made by this office.

Sr.No. Memo/Letter No.	Date
1. BA2-89/15079-156	1-3-88
2. D.O. No. BA2-88/20846	30-3-88
3. BA2-88/50589-608	6-10-88
4. BA 2-89/47445	19-10-88
5. BA2-90/57062	20-11-90
6. 190-BA2-91/17334-53	12-4-91
7. 190-BA2-91/35578-94	20-8-91
8. 50/5/91. (SA)-CI	11-9-91
9. 190-BA2-91/49824-39	16-12-91
10. 190-BA2-92/22106-21	26-5-92
11. 190-BA2-92/24632-47	15-6-92
12. D.O. No. BA2-92/27419-34	30-6-92

- (3) The financial position of almost all the Municipal Committees is weak. Without raising their resources, it seems to be very difficult for them to pay this amount. Due to the revision of pay scales of the employees in 1979 and 1986, and price rise in materials, the committees are over burdened. The income and expenditure of Municipal Committees during the last 5 years are as under :—

Year	Total Income	Expenditure on	
		Establishment	Develop- ment work
1986-87	38,17,77,000	23,64,55,000	10,08,05,000
1987-88	39,36,72,000	26,46,96,000	11,80,14,000
1988-89	42,13,89,500	30,03,30,000	8,77,90,600
1989-90	49,83,02,900	33,60,75,400	13,92,09,300
1990-91	51,25,34,900	38,04,77,800	16,57,46,800

- (4)(iv) The position is given as under.

Total Demand for 1987-88 to 1990-91	Recovered	Balance
1,26,39,624.00	12,53,652.00	1,13,85,972.00

The Committee is not at all convinced with the reply of the department and observed that the department was not making serious efforts to recover the outstanding amount against the 57 Municipal Committees.

The Committee recommend that strenuous efforts be made by the department in consultation with the respective Deputy Commissioners to effect the pending recoveries and the efforts made may be intimated to the Committee within three months.

The Committee further desired that total income and expenditure statement under various heads for the year 1990-91 and 1991-92 of each Municipal Committee be sent to the Committee within six months.

PRINTING AND STATIONERY

[4] 7 2. *Avoidable extra expenditure*

The department had been meeting bulk of its requirement of paper for printing of school text books from the allotment made by Government of India at concessional rates.

Due to interruption in supply of the paper from Government of India, the department on the advice of the purchase committee, floated in September 1986, tenders for purchase of 2500 tonnes of printing paper (1900 tonnes in reels and 600 tonnes in sheets).

The lowest offer of firm 'A' for supply of 1300 tonnes (1000 tonnes in reels at Rs 9563 40 per tonne and 300 tonnes in sheets at Rs. 9662.40 per tonne) was accepted in October 1986. Acceptance of tender (A/T) was issued to the firm in October 1986 and the firm also furnished an undertaking to supply the paper as per details given in the A/T during the period from December 1986 to March 1987.

Supplies of 400 tonnes of paper, in reels and 250 tonnes of paper in sheets were received from the firm between January to March 1987.

Although the A/T placed on the firm was valid up to 31st March 1987, the department, instead of obtaining the balance supply of paper (600 tonnes in reels and 50 tonnes in sheets) at old rates from firm 'A', floated fresh tenders (March 1987) and purchased 200 tonnes paper in reels and 400 tonnes in sheets (March 1987) at the enhanced rate of Rs. 9932 per tonne from the same firm. Thus, by not purchasing the balance 200 tonnes printing paper in reels and 50 tonnes in sheets at the old rates which were valid upto 31st March 1987, the department had to incur an extra expenditure of Rs. 0.87 lakh.

The department stated (May 1988) that rates of firm 'A' were valid for 3 months from the date of opening of tenders and the period had expired on 17th December 1986. The contention of the department was not tenable as the A/T had been issued to the firm within the validity period of the tender and the firm had also furnished an undertaking to supply the balance quantity on the rates contained in the A/T upto 31st March 1987.

The matter was reported to Government in July 1988; reply has not been received (April 1989).

In their written reply, the department stated as under :

M/s Partap Paper Mill Ltd., New Delhi had clearly mentioned in their tender dated 18-9-86 that the rates quoted by them were valid for three months from the date of opening of the tender for acceptance. Hence the rates so quoted were valid upto 18-12-86. Moreover, the declaration was in respect of the quantity of paper for which acceptance of tender was issued by the department. As such on the expiry of validity of rates of the mill the department was not in a position to purchase more paper from this mill on the old rates. Hence there was no wayout except to float fresh tender for the purchase of balance paper as per requirement.

In accordance with the rates approved by the High Powered Committee in its meeting held on 25-9-86 and 25-11-86 supply order for 400 M.T. Cream Wove Paper in reels and 250 M.T. Cream Wove Paper in sheet were placed with M/s. Partap Paper Mill Ltd., New Delhi on 27-10-86 and 19-1-87 respectively. The firm did not supply the paper within the stipulated period. The reel paper was supplied upto 14-2-87 while the sheet paper was received between 10-3-87 to 23-3-87. Due to non completion of the supplies within the stipulated period and expiry of the validity of tender dated 18-9-86, there was no alternative with the department except to float fresh tender to procure the paper as per requirement. Thus the fresh tender invited was in order.

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

The Committee note that the department placed a supply order for 400 tonnes of paper in reels and 250 tonnes of paper in sheets against the offer of firm for supply of 1000 tonnes in reels and 300 tonnes in sheets. The department further purchased 200 tonnes printing paper in reels and 50 tonnes in sheets at a higher rate from the same firm and incurred an extra expenditure of Rs. 0.87 lakh. During the oral evidence the departmental representative admitted that if the bulk supply order, was placed at first instance according to requirement, Rs. 0.87 lakh could have been saved.

While submitting the additional information to the Committee, the department stated that the then Controller could be held responsible as it was he who placed the case before the High Powered Purchase Committee and further stated that no action against this officer is possible at this stage as he has since retired.

The Committee, therefore recommend that the department should take effective steps to ensure that such type of lapses should not occur in future.

[5] 7.3. *Idle printing machine*

The department purchased a mono comp photo setter machine in March 1985 at a cost of Rs. 3.13 lakhs from a Calcutta based firm to effect efficiency in the printing of text books at the Printing Press, Panchkula. Two air conditioners were also purchased (April 1985) at a cost of Rs. 0.26 lakh in order to create suitable environmental conditions for the functioning of the machine. The equipment was installed only in March 1986. The machine could not, however, be put to use (May 1988) due to the non-availability of suitable operators.

Due to non-commissioning of the machine since April 1985, the department incurred an avoidable expenditure of Rs. 3.52 lakhs on printing of text books from private printing presses during 1985-86 besides blockade of funds of Rs. 3.39 lakhs since March 1985.

The matter was reported to Government in May 1987; reply has not been received (April 1989).

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

The machine was got installed in April 1986 after the completion of required formalities for the installation. To put this machine in use the operator of the following qualifications was needed :—

- 1 Graduate with knowledge of Hindi and English typing
2. Two years experience as Phototype Setter Operator.
3. Knowledge of composing:

No employee from the department was in a position to handle this machine properly. Efforts were made to recruit a suitable incumbent to handle this machine. Even after making continuous efforts suitable candidate was not available. As a result machinery remained idle till 31-7-89 when Sh Baljit Singh, Compositor of this department who obtained training for such type of machine was appointed on trial basis.

2. The post of Photo-Type Setter Machine Operator was sanctioned by the Govt on 5-2-86. Due to non availability of suitable machine operator, the

machine could not be put to use inspite of best efforts to fill up the post. The efforts made by this department, to fill up the post of machine operator are detailed below :—

1. No. & date vide which Govt. sanctioned the post 1/44/85-1PC, dt. 5-2-86
- 2 Demand placed with E/Exchange. 4164 of 7-8-86
3. Date of interview/test 17-9-86
- 4 No. of candidates sponsored by Emp. Exchange. Nil
5. Demand again placed with Emp. Exchange. 6013 of 30-9-86.
- 6 Emp. Exchange issued NAC to department 20-10-86
- 7 Post advertised in News Paper 8-12-86.
- 8 Date of Interview/Test 5-1-87.
- 9 No of candidates passed test. Nil
- 10 Post re-advertised 8-1-87
11. Date of inte view/test. 3-2-87
12. No of application received. Nil
13. Demand again placed with E.E. 504/Admn. dt 24-4-87
14. Date of interview/test. 25-5-87
15. No. of candidates/sponsored E/E Nil
16. NAC received from E/E. 5-6-87
17. Post again advertised in N. Paper. 9-7-87
18. Date of interview/test 12-8-87
19. No of candidates pass test . Nil
20. Date of post advertised. 15-9-87
- 21 Date of interview/Test. 19-10-87

Shri Arun Kumar Sharma was selected for this post and after completing the required formalities i.e. character

verification, Medical fitness etc. appointment letter was issued vide this office letter No. P&SH-85/1076 dated 4-2-88. Sh Arun Kumar Sharma P.T.S. Operator joined on 29-2-88 but the official resigned from his job on 11-4-88. His resignation was accepted vide this office order No. 3985/Admn. dated 9-8-88 w.e.f. 11-4-88. Employment Exchange was requested vide No. 4026/Admn. dated 10-8-88 for the recruitment of P.T.S. Operator. The test and the interview was fixed on 6-9-88 but no candidate was sponsored by the Employment Exchange for the test and N.A.C. for filling this post from the open market was received from the Employment Exchange on 9-9-83.

Accordingly D.P.R. was requested to advertise this post in the leading News Papers vide No. 4959/Admn. dated 21-9-88. It has been mentioned in the advertisement that application should reach by 10-10-83 but no application was received in response to the advertisement.

Ultimately the department w.e.f. 1-8-89 appointed on trial basis Sh Baljit Singh, Compositor of this department, who received basic training of this machine.

It is amply clear from the above that the department has made constant and vehement efforts to fill this post.

- (3) Now the machine is in working order since 1-8-89 and has completed 43 jobs since the installation of machine as under .—

LIST OF JOBS

Job No	Name of Book
2367/TB	Vigyan-7
2518/TB	Hindi-7
2317/TB	Itihas N Shashtra-7
2370/TB	Pasupalan pustika
2326/TB	Itihas N Shashtra-6
2485/TB	Hindi Vyakaran-8
2340/TB	Errect Compose
2484/TB	Formates Compose
2498/TB	Vigyan Pgic.-7
2778/TB	Eng.-Reader-6
2371/TB	Grah Vigyan-8

Job No.	Name of Books
2518/TB	Formates Compose
2565/TB	Vigyan-6
2494/TB	Correction Slip
2496/TB	Correction Slip
2723/TB	English-7
2725/TB	Hindi Vyakaran-6
2679/TB	P. Adhyan-3
2778/TB	Correction Slip
2825/TB	Pasuon ki Bimari
2494/TB	P. Adhyan-4
2493/TB	Hindi-3
2328/TB	English Reader-8
2428/TB	Out-turn Sheet
2375/TB	Chitrakala-7
2304/TB	Formats Compose
2326/TB	Itihas N. Shastra-6
2485/TB	Formats Compose-6
2541/TB	Bhugol-7
2487/TB	Vigyan Prayogic-7
2499/TB	Vigyan Prayogic-8
2484/TB	P. Adhyan-3
2500/TB	Vigyan-8
2503/TB	Hindi Purak-6
2566/TB	Vigyan-7
2494/TB	Formates Compose
2512/TB	Itihas/N. Shastra-8
2704/TB	Vigyan-7
2722/TB	P. Adhyan-4
2540/TB	Formates Bhugol-6
2340/TB	Eng Reader-6
2484/TB	P. Adhyan-3
2496/TB	Eng. Reader-7

The Committee observed that the availability of machine operator was not visualised at the time of embarking upon the purchase of the machine and the printing machine costing Rs. 3.13 lakhs remained idle for a period of more than three years and the department incurred an avoidable expenditure of Rs. 3.52 lakhs on printing of text books from private printing presses.

The Department stated that Shri D.S. Berwal, Manager and Shri I.S. Chahal, Manager have been found responsible for not initiating the proposal for the creation of the post of Machine Operator in time and for keeping the machine idle. It was further stated that necessary disciplinary action for this lapse has also been initiated against these officers.

The Committee desire that the final action taken against these officers be intimated within three months.

[6] 7.4. *Infructuous expenditure*

Two orders for printing 9 75 lakh books in 26 titles for the 9th and 10th classes were received (July-August 1982) by the Printing and Stationery Department from the Haryana Board of School Education (HBSE). The books were to be delivered on top priority. Keeping in view the capacity of its captive press at Panchkula, the department retained 14 titles (4 13 lakh books) with it and passed on the remaining 12 titles (5.62 lakh books) to Government of India and the Union Territory presses for printing.

Out of the 4 13 lakh books printed between August 1982 and October 1983, only 3 77 lakh books were delivered to the HBSE upto December 1984, as the binding of the remaining 0.36 lakh books was incomplete. In January 1985, the HBSE approached the printing press for expediting delivery of the balance books, as all the 14 titles were to be dropped from 1986 session owing to a change in syllabus. The HBSE agreed (July 1985) as a special case at the instance of the department to accept the remaining 0 36 lakh books, provided those were delivered to it by 19th November 1985. The department could manage to deliver only 0 08 lakh books by that date, though the binding of the remaining 0.28 lakh books had also been completed by October 1985. The HBSE refused to accept thereafter the remaining 0 28 lakh books costing Rs. 1.21 lakhs.

Thus, inordinate delay in binding work and non delivery of 0 28 lakh books by the stipulated date even after completion of the binding work, rendered the expenditure of Rs. 1.21 lakhs incurred on their printing as infructuous. The case for fixing responsibility in the matter was reportedly under investigation (May 1988).

The matter was reported to Government in September 1987; reply has not been received (April 1989).

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

1. The Education Board had agreed to accept 0 36 lac books by 19-11-85. This Department could arrange only 0 08 lac books by that date and the same were delivered to the Board. Remaining 0 28 lac books were available only in the month of December, 1985 for despatch to Education Board. However, the Education Board was requested to accept the books on its completion, but the request of this Department was not acceded to by the Education Board. Regarding non-delivery of books within the scheduled period, action against the defaulting officials/officers has been initiated as stated in para 2 below.
2. Regarding fixing of responsibility in this matter it is submitted that the file pertaining to correspondence between this department and the Education Board is not traceable. Strenuous efforts are being made to locate/or reconstruct file with the help of Education Board. However the action against the following officers/officials who are responsible for the lapses has been initiated under the Punishment and Appeal Rules :—
 1. Sh. Lakhe Lal, Section Holder, Binding.
 2. Sh. Surinder Singh, S H, Binding
 3. Sh. Surinder Lal Puri, G F
 4. Sh. Vijay Kumar Ahluwalia, A C.
 5. Sh. Dilbag Singh Berwal, Manager
 6. Sh. I S. Chahal, Manager

The Committee is surprised to note that the important file pertaining to correspondence between Printing and Stationery Department and Education Board was not traceable which was a serious matter. The departmental representative informed the Committee that strenuous effort were being made to locate/or reconstruct the file with the help of Education Board and action against the officers/officials responsible for the lapses has been initiated under the punishment and appeal rules. Further on the recommendations of the Committee, necessary F.I.R. for the loss of file has also been lodged by the department with the Police Station, Panchkula on 10th June, 1992.

The Committee desire that final outcome in the matter be intimated within three months.

FOOD AND SUPPLIES

[7]. 7.5. *Loss due to storage of wheat*

(a) The Director, Food and Supplies, during an inspection of godowns at the Karnal Centre in August 1985 noticed that 3062 bags of wheat costing Rs. 3.38 lakhs had been damaged in rains due to failure of the concerned staff to cover them properly. The wheat was rendered unfit for human consumption. The State Government accorded approval (August 1986) to the disposal of the damaged wheat through auction with the stipulation that, in case the sale proceeds of damaged wheat were less than the fixed purchase price of wheat, the difference would be recovered from the officials at fault. The wheat was auctioned (September 1986) for Rs. 0.65 lakh thereby resulting in a loss of Rs. 2.73 lakhs. Similarly another 1240 bags of wheat valuing Rs. 2.03 lakhs were auctioned (March 1987) for Rs. 0.92 lakh resulting in a loss of Rs. 1.11 lakhs. The amount of loss of Rs. 3.84 lakhs had not been recovered from the officials at fault in compliance with Government instructions of August 1986 (July 1988).

(b) At *Jakhal* centre, out of 0.28 lakh quintals of wheat procured during *rabi* 1984-85 and stored in departmental and hired godowns, 0.03 lakh quintals valuing Rs. 5.04 lakhs were damaged due to negligence of the staff and were rendered unfit for human consumption. The damaged wheat was put on auction (March 1987) for Rs. 4.10 lakhs resulting in a loss of Rs. 0.94 lakh to the department. The department stated (June 1988) that action against the defaulting officials was in progress.

The matter was referred to Government in August 1988, reply has not been received (April 1989)

In their written reply the department stated as under :—

(a) Karnal Centre

1. The preliminary enquiries conducted in the matter had revealed that the field staff was negligent in ensuring proper protection of wheat bags and therefore, disciplinary action has since been initiated against the defaulting Officers/Officials.
2. The wheat which was rendered unfit for human consumption was sold by way of auction to chakiwalas and the manufacturers of cattle feeds etc. The chakiwalas and other manufacturers of cattle feeds purchase the damaged stocks and utilise the same for human consumption/cattle feeds after cleaning, dara making and processing.

3. As explained in reply to question No. 1 above, disciplinary proceedings including the recovery of the loss caused to Govt in this case have already been initiated and factual position regarding loss will only be known on the conclusion of the disciplinary proceedings and there-after recoveries will be effected from the Officers/Officials held responsible for the loss.

(b) Jakhal Centre

1. The Enquiry report in respect of Sh Angoori Lal, A. F. S. O. and Sh. Sumer Nath, Inspector, has been received and the same is being processed and the recoveries on account of loss caused to the Govt. in this case will be made after the final termination of the disciplinary proceedings. The third official involved in this case was Shri T. S. Bindra, the then District Food and Supplies Controller, Hissar who has retired and Government has initiated action against the retiree and the Enquiry Officer (Vigilance) has been appointed to conduct regular enquiry in the matter. Further action regarding recovery of loss from the retiree would be taken on receipt of the Enquiry Report.

In their written reply as well as during oral evidence the departmental representative admitted that the wheat had been damaged in rains due to failure of field staff to cover the wheat bags properly and also due to kutchra plinth which led to a loss of Rs. 3.84 lakhs. The departmental representative however, assured the Committee that disciplinary action has already been initiated against the defaulting officers/officials for the negligence and the amount of loss will be recovered from them within four months on the conclusion of the disciplinary proceedings.

The Committee observed that the matter pertains to the year 1985 and the department considerably delayed the matter. The Committee strongly recommends that the disciplinary proceedings including the recovery of the loss caused to the Government be completed expeditiously and final outcome be intimated to the Committee within six months.

The Committee further desired that the case which pertains to Jakhal Centre may be decided expeditiously and final outcome be intimated to the Committee within three months.

[8]. 7.6. *Avoidable incidence of interest*

For wheat purchased by the Food and Supplies Department for the Central pool, payment is made initially by the department and thereafter claims for reimbursement thereof are raised on the Food Corporation of India (F.C.I.) Government instructions stipulate that reimbursement claims should be preferred on the FCI on the day of despatch or delivery itself or latest by the next day.

During 1985-86 to 1987-88, reimbursement claims aggregating Rs. 5123.61 lakhs were preferred by the Faridabad, Gurgaon, Hisar, Jind, Kaithal, Sirsa, Sonapat and Karnal Circles of the department late

by 1 to 220 days which resulted in delayed receipts. As the department had been financing wheat procurement out of funds obtained from banks under cash credit arrangement carrying interest at 14 per cent, non-submission of claims to the FCI in time resulted in an avoidable incidence of interest of Rs. 9.83 lakhs on cash credit during 1985-86 to 1987-88.

Government stated (November 1988) that as the despatch documents were signed and payments released late by the FCI, Government of India had allowed interest for a time lag of 7 days on the entire stock of wheat. The reply was not tenable as the interest allowed by Government of India was for the time gap in obtaining from the FCI the payment of bills raised and did not cover cases of delay in raising of the sale bills against the FCI.

In their written reply the department stated as under --

The Deptt. generally, issues instructions to the field staff to prefer the claims to FCI on the day of despatch or the next day in order to avoid delay. The Food & Supplies Deptt. prefers claims to FCI without losing any time on receipt of despatch documents duly signed by the FCI which only forms the basis for the claims. However, it is submitted that it is not always feasible in all the cases that the despatch documents duly signed by the Staff of FCI reach the Distt. Office on the same day or next day from far off located purchase centres.

Besides, this, there are holidays in between the dates of despatch and submission of claims

2. In most of the cases, FCI did not sign the despatch documents in time. Secondly, there are holidays in between. There are only a few cases where the delay in submission of bills occurred due to the negligence of the officials against whom administrative action is under process

As regards the avoidable incidence of interest of Rs. 9.83 lakhs it may be mentioned that the Govt. of India compensates every year on this account in the shape of incidentals by allowing interest of 7 days for this time lag. The Deptt. realised interest to the tune of Rs. 33.02 lakhs during the year 1985-86 to 1987-88 against the loss of Rs. 9.83 lakhs. In fact, the interest received from the Govt. of India/F.C.I. is more than the Deptt. is alleged to have suffered due to late realisation. Hence, as explained above, there is no loss to Government.

As stated in reply to para 2 above, there is no loss of interest in subsequent years also rather there is gain on this account. However, where abnormal delay is found on account of negligence of staff, action is being taken against them after proper investigation.

During the course of oral evidence the departmental representative stated that charge sheets have been issued to five officials/responsible for the abnormal delay in submission of bills. The Committee desired that final outcome of the administrative action initiated against the delinquent officials be intimated to the Committee within three months.

TRANSPORT

[9] 7.7. *Irregular payment of overtime allowance*

According to departmental instructions of July 1985, as reiterated in November 1986, the ministerial staff of the Haryana Roadways if required to work overtime, were entitled to compensatory leave and no overtime allowance was payable to them. In case any payments were allowed to such staff in contravention of these instructions, these were to be recovered from them.

In 11 depots and the Central Body Building Workshop of Haryana Roadways, overtime allowance of Rs. 7.68 lakhs was, however, paid to the ministerial staff during September 1985 to January 1988. No action to recover the amounts from the officials concerned had been taken by the department though pointed out in audit in June 1987 and June 1988.

Government stated (November 1988) that the instructions had since been issued to the General Managers concerned to recover the overpaid amount.

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

1. The overtime allowance was paid to the Ministerial staff for the smooth running of work and construction of Bus Bodies. 15 posts of Clerks were vacant and the Clerical staff had to work over time. The over time was paid in the interest of the service.
2. A sum of Rs. 7,67,761/68 was paid to the Ministerial staff on account of over time allowance by 11 Haryana Roadways depots as well as by Central Body Building Workshop. Proceedings for recovery of overtime allowance paid were started but the concerned employees of Rohtak, Kaithal, Gurgaon, Rewari, Chandigarh, Hissar, Sirsa and various employees of Central Body Building Workshop obtained stay order from the Courts against recovery for a sum of Rs. 6,65,523/80 out of the balance overtime of Rs. 1,02,237/88 a sum of Rs. 20,616/25 has since been recovered. The concerned General Manager, Haryana Roadways and General Manager (Technical) Haryana Roadways Engineering Corporation, Gurgaon have been directed to recover the balance amount of Rs. 81,621/63 which is not under stay from any Court.
3. The present position of recovery has been explained in para 2 above.

During oral evidence the departmental representative stated that overtime allowance of Rs. 7.15 lakhs was paid to the ministerial staff in 11 depots, of which recovery for Rs. 1.15 lakhs has been quashed by the Court and recovery for Rs. 5 lakhs has been stayed by the Courts. Out of the balance amount of one lakh, an amount of Rs. 25821/- has been recovered and it was assured that the balance amount will be recovered within three months.

The Committee would also like to have the latest position of the cases pending in the various Courts alongwith details thereof and also a copy of the stay order granted by the Courts in the matter of recovery of over time allowance. During oral evidence the departmental representative assured to supply the desired information. The Committee is unhappy to note that the same was not supplied by the department till the drafting of the report.

The Committee desire that the required information be supplied to them within one month and further observed that the department should ensure that the Government instructions be strictly adhered to to avoid any recurrence of such mistakes in future.

On-the-spot Study

The Committee made an on-the-spot study of actual working of Haryana Roadways Depot of Hisar, Bhiwani and Rohtak during the month of November, 1992. The Committee had also meetings with the respective General Managers and Works Managers of the workshop alongwith other representatives of the department and discussed at length about the working and performance of the depots including workshop attached thereto.

The Committee was informed that the depot at Hisar had sustained loss of Rs. 1.84 crores during 1990, Rs. 1.44 crores in 1991 and Rs. 0.22 crores in 1992 (upto October) and the depot at Bhiwani had been sustaining losses ever since its inception in November, 1973 which accumulated losses to the tune of Rs. 9.73 crores as on 31st October, 1992. The performance of both these depots was far from satisfactory. However, the workshop attached Hisar depot was working satisfactorily. The depot at Rohtak had earned profits of Rs. 64.74 lakhs during current year upto October, 1992 and was expected to further increase the margin of profit. The Committee was satisfied with the performance of this depot.

The main reasons for the losses sustained by the depots was attributed to excess staff, short uneconomical local routes, plying of uneconomical mini buses and due to large number of accidents for which huge payment had to be paid as compensation by the department and expenditure incurred on the repairs of these vehicles. The Committee feels that the main cause of

the accidents was negligence of the drivers. The Committee also noted that a majority of buses did not have first-aid-kits, complaint books, stepneys and tool boxes. The Committee also observed that mis management in depots was also one of the reasons which results the poor performance of these depots.

The Committee also note that the inventory actually held by the depot was in excess of the norms fixed at the rate of Rs. 12,000/- per vehicle for repair/maintenance of its fleet. The reasons of excess inventory was attributed to increase in prices of majority of spare parts every year. The Committee observed that the department should investigate the matter and increase the norms of inventory from Rs. 12,000/- per vehicle to Rs. 16,000/- per vehicle and ensure that vehicles are not detained due to non repairs for want of the required spare parts. However, the inventory should actually be held by the depots within the norms so fixed for each vehicle. The Committee also suggested that the tyres and other valuable items as soon as received in the store should be marked with the departmental seal to avoid pilferage.

The Committee observed that the department should investigate the reasons and factors which contributed losses and suitable measures be adopted to overcome the causes leading to accidents and losses sustained by operating short local routes, some effective measures should be enforced in the recruitment of daily wages, effective supervision on purchases and utilisation of spare parts and to explore ways and means to enhance the income of local routes.

The Committee further recommend that a thorough investigation should be made into the causes of accidents and remedial measures adopted to avoid their recurrence viz. controlling of speed of vehicles, imparting refresher training courses to drivers, medical checkup of drivers and annual passing of vehicles etc.

The Committee also recommend that the department should ensure that all the buses before putting on road be provided with first-aid-kits, complaint books, Stepnnies and tool boxes etc. It should be ensured by a periodical surprise checks that all the buses which are plying on roads have these essential pre-requisites for a safe journey. A complaint book should also be provided at the counter of enquiry office of each bus stand. The buses which are in shabby condition with broken entrance doors and windows/window panes are either get replaced or repaired expeditiously to avoid inconvenience to the passengers.

The Committee also suggest that the drivers and conductors whose services/performance found good should be suitably rewarded to encourage them.

The Committee desire that a compliance report of the measures suggested above be furnished to it within six months.

SOCIAL WELFARE

[10]. 3.3. *Integrated child development services*

3.3.1. Introduction

The Integrated Child Development Services (ICDS) Scheme was implemented with cent per cent Central assistance from 1975-76. The Objectives of the scheme were :—

- (i) to improve the nutritional standard and health status of children in the age group of 0—6 years ;
- (ii) to lay foundation for a proper psychological, physical and social development of the child ;
- (iii) to reduce the incidence of mortality, morbidity, mal-nutrition and school drop outs among the children ;
- (iv) to achieve effective coordination of policy and implementation amongst the various departments promoting child development ; and
- (v) to enhance the capability of the mother through proper nutrition and health education to look after the normal health and nutritional needs of child.

These objectives were to be achieved with the package of services, such as supplementary nutrition, immunization, health check-up, referral services, non-formal pre-school education to children between 3 to 6 years of age and nutrition and health education to all women in the age group of 15 to 45 years. Another scheme "Functional literacy for adult women" (FLAW) aiming at providing non-formal education to women in the age group of 15—45 years linked to the ICDS Projects, was transferred to the Education Department in January 1985.

The scheme was implemented in 17 projects in 1975 and was extended to 70 projects (35 State and 35 Central) upto March 1988. The Central Sector Projects (35) are fully financed by Government of India excepting the expenditure on supplementary nutrition, which is borne by the State Government being a part of the Minimum Needs Programme. Expenditure on State Projects is met by the State Government. UNICEF provided assistance by supplying equipment, vehicles and funds for meeting expenses on training etc.

3.3.2 Organisational set up

At the State level, the overall responsibility for administration, coordination, monitoring and implementation of the schemes rests with

the Social Welfare Department of the State Government. In the rural and urban areas, anganwadi, the primary unit of execution, is run by an anganwadi worker (AWW) assisted by a helper and is supervised by the Circle Supervisor. Block level control is exercised by the Child Development Project Officer (CDPO) incharge of each project. Each CDPO functions under the administrative control of a district level Programme Officer.

3.3.3. Audit coverage

Mention was made about the implementation of the scheme in paragraph 3.2 of the Report of the Comptroller and Auditor General of India—Government of Haryana (Civil) for the year 1983-84.

A further test check of records for the period 1984-85 to 1987-88 of the Director of Social Welfare, Haryana, and 14 projects (7 State and 7 Central) was conducted during January 1988 to July 1988.

3.3.4. Highlights

—A sum of Rs. 2568 47 lakhs was spent on the scheme during 1984-85 to 1987-88 against the budget allotment of Rs. 2570.96 lakhs. (paragraph 3.3.5.).

—The prescribed norm of feeding for 300 days in a year was not followed (paragraph 3.3.8(a)).

—Protein contents and calorific value were not specified in the Supplementary Nutrition Programme Register in respect of food items served to children and women in the anganwadis. (paragraph 3.3.8.(c)).

—Health check-up was not provided to pregnant women and nursing mothers in 13 out of the 14 projects test checked. Ante/post —natal cards were not maintained in all the 14 Projects. (Paragraph: 3.3.10).

—Shortfall in immunization in respect of 3 doses of Diptheria Pertussis and Tetanus and Polio (DPT), 2 doses of Diptheria and Tetanus and Tetanus Toxoid and one dose of Bacillus Calmette Gurein (BCG) ranged from 31 to 62 per cent while shortfall in the administration of vitamin 'A' solution to children was 73 per cent (paragraph 3.3.11(a) to (f)).

—No data of referral services rendered or follow up action taken was available in 7 projects. No female patient was referred for specialised treatment during 1984-85 to 1987-88. 1857 children out of 6591 requiring specialised treatment were not hospitalised. Of the 4734 children hospitalised, the record of follow up action taken was not made available in any case. (paragraph 3.3.12(a) to (c)).

—14 film projectors, 7 mopeds and motor cycles, 13 cycles, 308 sewing machines and 3 Hindi type-writers supplied by the 'UNICEF' free of cost, had been lying idle since their receipt during April 1983 to May 1987 (paragraph 3.3.15(b)).

The detailed results of review of the scheme have been incorporated in the succeeding paragraphs.

3.3.5. Budget provision and expenditure

A sum of Rs. 2568.47 lakhs was spent on the scheme during 1984-85 to 1987-88 against the budget allotment of Rs. 2570.96 lakhs as under :—

Nature of activity	Provision			Expenditure		
	State Sector	Central Sector	Total	State Sector	Central Sector	Total
(In lakhs of rupees)						
(A) I.C.D.S. (Staff component)	339.43	817.05	1156.48	339.40	816.12	1155.52
(B) Supplementary Nutrition	1306.85	85.64	1392.49	1305.73	85.65	1391.38
(C) Anganwadi Workers training centre	—	11.75	11.75	—	11.77	11.77
(D) FLAW	1.54	8.70	10.24	1.54	8.26	9.80
	1647.82	923.14	2570.96	1646.67	921.80	2568.47

Against the provision of Rs. 923.14 lakhs under Central sector projects, an expenditure of Rs. 921.80 lakhs was incurred. Assistance actually released by Government of India during 1984-85 to 1987-88 was Rs. 990.64 lakhs.

3.3.6. Physical performance

The scheme was implemented in 70 projects (35 Central and 35 State) against the 105 projects sanctioned upto 1987-88. Of these, 65 were rural and 5 were urban. Targets (T) and achievements (A) of various components of the scheme were as follows :—

Central Sector Projects	1984-85		1985-86		1986-87		1987-88	
	T	A	T	A	T	A	T	A

(Numbers in lakhs)

I. Children

1. Pre-School education	1.00	0.77	1.16	1.05	1.54	1.18	1.52	1.58
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Central Sector Projects	1984-85		1985-86		1986-87		1987-88	
	T	A	T	A	T	A	T	A
2. Supplement-ary Nutrition (S.N.P.)	1.60	1.43	1.86	1.99	2.47	2.21	2.43	2.29
3. Immuni-zation	0.75	0.72	0.87	0.87	1.16	1.01	1.14	1.11
4. Health check-up	1.32	1.04	1.50	1.07	1.72	1.21	3.53	1.23
II. Women								
1. S.N.P.	0.40	0.38	0.47	0.52	0.62	0.54	0.61	0.59
2. Immuni-zation	0.60	0.25	0.65	0.31	0.92	0.39	0.91	0.45
3. Health check-up	0.60	0.29	0.70	0.31	0.92	0.35	0.91	0.39
4. Health and nutrition education	0.44	0.51	0.60	0.63	1.01	0.92	1.30	1.17
State Sector Projects								
1. Children								
@1. Pre-school education	0.32	0.22	0.32	0.31	0.41	0.30	1.34	1.11
2. SNP	0.52	0.49	0.52	0.60	0.65	0.68	2.14	2.53
3. Immuni-zation	0.24	0.14	0.24	0.28	0.30	0.30	1.00	0.67
4. Health check-up	0.25	0.14	0.26	0.20	0.28	0.18	1.63	0.31
II. Women								
1. SNP	0.12	0.11	0.13	0.14	0.16	0.17	0.54	0.63
2. Immuni-zation	0.19	0.03	0.19	0.09	0.24	0.11	0.80	0.24
3. Health check up	0.08	0.02	0.09	0.03	0.09	0.03	0.46	0.16
*4. Health and nutrition education	0.45	0.07	0.48	0.23	0.44	0.24	0.75	0.79

@Figures pertain to 12 Projects only.

*Figures pertain to 3 Projects only.

The shortfall in achievements was attributed by the department to the mothers taking their children along with them to the fields during the sowing and harvesting seasons.

3.3.7. Training and orientation of ICDS personnel

At the end of March 1988, 58 Child Development Project Officers (CDPOs), 255 Supervisors and 6677 anganwadi workers (AWWs) were in position against the sanctioned strength of 72 CDPOs, 343 Supervisors and 7139 AWWs. No reasons for such a large number of vacancies were intimated by the department except stating that efforts to recruit the staff were under way.

The position of their training and orientation was as under :—

Name of Post	Number trained	Number untrained	Percentage of untrained
CDPOs	41	17	42
Supervisors	249	6	2
AWWs	5290	1387	26

A grant of Rs 0.59 lakh was released to the Red Cross Homoeopathic Council, Gurgaon in March 1987 for imparting training to anganwadi workers of Ferozepur Jhirka block of the ICDS Project in treatment through Homeopathic medicines though this was not envisaged in the scheme.

3.3.8. Supplementary nutrition

The aim was to supplement the nutritional intake by (a) about 300 calories and 8—10 grams of protein for children and (b) 500 calories and 20—25 grams of protein for pregnant women and nursing mothers. Supplementary nutrition was to be given for 300 days in a year.

It was noticed that —

- (a) Children and women were not identified on the basis of prescribed norms and nutrition was provided to all the children and women attending the anganwadis. In 5 projects (2 State and 3 Central), the weight of the children was not taken due to belated supply of weighing scales. The delay ranged from 8 months to 2½ years. Separate figures of children in the age group of 6 months to 3 years falling under various grades of the weight chart respectively were also not available in any project test checked with the result that it could not be ascertained whether all the children and women who had been provided with supplementary nutrition were actually eligible as per norms fixed under the scheme.

- (b) The prescribed norm of feeding for 300 days in a year was not followed in any project. Average feeding days worked out to 240, 245, 278 and 284 days in 7 State projects and 235, 262, 271 and 263 days in 7 Central projects during the period from 1984-85, 1985-86, 1986-87 and 1987-88 respectively. In one project (State), no food was provided to children and women between June 1986 to September 1986. Interruption of nutrition was also noticed in 2 projects (Central), from 8 days to 3 months. This was attributed to non-supply of food items.
- (c) Protein contents and calorific value were not specified in the SNP Registers in respect of food items served to children and women in the anganwadis.

3.3.9. Non-formal pre-school education

Non-formal pre-school education aiming at all round development of the child was to be imparted to about 40 children in the age group 3 to 6 years in an anganwadi by organising pre-school activities and providing toys and playing equipments.

Against the target of 7.61 lakhs children in 47 projects (2.39 lakhs in 12 State and 5.22 lakhs in 35 Central), 6.32 lakh children (1.94 lakhs in 12 States and 4.38 lakhs in 35 Central) attended the classes. The shortfall in attendance was 17 per cent. The shortfall was attributed by the department to the mothers taking their children to fields.

3.3.10. Health check-up

(i) The scheme envisaged strengthening of public health infra-structures in the ICDS projects to ensure the health care of all children and women. The primary health centres were to enumerate the number of pregnant women and nursing mothers and children under 6 years of age and assess their immunization and health status and collect base line data on morbidity and mortality pattern in the block and ascertain the prevalence of various diseases amongst them. However, neither was any enumeration done nor was the base line data collected in 12 out of the 14 projects test checked.

(ii) Under the scheme, health check up was to be given to all expectant women and children. A test check revealed the following :

- (a) In 13 projects (7 State and 6 Central), this service was not provided during 1984-85 to 1987-88.
- (b) No record of health check up of expectant mothers was maintained in the project at Panipat (Central). As such, it could not be ascertained whether the prescribed physical examination of the expectant mothers was conducted.

- (c) In 4 projects (2 State and 2 Central), the primary health centres did not have the necessary instruments to measure the level of haemoglobin
- (d) Ante/post-natal cards and health-cards were not maintained in all the 14 projects.
- (e) No instrument to measure the height of children was available in any of the projects.
- (f) In 4 projects (3 State and 1 Central) 91 anganwadis did not have the weighing scales to check the weight of children every month
- (g) No health check up of children was done in 9 projects (4 State and 5 Central) during 1984-85 to 1987-88 by para-medical staff. In one State project (Ambala), health check up was done in 1987-88 only.
- (h) Against the target of "health check-up" of 1.69 lakh children of 5 projects (1.17 lakh in 3 State and 0.52 lakh in 2 Central), the coverage was 0.58 lakh children (0.35 lakh in 3 State and 0.23 lakh in 2 Central) resulting in shortfall of 66 per cent.

3.3.11. Immunization

The package of services, *inter alia*, included immunization of all children below 6 years of age against diseases like diphtheria, whooping cough, tetanus polymyositis and TB by first birthday. All expectant mothers were to be also immunized against tetanus. First dose of tetanus toxoid during 20-24 weeks and second dose during 32-33 weeks of pregnancy were to be administered to them. Children were to be given 3 doses of Diphtheria Pertussis and Tetanus (DPT) and Polio each, 2 doses of Diphtheria and Tetanus Toxoid (DT) and 1 dose of Bacillus Calmette Gurein (BCG) after prescribed intervals. The details of immunization were to be recorded in the child health cards and the immunization registers maintained by the anganwadi workers.

A test-check of the records revealed the following position :—

- (a) Three doses of DPT were to be given to 1.75 lakh targeted children of the 14 projects against which 1.16 lakh children (0.68 lakh in State and 0.48 lakh in Central projects) only were immunized with prescribed doses. The shortfall was 34 per cent. Of the remaining 0.59 lakh children, first and second doses were given to 0.23 lakh children. Two Central projects did not maintain the record of first and second doses.
- (b) Against a target of 1.75 lakh children in 14 selected projects (0.94 lakh in 7 State and 0.81 lakh in 7 Central) to be administered 3 doses of polio vaccine, only 1.13

lakh children (0.65 lakh in 7 State and 0.48 lakh in 7 Central) were given 3 doses. The shortfall was 36 per cent. Out of remaining 0.63 lakh children, first and second doses were given to 0.29 lakh children.

- (c) 0.47 lakh children (0.24 lakh of State and 0.23 lakh of Central) were immunized with two doses of DT against the target of 1.25 lakh children resulting in shortfall of 62 per cent. 0.05 lakh children were given one dose only. No immunization was undertaken in one Central project (Ladwa) during 1984-85
- (d) Against 1.75 lakh children, only 1.21 lakh children were administered the prescribed one dose of BCG. The shortfall was 31 per cent.
- (e) Two doses of tetanus toxoid were to be given to 1.29 lakh pregnant women of 14 projects whereas the coverage was 0.64 lakh women. This resulted in shortfall of 50 per cent.
- (f) Vitamin 'A' solution was to be given to all the children twice a year. Against a target of 6.55 lakh children, 1.78 lakh children only were given vitamin 'A' during 1984-85 to 1987-88 resulting in less coverage of 4.77 lakh children, i.e., 73 per cent. The shortfall was attributed to non supply of vitamin 'A' in sufficient quantity by Government of India and lack of coordination between the ICDS and health staff.

3.3.12. Referral services

Pregnant women and children requiring specialised treatment were to be referred by the Medical Officer of the primary health centre (PHC), concerned in the project area to the upgraded PHC/sub division/district headquarters hospitals. On a test check of the records, following points were noticed :—

- (a) No data of referral services rendered or follow up action taken was available in 7 projects (4 State and 3 Central)
- (b) No female patient was reported to have been referred for specialised treatment during 1984-85 to 1987-88
- (c) Against 6591 children of 9 projects (3983 in 4 State and 2608 in 5 Central) requiring specialized treatment, 4734 children only (3500 of 3 State and 1234 of 4 Central) were hospitalized. No reasons for non-hospitalization of 1857 children were on record in the projects concerned

3.3.13. Functional literacy for adult women (FLAW)

The scheme was launched in 1975-76 as a part of the ICDS with anganwadi as the basic unit to provide non-formal education

to 30 illiterate women per centre in the age group to 15-45 years. FLAW classes were to be spread over to 250 hours in 10 months of a year according to the prescribed curriculum. Dossier of each adult women attending the class was to be maintained, tests conducted and certificates awarded to each successful women at the end of the course.

An expenditure of Rs. 9.80 lakhs against the budget provision of Rs. 10.24 lakhs was incurred by the department during 1984-85 (up-to 31st December 1984 when the scheme was transferred to the Education Department).

Against 49380 women to be enrolled in 14 projects (1646 anganwadis) where the scheme was in force, the figures of women actually enrolled were not available. 22066 women actually attended the classes but not a single women completed the ten-month course.

3.3.14. Safe drinking water facility

The scheme envisaged provision of safe drinking water facility in the project areas. A test-check of the records of 14 projects revealed that out of 802 villages (447 in 7 Central and 355 in 7 State), the facility of safe drinking water was not available in 80 villages in 4 projects (64 villages of 2 State and 16 villages of 2 Central). Action to provide safe drinking water was stated to be under way in respect of 16 villages of 2 Central sector projects while action taken in respect of the remaining 64 villages of 2 State sector projects was not on record.

3.3.15. GENERAL

(a) Mass media publicity

Government of India had earmarked Rs 5000 per annum per project for information, education and communication (IEC) activities. Additional funds could also be made available on receipt of specific proposals from the State Government.

Of the 10 projects test checked, no village level and ward level camps were held in 8 projects (3 State and 5 Central) during 1984-85 to 1987-88. Though 74 mahila mandals were formed in 5 projects, no meeting of mahila mandals was held in 3 projects (1 State and 2 Central). There was no mahila mandal in 5 projects (2 State and 3 Central). One projector was supplied to each project but no film show was held in any project, as no technician or trained official was available to handle the projector. Departmental instructions issued in July 1983 to Child Development and Project Officers envisaged taking assistance of the projectionist in the office of Chief Medical Officers but no action was taken by the field staff in this regard.

No report on the activities undertaken during 1984-85 to 1987-88 was sent to Government of India.

(b) Idle machinery and unserviceable equipments

14 film projectors in 14 projects, 7 mopeds and motor cycles in 3 State projects, 13 cycles in 4 projects (3 State and one Central),

308 sewing machines in 4 projects and 3 Hindi typewriters (in 3 projects) had been lying idle, since the receipt of this equipment and machinery from the UNICEF during the period April 1983 to May 1987. 38 Mopeds in 4 State projects had been lying unserviceable since May 1984 to November 1986.

The concerned CDPOs stated that the projectors were lying idle for want of trained personnel to operate them and the motor cycles and mopeds due to unwillingness of the supervisory staff to use them. Sewing machines could not be used due to the transfer of FLAW scheme to the Education Department in January 1985.

3.3.16. Monitoring and coordination of health and nutritional aspects of the ICDS

The scheme implemented from 1975 envisaged the setting up of an inter-departmental coordination committee; the committee was constituted by Government only in May 1987. Further, instead of forming at block level, committees were set up at sub-divisional level and village level. It was noticed that no meeting of the committees set up at State level, district, sub-divisional and village level had been held (February 1988) since their constitution in May 1987.

The matter was referred to Government in August 1988, reply has not been received (April 1989).

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

Reply of observation

3.3.1. The objectives of ICDS programme have been achieved to a reasonable extent, the people have gained a lot of awareness about the health needs of their children as well as expectant and Nursing women. The infant Mortality rate of Haryana has come down to 69 per thousand at present from 120 per thousand in the year 1975 when the scheme was launched in the State. The birth rate has also come down to 30.8 from 36.5 in the year 1981. The percentage of severely mal-nourished children is 1% against the national average of 2.4% at present. The programme wise and year-wise targets and achievements from 1987-88 to 1991-92 and as on 30-6-92 is

depicted below :—

Name of Pro- gramme	1937-83				1933-83				1939-90				1990-91				1991-92				As on 30.6.92			
	Target	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age	Tar- get	Ach	%age
SNP (Mother & Chil- dren)	599676	594207	93	613533	622775	101	615132	632311	103	642936	630266	98	796068	770683	93	828492	815925	98						
Non Fernal Pre- School Education	235560	249050	87	232130	235393	91	232320	232542	83	313310	233311	85	379030	312042	83	304520	322984	106						
Immunization																								
BCG	115630	129780	112	219439	201937	92	218700	249319	114	199479	234143	117	278027	207851	75	65622	58626	89						
DPT	115630	153348	133	219439	209203	95	218700	213258	94	199479	201661	101	278027	194994	70	65622	57559	88						
Polio	115630	159610	138	219489	285743	130	218700	211182	97	199479	201563	101	278027	196066	97	65622	60197	92						
TT	126800	95122	75	229942	152203	63	241500	183538	76	212710	163233	77	299752	178182	59	70942	50234	71						

(B) FLAW scheme was transferred to Education Department on 1-1-85.

(C) The scheme was launched in 1975 with opening of the project at Kathura. The figures of 17 projects made operational in 1975 is not factually correct. Now the scheme is implemented in 92 projects (48 Central—44 State). The Central Sector Projects (48) are fully financed by Govt of India except the expenditure on Supplementary Nutrition which is borne by State Govt. being a part of the minimum needs programme. Expenditure on State Project is met by the State Govt. UNICEF provides assistance by supplying equipment, vehicles and funds for meeting expenses on training etc.

2. The Govt. feel satisfied with the achievement mentioned above.

3.3.4. Highlights

(a) The facts given are accepted

(b) The average no. of feeding days in 91-92 are 264, 276 and 288 in most of the Anganwadi Centres and the matter has been reviewed every month. Distt. level purchase committees were constituted in order to ensure timely supply of SNP material to Anganwadis. In the year 91-92 there was no interruption in the SNP. Out of 365 days in the year, 52 Sundays are holidays and in addition during 1992-93 for example there are 26 gazetted holidays, making it 287 working days only.

(c) Anganwadi Workers are not so qualified that they may be able to record protein and Calorific value of food items. However, the purchase of SNP is made by the Distt. Purchase Committee after considering/calculating the norms of protein and calories. On that basis the quantity of diet is determined and Anganwadi workers are directed to provide such quantity of diet so that Protein and Calorefic value is provided as per norms. The data regarding this is available with CDPO's and PO's.

Health check-up services to 0—6 years children, Pregnant, women and lactating mothers are given by medical and para medical staff at the PHC sub centre and Anganwadi centres.

Immunization Programme in the State including ICDS project, is going on very well. However, during the past three years the immunization services have been further strengthened with the assistance of UNICEF and Govt. of India. Now in the State we are having better cold chain system which is the backbone of immunization programme. As regards drop out, this problem has also been minimised because of the wide publicity through T.V., Radio and Press etc. Now people are becoming more conscious in providing immunization to their children. The Programme

of prophylaxis against night blindness is implemented with the assistance of Govt. of India. The fixation of annual target as well as supply of Vitamin 'A' solution is also done by Govt. of India. It is found that some time there is interruption in the supply of Vitamin 'A' syrup to the State. But there are no lapses on the part of the State functionaries in the distribution of vitamin 'A' syrup.

The latest reports pertaining to April to June, 1992 at page 13 of Appendix II show an achievement of 89.33% in BCG, 87.71% in DPT, 91.73% in Polio, 70.80% in T T and 79.25% in case of Measles. The medical care services to mothers and children are provided at village, sub centres, modified PHC and old PHC and community health centres for rural areas and in local hospital in case of urban area. The parents of the sick children and guardian of the mother who need detailed examination and specialised medical care and referred to visit community health centres and nearby hospital. But people visit these institutions and other clinics at the time according to their own convenience and individual family circumstances. Most of the people do not report back at Anganwadi Centres and sub-centres after obtaining these services. Hence, it is not possible to keep a record of all referred cases of the beneficiaries. Besides all the civil surgeons and MO's in the PHC's have been given clear instructions that the referred cases should be given all the available medicines etc from the hospital.

The film projectors are lying idle due to untrained personal & non-availability of film slides in the projects. Most of the cycles are serviceable and action has been taken to redistribute and use them in projects where they are needed. Sewing Machines will be used for extension programmes of the Directorate. Rest of the items are being used.

3.3.5 Statement showing the Budget Provision and Expenditure from 1988-89 to 1991-92 and as on 30-6-92

Nature of activity	Provision of Budget from April 88 to March 1992			Expenditure from 88 to 92			Provision of Budget (1992-93)			Expenditure (upto 30-6-92)		
	State Sector	Central Sector	Total	State Sector	Central Sector	Total	State Sector	Central Sector	Total	State Sector	Central Sector	Total
ICDS Staff Component	1166.32	1534.17	2700.49	1166.96	1526.07	2693.03	443.46	510.68	944.14	85.09	110.82	195.91
S.N.P.	3671.68	267.23	3938.91	3674.84	268.59	3943.43	1597.55	69.57	1667.12	234.51	12.31	246.82
Anganwadi Worker Training Centre	—	17.24	17.24	—	17.14	17.24	—	1.51	1.51	—	—	—
FLAW	—	—	—	—	—	—	—	—	—	—	—	—

3.3.6. The target and achievements since 1984 to 1988 have already been given however achievement from 1988 to date are given below :—

Central and State Sector	1988-89			1989-90			1990-91			1991-92			As on 30-6-92		
	T	A.	T.	T.	A.	T.	T.	A.	T.	T	A.	T	T	A.	A
I. Children															(In lakhs)
1. Pre-School Education	2.92	2.52	2.92	2.92	2.52	3.35	2.69	2.69	3.79	2.83	3.94	3.23			
2. S N P	4.97	4.93	4.98	4.98	4.94	5.71	4.88	4.88	6.44	5.52	6.70	6.43			
3. Immunization (BCG)	2.19	1.93	2.19	2.19	1.75	2.02	1.69	1.69	2.44	2.07	0.65	0.58			
(DPT)	2.19	2.03	2.19	2.19	1.61	2.02	1.60	1.60	2.44	1.95	0.65	0.57			
(Polio)	2.19	2.07	2.19	2.19	1.54	2.02	1.59	1.59	2.44	1.96	0.65	0.60			
II Women															
1. S.N.P	1.16	1.29	1.17	1.17	1.37	1.34	1.42	1.42	1.51	1.50	1.58	1.73			
2. Immunization (T.T)	2.04	1.48	2.05	2.05	1.38	2.08	1.25	1.25	2.62	1.78	0.71	0.50			

From the above it will be seen that the targets have almost been achieved in the recent years. This has been possible due to mass publicity, Health and Nutrition Education Session, Demonstrations, AIR, Rohtak Programme on ICDS etc.

3.3.6. (2) It is very evident as per data given above that there is negligible shortfall in the achievement of target due to mothers taking their children to fields. This change was brought about by educating the mothers during home visits, health & nutrition education meetings, village level coordination committee meeting and mothers committee meeting etc.

3.3.7 The large number of vacancies of CDPO's/Supervisors were due to non-availability of reserve category candidates at that time. Now these posts have been filled. Regarding AWWs there is hardly any vacancy now as far as the blocks sanctioned upto 1988 are concerned for which the audit was made. The present position of the CDPO's/Supervisors/AWW as on 30-6-92 is as under :—

Name of Post	Sanct- ioned	Filled	Vacant	Trained	Un- trained	Under Training	Remarks.
Child Development project Officer	92	84	8	69	15	—	
Supervisor	479	434	45	244	118	72	11 posts in abeyance
Anganwadi Worker	9863	9497	366	8537	666	294	103 posts in abeyance

2. The Government of India vide their letter dated 19.11.86 had sanctioned a grant of Rs. 59,360/- in favour of Red Cross Homoeopathic Council, Gurgaon for imparting four months training to Anganwadi Workers of Ferozepur Zirka project for the treatment by Homoeopathic medicines. These Council had spent Rs. 45,224.80 P and the balance amount of Rs. 14,135.20 P. was deposited in Govt. Treasury on 30.3.89 for which required expenditure certificate as submitted to A. G. Haryana.

The ICDS Scheme is centrally sponsored and the State Government has to abide by the decision of Government of India

3.3.8. (a) The weight of children was not taken due to non-availability of weighing scale, is a fact because the State had not received supply from UNICEF. Regarding providing SNP to eligible children and women, it is submitted that according to Government of India's latest instructions dated 11.1.90, all the children in the age group of 6 months to 6 years approaching an anganwadi and all the pregnant women from the date of identification of pregnancy upto the date of delivery and nursing mothers for 6 months must be provided SNP.

(b) Regarding less number of feeding days against the norms of 300 days in a year and interruption in feeding, it is submitted that the average number of feeding days in 1991-92 are 264, 276 and 288 in most of the Anganwadi Centres and the matter has been received every month. After 1987, district level purchase committee were constituted in order to ensure timely supply of SNP material to Anganwadis. In the year 1991-92, there has been no interruption in the supply of food items in the State.

- (c) Anganwadi Workers are not so qualified that they may be able to calculate and record protein and calorific value of food items. However, the purchase of SNP is made by the District Purchase Committee after considering/calculating the norms of protein and calories. On that basis the quantity of diet is determined and Anganwadi Workers are directed to provide such quantity of diet so that protein and calorific value is as per norms. The data regarding this is now available with CDPO's and POs.

3.3.9. The department has been monitoring all the aspects and writing to all the field officers to maintain cent percent coverage. The achievement under NFPSE has improved and we are sure to bring it up to 100%. The position of NFPSE may be seen from 1987-88 to upto date.

(No. in Lakhs)

Name of Programme	1987-88		1988-89		1989-90		1990-91		1991-92		As on 30.6.92	
	Target	Ach.	%age	Tar- get	Ach	%age	Tar- get	Ach.	%age	Tar- get	Ach.	%age.
Non-formal pre-School Education.	2.85	2.49	87	2.92	2.35	80	2.92	2.52	86	3.13	2.69	82
											3.04	3.22
											3.22	106

It is very evident as per data given above that there is no shortfall in the achievement of the target due to mother taking their children to the fields. This change was brought by educating the mothers during Home Visits, health & nutrition education sessions, village level coordinating committee meeting and mothers Committee meeting etc.

3.3.10. (i) The record of pregnant women and nursing mothers is maintained by the ANM in all the sub-centres. It is reported in the monthly monitoring report also by the Senior Medical Officer. Data regarding the Children of 0—6 years is maintained at the Anganwadi Centres as well as sub-centres. Birth and death information is also maintained in these Anganwadi-centres. This information is consolidated in the monthly monitoring report of the block. This data reflects the infant morbidity and mortality in the ICDS project

The parawise answers are given as under :—

- (a) The health check up services are being provided in all projects.
- (b) The health check up services to expectant mothers were given in Panipat Project also.
- (c) Instruments to measure the level of haemoglobin is available in all the PHCs in the State.
- (d) It is evident from the appendix-I that the pregnant women are given health check-up which include examination of blood pressure, Urines and H.B. test at the CHC, PHC and sub-centres level. The health cards are also maintained in these institutions. However, the ANM contacts the pregnant women at the time of home visits and during visits of Anganwadi centres and provides preliminary health check up and advises these women to come at the PHC or sub centre for detail examination as it is not possible to do so at the Anganwadi Centres.

The health cards of pregnant women and lactating mothers who are contacted at the AWCs are now being maintained. These women are also given health education on balanced diet, diet of pregnant women and lactating mothers, care of child, supplementary nutrition, weaning foods, immunization, consumption of low cost and nutritious food available in the village, preparation of baby food etc. This activity is supported by other para-medical staff, like LHV and block extension educators.

- (e) Instruments to measure height i.e. measuring, tapes, are locally arranged by Anganwadi Workers/ANMs.
- (f) This item has now been supplied by UNICEF the all in 92 existing food norms in the State except in Barwala (Ambala),

Hisar-II (Hisar) and Mundlana (Sonipat) for which the matter is being pursued with UNICEF

- (g) The health check-up services are given in all the projects. The health check up services to children in Ambala (Urban) Project were given during the period 1984-85 to 1991-92 and June, 92 are as under :—

Health Check up Services

Ambala (U)	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	As on 30-6-92
Children	3419	6983	5081	5500	30011	57007	57007	27306	2066
Pregnant Women	336	540	550	498		29467	44866	7971	1613
Lactating Mothers.	417	620	634	641		33005	53259	7930	1112

- (h) Health check-up services to 0-6 years children, pregnant women and lactating mothers are given by medical and para-medical staff at the PHC, Sub centre and Anganwadi Centre. The achievement from April, 89 to June, 92 are as under .—

Health Check up (In 92 Projects)

Haryana State	1989-90	1990-91	1991-92	As on 30-6-92
Children	334739	752587	795824	143224
Pregnant Women	115921	249030	159149	38883
Lactating Mothers	162103	222043	150723	36302

3.3.11. Under the immunization programme the schedules is as under :—

Sr. No.	Immunization	Age Group
1.	DPT	0—1 Year
2.	Polio	0—1 Year
3.	BCC	0—1 Year
4.	Measels	9—15 Months
5.	DT	5—6 Years

The target of immunization are fixed to cover 100% children in 0-1 Year. The record of immunization is kept by the ANM at the sub-centre level. Anganwadi workers also keep the record of immunization but their record is sometime found incomplete because immunization services are given by ANM at AWC and also at her sub-centre and not by Anganwadi Workers.

(a) The para wise reply are given as under :—

The target and achievement under various head of immunization project wise is given at appendix—II. However its summary is given below:—

IMMUNIZATION

1986-87			1987-88			1988-89			
T	A	%	T	A	%	T	A	%	
1	2	3	4	5	6	7	8	9	10
BCG	1 06	1 19	112	1.15	1.30	132	2 19	2 01	92
DPT	1 06	1.14	107	1 15	1.53	133	2 19	2 08	94
Polio	1.06	1 12	105	1.15	1.60	133	2 19	2.07	94
TT	1.06	0.53	55	1 27	0.95	75	2.30	1.52	72

1989-90			1990-91			1991-92			as on 30-6-92		
T	A	%	T	A	%	T	A	%	T	A	%
11	12	13	14	15	16	17	18	19	20	21	22
2.18	2.49	114	1.99	2 34	117	2 24	2 52	112	0.66	0.59	89
2 18	2 13	95	1 99	2.01	101	2.24	2 30	102	0 66	0 57	88
2 19	2 11	97	1 99	2 01	101	2 24	2 32	103	0.66	0 60	92
2.41	1.83	75	2.12	1 63	77	2.42	2 05	84	7 09	0 50	71

(b) The deficiency in the coverage of TT mothers immunization is general problem in the country because of the ignorance in the rural communities about the TT mother immunization. But still in Haryana the coverage is comparatively better than in other States. As regards maintaining of record of first and second dose it is stated that every project is

supplying information in the monthly monitoring report. Had this record not been maintained in the field, the monthly reporting would not been possible

- (c) The deptt. does not agree that 1.25 lakh children were to be given DT immunization and the shortfall was reported to the extent of 62%. The achievement of DT are given as under :—

1985-86			1986-87			1987-88			1988-89			1989-90			1990-91		
T	A	%	T	A	%	T	A	%	T	A	%	T	A	%	T	A	%
3.00	2.94	98	3.00	3.44	115	3.25	3.94	115	3.86	3.59	93	3.64	3.75	103	3.74	3.63	97

The deptt. also does not agree with the observation that DT immunization was not given in Ladwa project during 1984-85. The figures for this project are given below:—

	3—5 Years	6—9 Year	Total
I.	2848	1192	4040
II	2661	1127	3788
Booster	47	19	66

- (d) As regard BCG the targets and achievements the performance during 1991-92 was 112%.
- (e) The achievement of TT mothers during 1991-92 was 84.5% against the target
- (f) The target of distribution of Vitamin 'A' solution is fixed by the Govt of India and the supply of this solution is also made by Central Govt. The achievement from 1985-86 to 1990-91 are given below :—

1985-86			1986-87			1987-88			1988-89			1989-90			1990-91		
T	A	%	T	A	%	T	A	%	T	A	%	T	A	%	T	A	%
6.00	3.70	62	7.00	6.52	93	7.00	12.8	183	7.00	9.28	133	7.00	5.06	81	5.62	6.09	124

All efforts are made to ensure regular supply of syrup in the field But it all depends upon the regular supply of vitamin 'A' syrup by Govt. of India. There is no problem of coordination between ICDS and health staff in this matter.

3.3.12. (a) The medical care services to mothers and children are provided at village, sub centres, modified PHC, old PHC and community health centres for rural areas and in local hospital in urban area. The parents of the sick children and guardian of the mother who need detailed examination and specialised medical care are referred to visit community health centres and near by hospital. But people visit these institutions and other clinics at the time according to their own convenience and individual family circumstances. Most of the people do not report back at AWCs and sub centres after obtaining these services. Hence, it is not possible to keep a record of all referral services of the beneficiaries. However, all the civil surgeons and MO's in the PHC's have been given clear instructions that the referred cases should be given all the available medicines etc from the hospital.

(b) Women were referred for specialised treatment during 1984-88. For example 356 women were referred during this period from Ladwa project & 61 women from Radaur.

(c) As stated in para 'A' all the children and women who needed detailed medical examination and specialised medical care are referred to visit community health centres and nearby hospitals. But people visit these institution or other clinic at the time according to their own convenience and individual family circumstances. Most of the people do not report back after hospitalization. So upto date record of referral services is not available at all the anganwadi centres and sub centres. Further it may be added that the 1857 children not hospitalised may not have needed hospitalization.

3.3.13 The FLAW scheme has been transferred to Education Department on 1-1-85 alongwith records.

3.3.14. The Govt of Haryana has now provided safe drinking water facilities to all the villages in Haryana. In the State Level Coordination Committee meeting held on 30-7-92, it was decided that Tap will be provided in the Anganwadi Centres which are running in public building in the first phase.

3.3.15 (a) (i) There is no such provision/guide lines for holding village and ward level Camps under the scheme. However, monthly, village level meetings are being organised by Anganwadi workers in which various issues regarding smooth functioning of the scheme are discussed.

(ii) These Mahila Mandals are now under the aegis of the women & child Development Deptt. and a better coordination is now anticipated.

2. The reasons for not holding film shows in the projects was due to non-availability of film slides and trained personnel.

for operation of projector which were also to be supplied by UNICEF for which the matter has also been taken up with them.

3. The activities relating to mass media publicity were organised at different levels i. e. State/Distt./ Village. The discussions are held every month in which CMO at Distt. level or MO at blocks level also participates. Mahila Mandals in the village are also involved in the above activities. As far as reporting is concerned, Annual Administrative report & monthly progress report are being sent to Govt of India.

A regular Radio Programme is being broadcast every Wednesday at 12.30 P.M. which is a major source of mass media publicity. Recently Govt. of India has also approved Pre-School non-formal programme titled "CHEER" for wide publicity of the scheme through AIR, Rohtak.

(b) Idle machinery and unserviceable equipment

1. The film projectors are lying idle due to trained personnel in the projects. Most of the cycles are serviceable and action has been taken to redistribute and use them in project where they are needed. Sewing Machines will be used for extension programme of the Directorate. Rest of the items are being used.

Suitable instructions have already been issued to the field staff for the proper utilisation of the equipment being supplied by UNICEF from time to time.

3.3.16. As per Govt. of Haryana notification in May, 1987 State/Distt./Sub-divisional and village level coordination committees under the Integrated Child Development Services Scheme were constituted and ever since these committees are meeting regularly. The latest State level coordination Committee meeting was held on 30-7-92 under the Chairmanship of the Minister, Social Welfare.

The Committee do not feel satisfied with the reply of the department that the shortfall in the achievement of target was due to mothers taking their children to fields. During the course of oral evidence the departmental representative also admitted that certain failures were there in achieving the targets and assured the Committee that such shortcomings would shortly be removed by imparting training to field staff and educating the mothers. The Committee recommend that vigorous efforts be made to publicise all the schemes amongst the people and the programme of all projects be implemented in letter and spirit.

The Committee also feel that all the eligible children and women were not actually provided with supplementary nutrition. The committee would like to invite attention to the observation contained in para 25 of its 28th report and recommend that the officers of the department should promptly

visit the Anganwadis and other centres and record their remarks on all aspects in the 'Inspection Book' and action should be taken against the negligent officials and they should also ensure that no sub-standard food items be served to Children and Women in the Anganwadis.

The Committee further do not feel satisfied with the reply of the department in regard to idle machinery and un-serviceable equipments and observe that the field staff was not serious to use the equipments.

The Committee desired a detailed report in the matter and the departmental representative assured the Committee that the desired information would be supplied within one month but wanted information was not supplied till the drafting of this report.

The Committee would like to know the name of project/blocks where the sewing machines, film projectors are lying at present together with the names of blocks where the films projectors were operated and moped/motor cycles were redistributed.

The Committee desire that strict action be taken against the negligent officials for not using the above stated equipments and strongly recommend that there should be a proper utilisation of the equipments supplied in future.

The Committee desire that a compliance report on the above directions be sent to them within three months.

[11] 3.4. *Rescue Homes, Rehabilitation Centres and other similar Institutions*

3.4.1. Introduction

The Social Welfare Department is running 11 institutions in the State for the welfare of children, women, the aged and infirm. Boarding, lodging, education, medical treatment and facilities for vocational training to the inmates were ordinarily provided free of cost in these institutions.

3.4.2. Organisational set up

The Director of Social Welfare is in overall charge of implementation of the various schemes. Their execution in the field is directly under the control of superintendents of the institutions concerned.

3.4.3. Audit coverage

Mention was made in paragraphs 3.2.14 and 3.2.20 of the Report of the Comptroller and Auditor General of India for 1983-84

(Civil), Government of Haryana, about the performance of 4 institutions namely (i) the Mahila Ashram Karnal, (ii) Mahila Ashram Rohtak, (iii) Kasturba Sewa Sadan Faridabad and (iv) the State After Care Home for Girls Karnal. In furtherance to the points mentioned therein, a test-check (June-July 1988) of the various welfare activities undertaken during 1983-84 to 1987-88 was conducted with reference to the records of the department and of the various institutions at Karnal, Madhuban, Panipat, Sonipat, Rohtak and Faridabad.

3.4.7. Women Welfare

(a) Mahila Ashram, Karnal

(i) Non-recovery of maintenance and lodging charges of Rs. 2.70 lakhs

As per the scheme, unmarried as well as married sons having fixed income are required to contribute half of the salary exceeding Rs 150 and Rs. 200 respectively for the maintenance of their parents housed in the Ashram. Beneficiaries whose sons are working as hawkers, rickshaw pullers and labourers are also to contribute at the rate of Rs 40 per month for the maintenance of their parents housed in the Ashram. Scrutiny of survey reports dated 29th July, 1984 showing financial position of each family revealed that sons married as well as unmarried belonging to 44 beneficiaries though employed did not contribute anything towards the maintenance cost of their parents housed in the Ashram. This led to non-recovery of Rs 1.42 lakhs for the period 1984-85 to 1987-88.

Earning sons of beneficiaries are not allowed to stay in the Home. In case, such a son stays there, he has to pay Rs 40 per month. No action to recover lodging charges amounting to Rs. 1.28 lakhs for the period 1984-85 to 1987-88 from 62 to 68 such inmates, was taken by the department.

(ii) Extra Expenditure

As per the scheme, an expenditure of one rupee per capita on the consumption of electricity and water each month was fixed in 1972. In Mahila Ashram, Karnal and Rohtak, an expenditure of Rs. 2.47 lakhs was incurred on electricity and water charges during 1984-85 to 1987-88 against the amount of Rs 0.13 lakh as per norms.

In this context, it was noticed that the Superintendent Mahila Ashram, Karnal, had intimated to the local electricity authorities (December, 1984) that the inmates had installed televisions and refrigerators in their rooms in violation of the provisions of the

scheme No action had been taken by the department to control excessive consumption of electricity though the matter had been reported by the Superintendent, to the Director, Social Welfare Department, in December 1984

(b) Mahila Ashram, Rohtak

Idle machines

One cloth cutting machine and one button hole machine costing Rs 0.54 lakh were purchased in March 1984 for manufacturing ready made garments and handicrafts. A test-check of the records of Mahila Ashram, Rohtak, revealed that these machines were not put to use since the date of their purchase. Reasons for non-utilisation of the machines have not been intimated (January 1989).

(c) State After Care Home for Girls, Karnal

The State After Care Home for Girls was set up in 1982 at Karnal with a view to providing institutional care, protection, social security, maintenance, education and training to such of the girls as had no means of subsistence or had been rescued from moral danger or were exposed to moral danger so that they may become self reliant and useful members of the society.

As per provisions of the scheme, girls both literate and illiterate were to be imparted education during their stay in the Home. The expenditure on school fee, books and stationery, school uniform, food, tools and equipments was to be met by Government. Scrutiny of records revealed that no girl was imparted any education reportedly due to the non-availability of the security guards and hence the purpose for which the scheme was launched, was partly not achieved.

In their written reply, the Department state as under :—

The Govt. is satisfied with the functioning of these institutions. These institutions are rendering very useful service in the field of social work. The institution wise detailed information may be seen as under :—

1 & 2 Special School and observation Home for Children, Sonipat

	Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept, 1992
(a)	50	7	25	2
(b)	—	—	25	23

The Home has been recognised under section 10 of J.J. Act, 1986, where delinquent juveniles convicted by courts are provided facilities of free education, boarding, lodging medical treatment. At present Rs. 250 P.M. is being spent for the maintenance of inmates of this Home.

2. The Home has been recognised under section 9 of J. J. Act, where Juveniles during the pending of any enquiry regarding them in Juvenile courts are provided facilities of boarding lodging, education etc.

3. To ensure maximum utilisation of the Institutions the Registrar, Punjab & Haryana High Court has been requested vide Office letter dated 25-8-92 to direct their subordinate, judicial officers to follow to the provisions of the Act and send under trial/delinquent juveniles to Observation Home/Special School, Sonipat. Similarly DGP., Haryana, All SSPs of the State & all Distt. Session Judges have been requested demi officially vide D.O. letter dated 1-9-92 to direct their officers/officials to follow the provisions of Act & send undertrial/delinquent Juveniles to observation Home/Special School, Sonipat.

3. State After Care Home, Sonipat

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
50	35	50	6

The Home has been notified under section 12 & 62(2) (g) of J. J. Act, 1986 where Juveniles discharged from Juvenile Home & Special Home are provided above mentioned facilities. So we cannot guarantee the full utilization of capacity in this institution. At present Rs. 250 P.M. is being spent for the maintenance of each inmate in this home

Gas connection have been obtained for the cooking of meals for inmates.

4. State After Care Home Girls, Karnal

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
25	—	25	21

Women of 12 to 40 years discharged from correctional & non-correctional institutions rescued from moral danger & having no

source of subsistence are admitted and provided necessary facilities of boarding, lodging, clothing etc

All S.Ps., D.Cs., in the State & Registrar, Punjab & Haryana High Court have been requested demi officially to direct their officials/officers to refer such women to the Home.

5. Mahila Ashram, Karnal

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
200	—	125	83/158

Destitute women (18 to 45 years) are admitted.

6. Mahila Asharam, Rohtak

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
128	—	116	58/175

7. Kasturba Sewa Sadan, Faridabad

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
183	—	43F	36/104

Destitute Women (18 to 45 yrs) are admitted and provided free accomodation, medical facilities & Rs. 175 per member as maintenance charges/clothing allowance.

Advertisement was got published in leading news papers to ensure full utilization of these homes.

All DCs/Distt. Social Welfare Officer have been requested to refer eligible cases for admission to these homes In every meeting they have been persuaded.

8. Home for Aged and Infirm, Madhuban

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
100	46	100	30

Men of the age of 65 years and above and women of the Age of 60 years and above having no means of livelihood and not in a position to support themselves/are provided boarding, lodging; medical aid etc free of cost

Advertisement regarding this Home was got published in leading Newspapers in March, 92. Besides all Distt. Social Welfare Officers were directed on 20-3-92 to guide eligible cases for admission in the Home and forward their application on prescribed proforma to this office. At present Rs. 250 P.M is being spent for the maintenance of inmates of this home

9. Certified Institution for Beggars, Panipat

Capacity During 1980-81	Actual Strength 1980-81	Capacity During 1991-92	Present Strength Sept., 1992
100	2	100	—

As there has been no beggar in the Home since Oct, 1989, the scheme has been discontinued from 1-4-92.

10. Govt. Institute for the Blind, Panipat

In Govt. Institute for the Blind Panipat there is a blind school upto 10th class. This Institution provides the education to the blind students through braille system. Vocational training is also imparted to the blind students, such as chalk making candle making, canning and music, since 1974-75 to 1987-88 against the total strength of inmates/students in G.I.B Panipat. The actual intake was between 45% to 67%, during all these years. All the blind students are provided the facility of free Boarding and Lodging in the institute

11. Training Centre for Adult Blind, Sonipat

In this institution visually handicapped persons in the age group of 18 years to 45 years are admitted for three years. These students are imparted three year training of canning, candle making, weaving, chalk making and music, during this period all the adult visually handicapped persons are provided the facility of free boarding & lodging. After completion of 3 years training they are also allowed to work in the production unit for which they are paid wages, during this period they are also provided the same facilities as the regular trainee.

* * * * *

(a) The Deptt. agrees with the observation of P.A.C. i.e. the amount of Rs 2.70 lakh is to be recovered from the inmates of

Mahila Ashram, Karnal from those inmates who have been migrated from time to time from East Pakistan (Now Bangla Desh) during 1968-69. As per provision of the Govt. Rules the earning member of the beneficiaries are not allowed to stay in the Home. In case such members stays then he has to pay Rs 40 P.M. But this amount could not be recouped from them as Bengali families of this institution are creating problem in the institution. This matter has been referred many a times to Govt of India and State Govt and it was decided in the year 1982-83 that constructed houses will be built and they will be given possession of those houses. The land has been taken in Sector 16, Karnal and proposals for construction of houses is under active consideration. They are not ready to pay graded cut imposed on them at any cost.

(ii) The expenditure on the electricity & water charges during the period under review have been on the basis of actual consumption as billed by the electricity deptt. The ceiling of one rupee per capita fixed in 1972 became quite insufficient, when the rate of electricity continued to rise from time to time.

(b) The building of Mahila Ashram, Rohtak were declared unsafe by the authorities and action to construct was initiated. As a result construction of Mahila Ashram, Rohtak was started in 1985 and completed recently. Thus the machines could not be utilised so far.

(c) (1) It is not a fact that for want of security guards facilities the education was not provided to the inmates. The Deptt had made arrangement for imparting necessary education to this category of inmates in the Ashram itself. For this purpose teacher-cum-supervisor was appointed w.e.f 20-4-89 and such inmates were being provided formal education without break.

(2) Women/girls admitted to the institution are being imparted education according to their capabilities.

The Committee desire that the amount of Rs. 250 for the maintenance of each inmate should be increased to Rs. 300 and the amount of Rs. 175 as maintenance charges to destitute women should also be increased to Rs. 250 per month in view of the higher prices index.

During the course of oral examination the Committee was informed that 54 Bengali Families are residing in Mahila Ashram, Karnal in an unauthorised way. As per rules laid down by the Govt. they should have vacated these houses in 1981, at that time they were capable of earning their livelihood and having grown up children and being economically independent.

The Committee, therefore, recommend that the Department should initiate immediate necessary action to get the premises of Mahila Ashram, Karnal vacated from these families so that more needy and deserving widows and destitute could be accommodated in the centre.

The Committee desire that the steps taken in this behalf and progress made be intimated to the Committee within three months.

[12] 3.5. *National Project on the demonstration of Improved Chulhas*

3.5.1. Introduction

A National Project on the demonstration of Improved chulhas (wood stoves) to be implemented throughout the country as a Central Sector scheme was launched by Government of India in December 1983. The project was designed as a programme for women and by women so that they themselves became pioneers of change for mitigating their drudgery and health hazards by the use of improved chulhas.

The programme provides for the following assistance ;

- (i) Subsidy to the beneficiaries,
- (ii) A supervisory fee of Rs. 5 for the construction and installation of each chulha to a trained worker.
- (iii) Grants-in-aid for organising training of trainees and demonstration courses at different levels for various functionaries.
- (iv) Grants-in-aid to the implementing agencies for core-organisational support and technical back-up support.
- (v) Grants-in-aid for extending awareness and publicity programmes.

The programme was initially introduced in two blocks (Raipur Rani and Palwal) during 1983-84 and was extended to the entire State in 1984-85 with 100 per cent Central assistance.

3.5.2. Organisational set up

The overall implementation of the project is with the Director, Women Programme, Development and Panchayat Department, while at the district and block level the programme is executed by the Additional Deputy Commissioner and Lady Circle Supervisors and Block Development and Panchayat Officers (BDPOs).

3.5.3. Audit coverage

At State level, the records for the period 1983-84 to 1987-88 of the Director, Women Programme, Development and Panchayat Department, and at the district level, records of 3 districts (Faridabad, Karnal and Ambala) comprising 24 blocks and three Additional Deputy Commissioners and Lady Circle Supervisors and Chulha Supervisors were test checked during January 1988 to April 1988.

3.5.4. Highlights

—The subsidy claimed by the State Government from Government of India included wrongly an unspent balance of Rs. 21.19 lakhs. (paragraph 3.5.5.1)

—Rs. 1.08 lakhs were spent on activities not approved under the project (paragraph 3.5.5.2).

—Funds amounting to Rs. 69.76 lakhs were allocated during 1983-84 on adhoc basis to 24 blocks which drew the amount in advance of requirement in contravention of financial rules and unauthorisedly deposited the amount in banks, post offices or in the personal ledger accounts of the panchayat samities. (paragraph 3.5.5.3).

—The project was implemented without any survey to find out the fuel scarce areas in the State. (paragraph 3.5.7(i))

—Expenditure of Rs. 59.22 lakhs on 2,56,120 damper sets was rendered wasteful due to a defective design of the Nanda Model of chulhas adopted in the State. (paragraph 3.5.7(v)).

—Rs. 6.20 lakhs spent on training went waste due to non-involvement of 5436 trained workers in the construction of chulhas. (paragraph 3.5.8.).

—There was no system of feedback to the department to assess the success and impact of the programme as envisaged under the project. (paragraph 3.5.10).

These points are discussed in detail in the succeeding paragraphs.

3.5.5. Budget provision and expenditure

Year-wise details of budget provision, expenditure incurred, Central assistance claimed and assistance actually received during 1983-84 to 1987-88 were as follows

Year	Budget provision	Expenditure incurred	Central assistance claimed	Central assistance received
(In lakhs of rupees)				
1983-84	3 86	1 80	1 80	1 80
1984-85	69 75	68 75	68.75	68 75
1985-86	69.75	69 13	69 13	73 25
1986-87	41.80	38.69	38 69	41.88
1987-88	32.20	27.81	27.81	41.00
	217 36	206.18	206.18	226.68

3.5.5.1. The saving of Rs. 11.18 lakhs was attributed by the department to the belated start of the project in 1983-84 (Rs. 2.06 lakhs), non-implementation of the scheme in blocks of Mohindergarh district in 1984-85 (Rs. 1.00 lakh) and savings after the completion of the targets during 1985-86 to 1987-88 (Rs. 8.12 lakhs).

It was noticed that the consolidated statement of expenditure and utilisation certificates for Rs. 206.18 lakhs furnished to Government of India to claim subsidy wrongly included an unspent balance of Rs. 21.19 lakhs (1983-84: Rs. 1.64 lakhs; 1984-85: Rs. 2.61 lakhs; 1985-86: Rs. 3.99 lakhs; 1986-87: Rs. 3.55 lakhs and 1987-88 : Rs. 9.40 lakhs). The unspent balances were carried forward and spent by the department in the succeeding years without approval of Government of India.

The main components of the projects were (i) salary of the staff at Headquarters, (ii) cost of construction of chulhas, and (iii) expenses on training courses.

Records showing componentwise expenditure were not maintained by the department.

3.5.5.2. Diversion of funds for activities not approved under the project

Funds amounting to Rs. 1.08 lakhs were diverted from the scheme during 1984-85 to 1987-88 without the approval of Government of India and utilized by Block Development and Panchayat Officers and the Principal, State Community Development Training Centre, Nilokheri, on activities (construction of shed, organising seminars, hospitality photos and sign boards) not covered under the scheme

3.5.5.3. The State Government allocated Rs. 69.76 lakhs on adhoc basis to 24 Block Development and Panchayat Officers of 3 districts (Faridabad : Rs. 13.84 lakhs; Karnal : Rs. 25.54 lakhs and Ambala : Rs. 30.38 lakhs) during 1983-84 to 1987-88 who drew the amount in advance of requirement from the treasury and unauthorisedly deposited the whole money in their accounts in the banks and post offices or in the personal ledger accounts of the Panchayat Samities.

3.5.6. Physical targets and achievements

The physical targets and achievements in imparting training and constructing chulhas during 1983-84 to 1987-88 were as

follows :

Period	Training courses organised		Rural women trained		Improved chulhas constructed		Smokeless villages created	
(Figures in numbers)								
	T	A	T	A	T	A	T	A
1983-84	12	12	240	237	2400	2400	12	12
1984-85	250	497	5000	9590	40000	84300	250	194
1985-86	2000	183	4000	3500	103000	107549	550	296
1986-87	140	145	2800	3312	58400	61871	160	7
1987-88	100	112	2000	2043	66000	68472	Nil	Nil

3.5.6.1. The shortfall during 1985-86 was explained by department (February 1988) as follows :—

Training Courses : The raw material for improved chulhas was purchased through rate contract. It took 9 months to complete the formalities.

Trainees: The rural Women were not available.

Smokeless villages : Some of the blocks failed to complete their targets and some blocks requested carry forward of their savings to the next financial year.

3.5.6.2. Inflated achievements

Initially the project was started in 2 blocks, namely Raipur Rani (Ambala) and Palwal (Faridabad) during 1983-84. A test-check of the records of these blocks disclosed that in Raipur Rani block only one training camp was organised during March 1984 in which 23 women were trained and 45 chulhas were constructed. In Palwal block, no physical activity was started upto 31st March 1984.

The figures of achievements (Training courses—12, rural women trained—237, improved chulhas constructed—2400 and smokeless villages created—12) as reported to Government of India in May 1984 were not based on records maintained in the blocks. Government stated (September 1988) that the records of the Block Development and Panchayat Officers concerned, will be verified and position intimated to Audit. Further developments have not been intimated (October 1988).

3.5.7. Construction and installation of Chulhas

The following points were noticed in a test-check of the records for construction and installation of chulhas .—

- (i) Implementing agencies were, required to split the overall targets assigned to them region-wise giving preference to the fuel scarce areas. It was, however, seen that targets were fixed for the field implementing agencies by the Directorate notionally without undertaking any preliminary survey to find out the fuel scarce areas in the State.
- (ii) Instructions were also issued (November 1984) to the BDOs that the gram sevikas should verify all the chulhas claimed as having been constructed in the villages, the mukhya sevikas should inspect at least 50 per cent of the total chulhas of the blocks and the lady circle supervisors should conduct physical verification of at least 10 per cent of the chulhas in their respective circles. But no such physical verifications and inspections were carried out by the field staff. The Block Development and Panchayat Officers stated that these instructions will be followed by the field staff in future.
- (iii) As per instructions for the year 1987-88, the beneficiaries were required to contribute Rs. 10 per chulha (Rs. 5 as supervisory fee which was to be paid to the trained worker and Rs. 5 towards material cost which was to be deposited into the block office for adjustment towards cost of chulhas). It was, however, seen that the material cost of 8218 chulhas amounting to Rs. 0.41 lakh had been outstanding (April 1988) against the beneficiaries since 1987-88 as it had not been collected by the field officers at the time of installation of chulhas. The BDOs stated (March 1988) that the amount will be recovered. Government stated (September 1988) that the proposal of the State Government to exempt the contribution due to drought in the State, had not been considered by Government of India.
- (iv) The scheme envisaged that the model of chulhas which will be taken up for implementation by different agencies should take into consideration all social, economic, cultural and traditional preference of local people. The Nada Model of chulhas with damper sets was adopted for construction in the State. During 1983-84 to 1986-87, 256120 chulhas were constructed with damper sets wherein 256120 damper sets valuing Rs. 59.22 lakhs were fixed. It was however, observed by State Government in November 1987 that damper sets of Nada Model were not useful because the hands got burnt while cooking food. Therefore, the damper sets of this model were removed by the beneficiaries; some beneficiaries even broke their chulhas due to excessive consumption of the fuel. Keeping in view the above defects of the Nada Model chulha, a damperless design was introduced by Government in 1987-88.

Thus due to the defective design of Nada Model of chulha adopted for installation in the State, expenditure of Rs 59.22 lakhs incurred on the damper sets fitted in such chulhas upto 1986-87 was rendered wasteful.

3.5.8 Training courses

Against the total 6648 trained workers, only 1212 trained workers were involved in the construction of chulhas, and thus the expenditure of Rs 6.20 lakhs incurred on the training of 5436 workers was rendered unfruitful. Non-involvement of all the trained workers in the construction of chulhas was attributed by the BDOs to the trainees having become disinterested after receiving training due to the poor incentive of Rs 5 for constructing a chulha.

3.5.9 Smokeless villages

As per instructions, the village covered on a 100 per cent basis by the scheme was to be called a smokeless village. During check of records of the 24 test-checked blocks, it was seen that 437 villages (Karnal 77; Faridabad 38 and Ambala 322) were reported by the BDOs as "Smokeless village" through progress reports during 1983-84 to 1987-88. By comparing the number of families as per house tax register of 185 villages (Ambala 102, Karnal 52 and Faridabad 31) with the number of chulhas actually installed in the villages, it was noticed in audit (March 1988) that against 29207 families (Karnal 9825, Ambala 14145 and Faridabad 5237) only 20810 chulhas (Karnal 7310, Ambala 9580 and Faridabad 3920) were installed leaving 8397 families (Karnal 2515, Ambala 4565 and Faridabad 1317) uncovered under the project. Thus, these villages were wrongly shown as "Smokeless villages" by the BDOs. The BDOs stated that this will be guarded against in future.

3.5.10. Monitoring, review and evaluation

(a) The scheme envisaged that for successful implementation of the project the state Government will set up a co-ordination committee to review and monitor the quarterly and monthly progress of the project both at the state and district level under the chairmanship of head of the Administrative Department and District Magistrate. In May 1987, Government of India again emphasised the need to set up the co-ordination committees. The co-ordination committees at the State level was, however, constituted as late as in June 1987; but no meeting had taken place (April 1988). All the Deputy Commissioners of the State were also asked (July 1987) by Government to set up co-ordination committees under the chairmanship of the District Magistrate with the norm of one monthly meeting. The co-ordination committees at the district level have not been set up so far (April 1988).

(b) One technical back up support unit was also set up at the Energy Research Centre, Panjab University, (July 1984) to carry out research and development training and extension, technical survey and analysis, monitoring and feedback, investigation and planning, creating awareness and publicity, field testing evaluation and other such related activities. Its main functions were to monitor and review the physical progress and performance of the chulhas and evaluate

the impact of the programme on different classes of beneficiaries. According to some feedback surveys and studies of 1723 chulhas undertaken by the technical back up unit at the Energy Research Centre Panjab University during February to April 1986, October to December 1987 and April 1987 to February 1988, 703 beneficiaries (41 per cent) were not satisfied as the chulhas were found in a broken condition, were not constructed properly and did not contain baffle plates. Lack of proper guidance, was also one of the reasons for dissatisfaction.

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

3.5.1. Introduction

The objectives of the scheme were to mitigate the drudgery and health hazards of women and also helping afforestation, fuel saving and health hazards of women and also helping afforestation, fuel saving environmental upgradation. In the first instance, the scheme was introduced as demonstration in two blocks viz. Raipur Rani and Palwal in the State in December, 1983 by allocating Rs 1.80 lacs. In 1984-85 the scheme was extended to 24 blocks and thereafter the whole State was covered under this scheme.

The objectives of the programme have been achieved fully as is evident from the chart given below which indicates the targets fixed and achievements gained/smokeless chulhas installed :—

Year	Targets for installation of chulhas	Achievements
1983-84	2400	45
1984-85	40000	83954
1985-86	102000	109583
1986-87	58400	61572
1987-88	66000	68094
1988-89	50000	78910
1989-90	60000	82339
1990-91	60000	77215

The Government is satisfied with the achievements. It is pertinent to mention here that the achievement of the State had been excellent and the State was given National Award during the Year 1984-85 and shields for commendable execution of scheme were awarded for the years 1988-89 and 1989-90.

3.5.5 Budget Provision and expenditure

1. The position of Budget provision and expenditure during the

year 1988-89 to date is as under :—

Year	Budget provision (Rs. in lacs)	Expenditure (Rs. in lacs)
1988-89	31.89	29.22
1989-90	39.23	37.39
1990-91	43.83	42.07

2. The information regarding Rs. 21.19 lacs unspent balances was based on the information supplied by field officers. However, on further checking of the accounts it has been found that the amount of unspent balance at the end of 1987-88 after refunding the amount of Rs. 3.42 lacs works out to Rs. 6.64 lacs. Further the overall position of net unspent balances after refunding the amount of Rs. 2.59 lacs during the year 1988-89, 1989-90 and 1990-91 comes to Rs. 6.37 lacs as on 31.3.91 for which directions have been issued to the field officers to refund the unspent balances in the treasury.

The details of balance of Rs. 6.64 lacs and net overall balance of Rs. 6.37 lacs are tabulated below :—

Year	Opening balance	Amount drawn	Actual Expenditure	Balance	Amount deposited into Treasury	Net balance unspent
(figures in lacs)						
1983-84	—	1.80	0.16	1.64	—	1.64
1984-85	1.64	66.99	64.75	3.88	—	3.88
1985-86	3.88	69.57	67.43	6.02	0.32	5.70
1986-87	5.70	42.52	43.30	4.92	1.71	3.21
1987-88	3.21	33.04	28.22	8.03	1.39	6.64
1988-89	6.64	27.60	29.22	5.02	0.82	4.20
1989-90	4.20	39.50	37.39	6.31	0.78	5.53
1990-91	5.53	43.90	42.07	7.36	0.99	6.37

As regards carrying forward of the unspent balances in the succeeding years it may be stated that approval of the State Government was obtained in respect of the years 1986-87 and 1987-88. However,

it will be ensured that such expenditure will be incurred after obtaining necessary approval from the Government of India.

3. Component wise expenditure on the project during the years 1983-84 to 1990-91 has been as under :—

Year	Scheme	Establishment	Total Expenditure
1983-84	16,595.30	—	16,595 30
1984-85	64,75,175 83	—	64,75,175 83
1985-86	67,15,050 37	27,887 09	67,42,937.46
1986-87	42,65,908 88	63,630 58	43,29,539.46
1987-88	27,23,947.10	98,112 71	28,22,059 81
1988-89	27,66,418.64	1,55,400 00	29,21,818 64
1989-90	34,07,233 98	3,32,257 00	37,39,490 98
1990-91	39,74,307 36	2,32,710.00	42,07,017 36

3.5.5.2

No doubt the expenditure of Rs 1.08 lacs was not covered under the scheme but the same was indirectly incidental to the implementation of the scheme. This works out to 0.5% as compared to total expenditure of Rs. 203.86 lacs incurred on the scheme from the year 1983-84 to 1987-88. However, in view of the observations of audit, the Government of India have already been approached for granting ex-post-facto approval vide letter dated 22.6.89 followed by reminders, the last reminder issued on 11-5-92.

3.5.5.3.

The amount of allocation has been drawn in advance pressed by the circumstances. No independent staff for maintenance of accounts of chulhas scheme had been sanctioned and the Accountants posted in blocks had been assigned this additional burden. Piece meal drawal of amount means more and more work. This even would have caused problems in reconciliation. This is not all, most of the blocks are situated at places where there are no treasuries/sub treasuries. Repeated visits to the treasuries would have led to additional burden in the shape of T.A/D.A etc. However, it is submitted that the amount drawn was never misutilised and kept in Banks/Post Offices. The amount was utilised within a short span of time. The amount of Rs. 69.76 lacs which actually remained in Banks etc. duly fetched interest of Rs 42,411.54 which has been deposited in Government treasuries.

3.5.6.

There has been shortfall in the training courses organised, rural women trained and smokeless villages created during the year 1985-86 as compared to the year 1984-85. The above shortfall is basically attributed due to availability of old trained persons in the year 1985-86 and this trend continued in the subsequent years. The shortfall in creation of smokeless villages is due to spreading of the scheme in more and big villages. Moreover, the targets for creation of smokeless villages unduly high. However, it is submitted that the achievement regarding construction of chulhas has been more than the targets.

3.5.6.2.

2. The requisite information regarding achievements was supplied by the Department on the basis of information received from Block Development and Panchayat Officers Raipur Ran and Palwal which later on proved incorrect. Appropriate action under the rules for incorrect reporting is being initiated against the delinquent officials.

3.5.7. Construction and installation of chulha.

In view of reply given against (iv) below, the expenditure of Rs. 59.22 lacs incurred on the Damper sets fitted in NADA Model of Chulhas was not wasteful.

(i) So far as splitting the targets region-wise giving preference to fuel scarce areas is concerned there was no need to under-take any preliminary survey as geographical conditions in the State are the same. The targets were allocated after consulting the field functionaries who were well aware with the local conditions.

(ii) So far as conducting physical verifications and inspections by Gram Sevikas/Mukhya Sevikas/Lady Circle Supervisors is concerned, it is stated that the field functionaries entrusted with the job of construction/installation of improved chulhas have been conducting physical verifications and inspections. But due to lack of knowledge they failed to send reports in this regard. Now the field staff has been directed to carry out physical verifications/maintain necessary record and send report to Government regularly.

(iii) It is admitted that contribution of Rs. 10 per chulha was required to be recovered from the beneficiaries by the field staff. But in some cases the recovery could not be effected, and when it came into the notice of the Government all the Block Development and Panchayat Officers in the State were directed vide letter No. 436-Art(H)-90/3133, dated 7-5-90 to recover all the dues within a month. It was the responsibility of the officials entrusted with the job of installation of chulhas to recover the beneficiaries share in advance of the installation of the chulhas and in case they failed to do so the outstanding dues will be recovered by fixing personal responsibility on the delinquent officials.

The scheme for improved chulhas was introduced in the year 1983-84. The Government of India approved model of NADA chulhas for introduction. The scheme was implemented in the right earnest and it proved truly effective for saving fuel and brought out the desired results. However, due to the conservative attitude of the village women folk, they got their hands burnt while using damper sets. In spite of efficient results, the draw back was basically not in the model but in its use which affected the scheme adversely. The village women folk found it easy to work without dampers although saving in fuel was less. The problem was also brought to the notice of Government of India and the Government of India after a period of 3 years introduced Abhinav Model of damperless chulhas. Thus, in the existing circumstances, the NADA model was quite efficient one and the expenditure of Rs 59.22 lacs incurred during the period of use of NADA model can't be said to be wasteful.

3.5.8.

(1 and 2)

The very purpose of the scheme was two fold (i) to create awareness and (ii) to impart training to workers for self employment. The training has served both the purposes. It has duly created awareness among the rural folk for adoption of improved chulhas as a result of which the State has already been achieving its target. It has simultaneously provided self employment to trained workers. The trained workers, however, restricted their activities in their own villages as beyond that limit meagre payment of Rs. 5.10 per chulha proved to be unremunerative for them, necessitating higher number of trained persons. The targets were fully achieved and as such it cannot be said that the amount of Rs 6.20 lakhs incurred on the training was rendered un-fruitful.

3.5.9. Smokeless Villages

In the meeting of the Nodal Implementing Agencies held on 23-5-88 at New Delhi to review the performance in respect of National Programme of Improved Chulha it was decided that villages covered with 75 to 80% of house-holds with chulhas/biogas should be declared as Smokeless villages. As accepted by Accountant General, 20810 families out of 29207 families have been covered with smokeless chulhas which works out to 71.25%. In addition to smokeless chulhas, a number of villages have got bio-gas facilities and Nutan Stoves. Taking a coverage of 4% through bio gas and Nutan Stoves, the total coverage works out above 75% which fully ful-fills the above norms and hence the information of 437 villages shown as Smokeless Villages cannot be said to be inflated one.

3.5.10. Monitoring, review and evaluation

(1 and 2)

It is accepted that there is delay in constitution of State

Level Coordination Committee to review and monitor the monthly Progress of Improved Chulhas. It is further accepted that no District level Committees have been constituted. However, it is submitted that non-constitution of Committees, in no way, adversely affected the implementation of the scheme as at District level the review of the scheme has always been conducted by Deputy Commissioners in their monthly meetings. Similarly at the State level the progress in implementation of the scheme has always been reviewed by the Commissioner & Secretary to Government Haryana, Development & Panchayat Department from time to time in the meetings of District Development & Panchayat Officers and by Director Women Programme as well in the monthly meetings of Lady Circle Supervisors. Here it is submitted that the State has not only achieved its targets every year rather earned "NATIONAL AWARD during the year 1984-85 and SHIELDS FOR COMMENDABLE EXECUTION of scheme for the year 1988-89 and 1989-90.

(b) A survey was carried out by Technical Backup Unit of Punjab University to assess the utility of smokeless chulhas and its observations are contained in its report for the year 1989. The unit inspected 4 villages in Ratia Block and inspected 182 chulhas out of 460 and found 8 chulhas non-working and 28 broken. A similar survey was conducted by the Technical Backup Unit in Pehowa block of Kurukshetra District in April, 1990 to October, 1990 and its results are also similar to the above. All this proves that proper guidance was imparted to the beneficiaries.

The Committee is not satisfied with the results of programme achieved by the department and it requires to be made more popular amongst the women in rural areas through publicity and by educating them about the benefits of installation of improved chulhas through home visits and imparting proper guidance to the beneficiaries by the field functionaries of the department and they should re-contact the beneficiaries regularly to ensure the proper performance of chulhas.

The Committee also desire that this cell may be suitably strengthened by providing additional manpower on regular basis so that desired results of the scheme be achieved in letter and spirit.

The Committee also recommend that frequent visits be made by the Director of this programme with a view to inspect the improved chulhas and to implement this scheme properly. Regular conferences at Block level be held for monitoring this Scheme. The Committee further recommend that the scheme should be introduced in all the blocks to cover the entire state under this scheme.

The Committee also observed that the targets for imparting Training courses should be increased and it being an important programme should be started at district level and incentives to the trained worker should suitably be increased.

The Committee also desire that the departmental action against the officers/officials responsible for the supply of wrong figures of Rs. 21.19 lacs as unspent balances and wrong information regarding achievements in two blocks of Raipur Rani and Palwal be finalised within three months and action taken be intimated to the Committee accordingly.

The Committee also desire that a list of 437 villages shown as 'Smokeless Village' in Karnal, Faridabad and Ambala District be sent to the Committee within one month.

INDUSTRIES

[13] 6.6. *Non-utilization of loan*

(i) For the creation and extension of pre-loom and post-loom processing facilities at Panipat, a loan of Rs 65 lakhs was obtained during February and March 1985 by the State Government from Government of India. The loan carried interest at 7.5 per cent per annum and was repayable in 10 years. The scheme was to be executed by the Haryana State Handloom and Handicrafts Corporation, Chandigarh, to which the entire loan was transferred on the same terms in March 1985. The loan was not utilised by the Corporation (April 1988) because, according to the Corporation, the scheme had not yet been approved by the State Government. In the meantime, Rs. 32.58 lakhs (including Rs 13.08 lakhs as interest) covering 3 annual instalments were repaid by the Corporation upto April 1988; Government of India asked the State Government in November 1986 to refund the entire amount with interest owing to non-implementation of the scheme.

(ii) A similar loan of Rs 20 lakhs released by Government of India in 1980-81 and paid to the Corporation in April 1982 for setting up of a model dye house at Panipat was also lying unutilised (April 1988) because, according to the Corporation, the scheme for setting up of a dye house was not economically viable. The interest liability of the State Government on this loan came to Rs. 11.20 lakhs till March 1988 as no instalment of either principal or interest accruing due during 1981-82 to 1987-88 had been repaid to Government of India.

The matter was reported to Government in June 1987; reply has not been received (April 1989).

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

Project with financial lay out of Rs. 2 crores was submitted to Govt of India against which a sum of Rs. 65 lacs was released to meet the initial expenditure. Govt. of India also instructed that a Techno economic feasibility report and market survey be conducted through a recognised consultancy organisation before the implementation of the project. As directed by State Govt. M/s. Haricon, Sonipat were engaged as consultant.

As per the report of the Consultant, M/s Haricon, Sonipat setting up the project with 100% loan was not found economically viable. Later on, the matter was discussed at various levels in the Govt. as well as by the Board of the Corpn. to finalise various funding patterns and mode of implementation of the project. As per the terms

and conditions of the loan, the Corpn. has repaid Rs. 39 lacs as principle amount and 21,78,515.70 as interest as on 31-3-92. There is a balance of Rs. 26 lacs with the Corpn.

It was decided by State Govt. in Feb. 90 to create processing infrastructure facilities through weavers and exporters by developing a piece of land measuring 5 Acres, 5 Kanal, 5 Marlas available with the Corpn. at Panipat. D.I. Haryana requested D.C. Handlooms, Govt. of India to utilise the balance amount for the development of said land so as to create processing facilities in the State to boost exports. The Corpn. has also informed the D.C. Handlooms that the amount of loan could be repaid in lump-sum only out of the sale proceeds; otherwise the Corpn. is not in a position to repay the loan. Therefore, the Corpn. has submitted a request to State Govt. to convert the outstanding loan into the share capital which is being processed by the State Govt.

Model Dye House

During the year 1982-83, the Govt. of India released a sum of Rs. 20 lacs to the Haryana State Handloom & Handicrafts Corpn. for the setting up of the Modern Dye house at Panipat. The loan was repayable in 10 yearly instalments. The scheme could not be implemented as envisaged as it was not found economically viable. In fact, the Corpn. submitted the proposal to Govt. of India through the State Govt. in the year 79-80 and the Govt. of India sanctioned the project in 80-81. The State Govt. released the amount to the Corpn. in 82-83. During the intervening period, a number of Dye houses with similar type of machinery were set up in the private sector and it was considered to set up Dye house with capacity to only feed the captive looms installed by the Corpn. Accordingly, a conventional Dye house was set up at Panipat which is presently meeting the requirements of the training and production units of the Corpn.

Due to financial constraints, at present, the Corpn. is not in a position to repay the loan as well as interest accrued thereon. Therefore the State Govt. is considering the request of the Corpn. to waive off the interest and to convert the loan into share capital of the Corpn.

During the course of oral evidence the Committee was informed that out of a loan of Rs. 65.00 lacs, principal amount of Rs. 39.00 lacs and interest of Rs. 21.00 lacs had been repaid to the Government of India. In regard to outstanding loan it was stated that the Corporation was not in a position to repay the loan as well as interest accrued thereon and requested the State Government to convert the outstanding loan into the share capital which was under consideration of the Government.

The committee desired that latest position of the case converting the loan into share capital of the Corporation and waiving off the interest be intimated to it within three months.

The Committee also noted that showrooms set up by the Haryana State Handloom & Handicrafts Corporation Limited at Madras and Hyderabad which opened in 1991-92 were in loss of Rs. 2.24 lacs and Rs. 2.01 lacs respectively. The Committee also desired that the department should take steps to make all the showrooms economically viable in future.

TOWN AND COUNTRY PLANNING

[14] 6.8. *integrated development of small and medium towns*

6.8.1. Introduction

The Centrally sponsored scheme for Integrated Development of Small and Medium Towns (IDSMT) with a population of one lakh and below (raised to 3 lakhs from the Seventh Plan) was launched by Government of India in 1979-80. The scheme aimed at increasing the rate of growth of these towns at such a pace as to equip them to act as growth and service centres for the rural hinterland and to reduce the rate of migration to metropolitan cities by increased investments on provision of infrastructural and other essential facilities. In selecting the towns for support, preference was to be given to district headquarters towns followed by the sub-divisional towns, mandi towns and other important growth centres.

The main components of the scheme were land acquisition and development, residential schemes including sites and services, construction and improvement of roads, development of mandis, markets and provision of industrial estates.

Out of the total 59 small towns in the State, the scheme was implemented in the 6 towns of Karnal, Kurukshetra, Sohna, Sirsa, Hisar and Ambala. The scheme was implemented through the Haryana Urban Development Authority (HUDA).

6.8.2. Organisational set up

The Secretary Town and Country Planning, Haryana, assisted by the Chief Co-ordinator Planner, National Capital Region (NCR), Panchkula, District Town Planners and the Chief Administrator, HUDA, was responsible for administration and implementation of the scheme.

6.8.3. Audit Coverage

The review covers the period from 1981-82 to 1987-88 with reference to a test-check (April-May 1988) of the records of the Chief Co-ordinator Planner (NCR) Haryana, Headquarters of the HUDA and its field offices at Gurgaon, Karnal and Kurukshetra.

* * * * *

6.8.7. Utilization of central assistance

There was delay ranging from 6 to 12 months in passing on the

Central assistance of Rs. 81 lakhs to HUDA by the State Government during 1983-84 to 1986-87

- (i) For Sohna town (Rojka-Meo), against the Central assistance of Rs 25 lakhs released for the development of Industrial, residential and commercial sectors to the end of March 1986, an expenditure of Rs. 63 44 lakhs was incurred. The TCPO objected to an expenditure of Rs 41 69 lakhs (residential : Rs. 24 55 lakhs, commercial : Rs 1 98 lakhs and bus stand Rs. 15.16 lakhs), on the ground that the work was not executed as per the approved project. The department revised the project report in April 1988 retaining the industrial sector, bus stand and adding the field hostel. The revised project report has not been approved by Government of India so far (May 1988).
- (ii) In the following cases, the actual expenditure incurred was less by Rs 86.07 lakhs than the amount shown in utilisation certificates furnished by the State Government to Government of India.

Town	Month of submission	Amount of utilisation certificates (In lakhs of Rupees)	Actual expenditure
Karnal	March 1984	66.00	39.65
Kurukshetra	March 1983	54.00	33.56
	March 1984	74.00	34.72

- (iii) Against the Central assistance of Rs. 183 lakhs released during 1981-82 to 1986-87, utilisation certificates for Rs. 35 lakhs (1983-84 Rs. 7 lakhs, 1984-85 Rs. 28 lakhs) in respect of 4 towns have not been furnished so far (May 1988).
- (iv) Out of the Central assistance of Rs. 40.00 lakhs each released during 1981-92 to 1984-85 for Karnal and Kurukshetra towns, Rs. 3.27 lakhs and Rs. 18 48 lakhs respectively were lying unutilised with HUDA (June 1988).

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

IDSMT Schemes being small simply form a part of the total development activities of the growing towns. The objective of these schemes may be considered achieved specially in small towns like Sohna. For the bigger towns these Schemes have too small to have any substantial impact.

The achievements is quite satisfactory keeping in view the meagre financial assistance of Rs. 40.00 lacs (maximum) per town.

The assistance is given by Government of India generally for one or two towns every year.

The dates of sanctions taken by the audit in the tentative draft Para pertain to the approval of the project/release of Central Assistance by the town & Country Planning organisation. However, these sanctions were issued and amount disbursed on the dates mentioned below .—

Year	Amount (in lacs)	Date of sanction	Date of disbursement
1983-84	13 00	11-3-85	29-3-85
1984-85	20.00	11-3-85	29-3-85
	8 00	17-10-85	19-11-85
1985-86	5.00	4-2-87	31-3-87
1986-87	35.00	10-3-88	30-3-88
Total :	81.00		

As such there is no delay in releasing the Central Assistance to the implementing Agency.

2 (i) Changes in the implementation of projects to be taken up at Sohna were need based and made with the approval of Chief Administrator, HUDA. Revised projects reports were submitted to Town & Country Planning organisation which deemed to have been accepted as nothing has been heard about the same so far. Funds of Rs. 10.00 lacs were released thereafter also.

(ii) The utilization certificates were furnished on the basis of total expenditure on developmental activities and cost of land. However, the expenditure figures in respect of Kurukshetra ending March, 1983 and march, 1984 are progressive figures. It is added that the schemes have since been completed. The total expenditure upto date is as under :—

Name of scheme	Period	Expenditure
Karnal	1981-82 to 1991-92	251.57 lacs
Kurukshetra	1981-82 to 1991-92	122.54 lacs

The above expenditure shows that the amount of loan has been fully utilized.

- (iii) Utilization certificate for Rs. 35.00 lacs (1983-84) Rs. 7.00 lacs & 1984-85 Rs. 28.00 lacs has since been sent to Government of India vide CCP (NCR) Gurgaon letter No. 100 Dated 24-1-89.
- (iv) The amount has since been utilized and the utilization certificates submitted to Government of India.

As stated the main components of the scheme were land acquisition and development, residential schemes including sites and services, construction and improvement of roads, development of mandis, markets and provisions of industrial estates. It was also stated that the financial assistance of Rs. 40 lakh (maximum) per town is given by the Government of India generally for one or two towns every year and Rs. 40 lakhs is given by the State Government. The maximum financial assistance of Rs. 80 lakhs is given for this scheme.

The Committee feels that the financial assistance of Rs. 40 lakhs per town as given by the Government of India is a very meagre for the development of the towns. The Committee is of the view that keeping in view the rise in price index, the limit of assistance given by Government of India be got increased to Rs. 80 lakhs per town so that the development of the towns be made properly.

The Committee further desire that steps taken in this direction be intimated to them within six months.

[15] 6.8.8 *Implementation of projects*

- (i) Out of the 79.50 acres of land acquired during 1982-83 for development of Transport Nagar (Sector 4), Karnal, 12.35 acres of land valuing Rs. 5.41 lakhs was covered under the project. Although development works like water supply, sewerage and roads had been completed (March 1987) in the area, no plot was sold (May 1988) despite specific instructions (January 1987) of the Chief Administrator HUDA for expediting the sale.
- (ii) In Sohna (Rojka-Meo), out of the 43 industrial plots of varying sizes sold up to March 1988 (1981-82 : 1, 1982-83 : 6, 1983-84 : 10, 1984-85 : 10, 1985-86 : 10, 1986-87 : 3 and 1987-88 : 3) at a subsidised rate of Rs. 20 per square yard (balance cost to be met by the Mewat Development Board), though 2 plot holders completed the construction, no industrial unit was actually set up (April 1988) reportedly due to the non-availability of power.
- (iii) In Kurukshetra (Sector 13 Commercial), 4 shop-cum flats were constructed at a cost of Rs. 12.62 lakhs, although construction was not provided in the approved project. 3 of these shop-cum-flats were being used as offices for the Estate Officer, and the Sub-Divisional Officer, HUDA.

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

- (i) The price fixation and terms of allotment of the plots are under process of approval and these plots will be allotted on finalization
- (ii) In Roj-ka-Meo (Sohna) construction on 24 No. plots have since been completed and 10 Nos. are under construction 19 units (on 24 plots) who have completed their construction have started production. The remaining units are being persuaded to get their units completed and started production.
- (iii) The shop-cum-flats were constructed to create the nucleus in the area. However steps are being taken to auction these shop-cum-flats. At present these are being used as offices of the Estate Officer, S D.E. and District Town Planner.

The Committee was constrained to note that the development of Transport Nagar at Karnal (Sector-4) has not so far been made whereas the land for the said purpose was acquired during the year 1982-83.

The Committee, therefore, recommends that the department should tie-up the matter with the district administration to finalise the project and sincere efforts be made to develop this Transport Nagar within the shortest period and the Committee be informed accordingly.

[16]. 6.9. *Loss on auction of a shop-cum-flat*

24/11/89

The Estate Officer, Haryana Urban Development Authority (HUDA), Karnal, put to auction a constructed shop-cum-flat on 23rd July 1986. The highest bid received was Rs. 3.91 lakhs against its reserve price of Rs. 3.65 lakhs. The proceedings of auction were approved by the Chief Administrator, HUDA, on 24th July 1986. The building was allotted to the highest bidder and earnest money of Rs. 0.39 lakh was recovered from him. Thereafter, the Estate Officer was transferred and his successor approached (July 1986) the Chief Administrator to cancel the proceedings of auction on the grounds that the reserve price fixed was on the low side. The Chief Administrator conveyed (August 1986) approval to the rejection of the bid, whereupon the Estate Officer asked the party to apply for refund of the earnest money deposited by it. The party, however, represented (August 1986) against the orders of rejection of the bid. HUDA admitted (December 1986) the error in fixing the reserve price of the shop-cum-flat at Rs. 3.65 lakhs which was based on the average of the highest bids received in the auction held in February 1981 and decided to refund to the party the earnest money with 10 per cent interest for the period it had remained with HUDA.

In February 1987, the tentative reserve price of the said shop-cum-flat was fixed as Rs. 5.54 lakhs (based on average of the highest bids received in the auction held in February 1981 plus interest) and its re-auction was advertised in various newspapers. Thereupon, the party filed a writ petition in the court against the re-auction of the property and

the court quashed (December 1987) the notice of re-auction. The shop-cum-flat was allotted (January 1988) to the party on the basis of the auction held in July 1986.

Thus, due to wrong fixation of reserve price of the shop-cum-flat in the first instance, HUDA sustained a loss of Rs. 1.63 lakhs.

The matter was reported to Government in April 1988; reply has not been received (April 1989).

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

In this context, it is submitted that as per instructions issued from time to time from the Authority, the reserve price of auction of Commercial sites is fixed on the basis of average price of the last auction conducted in that sector. Accordingly, the reserve price was worked out Rs. 3.65 lacs. Keeping in view the reserve price, it was put to auction alongwith other sites as on 23-7-86 and the highest bid came to Rs. 3.91 lacs. The proceedings of the auction were approved by the C.A. HUDA vide letter no. A-14-86/16891 dated 24-7-86. On receipt of the approval of the auction, the then Estate Officer pointed out on 31-7-86 that the bid of S.C.F. No. 23, Sector-13 may be rejected being less as compared to the cost of construction of newly S.C.F.'s in the same complex which were constructed by the Department at the expenditure of Rs. 3.60 lacs each. On the request of the office, this case was re-considered at the C.A. office and the bid was rejected on 6-8-86 and the re-auction was also fixed on 17-2-87, but was withdrawn due to stay orders granted by the Hon'ble High Court. Later-on the decision of the High Court the allotment of S.C.F. No. 23, Sector-13, Karnal was made in the name of Sh. Roshan Lal. Hence, there seems that no person is at fault and the reserve price was worked out as per policy of the Authority.

The Committee feels that due to wrong fixation of reserve price of the shop-cum-flat in the first instance, HUDA sustained a loss of Rs. 1.63 lakhs which is a gross negligence on the part of auction officer/Estate Officer.

The Committee recommends that the entire process of auctioning the shop-cum-flat be re-investigated de-novo and the report be sent to the Committee within six months.

INDUSTRIAL TRAINING

[17] 3.2 *Implementation of the Apprentices Act, 1961*

3.2.1. Introduction

The Apprenticeship Training Programme had been organised under the Apprentices Act, 1961. The Act aims at the following objectives :

- (i) to improve employment opportunities for the educated young by equipping them with various Types of employable skills and to ensure a fair deal to the members of the Scheduled Castes and Scheduled Tribes, the minorities and the handicapped persons.
- (ii) to utilise fully the facilities available in the industry for imparting practical training with a view to meeting the requirement of skilled workers in the industries.

The implementation of the Act commenced in Haryana in November 1966. The Act makes it obligatory both for public and private industries to engage the prescribed number of trade apprentices. Under the Act, apprenticeship training is available under 139 designated trades in respect of trade apprentices and for 71 specified subjects in Engineering and Technology in respect of graduate and technician apprentices. Training facilities for trade apprentices are available in Haryana for 65 out of the 139 trades, information as to the availability of facilities in respect of graduate and technician apprentices in the State has not been received from the Regional Director, Apprenticeship, Kanpur.

3.2.2. Organisational set up

The Director of Industrial Training and Vocational Education, Haryana, Chandigarh, is in overall charge of the programme, and is assisted by the Principals-Cum-Assistant Apprenticeship Advisors of the various training institutions in the districts for its implementation.

3.2.3. Audit coverage

The review covers the period from 1982-83 to 1987-88 with reference to a test check (April-May 1988) of the records of the Director of Industrial Training and Vocational Education, Haryana, Industrial Training Institutes at Ambala, Yamunanagar, Kaithal, Karnal, Panipat, Sonapat, Rohtak, Gurgaon and the Basic Training School, Faridabad.

3.2.4. Highlights

—Of the 26,429 seats of trade apprentices available in the State Government Undertakings and the private establishment, only 20,917 seats could be utilized during 1982-83 to 1987-88.
(Paragraph 3.2.6.)

—Quite a large number of employers had either engaged apprentices below the prescribed ratio of apprentices to workers or had not at all engaged any apprentice. (Paragraph 3.2.6.)

—The prescribed percentage of representation to the members of the Scheduled Castes was not adhered to in engaging the apprentices. (paragraph 3.2.7.)

—Pass percentage of apprentices during 1982-88 ranged from 44 to 79. The department had no data to show how many of the trained apprentices, declared successful over the years, were offered employment by the establishments. (pagraraph 3.2.9.)

—Rs. 7.08 lakhs spent towards expenses on basic training of fresher apprentices had not been recovered from the employers. (paragraph 3.2.10.)

—No monitoring and evaluation of the impact of the programme was done. (paragraph 3.2.12.)

These points are discussed in detail in the succeeding paragraphs.

3.2.5. Budget provision and expenditure

The budget provision and the actual expenditure incurred on the programme during 1982-83 to 1987-88 were as under :

Year	Budget provision	Expenditure
(in lakhs of rupees)		
1982-83	1.84	1.80
1983-84	1.70	1.57
1984-85	2.76	2.41
1985-86	5.95	5.84
1986-87	7.17	6.93
1987-88	8.79	8.79
	28.21	27.34

3.2.6. Engaging of apprentices

(a) According to rules, every employer is required to engage apprentices in accordance with the ratio of apprentices to workers, other than unskilled, prescribed for each designated trade. A scrutiny of reports on the performance of the scheme sent to Government of India by the Director, Industrial Training and Vocational Education, Haryana, disclosed that the employers had either engaged apprentices below the

prescribed ratio or had not engaged any apprentice as detailed below :

Position as on 31st March	Number of factories and establishments where apprentices were engaged below the prescribed ratio		Number of factories and establishments where no apprentices were engaged	
	State Go- vernment	Private Establish- ments	State Go- vernment	Private Establish- ments
1984	45	290	60	2924
1985	30	296	75	2705
1986	20	120	84	1805
1987	54	429	167	3193
1988	Not available		Not available	

No action had been initiated against the defalting factories and establishments (April 1989).

(b) Of the 26,429 seats of trade apprentices available in the State Government Undertakings and the private establishments, only 20,917 seats could be utilised during 1982-83 to 1987-88. The reasons for shortfall in the utilisation of seats were not on record.

(c) A scrutiny of survey reports of an establishment 'X' for the years 1985 and 1986 disclosed that 4483 (1985 : 2263, 1986 : 2220) semi-skilled workers were not taken into account for determining the ratio of trade apprentices to workers. This resulted in engagement of 640 (1985 : 323; 1986 : 317) trade apprentices less by the firm.

3.2.7. Representation to members of the Scheduled Castes

While there were no Scheduled Tribes in the State, 20 per cent of the seats available for apprentices were required to be reserved for the members of the Scheduled Castes. Representation to members of the Scheduled Castes had, however, not been given in accordance with the prescribed percentages as per details given below :

Year	Total number of seats utilised	Seats required to be reserved for Scheduled Castes candidates	Seats actually filled up by Scheduled Castes candidates	Percentage
1982-83	3302	660	N.A.	—
1983-84	3251	650	N.A.	—
1984-85	3350	670	221	33
1985-86	3383	677	238	35
1986-87	4025	805	355	44
1987-88	3606	721	404	56

Reasons for not adhering to the prescribed ratio were not on record

3.2.8. Trade test

After completion of the prescribed period of training and apprenticeship, every trade apprentice is required to appear for a trade test conducted by the National Council for Vocational Training which awards the National Apprenticeship Certificates to the successful apprentices. During scrutiny of records, it was noticed that the pass percentage of apprentices in Haryana ranged from 44 to 79 per cent during 1982-88. Reasons for the low pass percentage were not on record. The department had no data to show how many of the trained apprentices declared successful during various years and in all totalling 3108 during 1983-88 were offered employment by the establishments

It was also noticed that the work of issue of certificates to the successful candidates was in arrears.

3.2.9. Non-recovery of basic training cost

Under the Act, the employers who employ in their establishments 500 or more workers are to bear themselves the entire expenditure on basic training in respect of the fresher apprentices. In cases where the number of apprentices to be trained by the employers at any time is less than 12, the employers could depute all or any of them to any Government Industrial Training Institute/Basic Training Centre for training for which the employers will be required to pay to Government the training expenses at the rate of Rs 130 per fresher per month (Rs. 40 per month per fresher prior to 1st November 1983). It was, however, noticed in audit that in respect of 547 fresher apprentices trained at Government Institutions at the instance of the employers having strength of more than 500 workers, Rs 7.08 lakhs on account of training expenses had neither been recovered, nor was any action initiated to effect the recovery (January, 1989)

3.2.10 Non-payment of stipend

As per the Act, trade apprentices were to be paid stipend as per details as under —

	Prior to 19th October, 1987	From 19th October. 1987
First Year	230 P.M.	290 P.M.
Second Year	260 P.M.	330 P.M.
Third Year	300 P.M.	380 P.M.
Fourth Year	350 P.M.	440 P.M.

The burden of payment of stipend to apprentices in the case of employers who employed 500 workers or more was to be borne by the employer himself. In the case of employers employing less than 500 workers,

the amount of stipend upto Rs. 360 per month was to be shared equally between the employers and Government. Scrutiny of records revealed that Government had not shared so far this part of the expenditure with the employers.

3.2.11. Monitoring and evaluation

Under the Act, the notified establishments were required to submit certain returns to the State Apprenticeship Advisor. No record to watch the receipt of returns from the establishments was kept in the office of the State Apprenticeship Advisor. The department did not take penal action for the offences under the Act against the defaulting establishments.

Against 3404 returns due during 1987, as many as 3359 returns had not been received

No evaluation of the impact of the Apprenticeship Training Programme was made by any agency in Haryana.

The matter was reported to Government in August 1988, reply has not been received (April 1989)

In their written reply, the Department stated as under —

3.2.1. Introduction

The objectives of the Act have been fully achieved up to the extent that in all most all sessions of engagement of apprentices, the achievement had been around 80%. This achievement is on the higher side as compared to overall collective percentage of the country. The comparative statement of Haryana State and collective percentage of the country is as under :—

Year	Utilization %age of Haryana State	Collective %age of country
1983	84.8	76.00
1984	80.5	76.9
1985	82.5	78.00
1986	77.34	73.00
1987	81.52	72.8

The Government feels satisfied with the achievement. However, efforts will be made to improve the utilization %age.

3.2.5. Budget Provision and expenditure

The Budget provision and actual expenditure incurred during the

year 1988-89 and onward is as under .

Year	Budget Provision	Expenditure
1988-89	10.85 lacs	10.63 lacs
1989-90	11.18 lacs	8.32 lacs
1990-91	12.50 lacs	12.44 lacs

In commensurates with the achievement.

3.2.6. 1. As the major short fall is of Government Establishment/Undertaking, they could not complete the prescribed ratio of engaging apprentices for want of financial sanctions from the Government. In a few cases, the candidates feel reluctant in joining small scale establishments. A few establishment does not care to engage the Apprentices and thus invite legal action under the provision of the Apprentices Act, against them

2. The figures shown seems to be incorrect as the total number of establishments (Government & Pvt.) covered under the Apprentices Act which are supposed to keep the apprentices are around 800 whereas the table shows an accelerated figure. During the session February/March, 1991 there were only 172 Government/Pvt. establishments which did not engage apprentices at all and there were 235 establishments which engaged apprentices below prescribed ratio. 440 establishments kept apprentices as per prescribed ratio. In case of Government establishments, the concerned Head of Department were requested through Demi official letter to complete the quota of the apprentices and in case of private establishments show cause notices were served in specific cases and on the merits of reply of show cause notices legal action was initiated against a few establishments during the period of audit under review

3. The position of the apprentices during 1988 and onward is as under :—

Year	Located Seats	Apprentices engaged	Percentage
1988	5054	3629	71.8
1989	5042	4041	80.1
1990	5018	4055	80.8
1991	4826	3962	82.0

The reasons for the shortfall has been indicated in 3.2.6(1) above. The position of utilization of subsequent years is as under

Year	No. of establishments covered under the act		Government Sector		Private Sector	
	Govt	Pvt	Seats located	Seats utilized	Seats located	Seats utilized
1988	73	725	1493	1195	3561	2434
1989	127	626	1479	1177	3563	2864
1990	173	651	1524	1209	3494	2846
1991	168	679	1424	1046	3402	2916

3.2.7 Section 3-A of the Apprentices Act says 'In every designated trade training places shall be reserved by the employer for Scheduled Castes and Scheduled Tribes and where there is more than one designated trade in an establishment such training place shall be reserved also on the basis of the total number of Apprentices or all the designated trade in such establishment

Accordingly 4-A of the Apprentices rules 1962 lays down state wise ratio of training places to be reserved for Schedule Caste and Scheduled Tribes by each employer in each designated trade to the total number of the Apprentices engaged in each designated trade by each employer under the Act vide Schedule II-A of the rules. Schedule II-A fixes 20% reservation for Schedule Castes and 5% reservation for Scheduled Tribes in Haryana. While section 3-A is mandatory, the provision to the rule 4-A attempt to dilute it considerably. It provides that in the event of candidates belonging to these communities not being available, the reserved training places may be filled up by the general candidates. The Apprentices under this act are engaged by the employers in their absolute discretion and Central/State Apprenticeship Advisor have no say in it

Thus the establishments are not even bound to keep candidates of schedule castes category when number of apprentices to be engaged by them is less than 3 in each trade. However efforts will be made so that prescribed percentage of representation is given to schedule castes/tribes.

3.2.8. Apprentices engaged under the Apprentices Act, 1961 are given practical training in the establishment concerned. It is observed that apprentices pay more attention towards practical training to impress their employers so that they may get jobs after the completion of training and give less attention toward other subjects like theory, workshop calculation and Science and

Engineering drawing. The pass percentage was 67% in the year 1986, which has further improved to 74% and 77% in the year 1987 and 1988 respectively. However, efforts will be made to improve the result further.

2. Regarding giving employment to trained apprentices after completion of training there is no provision in the Act, 1961. Section 22 of the Act says 'It shall not be obligatory on the part of the employer to offer any employment to apprentices who has completed the period of his Apprenticeship Training in his establishment nor shall it be obligatory on the part of the Apprentices to accept the employment under the employer. In Haryana the recruitment is made through employment exchange or recruiting agencies. The establishments which are at expansion stage, normally engage all apprentices against their regular vacancies. For example M/s. Maruti Udog Limited, Gurgaon have recruited 356 candidates of Haryana State who have completed Apprenticeship Training in their establishment. The establishment is paying handsome salary around Rs. 2800 per month to the candidates who completed one/two years apprenticeship training in different trades

3. The detail of passed out candidates certificates issued and pending certificates is given below. The certificates of passed out candidates are prepared by the Principals/Assistant App. Advisor and sent to the Head Quarter for signature of the Secretary, S.C.V.T. (Head of the Department). As soon as the certificates are received, the Deptt. makes efforts to get the certificates signed by secretary, S.C.V.T. and return to the Principal/Assistant App. Advisor for disbursement to the candidates. The Principals have been directed to sent the pending certificates for signature immediately.

Details of Number of Passed out candidates. certificates issued and pending certificates.

Sr. No.	Year	Passed	Certificate issued	Pending certificate
1	2	3	4	5
1.	April, 1982	171	153	18
2.	Oct., 1982	285	229	65
3.	April., 1983	214	184	30
4.	Oct., 1983	249	219	30
5.	April, 1984	284	254	30
6.	Oct., 1984	259	236	23

1	2	3	4	5
7.	April, 1985	231	178	53
8	Oct , 1985	557	436	121
9	April, 1986	689	615	74
10	Oct , 1986	704	704	—
11	April, 1987	509	509	—
12.	Oct., 1987	1092	911	181
13.	April, 1988	565	470	95
14.	Oct., 1988	906	121	785
15.	April, 1989	686	536	150
16	Oct., 1989	1002	252	750
17	April, 1990	739	—	739
18.	Oct , 1990	582	—	582
19	April, 1991	626	—	626

3.2.9. The details of recoveries has not been given by the Accountant General Haryana. The information collected through Principals, Industrial Training Institutes, regarding payment of basic Training charges from establishment comes to Rs 52,880.25 as per details :—

Sonapat	17080 00
Y Nagar	1920.00
Kaithal	14400 00
Faridabad	19480.25
	<u>52880.25</u>

A sum of Rupees 34257.25 have since been recovered, the rest of amount is being recovered, the instructions have already been issued in this respect.

3.2.10. As per provision of section 9, Practical and basic training of Apprentices-2 Employers employing less than 500 workers the recurring cost (stipend+basic training which forms a part of the practical training) being sharable in equal proportion between Govt. and employer employing less than 500 workers. The employers

are likely to pay the stipend to the fresher apprentices and claim for reimbursement of share. The department is to reimburse the cost after taking into account of basic training charges incurred by the department.

The Department makes the provision of the budget around 50,000 every year under this appropriate Head of account and the same is surrendered because no establishment comes forward for reimbursement of 50% share.

The total expenditure to date in this regard is Rs. nil.

3.2.11. The inspection of the establishments are carried out by Local Principal/Assistant Apprenticeship Advisor and officers posted at Head Quarter to evaluate the Apprenticeship Training Scheme such as keeping Apprentices as per engagement notices shop floor training as per syllabi prescribed by D.G.E. & T., working conditions regular payment of stipend etc. The result is satisfactory as the achievement is 82% in the last session.

The Principal of Industrial Training Institute who are also Ex-officio Assistant Apprenticeship Advisor maintain the records and returns of Apprentices. Asstt Apprenticeship Advisor are part of the department and keeping such record. The requisite record of Apprenticeship Scheme is also been maintained at Headquarter.

The Committee noted that out of 26,429 seats of trade apprentices available during the period from 1982-83 to 1987-88 only 20,917 seats were utilised. There was also shortfall during 1988. The Committee feels that a large number of employers especially in the State Government Undertakings engaged apprentices below the prescribed ratio of apprentices. The Committee observed that the department should make efforts to improve the utilization percentage to achieve the objectives of the Apprentices Act, 1961 and strictly follow prescribed ratio of the members of the Scheduled Castes/Handicapped persons while engaging the apprentices in all the designated trades.

The Committee further noted that pass percentage of apprentices in the trade test conducted by the National Council for Vocational Training was low and also a large numbers of certificates were still pending for issue to the successful candidates.

The Committee, therefore, desired that sincere efforts be made to improve the results. The Committee further desired that issue of pending certificates to the successful candidates be expedited and it may be ensured that certificates to the successful candidates be issued within a period of five months of the declaration of the result. The Committee be apprised of the steps taken in this direction within three months.

REVENUE

[18] 310 *Inadmissible gratuitous relief*

(a) In April 1982, Haryana Government decided that the farmers whose standing crops had been damaged by hail storm, be paid "gratuitous relief" at varying rates. For allowing relief, special girdawari was to be conducted by the patwaris to ascertain the extent of damage caused by hail-storm. This was to be followed by 100 per cent on-the-spot checking by the Circle Revenue Officers (CROs).

For the hail-storms during September 1984 and March-April 1985, the State Government accorded sanction in February 1985 and September 1985 for the disbursement of gratuitous relief based on the instructions already issued in April 1982.

A test check of the accounts/records of the Deputy Commissioner Hisar (June-September 1987) revealed that a sum of Rs 0.34 lakh was paid as gratuitous relief to 55 farmers of 4 villages of Tehsil Hisar for damage to *Kharif* 1984 and *Rabi* 1984-85 crops in 12128 acres although the area was not shown as damaged by hail-storm in the survey report of the CRO. Further, a sum of Rs 0.16 lakh was paid to 48 farmers of 3 villages of Tehsil Hisar where, 6018 acres of *Rabi* 1984-85 were initially shown as 'vacant' in 'Khasra Girdawari' but later, by cutting and over-writing, one or the other crop was shown in place of the word "vacant".

(b) In March 1979, Government had clarified to the Deputy Commissioner Karnal that for the purpose of paying relief for damages caused to standing crops by hail storm which scheme was then also in force, 'Marlas' were to be left out and that payment was to be made for holdings comprising 'Kanals' (20 Marlas=1 Kanal). However, this clarification was not conveyed to the other Deputy Commissioners. It was noticed in audit (December 1984 and January 1985) that non-conveying of this clarification to other Deputy Commissioners resulted in allowing of inadmissible payments of Rs 0.57 lakh as gratuitous relief during 1982-83 by the Deputy Commissioner, Gurgaon, for areas comprising 'Marlas' in 61 villages.

It was also noticed that even the Deputy Commissioner, Karnal made payment of gratuitous relief for areas comprising 'Marlas' to the extent of Rs 0.26 lakh for damaged crops of *Rabi* 1981-82 and *Rabi* 1982-83 in 19 villages, out of which Rs 0.08 lakh were reported as recovered (January 1987), only the balance amount was yet to be recovered (April 1988).

The matter was reported to Government in February 1987 and November 1987; reply has not been received (April 1989).

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

In this respect it is stated that actually a sum of Rs. 1.13 lakh was disbursed as gratuitous relief in villages mentioned below .—

Sr. No.	Village	Amount Disbursed
1.	Siswal	36,115 00
2.	Kutia Kheri	4,349 27
3.	Mohabbatpur	15,704 92
4.	Telanwali	10,721 50
5.	Kanheri	2,821 25
6.	Modhakhari	3,858 75
7.	Laloda	23,930 00
8.	Dabra	12,493 75
9.	Sarangpur	379 00
10.	Ghursal	390 55
11.	Jakhal	2,117 51
Total		1,12,921 50 Say Rs 1 13 lakhs

But the Audit Party after auditing the accounts of the office of D.C. Hisar, had raised objection only about four villages namely, Mohabbatpur, Kutia Kheri, Telanwali and Modhakhara involving Rs. 34,634.44. The audit observed that the area was not shown as damaged by hail storm in the Survey report of C R O (Circle Revenue Officer) accordingly the payment of gratuitous relief was made wrongly.

The report has been received from D C Hisar and village-wise position in respect of 4 villages is as under —

(i) **Village Mohabbatpur**

The record of the village was not available at the time of the review of the objection by the Audit Party and could not be put up before them but now the relevant record consisting Roznamcha Karguzari and Roznamcha Waquaiti shows that the hailstorm lashed this village

On 9-4-85 and the CRO checked the special girdawari on 27-4-85 and the S.D.O., Hisar, on 2-5-85 as per entry in the Roznamcha Karguzari. The inspection note of the S.D.O (c) Hisar dated 2-5-85 shows that he had directed the Patwari concerned to include the Khasra numbers mentioned in the report of the C.R.O. All these numbers which were ordered by the S.D.O (c), Hisar to be included in the damaged area have been pointed out by the Audit Party for recovery on the ground that these khasra numbers were not included in the report of C.R.O dated 27-4-85. The S.D.O. (c) being the higher officer can direct inclusion or exclusion of the damaged area and can also vary the assessment of damage made by the C.R.O. In view of the inspection report of S.D.O. (c) Hisar mentioned in Roznamcha Karguzari the recovery pointed out by the Audit in respect of village Mohabatpur is not admitted. Thus the amount has been rightly disbursed.

(ii) Village Kutia Kheri

Out of Rs. 4349 27, a sum of Rs. 580 was settled at the time of subsequent review by the audit party. Efforts for the recovery of the balance amount are being made.

(iii) Village Telanwali

Out of Rs 10,721.50, a sum of Rs. 1090 has been settled by A.G. Haryana and efforts are being made to recover the balance amount

(iv) Village Modha Khera

The audit had pointed out the recovery of Rs. 3858.75 whereas the D.C. Hisar has admitted the recovery of Rs. 2863.25. Out of Rs. 2863.25, a sum of Rs.1662 50 has already been recovered and deposited under the proper receipt head of account. The recovery in respect of Rs 112 50 is not admitted because these khasra numbers are in the report of C.R.O. The balance amount of Rs 1088.25 is being recovered.

(2) The Audit pointed out a sum of Rs. 16336.68 disbursed wrongly in village Mohabatpur, Ghursal and Sarangpur.

As per the report of D.C. Hisar the villagewise position is as under —

(i) Village Mohabatpur

The record of this village was not readily available since long and could not be put up before the audit party

at the time of review. The relevant record has now been traced out. The perusal of Roznamcha Waquaiti shows that all the khasra numbers which had been taken by the audit party being overwriting/cutting have been entered in the report of Patwari in Roznamcha Waquaiti at serial No 31,338 and 343 being 'Mashkuk' and overwriting. These entries have been countersigned by the Circle Kanungo who is competent to sign such entries regarding the alteration of entries and as such the recovery pointed out in respect of village Mohabatpur is not admitted

(i) Village Ghursal

The efforts are being made to recover the amount of Rs. 4836

(iii) Village Sarangpur

Out of Rs. 4706.83, a sum of Rs 702 50 is not admitted being undisbursed amount vide Actual Payees Receipt No. 496 which seems that this amount has been included by omission by Audit Party. The relevant record of this village is not traceable even upto now. Efforts are being made to recover the balance amount of Rs. 4004.33

(b) 1. In this connection it is stated that since no other ...D.C. had sought such clarification, therefore, instructions were not issued to other D.Cs. except Karnal. But later on such instructions were sent to all the D.Cs vide Memo No 6226-ER-3-88/31468, dated 20-9-88

(b) 2. The Deputy Commissioner, Karnal had wrongly disbursed the amount of gratuitous relief on Marlas. The whole amount i.e Rs 0 26 lacs has since been recovered from the beneficiaries. Action is being taken against the defaulting official who did not send instructions to other D.Cs. The matter may now be dropped.

(b) 3. It is stated that in the audit para No. 11 of Audit and Inspection Note from 1982-83 to 1983-84 it was pointed out that an amount of Rs. 1,52,810 had been disbursed wrongly on 'Marla' basis and not Rs 0 57 lakh. The matter regarding disbursement of Rs 1.52 lakhs has been regularised vide memo No 8408-ER-3-88/46180, dated 22-12-88 with the concurrence of the Finance Department. The matter may, therefore, be dropped.

The Committee surprised to note that such a valuable record of village Mohabatpur remained missing for a long period

and record of village Sarangpur was still missing. The departmental representative admitted that it was an act of negligence on the part of Patwari and assured the Committee that action would be taken against the defaulting official.

During the course of oral examination, the Committee would like to check the original record pertaining to village Mohabatpur and village Sarangpur. The record pertained to the village Mohabatpur was shown to the Committee during its subsequent meeting held on 19-10-92 and the Committee constraint to note that the condition of record shown to the Committee was very shabby and papers of the Roznamcha register were in torn conditions but relevant record of village Sarangpur was stated to be not traceable. The Committee strongly recommend that such valuable record be maintained very carefully in future to avoid apprehension of tempering with it.

The Committee further recommend that serious efforts be made to trace the missing record pertaining to village Sarangpur and strict action be taken against the defaulting officials responsible for the missing of record of both the villages.

The Committee also recommend that the balance amount be recovered expeditiously and report be sent to the Committee within three months.

The Committee further recommend that action be initiated against the officers/officials responsible for the disbursement of inadmissible payment of gratuitous relief and action taken in the matter be intimated to the Committee within three months.

The Committee also desire that the action be initiated against the defaulting officials who failed to convey the instructions to the concerned D.C.'s in this regard.

CIVIL AVIATION

[19]. 3.7. Procurement, operation and maintenance of aircraft

3.7.1. Introduction

At the time of formation of Haryana State in November 1966, the State did not own any aircraft. The aircraft services were started in the State in 1973 when the first VIP aircraft Baron-55, was purchased for Rs. 7.23 lakhs. This aircraft was exchanged in 1976 with a new aircraft, Baron-58, for which an additional amount of Rs. 5.24 lakhs was paid. Baron-58 aircraft was disposed of alongwith the spares for Rs. 85 lakhs in October 1986 after the purchase of King Air C-90A aircraft in June 1986 at a cost of Rs. 190 lakhs.

3.7.2. Organisational set up

The Adviser, Civil Aviation, Haryana, is in overall charge of aviation activities in the State. He is assisted by an Executive Pilot, Chief Engineer and an Electronic Engineer.

3.7.3. Audit coverage

A test-check of the records of procurement, operation and maintenance of aircraft King Air C-90A was conducted in March-April 1988. In addition, the available records of the planes previously owned by the State Government were also scrutinised.

3.7.4. Highlights

- Scrutiny of the log book of a new aircraft, purchased and brought to India in June 1986 revealed that the entry regarding the date of manufacturing of the engine was scored out, the aircraft had been repaired and returned to service in December 1985 and had put in 80 hours of flying prior to June 1986.

(paragraph 3.7.6.)

Instruments costing Rs. 2.57 lakhs purchased in August 1985 had not yet been installed (September 1988).

(paragraph 3.7.7)

3.7.5. Budget provision and expenditure

The year-wise budget provision and expenditure during

1983-84 to 1987-88 were as under :—

Year	Budget provision	Expenditure
	(In lakhs of rupees)	
1983-84	9.33	8.23
1984-85	9.79	9.61
1985-86	198.29	198.29
1986-87	39.21	37.50
1987-88	27.85	23.74

The heavier expenditure during 1985-86 was due to purchase of the V!P aircraft King Air C-90A during that year. Increase in expenditure during 1986-87 and 1987-88 was due to increase in the cost of fuel and greater utilisation of the aircraft.

3.7.6. Procurement

The High Powered Committee of the State Government in its meeting held on 17th February 1986 decided to purchase a new King Aircraft C-90A direct from Beech Aircraft Corporation, USA. It was also decided that the Director General, Civil Aviation (DGCA), should be requested to depute his technical expert to carry out a joint inspection of the aircraft and fitment alongwith the representative of the indenting department at the premises of the manufacturer before ferry flight as well as at the time of taking delivery of the aircraft at Bombay. In case the DGCA was not in a position to spare a technical expert, the inspection was to be carried out by two officers of the indenting department.

The State Government accorded sanction for Rs. 1.90 crore in February 1986 and a supply order was placed on Beech Aircraft Corporation, USA by the Adviser, Civil Aviation Department, in March 1986. The aircraft was received by the Adviser, Civil Aviation, Haryana, at Bombay in June 1986.

The following points were noticed in audit conducted during March-April 1988.

(i) In the log book of the aircraft, the date of manufacture of the engine was found to be scored out and was illegible. The date of installation of both the engines and the propellers was shown as 14th December, 1984, when its airworthiness was also certified. As per log book, the aircraft was repaired, inspected and approved for return to service on 13th December 1985. Further according to the log book, the aircraft had already done 80 hours of flying before the delivery to the State Government in June 1986. Government, while clarifying that the aircraft was

not an old one, stated (September 1988) that, before its ferry to Bombay, the aircraft had done 34 hours of flying and that the flying consisted of initial test flying, local test flying after installation of additional avionics and flights for training the State Government pilot. Government's reply was, however, silent in regard to (a) the use of the remaining 4-6 hours of flying (b) the need for repairs carried out to the aircraft in December 1985 before its delivery to Government in June 1986 and (c) the circumstances under which the date of manufacture was scored out in the log book.

(ii) In contravention of the decision of the High Powered Committee, the aircraft was not inspected in USA. According to the State Government (September 1988), this was not done as the supplier had intimated to the State Government that any such inspection by Indian authorities in USA was not permissible since the aircraft till then was under U.S. registration.

(iii) Major alterations in the aircrafts were carried out in USA on 19th May 1986, i.e. after 31st March 1986, when the aircraft was accepted for ferry to India, by a Corporation other than the manufacturer. These alterations increased the basic empty weight of the aircraft from 6422 lbs to 6572 lbs. Government stated (September 1988) that certain equipments were fitted to comply with its requirements.

(iv) The Electronics Engineer of the department inspected the aircraft in September 1986 and reported to the department that the long range communication system KHF 950 of the aircraft was unserviceable right from the landing of the aircraft at Bombay, HF system needed updating with effective and efficient configuration, installation was substandard and that the equipments were not operating from the beginning and that long range communication could not be established. Government stated (September 1988) that there was no irregularity or concealment of facts by the supplier in this regard because in June 1986 itself the supplier had agreed to replace the standard HF antenna with the modified version free of cost for better performance under Indian conditions and that the modified version supplied in March 1987 had been serviceable since then.

3.7.7. Blockage of funds

The department purchased one Radar RD 300 Test Set in August 1985 from an USA based firm at a cost of Rs. 2.57 lakhs. Since its receipt, this instrument had been lying idle in the store. Government stated (November 1988) that the electronic laboratory had yet not been established.

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

The position stated in the para is admitted being factual.

However, the requisite information as desired by the Public Accounts Committee is given as under :—

Baron-58 Aircraft was Piston Engined Aircraft having no Toilet facility, less comfortable seats, non air-conditioned and above all non pressurised aircraft with less speed. Due to which it was felt necessary that a new aircraft King Air C-90A be purchased which has all the facilities for providing transport facilities to the VIPs of the Haryana/Central Govt. etc. This Aircraft is Turboprop, pressurised, Air-conditioned having more comfortable seats and more speed and Toilet facilities for the VIP's and is an all weather aircraft.

The High Powered Committee constituted by the Govt. had decided to purchase the new Aircraft King Air C-90A on 17-2-1986. This meeting was held under the Chairmanship of the then Hon'ble Chief Minister, Haryana.

As this aircraft was to be purchased from M/s. Beech Aircraft Corporation, USA (who were the manufacturer of this aircraft) directly, there was no need to send global tenders in this behalf.

Admitted. Besides the posts mentioned in the para the Adviser is also assisted by Director of Operations-cum-Chief Executive Pilot, Senior —Executive Pilot, Assistant Aircraft Maintenance Engineer and other —supervisory staff. However, the reply of the question raised by Public Accounts Committee is given as under :—

Adviser, Civil Aviation Haryana , SCO No. 411-12, Sector 35-C, Chandigarh was the Indenting Officer.

Factual. However, as desired by the Public Accounts Committee the requisite reply is given as under :—

- (i) The total expenditure incurred during the year 1985-86 was Rs.198.29 lakhs and out of which Rs. 190 lacs was spent for the purchase of new aircraft King Air C-90A and rest of the amount i.e. Rs. 8.29 lacs was spent for the salary, TA/DA and other allied expenditure of the staff meant posted for the upkeep of VIP's aircraft Beechcraft Baron-58. The new aircraft was purchased/procured in the month of June, 1986. Hence there was no expenditure of fuel during the year 1985-86 for this aircraft. Aeroturbine fuel (Kerosine oil) is being used in this aircraft (King Air C-90A) and the price of the said fuel is much

less than the price of 100/130 octane aviation fuel which was being used in Beech Craft Baron-58. Though the consumption of fuel is more in the new aircraft yet it is economical.

The increase in expenditure during the year 1986-87 and 1987-88 was due to purchase of spare parts and requisite Machinery & equipment for the new aircraft and increase in the cost of fuel and above all greater utilisation of the said Aircraft.

- (i) It is not denied that the manufacturing process of the Aircraft King Air C-90A, VT-EJZ might have started in 1984. But it was delivered to us on 31-3-1986. Every major equipment/component of the aircraft has a serial number. Similarly every engine propeller has a serial number of allotted by the manufacturer. The serial number of any engine/propeller is got checked at any time as and when required by any inspecting authority as it is permanently fixed with the engine/propeller. The position regarding the date of manufacturing as well as serial Number of the engines/propeller fitted on this aircraft have got ascertained from M/s Pratt and Whitney Corporation Canada. These facts can also be verified from the Engine/Propeller log books of this aircraft. The life of engine fitted on this aircraft is purely based on flying hours. It has no calendar period life as is the case of piston type engine. Hence the date of manufacture has no direct relevance with the life of engine. The life of components/accessories fitted on our aircraft are taken from the date of Export Certificate i.e. from 31-3-1986 which is issued by Federal Aviation Administration of Transportation of USA and is to be used as the firm basis for determining the life of engine/propeller/other components. The same recommendation is duly approved by the DGCA Government of India and is applicable for our aircraft also. When the aircraft delivery of King Air C-90A was taken in June, 1986 by the State Government from M/s. Indamar Company Pvt. Ltd., Bombay (the Sole Indian Distributor of M/s Beechcraft Corporation USA) this aircraft had flown nearly 80 hours. The aircraft had done 34 hours of flying which consisted of initial test flying, local test flying after installation of additional, avionics equipment/components and flight for training the pilot and 46 hours of flying had been done on account of ferrying this aircraft from USA to Bombay. When the aircraft was with the manufacturer it was their duty and they were whollysoley responsible for its proper maintenance. They were fully authorised for carrying out any repair, replacement/alteration and if necessary modification as per the standard laid down procedure for this aircraft.

- (ii) It is fact that initially the High Powered Committee had decided that the aircraft would be inspected in USA by the representative of the State Government and the DGCA Govt. of India. But, it was however, made known to the State Govt by the distributor *i.e.* (M/s. Indamar Company Pvt. Ltd., Bombay) any such inspection by Indian authority in USA was not permissible because the aircraft till then was under U.S. registration. As the aircraft was to belong to State Govt. on its delivery at Bombay, it was decided that the proposed inspection would be carried out in Bombay after the delivery of the aircraft. In view of the same the State Govt. had decided not to send the representative of the DGCA Govt. of India, New Delhi to USA, as per memo. No. 1/10/84-1CA, dated 21-3-1986. After landing of the aircraft at Bombay, a detailed inspection was carried out by the authorised representative of DGCA Govt. of India who issued proper Indian Registration Certificate of this aircraft. After issuing of Certificate of Aircraft worthiness by the DGCA a test flight was done by the Director of Operations-cum-Chief Executive Pilot of this Department in the Company of the QCM of the distributor *i.e.* M/s. Indamar Company Pvt. Ltd., Bombay. Shri H.N. Yadav, AAME of the Civil Aviation Department was also associated throughout during change over of this aircraft. After this test flight the DO-cum-CEP and AAME jointly signed handing over/taking over certificate with the representative of the distributors. Therefore it would not be correct to say that this aircraft King Air C-90A was not inspected before its delivery taken by the State Govt. from its manufacturer *i.e.* Beechcraft Corpn. USA through their Indian Distributor *i.e.* M/s. Indamar Company Pvt. Ltd., Bombay.
- (iii) In addition to the facts stated above, it is pointed out that so far as the weighing of this aircraft got done by the manufacturer *i.e.* Beech Aircraft Corporation USA in January, 1985 and June, 1985 nothing can be said with surety/certainty at this stage because this aircraft was not ours at that time. The aircraft was weighted by the manufacturer after getting rectification/replacement of certain components during its test flight at production stage. Although the Export Certificate was issued by the Federal Aviation Administration of Transportation in USA on 31-3-1986, yet it was in the custody of the Indian Distributor of the manufacturer and ferried from USA to Bombay and during this period they fitted certain equipments in accordance with the Govt. of Haryana's exact requirements/specifications. Therefore, it was not correct to suggest that the aircraft had been re-weighed in India irregularly before its delivery to the State Government.

- (iv) The HF set under question is serviceable since March, 1987. This equipment was supplied by the distributor i.e. Indamar Company Pvt. Ltd., Bombay free of cost and it was modified for giving better performance under Indian conditions in accordance with the approval of the State Government accorded vide Memo No. 1/10/84-1CA dated 14-5-86. Therefore, the point raised by the audit is not based on correct assumptions.

However, the replies of the questionnaire raised by the Public Accounts Committee are also given as under :—

- (i) By whom the date of manufacturing of the engine had been scored out in the log book is not known to this office till date but the actual/factual number of the engines fitted out in this aircraft i.e. King Air C-90A can be verified from the other pages of the log books and other record available with our engineers who are looking after its maintenance. Moreover, the number of the engines have also been engraved by its manufacturer viz., Parat and Whitney Canada.

The Electronics Laboratory had since been re-established in December, 1988 and got approved from the DGCA, Govt. of India and is functioning satisfactorily since then. The equipment in question (Radar RD 300 Test Set) has also been put to its proper use

- (i) The equipment in question (Radar 300 Test Set) was purchased when its necessity was felt by the department keeping in view the purchase of new aircraft King Air C-90A.

(ii) Prior to the purchase of new aircraft King Air C90A, the Electronics Lab. was functioning in Pan No. 18, Indian Air Force Station, Chandigarh since 1974. When the new aircraft arrived in Chandigarh in June, 1986 a new Hanger No. 08 was allotted by Indian Air Force Station Chandigarh for this VIP's Aircraft. Due to lack of sufficient space in the New Hanger it was ordered by the then Adviser to transfer the Electronics Laboratory to Pinjore Civil Aerodrome in the month of April, 1987. However, after considering the whole issue the Govt. had reversed its decision and approved to set up the Electronics Laboratory in office premises in December, 1988. The Electronics Laboratory had been re-established in December, 1988 and got approved from the DGCA, Government of India.

- (iii) The Electronics Laboratory is functioning satisfactorily since December, 1988.

It was stated that the increase in expenditure was due to purchase of spare parts, requisite machinery and equipment for the new aircraft, increase in the cost of fuel and above all greater utilisation of the said Aircraft. Asked by the Committee, the department submitted the details

of flights done by VIP's Aircraft King Air-C-90-A out of state from June, 1986 to March, 1991.

The Committee constraint to note that the flights were made out of the State in routine during the period from July, 1987 to 1989 when the other means of conveyance were available. The Committee observed that the frequent use of Air-craft caused a huge extra burden on State exchequer and desired that the Government should investigate the whole matter and furnish a detailed report to the Committee within six months.

The Committee noted that the equipment was purchased at a cost of Rs. 2.57 lakhs in August, 1985 and installed in December, 1988. It further observed that the department also incurred additional expenditure on the maintenance of the Aircraft from outside even when the equipment and the Electronic Engineer were available in the Organisation. During the course of oral evidence the departmental representative admitted the delay which caused due to some administrative dispute going on in the organisation.

It was very shocking to the Committee that this type of problem was there in the organisation and the said staff was still on the roll of the organisation and incurring additional expenses on the maintenance of the Aircraft from outside and the staff was being paid a huge salary without getting work from them.

The Committee strongly recommend that the Government should solve such dispute in the organisation as early as possible and extra expenditure incurred by the department be recovered from the officers held responsible for the lapses and the action taken in the matter be intimated to the Committee within six months.

PUBLIC HEALTH

[20] 4.17. *Acceptance of sub-standard material*

An order for the supply of 600 heavy duty manhole covers and frames and 800 medium duty manhole covers and frames conforming to Indian Standards Specifications, was placed (July 1985) by the Director, Supplies and Disposals, Haryana, Chandigarh, on a firm located at Charkhi Dadri (District Bhiwani) on behalf of the Engineer-in-Chief, Public Health, Haryana. As per the terms and conditions of supply order, the material was to be inspected by the indenting department before despatch and 98 per cent payment was to be released against railway receipt sent through a bank.

Against the order, 500 heavy duty and 800 medium duty manhole covers were received by the various consignees during March 1986 to March 1987. Of these, 90 heavy duty covers and 480 medium duty covers were received in the Public Health Rural Sub-Division, Jind, and the Public Health Sub-Division, Karnal, during November 1986 to February 1987; 98 per cent payment amounting to Rs. 3.20 lakhs was released by these 2 consignees against railway receipts. Subsequently, it was reported by these 2 consignees (February and March 1987) that the material did not conform to the Indian Standards Specifications, was under weight (190 kgs against 208 kgs for heavy duty and 106 kgs against 128 kgs for medium duty covers) and without chains. Out of the 480 medium duty covers, 4 were found broken and 152 were issued to various works.

The Sub-Divisional Engineer, Jind, reported the receipt of sub-standard material after 3 months of receipt of the first consignment of the Engineer-in-Chief inspecting Officer and the Director, Supplies and Disposals.

The firm had not replaced the substandard material (April 1988) and an FIR was lodged (January 1988) with the police at Karnal. No responsibility for acceptance of the substandard material had been fixed (April 1988).

The matter was reported to Government in May 1988; reply has not been received (April 1989).

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

The material was inspected by Shri D.R. Mehta, Executive Engineer.

The first consignment as intimated by the Superintending Engineer, Public Health Circle, Hisar was received on 8-11-1986 and report to the effect of the material

being defective was made to the firm by the S.D.E. on 21-11-1986 i.e. within 14 days on receipt of the material.

The material was received on 8-11-1986 and 3-3-1987 in Jind and Karnal respectively and the firm was approached for replacement of sub standard material vide S.D.E.P.H. Sub Division Jind on 21-11-1986 and on 13-3-1987 by S.D.E. P.H. Sub Divn, No. 1, Karnal. The Director, Supplies and Disposals Haryana has also asked the firm to replace the defective material vide No. 294/HR/E-4/84-85/18694, dated 12-8-1987. As per record, the firm has replaced 58 Nos. Heavy duty manhole cover/frams so far. The balance material has not been replaced by the firm so far.

The case against FIR No. 27/88 against the firm was lodged with Police station City Karnal under section 420, 467 and 468 of IPC and presently it is under consideration of the Hon'ble Court of JMFC Karnal. The defedant firm has not attended the Court and the case is fixed for 26-2-1992 for issue of Arrest Warrant as intimated by the Superintending Engineer, P.W.D Public Health Circle, Karnal.

The material was received against R.R. negotiable through the Bank and the report of receipt of sub-standard material could only be made on actual receipt of material which was done to the firm with a copy to all concerned. The firm is thus responsible for supply of substandard material. There was condition of advance payment against proof of despatch of R R and this also resulted in payment being released before the actual detection of material being sub-standard.

During the course of discussion with the departmental representatives it was noticed that some substandard material was used in Sub-Division Jind by the department. The Committee observed that the department did not investigate the circumstances under which the sub standard material was used in Sub-Division Jind, the S.D.E. Jind failed to report the receipt of sub standard material well in time. The Committee strongly recommend that the matter be investigated and responsibility be fixed for the use of such under weight medium duty manhole covers.

The departmental representatives also informed the Committee that the firm did not supply the inspected material and the firm replaced only 58 Nos. Heavy duty manhole cover and the balance material has not been replaced by the firm so far. Thereafter the case against the firm was filed which is under trial with the Judicial Magistrate, Karnal.

The Committee recommend that concerted efforts should be made by the department to pursue the case in the Court.

The Committee further recommend that the legal advice may also be sought to file the civil suit against the proprietor of the firm for the recovery of the amount, without any further delay.

The Committee further desired that the progress made in the matter be intimated to the Committee from time to time.

✓ [21]. 4.18. *Recovery due from a contractor*

In the Public Health Division, Nuh, the laying of pipe line for the scheme "Providing drinking water to Bazidpur group of 17 villages" was entrusted on labour rates basis to a contractor in January 1979 (cost : Rs. 0.82 lakh) to be completed within 4 months. Due to delay in supply of material by the department, the contractor could commence the work only in February 1980. After executing work worth Rs. 0.54 lakh, the contractor left the work (September 1980). The department had by then issued 23376 metres of pipe and 4704 joints and PVC couplers to the contractor. Of these, 19549 metres pipe and 3861 joints and PVC couplers were shown as utilised (September 1980) by the Junior Engineer and the Sub-Divisional Engineer in the part work executed and 2828 metres of pipe and 340 joints and PVC couplers were taken back on stock, thereby leaving 999 metres pipe and 503 joints and PVC couplers valuing Rs. 0.68 lakh with the contractor ; these were not returned by him. The final measurements of work made (January 1984) by two Sub Divisional Engineers, revealed that against 19549 metres pipe and 3861 joints and PVC couplers shown as utilised, only 18241 metres pipe and 3578 joints and PVC couplers had actually been laid. Thus, 1308 metres pipe and 283 joints and PVC couplers valuing Rs. 0.74 lakh were shown as utilised in excess by recording excessive measurements. For delay in execution of the work, compensation of Rs. 0.11 lakh was levied. (January 1982) by the Executive Engineer and the balance work was got executed from other agencies at an extra cost of Rs. 0.38 lakh.

Thus, a sum of Rs. 2.04 lakhs was recoverable from the contractor against which Rs. 0.04 lakh only were available with the department.

In test check (December 1986) it was observed that :—

- (a) the work executed by the contractor was never check-measured by the Sub-Divisional Engineer ;
- (b) out of 23376 metres of pipe issued to the contractor, 3424 metres were issued (September 1980) without obtaining his acknowledgement ;
- (c) responsibility for recording excessive measurements had not been fixed (April 1988) ;

- (d) as per schedule of quantities provided in the agreement, a total 20170 metres pipe was required for the entire work but 23376 metres pipe was issued to the contractor ;
- (e) neither was the bill of the contractor finalised nor was any action initiated to make good the recovery from him (April 1988) ;

The matter was reported to Government in June 1988 ; reply has not been received (April 1989)

In their written reply, the department stated as under —

The detailed reply of (a) to (e) is listed below . —

- (a) Admitted The work was carried out under the supervision of Sh K.S Rathor, Sub Divisional Engineer. The above work was executed by Shri J. P. Sharma, contractor which was never check-measured by the Sub-Divisional Engineer. Shri K.S Rathor, Sub-Divisional Engineer had expired 6 years ago so no action can be taken against him at this belated stage
- (b) Admitted. that the pipes measuring 23376 metres of various size were issued which included 3424 metres pipes issued on indents without signatures of the contractor in token of receipt of same Thus 3424 metres pipes were issued without acknowledgement of the contractor being duly accounted for and reflected in the issue and consumption statement.
- (c) The pipe line laid was got remeasured by a panel of two Sub Divisional Engineers and it was found that entries in M B made by Junior Engineer for length of pipe line were in excess to length that was found actually laid at site. This way responsibility for making inflated entries lies on the shoulder of Shri T.R. Khurana, Junior Engineer. A draft charge sheet for recording excessive measurement by Shri T.R. Khurana, J.E. has been framed and serve upon vide Engineer-in-Chief Haryana, P.W.D. Public Health Branch letter No. 1898 dated 2-3-1987. and an Enquiry Officer in this regard has been appointed vide memo. No. 1346-49 dated 15-2-1990 The Enquiry has not yet been completed.
- (d) The material was issued on the basis of rough cost estimate According to site conditions the line has to be varied slightly . Due to this very reason the excess material was issued. Contractor has returned 2828 metres pipe leaving a balance of 20548 metres which is only slightly more than 20170 metres required as per DNIT. The total quantity of pipe excess issued as per material consumption statement has been shown

as recoverable from the contractor from his CC IV final bills which has been prepared for Rs. (—) 3,33,546 and has not yet been adjusted

- (e) The CCIV and final bill of the contractor for this work has been prepared in minus Rs. (—) 3,33,546 and is lying in the Divisional office which has not been passed as yet because all the record with M.B.'s M.S. Register Indent Books etc., of this work are under the custody of the civil Court, Ferozepur Jhirka since 5-6-1991 and the final bill will be passed and adjusted in the monthly account of the Division after receipt of the record from the Civil Court.

Shri K.S. Rathore, S.D.E. and Sh. T.R. Khurana, J.E. were responsible. Shri Rathore, S.D.E. has since expired and hence no action is possible against him. Charge sheet has been served to Sh. Khurana, J.E. and Enquiry Officer has been appointed.

The recovery of amount as pointed out in this para will only be possible after the adjustment of minus bill in the monthly account of the Division and that too after the department goes into arbitration and after announcement of the award by the arbitrator when he is appointed.

The Committee noted that this case pertained to the year 1981 and the department filed the case before the Arbitration on 6-8-92 for recovery of Rs. 3,33,646/- from the contractor. The Committee took a very serious view that the Arbitration case was not filed by the department well in time and it was filed after a lapse of 11 years. The Committee, therefore, recommend that responsibility of the officers/officials who have delayed in filing the arbitration case against the contractor may be fixed and the report be sent to the Committee within a period of two months.

The Committee further observed that proper monitoring of pending Arbitration cases, is not being done by the department as a result of which a long list of outstanding Arbitration cases is pending with the department. The Committee recommend that for the proper monitoring of arbitration cases, this task may be assigned to senior officers of the department without any further delay.

The Committee also desired that a list of all pending Arbitration cases be prepared and sent to the Committee together with the action taken thereon.

The Committee also desired that the outcome of the charge sheet served upon Shri T.R. Khurana, J.E. be intimated to the Committee within two months.

[22]. 4.19. *Incomplete and defective work*

Construction of 3 overhead service reservoirs (OHSR) (estimated cost : Rs. 5.75 lakhs) was entrusted by the Mandi Public Health Division, Naraingarh, to a firm 'A' at its tendered lump sum cost of Rs. 6.95 lakhs in June 1983. The work was to be completed within 6 months. The firm left the work of one OHSR incomplete after getting payment of Rs. 1.18 lakhs in October 1984.

When the firm failed to complete the work even within the extended period, i.e., upto December 1986, the Executive Engineer imposed a penalty of Rs. 0.20 lakh on the estimated cost (Rs. 1.96 lakhs) of one incomplete OHSR instead of Rs. 0.58 lakh, being 10 per cent of the estimated cost of Rs. 5.75 lakhs. Joint inspection of the partly executed work conducted by the Superintending Engineer and the Executive Engineer in December 1987 revealed (i) a payment of Rs. 0.29 lakh for the construction of stair case and ring-beam which did not actually exist at site and (ii) some cracks which necessitated checking of the structure for its stability. The amount of Rs. 0.29 lakh was placed under Miscellaneous Public Works advances (January 1988) by the Executive Engineer, Mandi Public Health Division, Naraingarh, against the sub-Divisional Engineer and the Junior Engineer concerned. The checking of the structure for its stability was still to be done (July 1988).

Thus, due to delayed and incomplete action taken by the department against the firm for defective work an expenditure of Rs. 1.18 lakhs incurred on the partly executed OHSR was rendered unfruitful. Against the recoverable amount of Rs. 0.87 lakh, a sum of Rs. 0.54 lakh, only was available with the department.

The matter was reported to Government in August 1988. Reply has not been received (April 1989).

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

In this connection it is stated that the foundation and other works including shaft of the said OHSR has been got tested from the Regional Engineering College Kurukshetra and it has been established that the cracks appearing on the wall are only surface cracks and do not extend through thickness of shaft and as such do not affect the structural strength of the OHSR. As the work in question is not defective, no action is required to be taken by the Department. The amount spent on construction cannot be called infructuous because the work is in progress and tank will be utilised after it is completed.

The amount of Rs. 29,000/- on account of excess payment was placed in the Misc. Advance of the Sub-Divisional Engineer and Junior Engineer in charge of the work in the ratio of 50 : 50 and the charge sheets against them were prepared. However, the firm has since

completed the work upto ringbeam and now there is no excess payment. (ii) As regards the cracks in the shaft the stability of the OHSR has been got tested from the Regional Engineering College, Kurukshetra and structure was stated to be safe as per report received

As the work of OHSR has been taken in hand by the same firm, the amount is likely to be adjusted from the final bill of the agency.

The Committee observed that a considerable delay has been committed by the department in completing the overhead service reservoir. The Committee recommend that the responsibility for the lapses in this work may be fixed and the Committee be informed accordingly within three months.

The Committee also feels that proper physical checking of the on-going works is not being done by the department regularly on account of which proper material is not being used thereby causing a delay in execution of such works. The Committee recommend that for bringing betterment and promptness in the execution of work, instructions may be issued by the department regarding carrying out physical verification by the senior level functionaries of the department and there should be a inspection book/register wherein the officers visiting the site should record their remarks and in this way the department will have a check on the officers concerned and the contractors.

The Committee further desire that the outcome of the charge sheet served upon the S.D.E. and J.E. held responsible for the payment of Rs. 0.29 lakhs together with recovery from the erring officials be intimated to the Committee within three months.

[23] 4.20. *Construction of a water tank*

For supply of drinking water to Chandi group of 5 villages, construction of a water tank was allotted to a contractor in October 1980 by the Executive Engineer, Public Health Division No. 2, Rohtak, with a time limit of 12 months, at a cost of Rs 6 75 lakhs. The scope of the work was enhanced to Rs. 7.55 lakhs in May 1981 with the addition of some other items. The contractor executed work for Rs. 2.58 lakhs upto May 1981, neither was any extension in time limit granted to him nor was any action taken for delay in execution of the work. The Executive Engineer, Public Health Division No. 1, Rohtak, to whom this work was transferred in August 1982, took action in April 1983 and levied a compensation of Rs. 0 76 lakh for delay and decided to get the balance work executed at the risk and cost of the contractor. Before the tenders for the balance work were opened, the contractor, however, gave (August 1984) an undertaking to complete the work against his agreement within 3 months. Thereupon, he was allowed to commence the work again. In September 1984, the Superintending Engineer, Public Health Circle, Rohtak, held the recovery of compensation, after withholding Rs. 0.05 lakh, in abeyance till a final decision in the matter was reached. Mean-

while, due to suspension of work owing to floods in 1983. the sub-soil water level (SSWL) rose damaging two walls of the tank. The department had to incur an extra expenditure of Rs. 0.68 lakh on dewatering and lowering the SSWL (Rs. 0.54 lakh) and re-construction of the collapsed walls (Rs. 0.14 lakh). The contractor left the work in November 1985, after executing works valuing Rs. 7.22 lakhs.

Some of the balance works were got executed (November 1984 to October 1985) by the department at higher rates at an extra expenditure of Rs. 0.38 lakh. The partly constructed storage and sedimentation tank and filter bed on which a sum of Rs 3.50 lakhs was spent, had been lying abandoned since then.

In order to commission the water supply scheme, the department constructed (March-September 1985) the second storage and sedimentation tank, provided in the scheme at a cost of Rs. 4.78 lakhs. The water supply scheme was commissioned in November 1985.

Thus, besides a delay of 4 years in the execution of the scheme, the department had to incur an extra expenditure of Rs. 0.68 lakh on dewatering and construction of damaged walls and Rs. 0.38 lakh on execution of some of the works from other contractors. The expenditure of Rs 0.54 lakh incurred on dewatering and lowering of SSWL for completion of storage and sedimentation tank had gone waste due to abandonment of these partly constructed works at a cost of Rs. 3.50 lakhs (June 1988)

The matter was reported to Government in August 1988, reply has not been received (April 1989).

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

The work was originally allotted by the Executive Engineer, Public Health Division No. 11, Rohtak, but it was transferred to the Public Health Division No. 1, Rohtak during 8/82. Some time was consumed in proper receiving of record etc. and it is only thereafter that action under clause 2 was taken vide his letter No 4121 dated 11-4-83. Therefore, there is no abnormal delay on the part of the Department to initiate action against the contractor under clause 2 of the contract agreement. This fact may also be seen in the light of that the rates quoted by Shri Ashok Malik, contractor were very reasonable and it was in the interest of the Department that the contractor may complete the work. Litigation proceedings which could have arisen due to the operation of clause 2 and 3 would have only delayed the finalisation of the work. Finally, when it was seen that the contractor inspite of reminders did not complete the work, the department took action under clause 2 as stated above as well as under clause 3 vide memo No. 5875 dated 16-4-1983. The work done upto 4/83 was upto 2.50 lakhs only. As such the tenders were floated for the balance work at the risk

and cost of the contractor to be opened on 27-7-84, but before the tenders could be opened the contractor filed a Civil Suit in the Court of Senior Sub Judge, Rohtak for the stay of operation of action under clause 2 and 3 of the contract agreement and opening of tenders on 27-7-1984. In the meantime the contractor himself approached the department to allow him to restart the work at his original rates. In the process the contractor at his own instance gave an affidavit on 7-8-1984 to this effect, assuring the department for the speedy completion of the work. Keeping in view his assurance given in the affidavit the contractor was allowed to do the balance work at the original rates and terms and conditions of the contract agreement vide No. 10039 dated 7-8-1984 within a period of 3 months

Besides the work also suffered due to cement shortage. Thereafter the Contractor approached the Arbitrator against penal action imposed on him under clause 2 and 3 of the contract agreement. In view of the interest shown by the contractor in resuming the work and adequate progress shown during the last 15 days, the Arbitrator asked that out of the amount due to the contractor and withheld by the Department should be released by retaining Rs. 5000/- without prejudice to the final outcome

There was heavy floods in the Monsoon season of 1983 year which caused extensive damage to the structures constructed at sites besides resulting in rise in sub soil water. Hence it was obligatory for the department to dewater and lower the sub soil water level. The expenditure incurred on dewatering for lowering of SSWL and repair of structures damaged due to floods is Rs. 0.54 lakhs and Rs. 0.68 lakhs respectively was done by the Department. As regards the extra expenditure of Rs. 0.38 lakhs as pointed out in the report, it is submitted that since the work in question was beyond the contractual scope of the original agreements hence it was got executed through some other agency on work order basis. No, the sedimentation tank and filter bed are not lying abandoned.

Since the sedimentation tank and filter bed were left incomplete by the original contractor, hence both the structures were allotted to Sh. Surat Singh, contractor at the risk and cost of the original contractor named Shri Ashok Kumar Malik. Now the filter bed stands completed and the execution of storage and sedimentation tanks is in progress

The Committee recommend that arbitration proceedings against the previous contractor be expedited so that recovery of Rs. 5 lakhs be effected at the earliest and the Committee be informed of the action taken in this regard.

[24]. 5.3. *Mis-appropriation of stores*

In the Public Health Division, Palwal, a scrutiny of accounts of the work "Providing Water Supply to Uttawar group of 13 villages" revealed (May 1988) that materials worth Rs. 0 54 lakh shown as issued from stock in March 1982, February 1983, and May 1984 were not accounted for in the material at site account of the work. Further investigation revealed that some quantities of polyvinyl chloride (PVC) pipes and tees included in the store indents were interpolated and increased after issue of stores, by the Junior Engineer (Stores) and the enhanced quantities were accounted for by him in the store accounts. No shortages and excesses were also noticed during physical verification of stores conducted in October 1983 and February 1984. These mis-appropriations were facilitated as the material at site account of the work was not checked and reconciled with the records of stores maintained in the division.

The Engineer-in-Chief confirmed the misappropriation of stores by the Junior Engineer and stated (February 1989) that disciplinary action against the official was under progress.

The matter was reported to Government in August 1988, reply has not been received (April 1989)

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

The quantity of following indents, indents issued by Sh. C.P. Sharma, Junior Engineer against work Providing Water Supply Scheme Uttawal were interpolated and increased the quantity by Sh. D.D. Aggarwal Junior Engineer (Stores).

I.No.	Description of material	Original Qty.	Increased Qty.	Net increase
47/19756 dated 14-2-83	PVC Pipe 110 mm	825 M	1825 M	1000M
26/20638 dated 14-3-84	PVC Pipe 90 mm	18 M	218 M	200M

These interpolations were made in the indents and increased the original quantity by Shri D D. Aggarwal, Junior Engineer and thus he has misappropriated the above increased quantity with malafide intention for which disciplinary action against him initiated beside charge sheet for recovery of material.

Such interpolation can be checked if quantity is given in the words on indents. The charge sheet for the shortage of material was framed against defaulter and served to him vide this office letter No. 4985-

PH/E4 dated 25-1-1989 Vide this office letter No. 8972 dated 3-11-89 Shri R.C. Garg, Executive Engineer Public Health Division, Palwal was appointed an enquiry officer. The detailed enquiries proceedings are still in progress as Sh. D.D. Aggarwal, is not attending enquiry proceedings on due date. However recovery for shortage of material has been started from his pay by the Executive Engineer, Public Health Division, Rewari. Now the Junior Engineer has been transferred to Public Health Division, Palwal and the further recovery will be made at the rate of 1/3rd of his basic pay by the Executive Engineer, Public Health Division, Palwal.

The Committee recommend that the disciplinary proceedings against the erring officials may be completed within two months and the Committee be informed accordingly.

On-the-Spot Study

During the course of discussion of certain paragraphs of the Audit Report for the year 1987-88 pertaining to P.W. (Public Health), it was considered necessary to undertake an on-the-spot study in order to make an assessment of the actual working of various Water Supply Projects/Schemes in the State. Therefore, the Committee made an on-the-spot study of the various Water Supply projects/schemes of the Public Health Department in the districts of Ambala, Kaithal, Bhiwani, Rohtak, Gurgaon and Faridabad during the month of August, 1992.

The Committee found that de-silting of water tanks was not done properly and at some water works it was not done for the last 15 years and water tanks were full of silt and mossy. It was also found that some of the water tanks were not being maintained properly and were found leaking and in bad condition which require immediate repairs by the department. At some places Operators of waterworks were not performing their duties properly causing harassment to the people for want of adequate supply of water. The Committee also noted that on most of the water works no record was maintained for using the bleaching powder etc. and no inspection register was provided at any water works/scheme. In most of the villages it was found that the stand posts were without taps and water was flowing unnecessarily and gathering around the stand posts and was giving foul smell.

The Committee also noted that in some of villages stand posts were not provided according to requirements particularly in Harijan Mohallas. At some villages facility of water supply was available only to 1/3 or 1/4 of the village population.

The Committee also noted that in some of the area of Kaithal district and Mewat area the water pumps were fluoride effected and in some areas there was salt water problem and the people

facing hardship due to non-availability of potable water. However, the Committee appreciated the working of Defluoridation plant at Fazilpur in Gurgaon district and observed that this system should be introduced in all the fluoride effected areas of State.

The Committee also noticed that there was a shortage of drinking water in the Nuh and Ferozepur Jhirka area. The Committee recommend that the department should initiate steps to improve the drinking water facility in the said areas immediately to avoid the hardship of the people.

The Committee in general noted that no extra vehicles were provided to the staff for attending to the emergent calls or for visiting water works from time to time. The Committee recommend that extra heavy vehicles/pick up vans be provided at sub division level for proper checking and attending the maintenance of water works/water supply schemes. The Committee also recommend that the funds for carrying out the necessary maintenance should be provided/released at the beginning of financial year so that maintenance work be carried out in time.

The Committee further desired that complete record should be maintained at every water works in regard to use of bleaching powder/other medicine, number of stand posts installed under the water works, etc. and the officers/officials of the department should regularly visit the Water Works/Schemes and record their remarks on all aspects in the 'Inspection Book' maintained at every Water Works/Scheme and a quarterly report on the inspection notes and action taken thereon be sent to the S.E. for his information and necessary action.

The Committee also desired that in the villages all stand posts should be provided with taps to avoid the wastage of water and where more stand posts are demanded, it should be provided immediately so that people may not feel any difficulty on this account.

The Committee further desire that a compliance report and steps taken to improve the facility of drinking water supply be furnished to the Committee within three months.

HARYANA STATE LOTTERIES

[25] 3.1.1. Introduction

For mobilising additional resources for its development plans, the State Government introduced a lottery scheme in September 1968. The scheme has been in operation since then, except for a few short spells of September to December 1979, April to June 1980 and April to October 1987. At present (June 1988), 4 weekly lottery schemes, namely, (i) Mahalakshmi, (ii) Sri Ganesh, (iii) Hari Om, and (iv) Jai Durga, were in operation.

3.1.2. Organisational set up

The scheme is administered by the Director of Lotteries in the Finance Department.

The lottery tickets are sold against cash through authorised agents throughout the country. For this purpose, the Sales Officers of the department are deputed to other States to sell and promote the sale of tickets. Immediately after the draw, the Sales Officers are required to render complete accounts of the sale proceeds of the tickets to the Headquarters office.

3.1.3. Audit coverage

Mention of the scheme was made in paragraph 6.7 of the Report of the Comptroller and Auditor General of India for 1983-84 on Revenue Receipts. The present review conducted in May-June 1988 covers the working of the scheme for the period from 1984-85 to 1987-88.

3.1.4. Highlights

—Two Sales Officers of the department misappropriated sale proceeds of lottery tickets amounting to Rs. 36 48 lakhs (paragraph 3.1.6.)

—Sale of tickets on credit resulted in a loss of Rs. 36.25 lakhs. (paragraph 3.1.7.)

—There were heavy outstanding balances (Rs. 38 04 lakhs to the end of March 1986) against Sales Officers due to non-rendition of accounts by them. Accounts for 1986-87 and 1987-88 were yet to be closed (June 1988). (paragraph 3.1.10.)

3.1.5. Budget provision and expenditure

(i) The budget provision and expenditure on the working of the scheme during 1984-85 to 1987-88 were as under:—

Year	Budget provision	Expenditure	Saving (—) Excess(+)
(In lakhs of rupees)			
1984-85	1528.96	1499 30	(—) 29 66
1985-86	2774 99	2699 14	(—) 75.85
1986-87	2998 44	2866 32	(—) 132.12
1987-88	3643 03	3543.77	(—) 99.26

The savings were attributed mainly to the sanctioned posts remaining vacant on account of the non-availability of qualified personnel.

(ii) Working results 81-13/06/83

The financial results of the draws held during this period are given below —

	1984-85	1985-86	1986-87	1987-88
(In lakhs of rupees)				
(i) Gross collections	1803.44	2949.16	3081.52	3872.64
(ii) Estimated	(1664.00)	(2860.00)	(3400.00)	(4616.00)
(iii) Total expenditure	1499.30	2699.14	2866.32	3543.77
(iv) Net realisation	304.14	250.02	215.20	328.87
(v) Percentage of net realisations to gross collections	16.86	8.48	6.98	8.49

The decline in the percentage of net realisations after 1984-85 was attributed by the department to the introduction of a bumper and attractive schemes by other States and private organisers.

3.1.6. Suspected misappropriation of Government money

According to the scheme, the accounts of the sale proceeds of the lottery tickets were required to be despatched to the Headquarters office by the Sales Officers on the date of draw itself. Supply of tickets for future draws was to be made only after the account of the sale proceeds of the lottery tickets issued for sale earlier had been rendered. It was noticed in audit (May 1988) that although two Sales Officers had failed to deposit the sale proceeds or render complete accounts of tickets for Rs. 36.48 lakhs out of the tickets for Rs. 59.55 lakhs sold by them during August 1986 to April 1987, the department continued to supply them tickets for subsequent draws. This resulted in accumulation of sale proceeds with them and facilitated misappropriation of Government money of Rs. 36.48 lakhs.

The department stated (January 1989) that criminal cases had been registered against the concerned Sales Officers at Chandigarh and that the matter was under investigation.

3.1.7. Loss due to sales on credit

Bye-laws of the Haryana State Lotteries (September 1968) provide that tickets will not be supplied on credit to any stockist or agent under

any circumstances. In contravention of these rules, the Sales Officer, Delhi Camp, however, issued lottery tickets valuing Rs. 46.16 lakhs to the agents at Hindupur (Andhra Pradesh) at the instance of the Sales Officer posted at Bangalore without obtaining payment in cash or any acknowledgement for the tickets. Of this neither was the account for Rs. 37.72 lakhs (sale of tickets : Rs. 36.25 lakhs and miscellaneous : Rs. 1.47 lakhs) rendered nor were the sale proceeds thereof deposited with the Headquarters office. The Sales Officer, Bangalore, was suspended from service in April 1987 and an FIR was lodged against the agents at Bangalore in June 1987, but no recovery had been effected. Meanwhile, the Sales Officer, Bangalore, retired from service in September 1987. The department referred the matter (April 1988) to Government for instituting a vigilance enquiry in the case. Further developments have not been intimated (January 1989).

* * * * *

3.1.9. Outstanding recoveries

Of the 4.76 lakh tickets issued to the Sales Officer, Tirupati, during June 1986, account for 1.60 lakh tickets (value Rs. 1.28 lakhs) has not been rendered to the Headquarters office. Recovery letter was issued to him in June 1987. The department intimated (January 1989) that the matter was under investigation.

3.1.10. Heavy outstanding balances

Sale of lottery tickets is done by the various Camp Sales Officers and the accounts thereof are required to be submitted by them immediately on sale or after the draw, whichever is earlier. These accounts are compiled and consolidated by the department after necessary check. A scrutiny of the consolidated accounts revealed that an amount of Rs. 38.04 lakhs was outstanding against the Sales Officers in the accounts under various schemes as on 31st March 1986.

The consolidated accounts for the years 1986-87 and 1987-88 were yet to be closed (June 1988).

There was also no system of internal audit in the department reportedly (January 1989) due to shortage of qualified staff.

The matter was referred to Government in August 1988; reply has not been received (April 1989).

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

3.1.1. Introduction

The sale proceeds of lottery tickets is being credited in the receipt Head "0075—Misc. General Services—receipt-Haryana State Lottery". Which is utilized by the Government. In the development plans of the State after getting the budget approved from the Vidhan Sabha. The details of development plans are available in the budget estimate of the concerned years. The Lottery Department does not incur any expenditure on development scheme of its own.

3.1.5. Budget provision and expenditure

(i) The position of vacant posts as on 4/92 is given as under ;

Assistants—3 No.

These posts were circulated to various departments to secure the services of experienced and qualified Assistant but with no response. Efforts are being made to fill the posts and it is hoped that these will be filled by the end of the current financial year.

(ii) Working Results

The Financial result of the Draws held during 1988-89 to date are as under —

	1988-89	1989-90	1990-91	1991-92
	(In lacs of rupees)			
(i) Gross Collection	6973.76	10361.44	13073.59	13230.60
(ii) Revised estimate	7000.00	10600.00	13000.00	13400.00
(iii) Total expenditure	6256.05	9318.36	11921.67	12575.77
(iv) Net Realisation	717.71	1043.08	1151.92	654.83
(v) Percentage of net realisation to gross collections	10.29%	13.06%	8.81%	4.95%

3.1.6 Suspected misappropriation of Government money

In this regard it is pointed out that the lottery tickets of about four draws were already supplied to the sale Officer in advance from the date of draw to enable them to sell the same in the market. In this way tickets of four draws under each scheme have to be issued to the Sale Officer in advance.

After that no tickets were issued to both of them. Both the Sales Officers were asked/reminded from time to time to render their respective accounts to the deptt.

2. Investigation under F.I.R. No 427/88 dated 21-11-1988 with the Central Police Station Sector-17, Chandigarh against Sh. Rajinder Singh under suspension is under

process so far whereas the challan under F.I.R. No. 428/88 dated 21-11-1988 against Sh. Satinder Dhawan Asstt. (under suspension) has been submitted by the Police authority in the court concerned and next date of hearing has been fixed on 4-1-1993. As such final outcome is still awaited. Both these cases are being pursued by the department with the Police/Distt Attorney for early finalisation of investigation and submission of challans/getting the cases decided at an early date

3 To avoid cases of misappropriation the security of Rs 10,000 and surety of Rs. 1,00,000 from the officials who is posted as sale officer for sale of lottery tickets is being taken. The camp Offices of the deptt are being inspected by Senior Officers of the department periodically

3.1.7. Loss due to sale on credit

- 1 On receipt of report from Vigilance Department the matter was referred to Chandigarh Police for registration of Criminal cases against Sh S K Bhargav, Sh M L. Arya, Sh G.S. Jain in June 1991. But Police authority Chandigarh advised to take up the matter with Delhi Police as embezzlements of lottery tickets were made at New Delhi. The matter was referred to Delhi Police to register the case and Delhi Police had also advise to take up the matter with Bangalore Police but the deptt. has again requested the Police authority Delhi to register the case as the criminal offence was committed at Delhi. The matter is still pending with Delhi Police for which they are being regularly reminded
2. The sale Officer were strictly directed to sell the lottery tickets in advance with the bye-laws of the departments but they have issued the tickets to agents/sellers on credit in contravention of Government Instructions which fact came to the notice of the deptt at a later date. By that time the amount had been embezzled by the said official
3. The tickets are sold/supplied on cash basis only. * * *

3.1.9 Outstanding Recoveries

The Enquiry Officer in his report held four officers/officials responsible for the loss of Rs. 1 28 lakh. The Officials concerned have been charge sheeted under rule '8' (P&A) rules 1987 to recover the amount. The proceedings are under process and the final decision is still to be taken in the matter. The amount of Rs 1 28 lakh has not been recovered so far.

3.1.10 Heavy outstanding balances

In this connection it is stated that recoveries/adjustment of the balance outstanding in the accounts pertaining to the year 1985-86 under various Schemes as on 31-3-1986 have

been made from the concerned sale Officers during the course of the subsequent year

The accounts for the year 1986-87 & 1987-88 onwards have since been consolidated. As regards accounts for the year 1988-89, 1989-90, 1990-91 and 1991-92 these have also been closed.

The Committee are not satisfied with the reply of Department and observed that the existing procedure of sale of lottery tickets is very much defective and observed that whole procedure/system requires revision and a fool-proof procedure be adopted to avoid any mis-appropriation/embezzlement of Government money in future.

The Committee further recommend that in the instant case of misappropriation of Government money of Rs. 36.48 lacs a vigilance enquiry be ordered by the department and steps be also taken to file the civil suit after taking the opinion from the Law Department against the delinquent officials immediately. The Committee also observed that in future the security of Rs. 10 thousand should be increased to Rs. 20 thousand to avoid cases of mis-appropriation

The Committee also constrained to observe that no criminal case was registered against the delinquent officials either by the Chandigarh Police or Delhi Police even after the enquiry was completed by the Vigilance Department in the embezzlement case of sale of lottery tickets valuing Rs. 46.16 lakhs. The Committee recommend that the matter may be examined in consultation with the Law Department to register the case by the Haryana Police against the officials responsible for the loss so that prompt action to recover the embezzled amount be taken against them.

The Committee further recommend that the outstanding recovery of Rs. 1.28 lakhs be effected from the delinquent officials and the Committee be informed accordingly.

P.W.D. (B&R)

[26] 4 1 *Defective work*

The construction of a new bus stand at Dabwali (Sirsa District) was entrusted to a contractor in September 1983, by the Executive Engineer, Provincial Division No. 1, Sirsa, at an estimated cost of Rs. 6.35 lakhs, enhanced to Rs 11.26 lakhs in February 1986. The agreement stipulated, *inter alia*, (a) completion of work by 25th January 1987, (b) levy of compensation for delay and defective work and (c) rectification of defects, if any, at the risk and cost of the contractor.

When the work was nearing completion, it was inspected by the Superintending Engineer, Hisar Circle, Hisar, on 20th January 1987. He pointed out that (i) the quality of work, especially the work of concrete pavements was very poor (ii) neither were the levels maintained nor were the joints proper and (iii) there were also some cracks in the ceiling. He, therefore, instructed the Executive Engineer to send a detailed study report and get the defects rectified. The contractor, however, notified the completion of work to the department on 22nd January 1987. By this time, running payments amounting to Rs. 10.79 lakhs had already been released to the contractor on the certificates recorded by the Junior Engineer or the Sub Divisional Engineer that the works executed were as per P.W.D. specifications. On further tests of cement-sand mortar conducted by the Deputy Director P.W.D. (B&R) Research Laboratory, Hisar, it was observed (March 1987) that the concrete was of questionable quality. On his being asked in September 1987 the contractor refused to set right the defects as these had not been brought to his notice by the department within the stipulated period of 3 months of the completion of work.

Accordingly, in October 1987, after getting approval of the Superintending Engineer, the remedial measures were got completed at a cost of Rs. 1.61 lakhs by charging this expenditure to a special repair estimate (which was yet to be sanctioned). The building was then handed over to the Transport Department in November 1987. It was also noticed that the work was not check-measured by the Executive Engineer although he was required to check at least 5 per cent of the total work done.

Government stated (December 1988) that disciplinary proceedings had been initiated against the concerned officials.

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

1. The officers/officials including the J.E and the Executive Engineer responsible for defective work on the construction

of New Bus Stand at Dabwali (Distt. Sirsa) were charge sheeted as under :—

- (i) S/Shri R.S. Shivi, S E under rule 8 of P&A Rules.
- (ii) „ R.K. Gupta, E.E under rule 8 of P&A Rules
- (iii) „ Satbir Singh, E E. (—do—
- (iv) „ R.K. Sharma, S D E —do— 7 of P&A Rules
- (v) „ R.K. Nanda, S D.E —do— 8 of P&A Rules
- (vi) „ S.C. Sidhana, J E. —do— 7 of—do—
- (vii) „ O.P. Verma, J.E. —do— —do—

The present inquiry position of the above persons is given as under :—

(i) *Shri R.S. Shivi S.E. (Retd)* —The officer was inflicted recorded warning.

(ii) *Shri R.K. Gupta E.E.* —A proposal sent to Government vide EIC letter dated 14-2-89 for the recovery of Rs. 18000 is under consideration of the Government.

(iii) *Shri Satbir Singh E.E.* —A proposal sent to Government vide EIC letter dated 14-2-89 for the issue of a recorded warning to him is under consideration of the Government

(iv) *Shri R K Sharma S.D.E.* —A proposal sent to Government vide EIC letter dated 14-2-89 for the recovery of Rs. 27000 from him is under consideration of the Government

(v) *Shri R K Nanda S.D.E.* —He has been inflicted the punishment of stoppage of one grade increment without future effect on 26-3-91

(vi) *Shri S.C. Sidhana J.E.* —He has been inflicted the punishment of recovery of Rs. 27000

(vii) *Shri O.P. Verma J.E.* —He has been inflicted the punishment of stoppage of one grade increment with future effect on 26-3-91.

2. As stated above, the action against the SDE, Shri R.K. Sharma, was initiated and Government has been recommended by EIC on 14-2-89 for inflicting the punishment of recovery of Rs. 27000 from him.
3. The work was completed on 22-1-87. As stated in (i) above, the officers/officials responsible for not pointing out

the defects in the work to the contractor within the stipulated period were proceeded against & the inquiry position is given above

- 4 Detailed study reports were submitted by the Executive Engineer on 23-4-87 and 19-10-87. The position of disciplinary action against the defaulters is given above.
5. The position of inquiry cases against the officers/officials is given in (i) above

The Committee observed that the facts of this case were somewhat different as stated by the department in its written reply. The Committee, therefore, desired that the Engineer-in-Chief may enquire into this matter thoroughly and submit his report to the Committee.

The Engineer-in-Chief submitted the following report : —

The Bus Stand at Dabwali was inspected by me on 5th November, 1992 alongwith S.E. Hissar and E.E. Sirsa. The Building is in sound condition and there are no signs of crack or distress.

- 2 I also took the opportunity of questioning with the following officers/officials who were associated with the construction of the work . —

1. Shri R K. Gupta, E.E. (Retired)
2. Shri R.K. Sharma, S.D.E.
3. Shri R.K. Nanda, S.D.E.
4. Shri S.C. Sidhana, J.E.

They have categorically affirmed that there was no collapse of the porch or any other part of the structure at any time.

3. The following personnel who have been at the Bus Stand at Dabwali since a long time, in one capacity or the other, were also questioned : —

- 1 Shri Om Parkash Sub Inspector, Haryana Roadways Dabwali, who is working there for the last 20 years i.e. since 1972 to-date.
2. Shri Ram Singh, Conductor working as Clerk in the Bus Stand at Dabwali for the last 13 years i.e. since 1979 to-date.
3. Shri Hem Raj, Sub Inspector working as Cashier in Bus Stand Dabwali since 1984.

- 4 Shri Krishan Lal Sugai-Cane Juice and Fruit Vender,
Bus Stand Dabwali, working as such since 1985

They have stated that there was no failure or collapse of any component of the building, during construction or thereafter

The Committee was not satisfied with reply/report furnished by the departmental representatives in respect of Audit paragraph pertaining to construction of New Bus Stand at Dabwali (Sirsa) and decided to inspect the Bus Stand Building Dabwali

The Committee, therefore, made on the spot study/inspection of the New Bus Stand Building at Dabwali in the month of November, 1992

The Committee observed that the department tried to conceal the actual structure of the building by temporary repairs carried out before the visit of the Committee. Even after such repairs, the Committee noticed cracks in beams and cracks in the ceiling at various places and observed that it requires immediate and regular maintenance/repairs to avoid any valuable loss of Bus Stand Building in future. The Committee recommend that proper and regular maintenance/repairs of the building be carried out.

The Committee further noted that four Executive Engineers inspected the building on 43 occasions on different dates during its construction but none has pointed out the defects in the building at the time of inspection. The Engineer-in-Chief in his report dated 9-11-92, also stated that he inspected the building on 5-11-92 alongwith S.E. Hisar and Executive Engineer, Sirsa and there was no signs of crack or distress. The Committee constrained to note that the departmental officers apparently aware of the defective work but concealed the facts and they were not serious about the matter and did not make any efforts to rectify the defects well in time. The Committee strongly recommend that action be initiated against all these erring officers and action taken against them be informed to the Committee

The Committee also noticed that the fittings of electric wires were also very defective and hanging in the open at various places in the building. The Committee observed that it should be checked and proper wiring be got done immediately.

The Committee also desire to know the final action taken against the officers/officials as stated in the written reply of the department vide para 4.1 of Audit Report which was stated to be under consideration of the Government.

[27] 4.3. *Extra liability due to retendering*

In the Provincial Division No. 1, Ambala Cantt, tenders for the supply of stone material at an estimated cost of Rs. 4.28 lakhs (based on the market rates of May 1985) required for widening and strengthening of the Ambala-Kala Amb road between KM 3.80 to 11.80 were invited

and opened in July 1986. The rates received in a single tender with the cost as Rs. 5.64 lakhs were considered high by the Executive Engineer and the Superintending Engineer and were, therefore, rejected.

Fresh tenders were invited and opened on 26th September 1986 and again a single tender with the cost as Rs. 6.36 lakhs (valid for three months) was received. On negotiations, the contractor reduced (November 1986) the cost to Rs. 4.62 lakhs. The market rate assessed by the Executive Engineer at that time was Rs. 5.51 lakhs. The Executive Engineer while recommending acceptance of the negotiated tender to the Superintending Engineer (November 1986) pointed out that there was no hope for the receipt of lesser rates in case the work was retendered. Thereafter, the case remained under correspondence between the division and the circle office and the validity period had to be got extended twice upto 20th February 1987. The Superintending Engineer submitted the tender to the Chief Engineer for approval on 9th February 1987 but the latter returned it on 24th February 1987 due to non-receipt of certain documents. In the mean time, the validity of the tender expired and the contractor, on being asked, refused (March 1987) to extend the validity period further.

Tenders for the work were reinvited for the third time and opened in May 1987 and the work was finally allotted (July 1987) to another contractor at a cost of Rs. 6.59 lakhs. This resulted in an extra liability of Rs. 1.97 lakhs in comparison to the negotiated rates of November, 1986.

The matter was reported to Government in March 1988, reply has not been received (April 1989).

In their written reply, the department stated as under —

1. Shri S.L. Dhuppar, S.E. is mainly responsible for the lapses resulting into extra expenditure of Rs. 1.97 lacs due to recall of tenders for the supply of stone material required for widening and strengthening of the Ambala-Kala-Amb road between KM 3.80 to 11.80 KM. The total extra expenditure was Rs. 1.27 lacs instead of Rs. 1.97 lacs as pointed out by the audit due to the fact that the quantities executed were less than the quantities provided in the first NIT.
2. In view of the position explained above it has been proposed to chargesheet Sh. S.L. Dhuppar, S.E. and Sh. R.P. Bansal, E.E. under rule 8 of P&A rules and the same is under active consideration of the Government. It is also added that the other officers/officials found guilty in EIC office for Minor omissions on account of delay in processing the tender case have been warned to be careful in future.

The Committee observe that disciplinary action should be taken against the officers/officials responsible for the lapses and recommend that the amount of Rs. 1.27 lakhs be recovered from the S.E. and XEN at the earliest and the Committee be informed within two months.

[28] 4 4. *Construction of a road*

In the Provincial Division, Jhajjar, the construction of a road from Matanhail to Nimli (5.8 kms) was administratively approved (November 1983) for Rs 11.60 lakhs. The detailed estimate for Rs. 10.82 lakhs prepared in December 1983 and revised to Rs. 10.79 lakhs in March 1987 has not yet been sanctioned (June 1988). The estimate provided for execution of 46507 cum of earth work. The earth work on the road was started in December 1983 and 87348 cum earth work was executed departmentally at a cost of Rs. 2.28 lakhs upto July 1986. Thus, 40841 cum of earth work (proportionate cost Rs 1.07 lakhs) was executed in excess of the estimated provision. On this being pointed out in audit, the Executive Engineer stated (February 1988) that earth work actually got done at site was in excess of that provided in the estimate, as the area being sandy, much of the earth was washed away by rains, storms and traffic and that consolidation of earth on this road was done very late. A test check in audit (November 1987) revealed the following irregularities —

- (i) as per estimate, 50 per cent of earth work was required to be laid in 20 cms. layers and compacted simultaneously whereas entries in the measurement books revealed that the entire earth was laid on the road in loose form during December 1983 to July 1986,
- (ii) overall measurements of the work based on cross sections after completion of work, as required under P.W.D specifications, were not taken;
- (iii) payments to the labour deployed on muster rolls were made by the Sub-Divisional Engineer on the basis of measurements recorded by the Junior Engineers in the measurement books without any check measurements;
- (iv) the work of supply of material for consolidation and metalling of road was awarded in March 1984; the supply commenced in July 1984 and the consolidation work was started only in April 1986.

Thus, due to non-compaction of 50 per cent earth as required in the estimate and because of the delay in commencement of consolidation of road works, the earth work executed partly got washed away and Government had to bear an extra expenditure of Rs. 1.07 lakhs.

Government stated (December 1988) that the matter for fixing responsibility for the loss was under process.

In their written reply, the department stated as under —

Detailed inquiry in respect of excessive earth work executed on Matanhail to Nimli in Jhajjar Provl Divn has been conducted and the following officers/officials have been found responsible and the disciplinary proceedings against them have already been initiated . —

Sarvshri

- 1 R.S. Rath, J E
2. R S Sandhu, J E.
- 3 Ishwar Singh, J.E
- 4 G.N. Mathur, S D.E
- 5 R.S. Saran, S.D E
- 6 D.R Kashyap, S.D.E.
7. Gaze Singh, S D E
8. R.D. Khattar, S D.E
- 9 Jagdish Mittar, S D E.

Time bound explanation of the above persons have been called for. In case satisfactory reply is not received from them Further action will be taken as per rules

As regards compaction in layers of the earth work the field officers have confirmed from the log Books of the road rollers used on the road that the required compaction was carried out as per the specifications. Action against the SDEs concerned for not checking the measurements recorded by the J.Es. in the MBs/Muster Rolls have already been initiated.

As regards delay in starting the consolidation work after the completion of the earth work it has been found that the Cooperative Society in whose favour the supply of material was awarded, delayed the supply of stone metal on the road. Though ultimately the supplies were as completed from the same Society, yet the Society was penalized by way of 10% compensation amounting to Rs. 25925 which has been recovered from the Society It is incorrect to say that any earth work was washed away because of non-compaction. As stated above, the compaction was carried out. However, action for the extra earth work has already been initiated against the defaulters as mentioned above.

The Committee is not satisfied with the reply of the department and constrained to observe that the consolidation/mettalling of this road was started in 1986 whereas the earth work of this road was done in the year 1983.

The Committee desire that a complete/detailed report of this road be furnished to the Committee within a period of one month

The Committee further desire that the action taken against the officials as listed above may be intimated to the Committee within three months.

[29] 4 8 *Excess measurements*

In the Provincial Division, Faridabad, the "Construction of link road (3 57 km.) from village Chirsi to *Manjhwal*" was entrusted (September 1982) to a contractor on work orders basis. The estimate provided for 14250 cum of earth work. The contractor executed 18318 cum of earth work in km. 0 to 3 during September, 1982 to March 1983 for which on account payments of Rs. 0 61 lakh were made (March 1983). Thereafter, a revised estimate of the work for Rs 8.07 lakhs having provision of 30508 cum of earth filling was submitted (March 1983) by the Executive Engineer to the Superintending Engineer, Gurgaon Circle; this was returned by the latter for explaining the huge variations in the quantity of earth work. The estimate was not thereafter resubmitted to the Superintending Engineer (March 1988)

The work on the road in km 3 to 3 57 was allotted (February 1984) to another contractor at a cost of Rs 0 48 lakh. After executing 4708 cum of earth work costing Rs 0.46 lakh during April-December 1984 in a length of 180 metres, the contractor stopped the work. A further quantity of 12402 cum earth work costing Rs. 0 40 lakh in km. 0 to 3 was also executed departmentally. Thus against the estimated quantity of 11976 cum (proportionate for the length of the road in which the work was actually executed), 35428 cum earth work was executed at a cost of Rs. 1 47 lakhs

On the abnormal excess of earth work shown executed over the estimated quantities being pointed out in audit (July 1986), the department deputed (August 1987) 3 Sub-Divisional Engineers and 3 Junior Engineers to check measure the earth work. The check measurements (September 1987) revealed that, against 35428 cum of earth work recorded in the measurement books and paid to contractors and departmental labour, the work actually executed was 16369 cum. This resulted in excess payment of Rs. 0 83 lakh to the contractors and departmental labour. It was observed that while the measurements of earth work executed by the contractors were cent per cent check measured by the Sub-Divisional Engineer, no check measurement were made for the earth work got executed departmentally.

Government stated (December 1988) that disciplinary proceedings had been initiated against the officials concerned

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

- (1) Payment of earth work done by the departmental labour is made by the SDE himself. It, therefore, implies that SDE has satisfied himself about the quantity of earth work entered in the Measurement Book and also on the Muster Roll.
- (2) The officers/officials responsible for excessive measurements and extra payment are as under : —
 - (1) Sh B R. Goel, S.D.E.
 - (2) Sh. R.K. Duggal, S.D.E.
 - (3) Sh S.C. Girdhar, S.D.E.
 - (4) Sh. Gajraj Singh, J.E.
 - (5) Sh. R S. Khurmi, J.E
 - (6) Sh Ved Parkash, J.E

All these officers/officials have been charge sheeted U/R-7. Inquiry Officer has been appointed in respect of Sh. S.C Girdhar, SDE and Sh. R.S Khurmi, J.E. The defence of other officers/officials namely Sh B.R. Goel, SDE, R.K. Duggal, Sh. Gujraj Singh J.E. and Sh Ved Parkash J.E. have been kept pending till the findings of Inquiry Officer are received. The Inquiry Officer has been reminded to expedite his report so that cases of all these officers/officials could be finalised.

During the course of oral examination the departmental representative admitted that excess payment of Rs. 0.83 lakh was made to the Contractor and departmental labour against the excessive measurements and assured the Committee that the whole matter would be enquired into and action would be taken against the officers/officials responsible for excessive measurements and excess payment.

The Committee desire that action taken to recover the amount against the officers/officials responsible for the excess payment of Rs. 0.83 lakh to the contractor and departmental labour be intimated to the Committee within six months.

[30]. 5.2.1 *Injudicious purchases*

Rules provide that purchases shall be made in the most economical manner in accordance with the definite requirements of public service. At the same time, care shall be taken not to purchase stores far in excess of actual requirement.

- (a) It was noticed that in 3 divisions, un-warranted purchase of 23400 steel wire brushes was effected during September 1981 to May 1983.

As the stock available on the date of purchase in each of the divisions was adequate to meet its future requirements, the purchase of 23400 brushes valuing Rs. 1 08 lakhs was unnecessary and resulted in blockage of funds.

- (b) In the Construction Division, Gurgaon, two tar boilers valing Rs. 0 51 lakh were purchased in March 1983. Two more tar boilers of the same specifications were subsequently purchased in January 1984 at a cost of Rs. 0 51 lakh for urgent requirement, even though the tar boilers purchased in March 1983 were lying unutilised. On this being pointed out in audit (July 1985), disciplinary proceedings were initiated against the Executive Engineer concerned (January 1987). Further developments have not been intimated (January 1989).

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

The steel brushes are used for many operations during road maintenance and constn.

The audit has pointed out the following Divisions for excessive purchases of brushes.

- | | |
|---|-----------------------|
| 1. Provl. Divn. No. I Sonipat
(9/81) | 12000 Nos. Rs. 520000 |
| 2. P.D. No. I Gurgaon (3/83) | 4200 Nos Rs. 20000 |
| 3. P.D.I. Rohtak (March/
May 1983) | 7200 Nos Rs. 36000 |

As regards the purchase made by Sonipat Divn. it is intimated that the purchases were made for a new Circle opened at Sonipat during 1981 for Asiad Games works to be held at Rai. After sometimes the venue of the games to be held at Rai was shifted to Delhi and the New Circle was also wound up. Since the material was of imperishable nature and was required for road construction and maintenance as such these surplus brushes were not disposed off. The Superintending Engineer has certified that no wire brushes after that were purchased by that division and these were used/are being used as per requirement.

Similarly in Gurgaon, the Superintending Engineer has intimated that the exact requirement of the wire brushes cannot be foreseen. This being an item of common use and of an imperishable nature is usually stored. Moreover an expenditure of Rs 20,000 on this item in a Division having works more than crore of rupees is quite negligible,

For Rohtak Divn. as above.

2 Shri S.R. Batra, Executive Engineer was held responsible for injudicious purchase of Tar Boilers. A show cause notice was issued to Sh. Batra, by Government vide memo No. 8/185-B&R (E)-3-83 dated 5-9-90 with the proposed punishment of Censure. As no reply was received from the Executive Engineer exparte comments received vide EIC memo No. 33 I&C-II dated 22-1-91 recommending to make the proposed punishment as final is under consideration of the Government.

During the course of oral examination the departmental representative stated that the enquiry has been completed in the case of injudicious purchase of Tar Boilers and complete report will be submitted to the Committee within one month.

The Committee desire that the complete report in the matter together with the disciplinary action taken against the Executive Engineer be furnished to the Committee within one month.

[31]. 5.2.3. *Mis-appropriation of stores*

While working in the Provincial Division, Bhiwani, and the Construction Division, Hisar, from July 1967 to December 1973, a Junior Engineer mis-appropriated materials valuing Rs. 1.89 lakhs. In the enquiry conducted during 1979-80, he was held guilty of shortages of materials valuing Rs. 1.81 lakhs. The department decided in March 1983 to initiate a civil suit against him for recovery of the amount. The official was dismissed from service in September 1986 with a decision to recover the amount. The civil suit had yet to be filed (January 1989).

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

The J.E. responsible in this case has been dismissed from Government service in 9/86. The S.E. was asked to make recovery from the J.E. through the Revenue Authorities as arrear of land Revenue. A civil suit has been filed in the Court against Sh. Gajinder Singh J.E. for the recovery of Rs 61843.34. The next date of hearing has been fixed on 10-3-92. Decision of the Court is still awaited.

The recovery can be effected only after the decision of the Court.

The Committee recommend that the department should pursue the case in the Court to its logical conclusion and final outcome be intimated to the Committee in due course.

[32]. 5.2.8. *Storage charges*

The rate of storage charges is fixed annually for each division or sub-division on the principle that the total estimated annual expenditure on storage is, as far as possible, recovered from the issues likely to be made during the year. The excess storage charges recovered during the year are required to be credited as revenue and any deficit in storage charges is to be debited to losses on stock with the approval of the competent authority.

A review of accounts of 15 divisions revealed that (i) excess storage charges aggregating Rs. 11.90 lakhs in 9 divisions were not credited to revenue during April 1983 to March 1987, (ii) deficit of Rs. 4.73 lakhs in 5 divisions was not charged as 'losses on stock' during April 1983 to March 1987 and (iii) savings in storage charges of Rs. 7.58 lakhs in 6 divisions were irregularly utilised towards construction of residential and non-residential buildings by debiting the expenditure to the head 'Stock'.

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

As regards (i) and (ii) instructions were issued to the field staff to comply with the provisions of articles 162 and 163 of Account code Vol. III. Now the S.Es. have reported that the excess storage charges have been credited to revenue Head and the deficit in storage have been debited to losses on stock with the approval of competent authority.

So far as (iii) regarding saving to storage charges of Rs. 7.58 lacs in 6 Divisions said to be irregularly utilised towards construction of residential and non residential building by debiting the expenditure to the 'Head stock' The division wise position is given as under :—

Sr. No.	Name of Divn	Expenditure in lacs
1.	P.D.I Jhajjar	1.12 lacs
2.	P.D. Charkhi Dadri	0.43 lacs
3.	Mech. store & Procurement Divn. Karnal	0.58 lacs
4.	P.D. II Bhiwani	1.91 lacs
5.	P.D.I. Rohtak	0.71 lacs
Total		4.75 lacs

As per report of S.Es. Rohtak, Bhiwani and Mech. Karnal an expenditure of Rs. 4.75 lacs was incurred on residential/office buildings against duly sanctioned estimate of stock storage and the paras have since been got settled from A.G. Haryana.

Karnal 2.83 lacs.

The S.E. Karnal has reported that the expenditure booked under Sub Head stock storage during the month of 3/88 has been verified and found that a sum of Rs. 2.53 lacs instead of 2.83 lacs pointed out by the Audit was booked to this Head. The factual position is that a sum of Rs. 2.44

lacs was credited to Revenue Head ('0059—Misc Receipt)" vide T.E. No. 60 dated 5-4-88 during 3/88 which was wrongly debited to storage instead of crediting to this sub Head of account. A sum of Rs. 0.09 lacs was booked to stock-storage only and this expenditure is meant for pay of Chowkidar for watch and ward of store and other Misc. expenditure. No building was got constructed against stock-storage in this Division.

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

During the course of oral examination, the departmental representative stated that out of 25 divisions, 21 divisions brought the balances in plus leaving only 4 divisions remained in minus. The Committee desired that latest position in this behalf be supplied to the Committee within three months.

AGRICULTURE

[33] 6 10 *Assistance to small and marginal farmers for increasing agricultural production*

6.10.1. Introduction

With a view to ameliorating the economic condition of the poor farmers in the country, a Centrally sponsored scheme of 'Assistance to small and marginal farmers for increasing agricultural production' was launched by Government of India in 1983-84. The scheme envisaged an annual outlay of Rs 5 lakhs per block to assist the small and marginal farmers to enable them to invest in minor irrigation, take up land-development works, undertake plantation of fruit and fuel trees and increase production of oil seeds and pulses through the supply of minikits of seeds and fertilisers either at subsidised rates or free of cost. The component of plantation of fuel and fruit trees and free supply of fertilisers with the seeds minikits was dropped from the purview of scheme from 1985-86.

The outlays on the scheme are being equally shared by the Central and State Governments. The rate of subsidy admissible is the same as under the Integrated Rural Development Programme, namely, 25 per cent for small farmers, 33½ per cent for marginal farmers and 50 per cent for the Scheduled Caste/Tribe farmers.

In Haryana, the scheme was undertaken from October 1983 in all the 12 districts covering 87 blocks (increased to 93 during 1984-85 and 1986-87 and to 98 in 1987-88).

6.10.2. Organisational set up

At the State level, implementation of the programme was monitored by the Directorate of Agriculture, Haryana, which was assisted by, the District Rural and Development Agencies (DRDAs) in its implementation at the district level through Deputy Director Agriculture, Assistant Soil Conservation Officer and Divisional Forest Officer.

6.10.3. Audit coverage

The review covered 33 out of the 98 blocks for the period from 1983-84 to 1987-88 with reference to a test check (March-May 1988) of the records of the Director of Agriculture and DRDAs in the 4 districts of Ambala, Jind, Hisar and Faridabad.

* * * * *

6.10.8. Minikits of seeds and fertilisers

Under the scheme, the minikits for pulses, oil seeds and coarse grains together with the fertilisers were to be provided to the small and

marginal farmers so as to encourage them in the use of improved seeds. A sum of Rs. 59.33 lakhs was spent on the distribution of minikits of seeds and fertilisers against the budget provision of Rs. 81.01 lakhs during 1983-84 to 1987-88 in the 4 test checked districts.

(i) According to the scheme, as revised in May 1985, minikits of fertilisers were not to be distributed during 1985-86. The district agencies, however, procured and distributed to the farmers during 1985-86 minikits of fertilisers at a cost of Rs. 8.05 lakhs. Government stated (June 1988) that the case for obtaining approval of Government of India to regularise the distribution of these minikits during 1985-86 was under correspondence.

(ii) Of the 64769 beneficiaries, only 3485 beneficiaries (5 per cent) belonged to the Scheduled Castes during 1983-84 to 1987-88 in the 4 test checked district against the envisaged norms of a minimum of 30 per cent. The shortfall in coverage was attributed by the agencies to lesser number of applications from the Scheduled Caste farmers.

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

The objective outlined in the scheme had been achieved.

The Government felt satisfied with the achievement. It could be seen from table of progress shown vide para 6.10.6 that except minor irrigation for which separate reasons have been given the progress is satisfactory.

The Government of India has conveyed its approval for regularisation of the expenditure vide their D.O. No. : CPS-1-2/89--CU-VIII, dated : 21-4-89.

The population of scheduled caste farmers in the State is around 3% (1985-86). Further because of the poor economic condition of the farmers in cultivation of higher risk crops like pulses and oilseeds is not very popular amongst Scheduled Caste. The coverage is in order.

The Committee observe that providing of minikits to the Marginal and small farmers was very useful scheme and the Committee appreciate it but the departmental representative stated that this scheme has now been discontinued by the Govt. of India.

The Committee recommend that the department should take the steps to revive the scheme for the benefits of the small and marginal farmers for increasing agricultural production. The Committee desire that the steps taken in this direction be intimated to the Committee within three months.

[34] 6.10.12 *Evaluation*

No evaluation of the scheme excepting that of minikits of oilseeds and pulses component was undertaken to assess its

overall impact on the farmers. The minikits study carried out by the evaluation unit of the Agriculture Department to assess the impact of minikits during *rabi*, 1984-85, disclosed that distribution of minikits was not entirely as per the parameters laid down in the scheme and that nearly 24 per cent growers of pulses and 2 per cent of oilseeds had not been supplied fertilisers-packets alongwith the seed. About 20 per cent of these farmers were not impressed by the performance of the minikits and were reluctant to grow these crops in the next season. Although Government directed the department to implement the minikits scheme strictly in accordance with the prescribed instructions, no follow up action was taken.

The matter was reported to Government in August 1988; reply has not been received (April 1989).

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

- (i) The monitoring of the scheme carried out at different level and overall progress of the scheme was found to be satisfactory. The evaluation in case of minikits which is part and parcel of this scheme was carried out by the monitoring and evaluation cell of Directorate of Agriculture, Haryana. The impact of the scheme at the farmer's level was known through the extension wing of the Department of Agriculture Haryana and it was found satisfactory.
- (ii) Fertilizer and seed minikits distribution programme was introduced for the first time in Haryana during 1983-84 and some discrepancies were reported by the monitoring and evaluation unit of the department of Agriculture, Haryana in a study carried out by them when these discrepancies came to notice of the department, steps were taken to rectify them. During the subsequent years timely stocking of both fertilizer and seed minikits was done. Strict supervision was also carried out to ensure the proper distribution of minikits. As a result of that no such discrepancies were observed during the subsequent years. Disciplinary action was initiated against the officers and officials who were found responsible for the discrepancies during the year under review.

The Committee desire that a list of officers/officials responsible for the discrepancies alongwith the action taken against them be supplied to the Committee within three months.

IRRIGATION

[35] 4.9. Western Jamuna Canal Augmentation Project

4.9.1. Introduction

According to a study made by the department (May 1971), the Western Jamuna Canal (WJC) remained deficient in water during the *rabi* crop season when the discharge remained below 2500 cusecs. According to the study an irrigator would get his turn for irrigation of *rabi* crop after an interval of 32-40 days. With a view to reducing the interval of watering to 7-15 days by augmenting the supplies of water in the canal, the Western Jamuna Canal Augmentation Project was prepared in 1971 at an estimated cost of Rs. 1345.27 lakhs (Phase-I : Rs. 996.92 lakhs and Phase-II : Rs. 348.35 lakhs). The project was revised to Rs. 1269.99 lakhs in May 1972 by omitting the second phase of the project on the ground that it was not found safe to tap ground water resources beyond 500 cusecs.

The project envisaged construction of a lined, 75 kilometre long augmentation canal in lieu of the existing earthen canal (WJC) and running almost parallel to it, installation of 166 augmentation tubewells and diversion of the supplies of the 301 existing augmentation tubewells of the WJC into the lined canal.

The salient features of the project were as under :

Sr. No.	Particulars	As per original estimate			As per revised estimate (May 1972)
		Phase-I (May	Phase-II 1971)	Total	
1.	Estimated cost (Rupees in lakhs)	996.92	348 35	1345 27	126999
2.	Increase in supply of water (cusecs) by,				
	(i) Installation of tube-wells	502	490	992	460
	(ii) Saving in seepage losses with the diversion of supply into the lined channel	471	(—)2	469	469
	(iii) Total	973	488	1461	929
3.	Additional area to be irrigated (acres)	133140	63420	196560	137550
4.	Benefit cost ratio	13:1	—	10:1	9:1
		*	*	*	*

4.9.7. (i) Augmentation of water by tube-wells

The project envisaged that 460 cusecs water would be obtained from 166 tube-wells to be installed alongside the augmentation canal. Besides, it was planned to divert into the augmentation canal a discharge of 451 cusecs from 301 old WJC tube-wells. Against the target of 911 cusecs supply from the tube-wells, the actual capacity created at site was 874 cusecs. A test check of the performance of the augmentation tube-wells during the last three *rabi* crop seasons (1985-86 to 1987-88) disclosed that the actual supplies of water from the tube-wells were short of the designed capacity. The shortfall ranged from 51 to 71 per cent. The shortfall was attributed by the Executive Engineer to —

(a) removal of transformers by the Haryana State Electricity Board rendering 67 to 139 (24 to 52 percent) of the tubewells idle during November 1985 to February 1988 and

(b) shortage of electricity supply,

In their written reply, the department stated as under —

The reduction in the interval of watering depends upon the additional availability of water. As a result of the execution of this project, the additional water was proposed to be made available by the following measures .

(i) Running of augmentation tubewells installed along the canal to supplement the available canal supply by pumping out water from ground reservoir

(ii) Saving in seepage losses as a result of diversion of water

* * * * *

4.9.7.(i) As already explained in reply to Question No 4 9.1 the interval of water has definitely decreased from 32-40 days but the period to which it has been reduced cannot be indicated definitely because it depends upon the availability of water in Yamuna river and the demand of the Irrigation system during the particular week. It may however be mentioned that since completion of this canal demand of supplies has increased substantially due to supply for Thermal Plants, Public Health Schemes, pond fillings and extension of Irrigation to new areas on Lift Canal system such as Jui and Siwani.

During the course of oral examination it was observed that the sub-soil water level had gone down considerably

and the farmers were facing difficulties due to their shallow tube-wells. The Committee recommend that the matter may be investigated and if found that the sub-soil water level had gone down due to these deep tubewells, some effective measure be taken to solve this problem.

The Committee also noted that the objective of reducing the interval of watering has also not been achieved. The Committee recommend that storage dams at Yamuna River be constructed at the earliest to reduce the interval of watering and a compliance report be sent to the Committee within three months.

[36] 4.9.9. *Non-recovery of Government dues of Rs. 0 70 lakh*

An agreement for the supply of 21 85 lakh bricks at Government kiln at Km. 44 of the augmentation canal (coal to be supplied by the department) was executed with a kiln contractor in 1982. The bricks were to be supplied between September 1982 to March 1983. The contractor supplied 17.42 lakh bricks from September 1982 to February 1984 for which 435.520 tonne of slack coal was required as per agreement against which 537 520 tonne coal was actually issued to him. For excess consumption of coal, recovery at the rate of Rs 1000 per tonne was required to be made against the normal rate of Rs. 500 per tonne, this was not done. The bill of the contractor, finalised in May 1984, brought not a recovery of Rs. 0 70 lakh against him. The Chief Engineer, Irrigation Department, appointed an arbitrator in February 1988 to settle the issue. Further developments have not been intimated (January 1989)

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

The arbitration proceedings are still going on. Recovery from the agency for excess use of coal depends upon the decision of the Arbitrator. However, the Arbitrator is being requested to finalise this case on priority.

The Committee desire that the final outcome of the arbitration proceedings and recovery of Government dues be intimated to the Committee in due course.

[37] 4.9 12. *Shortage of stores*

On the transfer of a Junior Engineer in January 1982, a net shortage of Rs. 1.46 lakhs on account of tools and plant and store articles was noticed. Recovery of Rs. 0.08 lakh was made during January 1982 to December, 1984. Balance amount of Rs. 1.38 lakhs had not been recovered (June 1988).

The matter was referred to Government in July 1988; reply has not been received (April 1989).

27/9/88

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

Junior Engineer was served with a show cause notice by the Superintending Engineer in 8/84. The reply given by the Junior Engineer was considered by the Superintending Engineer and he ordered for the recovery of the loss on account of shortages and an amount of Rs. 8000 was recovered. However, the Junior Engineer challenged the orders of the Superintending Engineer on the ground that the S.E., was not competent authority to order recovery. The matter has been taken up by the Chief Engineer who is the competent authority and the Junior Engineer is being charge-sheeted under P & A rules and matter will be decided in next 3 months.

The Committee desire that the action against the Junior Engineer concerned together with the recovery of balance amount of Rs. 1.36 lakh be finalised expeditiously and the Committee be informed of the same within three months.

[38] 4.11. *Unfruitful expenditure*

In the Ujina Remodelling Division No. 1, Gurgaon, the work of constructing the pump house (civil works) was allotted to a contractor in December 1981 at an estimated cost of Rs.41.12 lakhs. The work of lowering of sub-soil water level (SSWL) was taken up departmentally. While the work was in progress, the contractor stopped the work in November 1982 for want of decision from the department about back-fill materials and the difficulty regarding slush and settlement of the made up earth and also for non-payments for the work done. The decision on the back-fill materials was taken in February 1983 by the Chief Engineer, Drainage. Thereafter, the dewatering operation to depress the SSWL was again started in March 1983. However, several cracks were noticed in March-April 1983 in the left abutment wall and concrete laid there in up-stream of sumps. Work on the remedial measures finalised by the department in May 1983 had, however, not yet been commenced (July 1988).

The department had also advanced (March 1983) a sum of Rs. 20 lakhs to the Haryana State Minor Irrigation Tugewells Corporation (HSMITC) for supply of pumps and other equipment. These were yet to be received (June 1988). The department had also constructed a feeder during 1981-82 at an approximate cost of Rs. 50.84 lakhs for carrying the water from the pump house for irrigation purposes.

Thus, due to non-completion of the works of pump house since March 1983, an expenditure of Rs. 92.86 lakhs (feeder : Rs. 50.84 lakhs : pump house : Rs. 22.02 lakhs; amount advanced to HSMITC : Rs. 20 lakhs) remained unfruitful.

The department stated (June 1988) that investigation report regarding cracks had not been finalised.

The matter was reported to Government in August 1988: reply has not been received (April 1989).

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

The construction of Kalnjar Pump House was a part of the integrated scheme to utilise flood water from Landoha Nallah, Kotla-Nuh-Ujina drainage system. This scheme was prepared after the unprecedented floods of 1977-78 when the vast area was flooded on account, of the water received through Landoha Nallah from Rajasthan. The scheme envisaged to feed Malai Feeder of Gurgaon Canal system during *Rabi* bringing additional area under irrigation. The availability of water in Gurgaon system is linked with completion of S.Y.L. Canal in Punjab. For the efficient performance of Kalangar Pump House, the water from Landoha Nallah were to be stored at Kotla lake from where these were to be regulated through Kotla drain in a regulated manner after the flood season depending upon the requirement of Malai feeder.

The work of construction of Malai Feeder and Kalanjer pump house were started during 1981-82. While the work of Malai Feeder was completed after incurring expenditure of Rs. 50.84 lakhs, the work of Kalanjer Pump House was handicapped on account of technical problems due to uneven settlement of the foundations. The detailed investigations by a senior level officer were ordered and remedial measures such as grouting etc were also finalised during 1984 after receipt of detailed report. Since no substantial flood waters were received through Landoha Nallah after 1977-78 and upto 1983-84; so a view was taken not to incur any further expenditure on this scheme including the remedial measures till such time the matter was sorted out with Rajasthan Govt to release water through various storage works constructed by them in the upper catchment area in their territory. Thus it is not correct to say that expenditure of Rs 92.86 lakhs (including Rs. 20 lakhs paid to MITC as advanced) was un-fruitful. Rather we will make full use of the structures already completed when the water is available in Kotla lake as originally planned. The balance work of Kalanjer Pump House could be completed in one working season. Rs. 20.00 lakhs deposited with MITC for Pump and other equipments were accounted for against the other works of the Department executed by them and thus it cannot be termed as wasteful expenditure.

During the course of oral examination the Committee desired to know the actual bearing capacity of the land

assessed at the time of preparing the estimates but the desired information was not supplied by the department till the drafting of this report. The Committee recommend that the desired information i.e. what bearing capacity of land was estimated for the construction of Kajanjer Pump House and what uneven foundations found later on be supplied to the Committee with the detailed report of investigations made by seniors level officers, at the earliest.

[39] 4 15 *Outstanding Audit Observations*

Audit observations on financial transactions are reported to the departmental authorities concerned so that appropriate action can be taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to Government to have their settlement expedited.

A review of the position of outstanding audit observations pertaining to the Irrigation Department issued upto December, 1987 disclosed that 3142 items involving an amount of Rs 462 62 lakhs were outstanding at the end of June 1988. These included 2310 items (Rs 394 62 la-hs) pertaining to 1974-75 to 1984-85, 227 items (Rs. 22 42 lakhs) to 1985-86 232 items (Rs. 26 50 lakhs) to 1986-87 and 373 items (Rs. 19.08 lakhs) to 1987-88

The audit observations were of the following categories :—

Sr. No.	Nature of observations	Number of items	Amount involved (In lakhs of rupees) .
For want of :			
1.	Payees' receipts	1558	259.31
2.	Agreements	48	86 50
3.	Contingent bills or paid vouchers	1536	116.81
		3142	462 62

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

The present position of outstanding observations is given as under :—

Year	For want at of payees receipts	for want of agreements	For want of contingent bills or vouchers
1980-81	131651=19	—	279382=30
1981-82	1195248=73	—	165396=14
1982-83	472479=63	—	64680=17
1983-84	1282877=121	—	86817=19
1984-85	910815=84	—	95800=20
1985-86	674447=51	—	75870=20
1986-87	54748=7	—	113373=20
1987-88	14612=3	—	91847=28
Total	4816877—421	—	973165—168

2. The objections have been cleared to a great extent as is clear from the latest outstanding number and amount against reply to question No. 1, above.

3. Concerned Superintending Engineers have been instructed to launch a special drive for the clearance of these old items by conducting periodical meeting with the field officers & also to ensure that no items fall in arrears in future.

The Committee are not satisfied with the pace of clearance of outstanding audit observations and desire that department should take effective steps to settle all the long outstanding observations within six months as these have become five to ten years old. The Committee further desire that the progress made in this regard be intimated to them accordingly.

[40] 51. Shortages of Tools and plant

(b) During the scrutiny of tools and plant return for the year ending September 1980 of the Sewani Lift Irrigation Division, Bhiwani, shortages of tools and plant worth Rs 2.55 lakhs were noticed against 4 Junior Engineers. Neither was the amount of shortages placed under the Miscellaneous Public Works Advances nor was any action initiated to recover the amount. On this being pointed out in audit in January 1986, the amount was placed under the Miscellaneous Public Works Advances in June 1987 against

the officials. The Executive Engineer stated (September 1987) that explanation of the officials were called for in April 1987 and August 1987 and that none had submitted the explanation. Further developments for fixation of responsibility and recovery of shortages have not been intimated (January 1989).

The matter was reported to Government in August 1988 : reply has not been received (April 1989).

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

The concerned Junior Engineers were asked to explain their position before taking disciplinary action under P&A rules. One of the J.Es, namely Sh. K.D. Vashistha explained in his representation that T&P Articles worth Rs. 2,32,900 were wrongly shown against him. On further scrutiny of the records it has been seen that T&P Articles worth Rs. 2,32,900 were already accounted for in T&B returns of B.N.C. Feeder Sub Division No 3 Hisar in 5/76 which were wrongly carried forward in another sub Division i.e. Siwani Development Sub Division Siwani as transation of issue was not depicted. For the balance shortages of material of worth Rs. 22,290 disciplinary proceedings have been initiated against 4 J.Es. under P&A rules and decision would be taken in all these cases within next 3 months. Instructions have been issued to all the filed officers for preparation of upto date T&P Returns to safeguard any shortages in future

During the course of oral examination the departmental representative stated that the articles worth Rs. 2,32,900 were accounted for in 8/92 and the remaining articles worth Rs. 22,290 were accounted for in 12/92 in the record. However, no physical verification of these articles were made by any senior officer of the department. The Committee desire that the physical verification of all the articles worth Rs. 2.55 lakhs be made by a senior officer of Head Quarter and a report to this effect alongwith the list of articles with value and make be supplied to the Committee within three months.

The Committee further desire that the final action taken against the Junior Engineers be intimated to the Committee within one month.

The Committee also recommend that upto date T&P Returns of all the articles be prepared well in time to avoid such type of lapses in future and strict disciplinary action be taken against the officials found responsible for such lapses.

POWER (HSEB)

[41] 3.6. *Acquisition of land*

3.6.1. Introduction

Land required for public purposes is acquired by Government under the provisions of the Land Acquisition Act, 1894, as made applicable to the State of Haryana. Assessment as to the land required and preliminary studies as to the suitability of the specific land in question are made by the department concerned and provision of funds is made accordingly in the rough or detailed project estimates. After determination of the land to be acquired, the department concerned issues a preliminary gazette notification which is published in 2 daily newspapers in circulation in the concerned locality. After publication of the notification, objections against the proposed acquisition(s) are received up to 30 days from the date of publication of the notification. These are then sent to District Revenue Officer (DRO)/Land Acquisition Collector (LAC)/Sub Divisional Officer (Civil) (hereinafter referred to as 'Collector') concerned who, after hearing the objections and after making such enquiry as he deems fit, submits a report to Government. If Government decides that the land should be acquired, a declaration is made in the official gazette. The Collector then assesses the compensation and issues an award. After making payment of compensation according to the award, the Collector takes possession of the land.

Government can also invoke special powers under the Act in cases of urgent acquisition of land for public purposes. The Act empowers Government to take immediate possession of any land for the purpose of maintaining traffic or constructing any structure or system for irrigation, water supply, drainage, roads, electricity or in cases of unforeseen emergency.

3.6.17. Excess payment of interest

The Land Acquisition Collector (Irrigation and Power), Ambala, announced an award on 20th May 1983 for the acquisition of 4.5 acres of land in village Roodh of Mohindergarh District. The Additional District Judge, Narnaul, enhanced the

award on 29th August 1985 in favour of the land owners. In respect of 3 of the land owners, the amount of interest payable was calculated by the Land Acquisition Collector, Ambala, on the gross amount of award announced by the court instead of on the enhanced amount of the award alone, resulting in excess payment of interest amounting to Rs. 0.36 lakh (July 1988). However, no action has been taken by the department to fix responsibility and to recover the amount from the defaulting officials (October 1988).

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

The calculation of enhanced amount in case of village Roodh was made by the Revenue staff of this office hand to hand when an official of the Division office (XEN, C.W. Gurgaon) visited the L.A.C. office in connection with filing of appeals against the order of the lower Court for which the difference of amount was needed to work out the Court fee and other charges. In other words this calculation was made basically for the purpose of calculation of Court fee for filing appeals in the High Court, but the XEN concerned did not get checked from his divisional accountant before getting the same deposited accordingly in the Court of ADJ unfortunately. As soon as this over payment came into the notice a suit for recovery was simultaneously filed in the concerned court as per the decision of the competent Authority i.e. L.R., H.S.E.B., Panchkula vide their memo No. 109/LB-2/295/M dated 30-11-87. As the case was filed in the Court for recovering the excess amount from the landowners after obtaining necessary sanction from the Legal Remembrancer, H.S.E.B., Panchkula as such, no officer/official is found responsible for the excess payment of interest which has been made to the landowners. The case is under trial in the Court.

It is further requested that the calculation slips may be got prepared, checked by the acquiring department in future as they have enough staff of accountant/A.O./Sr. A.O. In view of the above the para may kindly be got dropped.

The Committee is not satisfied with the reply of the department and desired that responsibility be fixed for the excess payment of interest. The Committee also recommend that the action be taken to recover the amount of over payment from the defaulting officials and the Committee be informed within six months.

PART—II

(REVENUE RECEIPTS)

REVENUE

[42] 1.9 *Outstanding inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax noticed during local audit are communicated to the heads of offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within 6 weeks from date of issue. The more important irregularities are also reported to the heads of departments and to the Government. Half yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

At the end of June, 1988, 326 inspection reports (issued upto December, 1987) containing 1079 audit objections remained outstanding. Year-wise details are as given below :—

Year,	Number of inspection reports	Number of audit ob- jections
Stamps & Registration Fees		
Upto 1983-84	67	212
1984-85	61	173
1985-86	45	192
1986-87	87	261
1987-88	66	241
	326	1,079

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

Out of 326 inspection reports containing 1079 audit objections, 190 inspection reports containing 760 audit objections have since been settled, leaving a balance of 136 inspection reports containing 319 audit objections in 89 Registering offices. Reason for non-settlement of most of the audit objections is non-availability of defaulters due to incomplete/change of addresses as also pendency of cases under section 47-A of the Indian Stamp Act, 1899.

Out of 128 inspection reports containing 385 audit objections relating to the period upto 1984-85, 90 inspection reports containing 304 audit objections have been settled, leaving a balance of 38 inspection reports containing 81 audit objections. Out of these 81 audit objections, recovery in two cases has been stayed by the High Court, 8 cases are pending with the Collectors under section 47-A of the Indian Stamp Act, 1899. In a large number of cases, the defaulters are not available because of in-complete/change of the addresses given in the documents.

(ii) Out of 326 inspection reports containing 1079 audit objections, 190 inspection reports containing 760 audit objections have since been settled, leaving a balance of 136 inspection reports containing 319 audit objections. Some of the audit objections have been settled and as a result, Rs. 6.64 lacs has been recovered. Besides, some of the audit objections involving Rs. 12.89 lacs have been dropped by the Audit/Collectors.

(iii) Following measures have been taken :—

- (a) Review of the working of Registration offices and their periodical inspection at the Collector's level has been started.
- (b) Rates of property have been updated in all the districts and collectors advised to ensure that the rates are revised suitably each year and made operative with effect from 1st April.
- (c) Collectors have also been advised to fix responsibility in such cases, and to take action against the delinquents at their level or report the matter to Government for action against them, as the case may be.
- (d) Training of officials concerned with registration has been started.
- (e) With effect from November, 1987, the strength of Stamp Auditors was increased from 4 to 17.

The Committee observed that in a number of cases the addresses of the defaulters were not available with the department and on account of that most of the cases are pending for recovery. The Committee, therefore, recommends that the department should take remedial measures so that the recovery may be affected expeditiously.

[43] 3.1 *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1987-88, revealed short levy and nonlevy

of stamp duty and registration fee as also other irregularities in 985 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 of properties	237	10.11
2. Evasion of stamp duty and registration fee	145	7.50
3. Short levy/non-levy of stamp duty and registration fee	408	7.30
4. Irregular exemption of stamp duty and registration fee	151	5.44
5. Other irregularities	44	0.83
Total	985	31.18

Some of the important cases noticed in 1987-88 and earlier years are mentioned in the following paragraphs.

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

(i) The main reasons for short/non levy of stamp duty and registration fee are :

(a) mis-interpretation of rules and regulations by the registering authorities; and

(b) mis-classification of deeds.

It is not possible to say whether these cases were audited in internal audit, as details of individual cases test checked by the Audit are not available.

(ii) The department has also been detecting such cases in internal audit. Details are awaited from the field offices.

(iii) As stated against para 1.9 (iii).

(iv) Latest position as on 30-9-1992 in respect of 985 cases is as under :—

1. Loss of Stamp Duty & Registration Fee due to under-valuation of property.

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	1.49	25
2. Amount dropped by A.G. in their subsequent audit.	1.56	34
3. Amount dropped by Collectors/DCs.	1.76	16
4. Amount recovered by the department	1.64	73
5. Cases in Courts	1.77	34
6. Balance	1.89	55
Total	10.11	237

2. Evasion of Stamp Duty and Registration Fee.

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's Report.	0.26	7
2. Amount dropped by A.G. in their subsequent audit	2.13	28
3. Amount dropped by Collectors/DCs.	0.86	22
4. Amount recovered by the department.	0.66	20
5. Cases in Courts	0.26	5
6. Balance	3.33	63
Total	7.50	145

3. Short levy/non-levy of Stamp Duty and Registration Fee.

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's Report.	0.73	33
2. Amount dropped by A.G. in their subsequent audit.	2.05	124
3. Amount dropped by Collectors/DCs.	1.35	43
4. Amount recovered by the department.	1.21	142
5. Cases in Courts.	1.30	6
6. Balance	0.66	60
Total	7.30	408

4 Irregular exemption of Stamp Duty & Registration Fee.

	Amount (Rs in lacs)	No of cases
1 Recovery already mentioned in CAG's Report	0 23	25
2 Amount dropped by A G in their subsequent audit	3 09	57
3 Amount dropped by Collectors/DCs.	—	—
4 Amount recovered by the department	0 29	26
5 Cases in Courts	0 41	5
6 Balance	1.42	38
Total	5.44	151

5. Other irregularities

1 Recovery already mentioned in CAG's Report.	0 06	1
2. Amount dropped by A.G in their subsequent audit.	0.08	3
3 Amount dropped by Collectors/DCs.	0.01	1
4. Amount recovered by the department	0 07	29
5. Cases in Courts.	—	—
6 Balance	0.61	10
Total	0.83	44

The overall picture of recovery is as under . —

	Amount (Rs. in lacs)	No. of cases.
1. Recovery already mentioned in CAG's Report.	2.77	91
2. Amount dropped by A.G in their subsequent audit.	8.91	246
3. Amount dropped by Collectors/DCs.	3.98	82
4. Amount recovered by the Department.	3.87	290
5. Cases in Courts	3.74	50
6. Balance	7.91	226
Total	31.18	985

The main reasons for short/non-levy of stamp duty and registration fee were attributed to misinterpretation of rules and regulations and misclassification of deeds. The Committee is not satisfied with the reply of the department. The Committee would like to invite attention to the observation contained in para 59 of its 32nd report and recommend that the staff posted for levying or assessing the stamp duty should be well conversant with the rules and regulations and if required training be imparted to them to avoid such lapses in future.

The Committee further recommend that the details of 82 cases involving an amount of Rs. 3.98 lakhs dropped by Collectors/DCs be supplied to the Committee alongwith the details of the balance 226 cases, which are pending for recovery, within a period of one month.

[44] 3.2 *Under-valuation of immovable property*

The Indian Stamp Act, 1899, as applicable to Haryana, requires that the consideration and all other facts and circumstances affecting the chargeability of any instrument, with duty, or the amount of duty with which it is chargeable, should be fully and truly set forth therein. Under Section 47-A of the Act, as inserted in Haryana, if the Registering Officer, while registering any instrument transferring any property, has reason to believe that the value of the property or consideration has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector, for determination of the value or the consideration and the proper duty payable thereon, which will thereafter be decided by the Collector after giving an opportunity to the registering party. The Act further provides that any person who, with intent to defraud the Government, executes any instrument in which all the facts and circumstances required to be set forth in such instrument are not fully set forth, shall be punishable with a fine which may extend to five thousand rupees.

(i) In 18 registering offices in Faridabad, Kurukshetra, Karnal, Ambala, Hisar, Sonapat and Gurgaon districts, considerations in 91 sale deeds, registered between February 1985 and May 1987, were found to be much less than the values agreed upon between the parties and set forth in the agreements to sell, executed by them earlier and recorded with document writers. Stamp duty and registration fee were charged on the basis of considerations indicated in the sale deeds without comprising these with the considerations shown in the agreements to sell. The omission to refer the cases to the Collector for determination of considerations and proper duty payable resulted in stamp duty and registration fee being realised short by Rs. 3.13 lakhs. Besides, penalty for undervaluation done with intent to defraud the Government was also leviable, but was not levied.

On the omissions being pointed out (between August 1986 and November 1987) in audit, the department recovered (between

September 1986 and April 1988) Rs. 7,922 (partly in 6 cases) and issued (between May 1987 and May 1988) notices for recovery of Rs. 92,399 in 31 cases 30 cases involving revenue of Rs 1.25 lakhs were referred to the Collector for determination of value of the property and proper duty payable thereon. Report on recovery of Rs. 92,399, decision of Collector in 30 cases, action taken in the remaining 30 cases and penal action in all the 91 cases has not been received (December 1988).

(ii) On 23 sale deeds executed in five registering offices in Ambala and Gurgaon districts during April 1986 to January 1987, the considerations of the immovable properties (agricultural land) set forth in the sale documents were lower as compared to the average value of similar properties, registered during the previous five year's in the same areas. The instruments were, however, not referred to the Collector for determination of proper value and duty payable thereon. This involved stamp duty and registration fee aggregating Rs. 62,497 being levied short.

On the omissions being pointed out (July 1987 and August 1987) in audit, the department recovered Rs. 1,381 (partly in one case) and referred 15 cases involving Rs. 44,284 to the Collector for determining the value of property and proper duty payable thereon. Report on action taken in respect of 8 cases involving Rs. 16,832 and on decision of the Collector (in 15 cases) has not been received (December 1988)

The above cases were reported to Government between November 1986 and March 1988, their reply has not been received (December 1988).

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

- (i) The registering authorities are responsible for short realisation of stamp duty and registration fee. The latest position of recovery is given below :—

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in AG's report	0.08	(Partly in 6 cases)
2. Amount dropped by A.G. in their subsequent audit	1.02	26
3. Amount recovered by the department.	1.05	33
4. Court cases	0.21	05
5. Balance amount under settlement/recovery	0.77	27
	3.13	91

Deputy Commissioners have been asked to take action against Deed Writers, Vendors/Vendees and concerned officials

Deputy Commissioners have been asked to ensure that the registering authorities compare the consideration money mentioned in the sale deed with that mentioned in the "agreement to sell" before registration.

- (ii) It was a lapse on the part of the registering authorities. Deputy Commissioners have been asked to take action against the delinquent or refer the cases to the Government here they are not competent

The latest position of recovery of balance amount of Rs 61,116 is as under —

	Amount (Rs.)	No. of cases
1 Amount recovered	10,699	5
2 Court cases (47-A, Indian Stamp Act)	22,482	12
3. Balance	27,935	6
Total	61,116	23

The Committee constrained to observe that the department failed to take prompt action for the settlement/recovery of the balance amount of Rs. 0.77 in 27 cases, which are pending since 1985. The departmental representative informed the Committee that instructions have been issued to all the Deputy Commissioners on 20th November, 1992 to take prompt action in the matter.

The Committee recommend that the matter may be enquired into and action be taken against the delinquent officers who are responsible for not taking the timely action in the matter.

The Committee further recommend that the department should initiate action for the recovery of the balance amount expeditiously and action taken be intimated to the Committee.

The department also informed the Committee that 12 cases involving an amount of Rs. 22,482 are pending in various Courts under section 47(a) of the Indian Stamp Act since 1986. After going through this figure, the Committee observed that most of the Court cases are not being followed/pursued by the department properly. The Committee recommend that

the strict instructions be issued by the department to the concerned officials to followup the pending cases in the Courts properly and to expedite the balance recovery of Rs. 27,935.

The Committee desire that the action taken against the registering authorities responsible for the short levy of stamp duty and registration fee amounting to Rs. 62,497 be intimated to the Committee within three months.

[45] 33 *Irregular grant of exemption*

By two notifications issued in October 1983, under the Indian Stamp Act, 1899 and the Indian Registration Act, 1908, Government remitted the stamp duty & registration fee leviable on deeds of mortgage (where possession of properties were not given) which are executed by agriculturists in favour of any commercial bank for securing loan upto Rs. 1,00,000 for the purchase of tractor with its accessories, tractor trolley and thresher, installation of tubewells based on diesel engine, boring and electrification of tubewells, laying in under-ground pipes, lining of water courses, levelling and reclamation of land and development of horticulture and for securing loan upto Rs. 60,000 for the purchase of pumping sets, cane crushers, bullocks or ploughs, spray equipments, sprinkler irrigation for agricultural purposes, dairy, piggery and crop loan or any other allied purpose

In 10 registering offices in Sonapat, Kurukshetra, Karnal and Gurgaon districts, on 22 deeds of mortgage (without possession of the property) executed between April 1985 and March 1987 by agriculturists in order to secure loans from the banks, for purpose other than those specified in the notifications or on the amount of loan exceeding the prescribed limit, levy of stamp duty and registration fee was exempted. The irregular exemption resulted in stamp duty and registration fee amounting to Rs. 22,714 being realised.

On the mistakes being pointed out (between April 1985 and September 1987) in audit, the department issued (February 1988) notices for recovery of Rs. 10,692 in respect of five cases. Report on recovery and action taken in remaining 17 cases has not been received (December 1988).

The cases were reported to Government in November 1987 and July 1988; their reply has not been received (December 1988).

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

“It was a lapse on the part of the Registering Officers. Notifications issued in October 1983 were to their notice. Deputy Commissioners have been asked to initiate action against the delinquent and ensure that the deficient amount is recovered.

The latest position of recovery is as under .—

	No. of cases	Amount (Rs.)
Amount dropped by A G.	5	9,757
Amount recovered	13	5,575
Balance	4	7,382
Total	22	22,714

The Committee desire that action taken against the Registering Officers responsible for short levy of stamp duty be intimated to the Committee within three months.

The Committee also recommend that the balance amount of Rs. 7382 be recovered expeditiously and the Committee be informed accordingly

[46] 3.4 *Misclassification of instruments*

(a) Under the Indian Stamp Act, 1899, a deed of settlement, *inter alia*, includes a non-testamentary disposition, in writing, of movable or immovable property, made for any religious or charitable purpose and is chargeable to stamp duty at a rate higher than that chargeable on a deed of declaration of trust.

In Sonapat, an instrument (by which movable and immovable property was donated to a trust created for charitable purposes) was registered (February 1983) as deed of declaration of trust instead of deed of settlement and assessed to stamp duty of Rs. 45 chargeable on trust deed. Value of movable and immovable properties donated to the trust were also not mentioned in the deed.

On the mistake being pointed out (October 1983) in audit, the Sub-Registrar referred the case to the collector for determination of the duty payable on the properties donated to the trust. The Collector imposed a duty of Rs. 31,195 for which notice for recovery was issued to the party in June 1988. Report on recovery has not been received (December 1988).

* * * * *

(c) The Indian Stamp Act, 1899 and the Indian Registration Act, 1908, as applicable to Haryana, require that where power of attorney is given for a consideration and it authorises the attorney to sell any immovable property, the deed is liable to stamp duty and registration fee as it is an instrument of conveyance for the amount of consideration set forth therein.

Government instructed (October 1976) that where a person purchasing an immovable property for further sale did not get the conveyance deed executed in his favour and instead, on payment of sale consideration, obtained a power of attorney from the vendor authorising him to sell the property further to any party at his discretion on behalf of the vendor, the power of attorney should be subjected to stamp duty and registration fee for the sale consideration in terms of Article 48(f) read with Article 23 of Schedule I-A to the Indian Stamp Act, 1899

Further, as per the Indian Stamp Act, 1899, when any instrument, whether executed or not and whether previously stamped or not, is brought to the Collector, the Collector shall determine the duty with which, in his judgement, the instrument is chargeable.

In Palwal, to agreements to sell were executed (June 1984 and November 1984) after receiving full consideration and handing over possession of properties to the purchasers. Simultaneously, power of attorneys authorising the purchasers to dispose of property and sign sale deeds were given. Stamp duty and registration fee amounting to Rs. 10,452 was leviable on consideration as applicable for sale deed, whereas the deeds were charged with stamp duty and registration fee of Rs. 68 treating these as being of general power of attorney. The misclassification resulted in short levy of stamp duty and registration fee amounting to Rs 10,384.

On the mistake being pointed out (March 1986) in audit, the registering officer referred (February 1987) the cases to the Collector for assessing the proper duty leviable. Further report has not been received (December 1988).

The cases were reported to Government in March 1986 and August 1988; their reply has not been received (December 1988).

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

- (a) Certain information/document has been called for from the Deputy Commissioner. Necessary action in the matter would be taken on receipt of the desired information/document. It may, however, be mentioned that the aggrieved party has gone to the Punjab and Haryana High Court challenging the decision of the Collector to impose and recover the higher amount of duty.

Recovery could not be effected as it had been stayed on 5-5-1989 by the Punjab and Haryana High Court.

* * * * *

- (c) It was a lapse on the part of the Registering Officer. Deputy Commissioners have been asked to follow the instructions of October, 1976 strictly and initiate action against the defaulting officials
- (ii) Information has been called for from the Deputy Commissioners in this regard. Nevertheless, in order to ensure the detection of such cases in internal audit, suitable instructions have been issued to the Deputy Commissioners in May, 1992 and the same reiterated in November, 1992
- (iii) Out of Rs. 10,384, a sum of Rs. 4,105 was recovered on 26-10-1987 in one case and the other case for Rs. 6,279 is pending with the Collector for adjudication.

The Committee recommend that the department should take steps for early hearing of the case in the Court and efforts be made to get the stay vacated in recovery of the higher amount.

The Committee also desire that the balance amount of Rs. 6279 be recovered expeditiously and the Committee be informed accordingly. The Committee further desire that the action taken against the registering officer responsible for the lapses be intimated to the Committee within three months.

[47] 3.8 *Mistakes in calculations*

Under the Indian Stamp Act, 1899 and the Indian Registration Act, 1908, stamp duty and registration fee are leviable on the consideration set forth in the instruments.

In respect of 47 instruments of different nature registered in the offices of five Sub-Registrars of Faridabad district during the year 1986-87, stamp duty and registration fee amounting to Rs. 14,268 was realised short due to mistakes in calculations.

On this being pointed out (November 1987) in audit, the department stated (January 1988 and April 1988) that notices had been issued for recovery of Rs. 13,562 in 43 cases. Report on recovery and action taken in remaining 4 cases has not been received (December 1988).

The case was reported to Government in July 1988; their reply has not been received (December 1988).

In their written reply, the department stated as under —

- (i) The Registration Clerk is expected to work out the stamp duty and registration fee leviable on the documents presented for registration and the Sub-Registrar is expected to check it before registering the documents. However, such mistakes remained undetected in these cases because the officials did not do their job carefully.

- (ii) Action is being taken against the defaulting officials.
- (iii) Out of Rs. 14,263 recoverable in 47 cases, Rs. 3,068 has since been recovered in 18 cases. Notices for the recovery of Rs. 11,200 in 29 cases have been issued.

The Committee recommend that the balance recovery of Rs. 11,200 in 29 cases be expedited and the Committee be informed accordingly.

[48] 15. *Uncollected Revenue*

As on 31st March, 1988, arrears of revenue pending collection under the head Land Revenue, as reported by the department were as under :—

Head of Revenue	Total Arrears	Arrears outstanding for more than 5 years
<i>(in crores of rupees)</i>		
Land Revenue	0.25	0.04

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

Revenue/arrears of Rs. 24.92 lacs (rounded off to Rs. 0.25 crore) pending collection as on 31-3-1988 include Rs. 0.14 lacs on account of unsold pass books. In Karnal District a demand of Rs. 1.63 lacs was created against an expected sale of 54,477 pass books. Out of these, 4,724 pass books remained unsold. The amount of Rs. 0.14 lacs on account of these unsold pass books is not recoverable. Similarly, Punjab and Haryana High Court ordered in CWP No. 6068 of 1991 of Jind District the remission of Land Holdings Tax amounting to Rs. 0.12 lacs for the year 1987-88. This amount of Rs. 0.12 lacs is also not recoverable. Both the aforementioned amounts of Rs. 0.14 lacs and Rs. 0.12 lacs are to be excluded leaving a balance of Rs. 24.66 lacs.

Out of the outstanding amount of Rs. 24.66 lacs, a sum of Rs. 20.71 lacs has since been recovered leaving a balance of Rs. 3.95 lacs. Barring the amount of Rs. 61,551 locked up in civil litigation, the Deputy Commissioners have been asked to recover the balance expeditiously.

The latest position of recovery is as under :—

(Rs. in lacs)			
Amount re- coverable	Amount re- covered	Amount still to be recovered	Arrears for for more than 5 years
24.66	20.71	3.95	2.82

The Committee desire that the balance recovery of Rs. 3.95 lacs be expedited and the Committee be informed accordingly.

MINES AND GEOLOGY

[49] 1.5. *Uncollected revenue*

As on 31st March 1988, 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
(1)	(2)	(3)

(In crores of rupees)

Non-ferrous Mining and Metallurgical Industries	1.55	0.77
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In their written reply, the department stated as under :—

- (i) An arrear of Rs. 1.55 crores pertains to the period, right, from the formation of State of Haryana in November, 1966 upto 31-3-1988 whereas Rs. 0.77 crore is five years old arrear i.e. upto 31-3-1983.

Out of the total of Rs. 1.55 crores, a sum of Rs. 33.86 lacs have since been recovered. An amount of Rs. Rs. 14.86 lacs proposed to be recovered as penalty for non obtaining of mining leases by the Brick Kiln Owners, though they paid royalty regularly, has been held to be not recoverable as per the advice of Law Department as on payment of royalty by the Brick Kiln Owners, an amended contract had come into being. A sum of Rs. 2.56 lacs has been held to be not due by the District Judge Faridabad. Though an appeal has been filed against these orders in the Hon'ble High Court, but till such time the judgement of District Judge is not reversed, this amount cannot be recovered. Recovery amounting to Rs. 13.47 Lacs has been stayed by different courts. Out of the balance amount of Rs. 90.40 lacs a sum of Rs. 30.55 lacs pertains to the defaulters residing outside the State. For recovering the balance amount, recovery certificates have been got issued through the Collector of district concerned to recover this amount as arrears of land revenue. Mining Officers who have been

delegated with the powers as Assistant Collector (Grade-I) are making efforts to recover these amounts.

Out of the sum of Rs. 0 77 crores which are five years old arrears, a sum of Rs. 18 29 lacs has been recovered. As has been stated above a sum of Rs. 2.56 lacs has been held not due by the District Judge, Faridabad. Recoveries of a sum of Rs. 4.86 lacs have been stayed by the Courts. As has been explained above, a sum of Rs. 13 96 lacs proposed to be recovered as penalty for non obtaining of mining leases are not recoverable as per the advice of Law Department. Out of the balance of Rs. 37.37 lacs a sum of Rs. 13.22 lacs is to be recovered from the parties residing outside the State.

For recovering balance amount of Rs. 90 40 lacs out of total arrears of Rs. 155 lakhs efforts are being made to recover the sum as arrears of land revenue. It may be mentioned here that total revenue from minerals from November 1966 to 31st March, 1988 was Rs. 34 78 crores. Thus arrears of Rs. 90.40 lacs forms only 2.59% of the total income. Every effort is being made to recover the same.

(ii) As has been explained in (i) above, a balance arrear upto 31-3-1988 has been reduced to Rs. 90 40 lacs and balance arrear which is five years old has been reduced to Rs. 34 78 lacs.

(iii) The details of cases in which outstanding amount is more than Rs. 50,000 are given below :—

1. Ramzan Khan :

The contract for the extraction of road metal and masonry stones from the quarry of village Melawas, district Gurgaon was granted to Shri Ramzan Khan S/o Shri Ismail resident of village Ghasera, Tehsil Nuh, district Gurgaon for the period from 15-12-81 to 31-3-1984 @ Rs. 61,000 per annum. The contractor made default in making the payment of contract money and the contract was terminated. The contractor was to pay Rs. 70,661.65 as contract money plus interest and this amount has been declared to be recovered as arrear of land revenue by the Collector, Gur-Gurgaon. Shri Ramzan Khan filed a civil suit in the Court of Addl. Sr. Sub Judge, Nuh against the recovery which was dismissed on 1-2-1992. He filed an appeal against these orders in the court of Addl. District Judge, Gurgaon 10-8-1992 has been fixed as the next date in the appeal. A sum of Rs. 15,000 has been recovered from him on 4-2-1992 leaving a balance amount of Rs. 55661.65. Efforts are being made to recover the same as arrears of land revenue.

2. M/s. Gian Chand Laxman Dass

M/s. Gian Chand Laxman Dass was granted contract for the extraction of Road Metal and Masonary stone from the quarry of village Ghamroj district Gurgaon at the rate of Rs. 76,000 per annum for the period from 17-5-83 to 31-3-1988. The contractor represented that Gram Panchayat Ghamroj was putting hindrance in the extraction of road metal and masonry stone and did not pay the contract money. The contract was terminated on 24-9-1985 and certificate for the recovery of Rs. 81,700 as contract money plus interest as arrear of land revenue was issued. The defaulter filed a suit in the court of Sub Judge, Gurgaon against the recovery alleging that he was not allowed to undertake quarrying operation and obtained the stay against the recovery. The suit was dismissed on 10-4-1989. However, party filed an appeal against the orders of Sub Judge, before the district Judge, Gurgaon who stayed the recovery proceedings. Appeal is pending in the court of Addl. District Judge, Gurgaon and 22-7-92 has been fixed as the next date of hearing.

3. M/s. Mohan & Lal Co.

M/s. Mohan Lal and Co. obtained the contract of Bega sand zone of district Sonipat in public auction after offering a bid of Rs. 2,47,100 per annum for the period from 5-5-84 to 31-3-1989. The contract was terminated on 1-5-85 on account of non payment of contract money. A recovery certificate for Rs. 2,01,923 50 was issued against Shri Anup Kumar, the sole proprietor of the firm. As Shri Anup Kumar was staying at Ghaziabad with his father Shri Surinder Nath who owns a industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally persued by the Mining Officer Sonipat with the Collector Ghaziabad. Director Mines and Geology also wrote number of D.O. letters to Collector Ghaziabad. As there was no property in the name of Shri Anup Kumar, so the Collector, Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court challenging the action of the Collector. Hon'ble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Anup Kumar then the authorities shall not harrass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery. Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety.

4. M/s. Himgiri Minerals

M/s Himgiri Minerals obtained the contract of Murthal sand zone of district Sonipat in public auction after offering a bid of Rs. 10,08,000 per annum for the period from 5-5-84 to 31-3-89. The contract was terminated on 6-5-85 on account of non payment of contract money. A recovery certificate for Rs. 11,72,995 was issued against Ajay Oberoi, the sole proprietor of the firm. As

Shri Ajay Oberoi was staying at Ghaziabad with his father Shri Surinder Nath who owns an industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally pursued by the Mining Officer Sonipat with the Collector Ghaziabad Director Mines & Geology also wrote number of D.O. letters to Collector Ghaziabad. As there was no property in the name of Shri Ajay Oberoi, so the Collector, Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court challenging the action of the Collector Hon'ble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Ajay Oberoi then he shall not harass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery. Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety.

5. M/s. Himgiri Minerals

M/s Himgiri Minerals obtained the contract of Khewra zone of district Sonipat in public auction after offering a bid of Rs. 12,63,000 per annum for the period from 5-5-84 to 31-3-1989. The contract was terminated on 6-5-85 on account of non payment of contract money. A recovery certificate for Rs. 10,17,518 was issued against Shri Ajay Oberoi the sole proprietor of the firm. As Shri Ajay Oberoi was staying at Ghaziabad with his father Shri Surinder Nath who owns an industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally pursued by the Mining Officer, Sonipat with the Collector Ghaziabad Director Mines & Geology also wrote number of D.O. letters to Collector Ghaziabad. As there was no property in the name of Shri Ajay Oberoi, so the Collector Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court challenging the action of the Collector Hon'ble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Ajay Oberoi then he shall not harass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery. Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety.

6. M/s. Nihal Singh and Company

The contract of Sarai Khawaja Plot No. 2 stone quarry of district Faridabad was granted on contract by public auction to M/s. Nihal Singh and Co for the period from 26-11-76 to 31-3-1980 @ Rs. 3,88,000 per annum. After sometime of the commencement of the contract some partners sought permission to retire and addition of two new partners. The partners were asked to fulfil certain formalities but the same were not completed accordingly they were

not granted permission for opting out of contract. The contract was to be terminated because of non payment of contract money. The recovery proceedings were challenged by the new partners firstly in High Court, where their writ petition was dismissed and subsequently in Supreme Court of India. Hon'ble Supreme Court of India disposed-off their appeal with the direction to the State Government to adjust their forfeited security while recovering the balance amount from the company. Accordingly, out of the total arrear of Rs 3,55,022 a sum of Rs 2,51,890 was recovered after adjusting the security leaving a balance of Rs 1,03,132. When the recovery was pursued vigorously, and warrant of arrest were issued against the available partner, AME, Faridabad could recover a sum of Rs 20,000 on 26-12-1991. The two partners from whom the efforts were being made to recover the balance amount filed writ petition in the High Court and obtained stay of recovery on 30-1-1992 on the plea that recovery should be made from all the partners and not only from them. The writ petition has also been admitted on 26-5-1992 and stay has been confirmed.

7. M/s. Sain Minerals

The case relates to the recovery of Rs 2,56,000 from M/s Sain Minerals on account of extraction of sand from Anangpur quarry. The party went into litigation with the department and district Judge, Faridabad held that the amount is not recoverable. The State Government has filed R.S.A. 2004 of 1984 against the orders of the District Judge, Faridabad in High Court which is pending in the Hon'ble High Court.

8. M/s. Bankey Bihari & Co.

The contract for the extraction of sand from Chandpur quarry district Faridabad was granted to M/s. Bankey Bihari & Co. for the period from 24-7-84 to 31-4-89 @ Rs. 3,02,000 P.A. The contractors alleged that they could not extract sand as the Executive Engineer Gaucha Division stopped them from the extraction of sand from the quarry for the safety of the Flood protection works. The contractors did not pay the instalments of contract money and contract was terminated on 3-7-1985. The contractor filed an appeal before the State Govt. for rescinding the contract and refund of security and instalment paid in advance but the same was rejected. The contractor then filed writ petition in High Court challenging the recovery proceedings which was dismissed on 25-3-1987 on the ground that petitioner should seek civil remedies. When the recovery proceedings were initiated against the contractors for recovering Rs 2,27,246 as contract money and Rs. Rs. 66,745 as interest, the contractor filed a Civil Suit in the Court of Sub Judge, Faridabad. Sub Judge stayed the arrest of the partners of the firm but allowed the Department to take action for the recovery of the amount according to law. 6-9-1992 has been fixed as the next date in this case. Because of concerted efforts made by the department, a sum of Rs. 40,000 has been recovered on 27-12-1991 leaving a balance of Rs. 1,21,364.

The next date of hearing of the suit filed by the Co. is fixed for 6-9-1992. The efforts are being made to recover the balance amount by persuasive measures.

9. Kuldiprai Panchkula

The contract of Gumthala quarry was granted to Shri Kuldiprai S/o Shri Kashmiri Lal Vill. & P O. Panchkula for the period from 8-7-80 to 31-3-1983 @ Rs. 4,25,200 per annum. A sum of Rs 5,07,420 as contract money & Rs. 1,19,700 as interest was recoverable upto 31-7-1983 for which a recovery certificate was issued as arrear of land revenue. A sum of Rs 4,15,000 had been recovered leaving a balance of Rs. 92,420. Efforts are being made to recover the same alongwith interest.

10. Shri parbhati Lal S/o Shri Ram Lal

The contract for the extraction of road metal and masonry stone from Khaspur quarry was granted to Shri Parbhati Lal S/o S/o Shri Ram Lal R/o Vill. Khaspur, Tehsil Narnaul for the period from 8-4-81 to 31-3-84 @ Rs. 31,100 P.A. The contractor made a default in the payment of instalment due on 8-10-81 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 18-10-83. A sum of Rs. 57,064 as contract money and a sum of Rs. 20,000 as interest was outstanding towards the contractor. The recovery certificate has been issued for effecting the recovery of the outstanding amount as arrear of land revenue. The contractor has expired. Steps are being taken to recover the amount from legal heirs and his surety.

11. Om Parkash V.P.O. Shahpur

A contract of Nathanpur quarry of district Ambala was granted to Shri Om Parkash VPO Shahpur for the period from 18-4-1983 to 31-3-1988 @ Rs. 90,100 per annum. The contract was terminated due to non payment of contract money on 25-10-1985 and the possession of quarry was taken on 13-11-1985. A recovery certificate was issued on 17-3-1986 to recover the contract money Rs 74,082 and interest as Rs. 8,763 as arrear of land revenue. A sum of Rs. 3,000 was recovered but in the meantime the contractor Shri Om Parkash expired and at present efforts to the Govt dues are being made from the surety Shri Shri Sawan Mal. The recovery certificate has been issued against him and the recovery is pending with Collector Karnal.

12. M/s. Parmod Kumar Rajinder Kumar

The contract of Lapra quarry of district Ambala was granted to M/s Parmod Kumar Rajinder Kumar R/o Yamuna Nagar for the period from 18-4-1983 to 31-3-1988 @ Rs. 90,000 per annum. The contract was terminated due to non payment of contract money vide order dated 8-12-1985 and the possession of quarry was taken back from the contractor on 11-2-1986.

and recovery certificate under Land Revenue Act for Rs. 1,86,250 as contract money and Rs. 55,666 as interest was issued on 21-5-1987 to recover the balance amount. The contractor filed civil suit against the recovery and at present the case is pending in the court. The next date is fixed for 25-8-1992 for plaintiff witness.

13. M/s. Surjeet Kumar Virender Singh

The contract of the Deodhar quarry was granted to M/s. Surjeet Kumar Virender Singh C/o Vijay Cinema Ambala City for the period from 28-4-1983 to 31-3-1988 @ Rs. 1,20,300 per annum. The contract was terminated due to non payment of instalment on 13-6-1985 and the possession of the quarry was taken back on 21-6-1985. A sum of Rs. 118283 and interest Rs. 4,554 was recoverable from the contractor. A sum of Rs. Rs 23,000 as contract money and Rs. 10,000 as interest recovered and now a sum of Rs. 95,283 as contract and interest is recoverable for which efforts are being made for recover the amount as arrear of land revenue.

14. Shri Dharam Pal

The contract of Doyiwala was granted to Shri Dharam Pal R/o H. No. 1472, Sector 22-B, Chandigarh, for the period from 20-5-1980 to 31-3-1983 @ Rs. 80,100 per year. The contract was terminated on 15-9-1982 due to non payment of contract money and the possession of quarry was taken back on 20-9-1982. A sum of Rs. 1,02,245 as contract money and Rs. 10,493.10 as interest was recoverable as on 19-11-1982. A recovery certificate was issued for Rs. 1,21,960.33 (Rs. 1,02,245 as contract money) on 2-8-83 after that a sum of Rs. 35,000 have been recovered and now the recovery is pending with Collector Chandigarh to recover the remaining amount of Rs. 67,245 plus interest.

15. Shri Sandeep S/o Shri Mange Ram

The contract for the extraction of Road Metal and Masonry stones from Bhuriawas quarry of district Rohtak was granted to Shri Sandeep S/o Shri Mange Ram at the rate of Rs. 15,000/- P.A for the period 17-4-1984 to 31-3-1989. The contractor made a default in the payment of contract money and the contract was terminated on 5-9-1985. The defaulter is residing in district Bhatinda in Punjab and recovery certificate has been sent to Collector Bhatinda for effecting the recovery as Arrear of land revenue. In this case now a sum of Rs. 1,20,000/- is outstanding.

16. Shri Om Parkash S/o Shri Lal Singh

The contract for the extraction of RM&M/Stone from Nangal Malla quarry was granted to Shri Om Parkash S/o Shri Lal Singh r/o Vill. Kalawas, Tehsil Rewari for the period from 23-4-81 to 31-3-84 at the rate of Rs. 65500/- P.A. The contractor made a default in the payment of instalment due on 23-1-82 and the contract was terminated

under clause 16 of the contract agreement. The possession of the quarry was taken on 6-7-83. A sum of Rs. 95,886/- as contract money and a sum of Rs. 10,300/- an interest upto 1-5-84 is outstanding towards the contractor. The R.C. has been issued for effecting the recovery of the outstanding amount as arrear of land revenue. Contractor and Surety both have expired. Steps are being taken to recover the amount from their legal heirs.

17. M/S Hari Singh Manohar Lal

The contract for the extraction of RM & M stone from Zerpur quarry was granted to M/S Hari Singh Manohar Lal R/o Jatusana Tehsil Rewari at the rate of Rs. 39,000/- P.A. for the period 22-4-81 to 31-3-1984. The contractor made a default in the payment of instalment due on 22-7-81 and the contract was terminated under clause 16 of the contract agreement. The possession of quarry was taken on 6-7-1983. A sum of Rs. 66,517/- as contract money and a sum of Rs. 10,933/- interest upto 21-11-83 is outstanding towards the contractor. The R.C. was issued for effecting the recovery of outstanding amount as arrear of land revenue. The contractors filed a civil suit in the court of sub Judge 1st Class Mohindergarh against the recovery on the ground that they surrendered the contract and thus not liable to pay the outstanding amount. The application for the stay of the recovery was dismissed but on filing appeal, the Ld. Additional District Judge vide his orders dated 5-11-90 stayed the recovery till the disposal of the suit.

18. Shri Satbir S/o Shri Pyare Lal

The contract for the extraction of Road Metal & Masonry stone from Rajgarh quarry was granted to Shri Satbir S/o Shri Pyare Lal R/o Vill Kund, Tehsil Rewari for the period from 17-3-86 to 31-3-90 at the rate of 52,200/- P.A. The contractor made a default in the payment of instalment due on 17-12-86 and the contract was terminated under clause 16 of the contract agreement and the possession was taken of the quarry on 13-1-88. A sum of Rs. 53,965/- as contract money & Rs. 7468/- interest upto 16-4-88 was outstanding from the contractor and the Recovery Certificate was issued for effecting the recovery of outstanding amount as arrear of land revenue. The contractor has filed a civil suit alleging that Haryana Mineral Limited who were granted mining lease of school slate in the same area did not allow him to extract stone in the court of Senior Sub Judge Rewari and has obtained stay against the recovery and the suit is still pending.

19. Shri Lal Singh S/o Shri Nar Singh

The contract for the extraction of Road Metal & Masonry Stone from Maseet quarry was granted to Shri Lal Singh S/o Shri Nar Singh r/o village Rampuri, Tehsil & District Rewari for the period 1-4-81 to 31-3-1984 at the rate of Rs. 31,000/- P.A. The contractor made a default in the payment of instalment due on 1-10-81 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 7-7-1983.

A sum of Rs. 54,250/- as contract money and sum of Rs. 9,830/- interest upto 16-1-84 is outstanding towards the contractor. The Recovery Certificate has been issued for effecting the recovery of the outstanding amount as arrear of Land Revenue. The contractor filed a suit in the court of Sub Judge Narnaul against the recovery on the ground that the construction of dam by the Soil Conservation Department around the quarry has made it impossible for the contractor to operate the quarry. The suit was dismissed on 4-6-1990. The contractor has filed appeal, in the Court of Additional District Judge, Narnaul.

During the course of oral examination the departmental representative informed the Committee that out of 155 crores, an amount of Rs. 43.76 lakhs had been recovered and an amount of Rs. 34.99 lakhs declared irrecoverable either by the Courts or by the Law Department leaving a balance of Rs. 76.40 lakhs. Out of this a sum of Rs. 30.55 lakhs is to be recovered from the 36 parties who are residing outside the State.

The Committee would like to invite attention to the observation contained in para 55 of its 34th Report and reiterate that the department should streamline the procedure to adopt the system by which the amount should not come in default.

The committee desire that concerted efforts should be made to accelerate the pace of recovery and in cases where recovery certificates are issued should be pursued vigorously with the concerned Collector and the progress made be intimated to the Committee.

The Committee further desire that the cases pending before the Courts may regularly be pursued to their logical conclusion and final outcome be intimated to the Committee in due course.

[50]. 6.3. *Non-recovery/short recovery of royalty*

Under the Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, a brick-kiln 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. Royalty on brick bats is recoverable at the rate of rupee one per thousand of brick-bats sold. He is also required to submit to the department, quarterly/half-yearly returns showing quantities of minor minerals (brick earth) extracted by him from the leased area or number of bricks sold by him.

(i) In District Industries Centres, Sonapat and Panipat, returns of brick earth extracted or bricks sold during the years 1984-85 to 1986-87 were neither submitted by 211 brick-kiln owners to the department nor were these returns called for by the department. One brick-kiln owner did not pay any royalty, whereas 210 brick-kiln owners had, on their own assessment, paid royalty amounting to Rs. 1.98 lakhs which was accepted by the department without verifying its correctness. A scrutiny in audit of the records in the

offices of the District Food and Supplies Controllers, however, revealed between March 1986 and November 1987) that 21 96 crores bricks and 90.15 lakhs brick-bats were reported as sold by 211 brick-kiln owners during 1984-85 to 1986-87 on which royalty amounting to Rs. 6 68 lakhs was payable. Royalty, thus realised short amounted to Rs. 4 70 lakhs.

On the omission being pointed out (March 1986 and November 1987) in audit, the department recovered (between July 1986 and May 1988) Rs 1 38 lakhs and initiated action for the recovery of balance amount of Rs. 3 32 lakhs. Further report has not been received (December 1988)

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, bricks kiln owners in view of the decision taken by the State Government in October 1976 paid royalty on brick earth every quarter on self assessment basis and final calculation of the royalty was made on the basis of their assessment order of sales tax by Excise & Taxation Department or on the basis of figure of sale-submitted by them with the Food & Supplies Department. The final calculations were being made when the audits were 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 & Supplies Department. With this background, questionnaires are replied as under :—

As has been explained above, the department of Mines & Geology does not make any independent assessment but relies on the assessment orders of the sale tax department or returns submitted with the Food & Supplies Department in view of the decision taken by the State Govt in October 1976. In view of this no one can be held responsible for short realisation which would have been detected on reconciliation of figures with the sale tax assessment orders/returns submitted with the Food & Supplies Department. Now lump sum royalty is being charged per brick kiln. as per category of kiln depending upon its size thus, assessment of number of brick sold by brick kiln owners is no longer relevant or needed. Even sale tax from brick kiln owners is being charged on lump-sum basis.

As has been clarified above at the end of the financial year, reconciliations of the figures were made with the assessment order of sales tax department and

with the figures of sale of bricks submitted by the brick kiln owners with the Food & Supplied Department. After reconciliations, if any difference is found with the royalty deposited by the brick kiln owners on the self assessment basis, then demands were raised against them.

Out of balance amount of Rs. 3 32 lacs as mentioned in para No. 6 3(i) of report of Comptroller and Auditor General of India for the year 1987-88 sum of Rs. 2 66 lacs has been recovered leaving a total balance amounts of Rs. 0 66 lacs.

The facts stated in reply to questionnaire are reiterated. Now interest at the rate of 24% per annum is being charged on delayed payment of royalty. Moreover, the assessment of number of bricks sold by brick kiln owners is no longer relevant or needed. Even sale tax from brick kiln owners is being charged on lumpsum basis.

During the course of oral examination the departmental representative stated that an amount of Rs. 0.56 lakhs of balance royalty is to be recovered from 39 parties. The Committee recommends that the balance of recovery be expedited from the concerned parties and intimated to the Committee within three months.

P.W.D. (B & R)

[51] 6.1 Results of Audit D/- 30/08/22

Test check of records of departmental offices dealing with assessment collection and realisation of non-tax receipts, conducted in audit during the year 1987-88, revealed under assessment or losses of revenue amounting to Rs. 15 52 lakhs in 303 cases as indicated below .—

Name of department	Number of cases	Amount (In lakhs of rupees)
Public Works (Buildings and Roads)	303	15.52

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

(i) The latest position of recovery of Rs. 15 52 in 303 cases is given as under :—

Particulars	No. of case	Amount
(a) Cases dropped by the A.G. Haryana, to-date	77	6,80,830 00
(b) Cases where full recovery has been made :—	83	1,10,198.00
(c) Cases where partial recovery has been effected	120	3,39,486.365
(d) Amount written off by the Govt. on account of arrear of fan rent concerning this para vide letter No. 35/85/40-4-B&R(W) dated 29-11-91.	—	25,331.85
(e) Disputed cases where correct details are awaited from A.G. Haryana	6	28,880.00
Total	286	11,84,726.50

In rest of the cases, efforts are being made to recover the balance amount.

The recovery on account of house rent/Fan rent could not be effected because the competent/allotting authority of the departments other than the B&R failed to intimate the particulars of occupants of Government accommodation and their DDOs did not cooperate in making recovery of House rent/Fan rent from the salary bills of the occupying Government servants. Further the Government employees generally do not vacate the Government Accommodation after their transfer/retirement within the prescribed time. After careful consideration, the Finance Department has now issued detailed instructions streamlining the procedures for the recovery of rent of Government Buildings vide memo No, 2354-2-FICW-89 dated 5-2-90.

- (ii) The latest position of recovery of Rs. 15.52 lacs has been mentioned in (i) above, which shows that a substantial amount of Rs. 11,84,726/50P has been got recovered and in rest of the cases efforts are being made to recover the balance amount.

During the course of oral evidence the departmental representative informed the Committee that an amount of Rs. 3.34 lakhs is still to be recovered out of which an amount of Rs. 2.24 lakhs is recoverable from the Municipal Committees and remaining amount is recoverable from the individuals. The main reasons for non-recovery of balance amount was attributed to the weak financial position of the Municipal Committees.

The Committee recommend that the department should make sincere efforts to recover the balance amount from the Municipal Committees/individuals concerned and intimate the Committee within three months.

The Committee would also like to invite attention to the observation contained in para 60 of its 34th report and reiterate that the procedure for the recovery of rent of Government buildings as contained in Government letter dated 5-2-92 be followed strictly by the authorities concerned.

EXCISE AND TAXATION

[52]. 14. *Assessments in arrears*

The number of assessment cases finalised during the year 1987-88 and pending at the end of 1987-88, alongside figures for the preceding year, are given below :—

	Sales Tax		Passengers and Goods Tax	
	1986-87	1987-88	1986-87	1987-88
(i) Number of assessments due for completion during the year				
(a) Arrear cases	41,420	45,876	128	141
(b) Current cases	1,12,698	1,26,053	139	372
(c) Remand cases	281	—	—	4
(ii) Number of assessments completed during the year				
(a) Arrear cases	29,790	32,614	59	66
(b) Current cases	78,624	87,321	67	224
(c) Remand cases	109	—	—	—
(iii) Number of assessments pending finalisation at the end of year				
(a) Arrear cases	11,630	13,262	69	75
(b) Current cases	34,074	38,732	72	148
(c) Remand cases	172	—	—	4

Year-wise break-up of the pending assessments as at the end of 1987-88 is given below :—

Year	Number of cases	
	Sales Tax	Passengers and Goods Tax
Upto 1983-84	313	14
1984-85	2,545	17
1985-86	10,404	48
1986-87	38,732	148
Total	51,994	227

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

- (i) The main reason for pending assessment cases was the shortage of assessing authorities. In 1987-88 we had 136 assessing authorities as against the requirement of 200 assessing authorities which were party given to the department subsequently. Another important reason was the non cooperation of the assesses in the form of irregular attendance and delay in the production of statutory forms, claiming deduction. These at time led to exparte decision creating problems of recovery for the department.
- (ii) No, all the dealers are not existence. A list of dealers who have closed down their business or whose whereabouts are not known is enclosed.
- (iii) Out of 51994 cases shown as pending under Sales Tax, 51906 cases have since been disposed off and 88 cases under H.G.S.T. Act and C.S.T. are pending as on 30-10-92 as under :—

Year	Number of pending cases
Upto	
1983-84	18
1984-85	13
1985-86	8
1986-87	49
Total	88

- (iv) The time schedule norm for disposal of cases is already in existence where an E.T.O. has to assess 600 cases in a year and A.E.T.O. 750 cases in a year including old assessment cases. Besides we have issued orders asking all the assessing authorities to dispose of 20% more cases than their norm this year..
- (v) The position of assessment cases pertaining to the year 1983-84 and 1984-85 is as under —

Year	No. of cases as per Audit para	Latest position of pending cases
Upto		
1983-84	313	18
1984-85	2445	13
Total	2758	31

The above position shows that out of 2758 cases 2727 cases have since been finalised leaving only 31 cases as balance. The Assessing Authorities have been directed to finalise these cases at the earliest.

List of Dealers whose whereabouts are not known

Sr. No.	Name of Distt.	Name of firms whose assessment pending for 1986-87	Whereabout of the dealer	Reason
1	2	3	4	5
1.	Ambala	Nil	—	—
2.	Bhiwani	Nil	—	—
3.	Faridabad (E)	Nil	—	—
4.	F/bad(W)	Nil	—	—
5.	Gurgaon	Nil	—	—
6.	Hissar	(i) M/s Mittal Cotton Ginni Factory 1986-87	Not known	Firm closed. Notices issued to sureties.

1	2	3	4	5
	(ii)	M/s Shree Jambheswar Commission Agent 1985-86, 1986-87	Not known	Firm closed, notice could not be served on the dealer.
	(iii)	M/s Brij Lal Ram Sarup, 1986-87	Do	Case is under process.
	(iv)	M/s Haryana Krishi Udyog, 1986-87	Do	Case under process notice issued to sureties.
	(v)	M/s Deep Machinery Store, 1986-87	Do	Notice could not be served efforts being made.
	(vi)	M/s Singla Grease & Barrel Supply, 1986-87	Do	Do
	(vii)	M/s Gori Shankar Radheysham, 1986-87	Do	Case under process.
	(viii)	M/s Nathu Ram Ram Kumar, 1986-87	Do	Do
	(ix)	M/s Radhey Shyam Ram Avtar 1986-87	Do	Do
	(x)	M/s Jag Mohinder Rai Lalit Kumar, 1986-87	Do	Do
	(xi)	M/s Garg Traders, 1986-87	Do	Pending for want of R.D. verification/ form.
	(xii)	M/s Guru Nanak Oil & General Mills, 1986-87	Not	Pending for want of R D. verification/ forms.
	(xiii)	M/s Mani Ram & Sons, Adampur, 1986-87	Residing at Apur	Non cooperation of dealer.
	(xiv)	M/s Subhash Chand Nirmal Kumar, Adampur, 1986-87	Shifted to Calcutta	Under process.
	(xv)	M/s Khalsa Motor Store, 1986-87	Not known	Business closed Account Books burnt in Anti-Mandal Agitation.

1	2	3	4	5
7. Jind	M/s Vardhman Trader, 1985-86, 1986-87	Not known	Closen of business.	
8. Jagadhari	Nil-	—	—	
9. Karnal	M/s Ganesh Rice Mill, Shamgarh, 1986-87	Not known	Business closed, shfi- ted out of State. Efforts are being made	
10. K/shetra	Nil	—	—	
11. Kaithal	Nil	—	—	
12. Narnaul	Nil	—	—	
13. Panipat	Nil	—	—	
14. Rohtak	Nil	—	—	
15. Rewari	Nil	—	—	
16. Sonapat	M/s Haryana Steel Sales, Murthal	Not known	The record destro- yed in Anti-Mandal Agitation.	
17. Sirsa	M/s Rathi Brothers, 1986-87	Do	Efforts are being made to collect in- formation about sa- les/purchase by the dealer.	

The Committee would like to invite attention to their ear-
lier recommendations contained in paragraph 62 of 34th report
and observed that time schedule be fixed by the department to
clear the high pendency in assessment cases in future.

The Committee further desire that the details of the cases
pertaining to M/S Gori Shankar Radheysham, M/S Khalsa Motor
Store of district Hisar for the year 1986-87, M/S Haryana Steel
Sales, Murthal of Sonapat District and M/S Rathi Brothers of
Sirsa district for the year 1986-87 be supplied to the Committee
within one month.

[53]. 1.5. *Uncollected revenue (P.G.T.)*

As on 31st March 1988, arrears of revenue pending collection

under principal heads of revenue, as reported by the departments, were as under :—

Heads of revenue	Total	Arrears outstanding for more than 5 years
(In crores of rupees)		
Taxes on Goods & Passengers	1.23	0.13

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

- (i) Out of the arrears of the tax of Rs. 123 lacs recovery of Rs. 13.40 lacs has been effected while an amount of Rs. 21.61 is under stay by the court. The balance of the arrear of Rs. 88 lacs are still outstanding. Most of these are paper arrear arising for want of matching of the tax collected at the barrier with the record maintained in the district of registration. Quite often the tax is collected from the vehicle at the barrier but this information is not sent to the district where vehicle is registered under the PGT Act resulting in accumulation of arrear in the district offices. Efforts are being made to circulate and verify this information. This will result into substantial reduction in the paper arrear.
- (ii) There are only two cases in which arrears exceed Rs. 50,000 out of which one of RSRTC Jaipur of Rs. 18.86 lacs and another of ACC Surajpur of Rs. 2.75 lacs is under stay by the Supreme Court/court respectively.
- (iii) Apart from the conciliation of accounts as mentioned in reply to point 1 above, a list of defaulters has been circulated among all the enforcement officers in the State to liquidate the arrears.
- (iv) As mentioned in reply to point 1 above.

The Committee is constrained to note that the re-conciliation work of the accounts of certain barriers is lying pending since 1988 resulting in accumulation of arrears of Rs. 88 lacs which is still to be recovered. The Committee recommends that some fool-proof procedure be adopted by the department so that such a huge amount of arrears may not be accumulated in future. The Committee further recommend that the pace of recovery of the balance amount be accelerated and report be submitted to the Committee within a period of 45 days.

The Committee further desire that the details of cases where amount outstanding is more than 50,000 be furnished to the Committee within one month and sincere efforts be made by the

department to get the stay vacated from the Supreme Court in the cases of RSRTC Jaipur and ACC Surajpur at the earliest and the Committee be informed accordingly.

[54]. 1.5. *Uncollected Revenue (State Excise)*

As on 31st March 1988, arrears of revenue pending collection under principal heads of revenue as reported by the departments, were as under :—

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

State Excise	4.18	2.29,
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Analysis of arrears.

State Excise

Arrears of revenue under State Excise as on 31st March, 1988 amounted to Rs. 4.18 crores as against Rs 4.04 crores outstanding on 31st March 1987. Yearwise details of the outstanding dues are given below :—

Year	Amount (In crores of rupees)
Upto 1983-84	3.56
1984-85	0.24
1985-86	0.07
1986-87	0.27
1987-88	0.04
Total	4.18

The entire amount was due from private parties and according to the information furnished (July 1988) by the department, the amount of arrears as on 31st March 1988 was in the following stages of action.

	Amount (In crores of rupees)
(i) In process of recovery by recovery certificate	0.97
(ii) Recoveries stayed by courts	0.91
(iii) Other stages	2.30
Total.	4.18

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

The reasons for non recovery of arrears are the stays granted by various courts, lack of information about the whereabouts of some licencees and cumbersome procedure involved in proceedings under Land Revenue Act. Attachment of immovable property and its disposal takes lot of time to materialise.

Out of balance amount of Rs. 0 97 crores where recovery certificates were issued, an amount of Rs. 0 85 crores stands recovered, leaving a balance of Rs. 0 12 crores

The latest position of recovery of Rs. 0 91 crores which were stayed by the courts is that an amount of Rs 0 82 crores has been recovered leaving a balance of Rs 0.09 crores. The position of recovery of balance arrears of Rs 2 30 crores is that an amount of Rs 1 75 crores has been recovered, leaving a balance of Rs. 0 55 crores.

In view of the above, out of arrears of Rs. 4 18 crores, an amount of Rs. 3 42 crores has since been recovered, leaving a balance of Rs. 0 76 crores.

The details of cases in which the amount of more than Rs. 50,000 is outstanding can be seen below : —

Sr. No.	Distt.	Name of Licencee	Amount	Reasons
1.	Hisar	M/s Raghbir Singh & Co Bhagana for 1986-87	1. 40	Pending in civil court with next date of hearing on 29-1-93.
2.	Rohtak	M/s Liberty Sales	28 85	The High Court has stayed recovery.
3.	Sirsa	M/s Joginder Singh & Co. L-14 Raghuaana	0. 97	Two partners have died. The recovery proceedings under Land Revenue Act are in progress against other partners.
4.	Do	M/s Ram Lal & Others Nai Mandi, Khair Pur, Sirsa	13. 54	All the defaulters remained in Revenue lock up for 40 days. Further action is in progress.

The Committee desire that the position of recovery of balance amount of Rs. 0.76 crores be intimated to them. The Committee also desire that the latest position of the four cases in which the outstanding is more than 50,000 (in individual case) together with the final outcome of the action taken against the officers/officials of the department involved in these cases be intimated to the Committee within three months.

[55]. 1 5. *Uncollected revenue (Sales Tax)*

As on 31st March 1988, arrears of revenue pending collection under principal heads of revenue, as reported by the departments, were as under :—

Head of revenue	Total arrears	Arrears outstanding for more than 5 years
(In crores of rupees)		
Sales Tax	47 00	9.86

Analysis of arrears

(a) Sales Tax

Sales tax demand raised but not collected as on 31st March 1988 amounted to Rs 47 00 crores as against Rs. 34 58 crores outstanding on 31st March 1987. The increase in arrears by Rs 12 42 crores was reportedly due mainly to disposal of old assessment cases particularly ex-parte and additional demands of current cases, recoveries of which fell due after demands of current cases, recoveries of which fell due after 31st March 1988. Year-wise break up of the outstanding amount on 31st March 1988 is given below :—

Year	Amount (In crores of rupees)
Upto 1983-84	13 29
1984-85	4 03
1985-86	5 89
1986-87	4.05
1987-88	19.74
Total	47 00

Recovery of Government dues exceeding Rs. 2 lakhs was outstanding in 95 individual cases involving an amount of Rs. 23.92 crores.

District-wise position of individual cases with recovery due exceeding Rs. 5 lakhs was as under :—

District	Number of cases	Amount
		(In lakhs of rupees)
1. Ambala	11	111.87
2. Bhiwani	2	115.20
3. Faridabad (E)	28	385.08
4. Faridabad (W)	34	513.79
5. Gurgaon	5	55.29
6. Karnal	10	723.66
7. Sirsa	3	35.66
8. Sonapat	9	164.88
9. Rohtak	1	6.66
	103	2112.09

- (i) Assessments of a dealer of Faridabad for the year 1979-80 to 1982-83 were finalised between March 1985 and March 1987 with an additional demand of Rs. 50.46 lakhs. The dealer had closed down his business in December 1982 and did not pay the tax. The whereabouts of the dealer were not known. The department also failed to recover the amount from the sureties as they were un-traceable. The amount was declared as bad debt and matter regarding its write off was reportedly under consideration of the department (July 1988).
- (ii) Assessments of a dealer of Jagadhari for the year 1981-82 was finalised ex-parte in November 1985 creating an additional demand of Rs. 25.02 lakhs. The dealer got his registration certificate cancelled with effect from 6th September 1981. Amount of Rs. 4,500 only could be recovered from the sureties. Balance amount of Rs. 24.98 lakhs remained unrecovered (July 1988).
- (iii) Sales tax assessments of a dealer of Faridabad district for the years 1977-78 to 1981-82 were finalised between July 1985 to September 1985 creating additional demand of Rs. 19.05 lakhs. The dealer had, however, closed down his business in 1982. Amount of Rs. 10,000 was recovered from sureties. Recovery certificate for the balance amount of Rs. 18.95 lakhs, was sent to Calcutta in December 1985 remained unexecuted (July 1988).

- (iv) Sales tax assessments of two dealers of Jagadhari for the years 1978-79 to 1980-81 were finalised in September 1985 creating additional demand of Rs. 12.24 lakhs. Registration certificate of the dealers were cancelled in July 1980 as they were found indulging in bogus transactions. The recovery certificates issued to Collectors concerned in December 1987 remained unexecuted (July 1988).
- (v) In the case of a dealer of Faridabad district, assessment for the year 1982-83 was finalised in August 1987 with an additional demand of Rs. 4.52 lakhs. Recovery has not been made since the dealer had closed down his business and left the State.
- (vi) In the case of dealer of Faridabad, assessments for the years 1978-79 to 1983-84 were finalised between November 1982 to January 1987 with an additional demand of Rs. 4.28 lakhs, out of which Rs. 0.33 lakh only were recovered from sureties by auction of goods attached. The dealer had closed down his business in 1983. The recovery certificate issued to the Collector, Alipur (Calcutta) in July 1986 remained unexecuted (July 1988).

The questionnaire relating to the audit paragraphs contained in Audit Report for the year 1987-88 (Revenue Receipts) including this paragraph was sent to the Excise and Taxation Department by the Vidhan Sabha Secretariat on 11-10-1991 for supply of replies/comments, in annotated form, within a period of one month.

The Committee took a serious view that the reply to this paragraph was not submitted by the department even at the time of oral examination fixed for 8-2-93. The department stated that information is being collected from DETCs and will be sent to the Committee at the earliest. The Committee further pained to observe that the reply to other paragraphs pertaining to this department also received after a period of one year.

The Committee recommend that the whole matter be investigated by the department and action be taken against the officers/officials found responsible for the non-submission and late submission of reply to the Committee and action taken be intimated to the Committee within three months.

The Committee further observe that the observations made in above Audit Paragraph be attended to and reply be sent to the Committee within one month.

The Committee also noted that arrears on account of Sales Tax pending collection were accumulating in crores. The Committee desire that the department should accelerate the pace of recovery and the latest position (year wise) of cases of recovery be intimated to the Committee within three months.

[56]. 1 6. *Frauds and evasions of Taxes (PGT)*

The table below indicate the amount of taxes receipts assessed during the year 1987-88 in cases of frauds and evasions of taxes/receipts detected by the department concerned during 1987-88 and earlier years .—

Nature of tax receipt	Cases pending as on 1st April, 1987	No. of cases detected during the year	No. of cases finalised		No. of cases pending as on 31st March, 1988		Amount of tax interest & penalty levied (In lakhs of Rs.)
			out of col 2	out of col. 3	out of col 2	out of col. 3	Not furnished by the Dept.
Passengers and goods	58	1909	11	1736	47	173	

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

- (i) The department has been noticing evasion of payment of passenger and goods taxes from the vehicles Owners from time to time. No important fraud case came to the notice. Modus-operandi vary from case to case. We do not have much of problem with the Government vehicles and evasion in so far as passenger tax is concerned is almost negligible. frauds evasion of goods tax and passenger tax from the private-operators, the enforcement staff posted in the districts and specially in the barriers have to act intelligently to deal with such cases.
- (ii) All in private sector.
- (iii) As a result of decision of these cases tax and penalty amount to Rs. 160175 (Bhiwani 23027 Fbd. (W) 61000, Gurgaon 3792 Rohtak 37010 and Sonapat 35346) has been recovered. In the remaining 220 cases, revenue involved is Rs. 23000.

The Committee recommend that the recovery in the remaining 220 cases involving Rs. 23,000 be expedited and Committee be informed accordingly.

[57]. 1 9. *Outstanding inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit are

communicated to the heads of offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within 6 weeks from date of issue. The more important irregularities are also reported to the heads of departments and to the Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) At the end of June 1988, 1,518 inspection reports (issued upto December 1987) containing 6,131 audit objections remained outstanding, out of which 729 inspection reports containing 2,370 objections were outstanding for more than 5 years. This is a very high pendency.

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

	Year	Number of inspection reports	Number of audit objections
	(1)	(2)	(3)
1. Passengers and Goods Tax	Upto 1983-84	49	103
	1984-85	12	29
	1985-86	14	44
	1986-87	16	65
	1987-88	10	53
	Total	101	294
2. State Excise	Upto 1983-84	38	97
	1984-85	10	27
	1985-86	9	29
	1986-87	16	53
	1987-88	9	31
	Total	82	237
3. Sales Tax	Upto 1983-84	123	380
	1984-85	20	134
	1985-86	22	201
	1986-87	22	283
	1987-88	17	348
	Total	204	1,346

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

P.G.T.

- (i) Most of the audit objections under the PGT Act pertain to the non-recovery of goods tax, non-levy of penalty for late

deposit of goods tax and improper maintenance of records like daily collection register etc. The recovery of goods tax is from the goods carriers who are mostly mobile and pay the goods tax mostly at the barriers. Some times the goods tax is paid at the barriers of the Distt. where they are not registered. The reconciliation of payments takes time. Therefore, most of the cases of non-recovery are only on paper. Moreover, where there is late deposits, penalties are normally levied by the Officer recovering goods tax. The process of reconciliation and levy of penalty in cases of late payment is a lengthy process. No penalty can be levied without proper notice and since the vehicle are mobile, it is very difficult to serve the notices. It is because of this reason that audit paras sometimes take lot of time for settlement.

- (ii) Steps have been taken to get the audit paras settled at the time of review of old objections by the audit parties. The Government have also constituted an audit Committee for the prompt disposal/settlement of audit paras which are outstanding for more than five years.
- (iii) All the district officers are instructed from time to time to recover the goods tax in time and where there is late payment the penalty should invariably be imposed. The District Officers are also directed to reconcile their arrears with the deposits made at various barriers around their districts to minimise the arrears.
- (iv) The latest position of outstanding inspection reports/audit paras is as under :—

Year	Inspection reports			Audit paras		
	Pointed by the A.G.	Settled	No. of Ins-pection reports by balance	Pointed out by A.G.	Settled	No of audit paras balance
Upto 1983-84	49	39	10	103	85	18
1984-85	12	5	7	29	21	8
1985-86	14	7	7	44	32	12
1986-87	16	4	12	65	39	26
1987-88	10	3	7	53	15	38
Total	101	58	43	294	192	102

State Excise

- (i) Most of the audit objections raised by the audit party under the Excise Act pertain to the loss of excise duty on wastage of molasses and spirit during the distillation process and loss/short recovery of excise duty in some cases. There is no provision of wastage of molasses in the process of distillation under the Punjab Distillery Rules, 1932. During the process of distillation the rectified spirit obtained out of molasses also falls short of the norm laid down under rule 35 and 37 of the Punjab Distillery Rules. Where the Department admits audit objection and feels there is less recovery of excise duty, the same is recovered and intimated to the audit party. But where the Department does not agree with the view point of the audit party, the audit objection is not admitted. In the case of loss of molasses and spirit during the distillation process some loss is bound to occur. Some States like U P and Rajasthan have prescribed percentage of loss during the distillation process. No such percentage of loss of molasses or of spirit is provided under the Punjab Distillery Rule as applicable to the State of Haryana. The cases are under consideration of the Government. Most of the audit paras pending settlement pertain to this category of objections and it takes time for their settlement.
- (ii) There is no time schedule fixed by the Department to get this audit objection settled. Once the Government takes decision regarding the percentage of loss of molasses and spirit during the distillation process, such audit objection will be settled.
- (iii) The latest position of outstanding inspection reports/audit paras is as under :—

Year	Inspection reports			Audit paras		
	Pointed out by the A.G.	Settled	No. of inspection reports balance	Pointed out by A.G.	Settled	No. of audit paras balance
Upto						
1983-84	38	24	14	97	76	21
1984-85	10	6	4	27	21	6
1985-86	9	6	3	29	24	5
1986-87	16	12	4	53	47	6
1987-88	9	2	7	31	18	13
Total	82	50	32	237	186	51

- (iv) As regards audit objection relating to loss of excise duty on molasses and spirit wasted during the distillation process, the Government is going to take a decision regarding percentage of loss very shortly. If the Government fixes some percentage of loss of these items by amending the rules, such type of audit objections will no more be raised in future. Where there is less recovery of excise duty due to certain reasons, the same is recovered and shown to the audit from time to time and paras are got settled.

Sales Tax

- (i) The main reason for non settlement of audit objections is the long and essential legal procedure involved. The case is referred to revisional authority for suo moto action. The revisional authority may either finalise the cases at its own level or remand the same to the Assessing Authority for denovo assessment. This procedure takes much time and audit objection remains unsettled. Even after the decision of such remand cases, when the demand notice is issued to the assessee, they go in appeal in certain cases to appellate authorities/courts and the paras are not settled till these cases are finalised by appellate authorities/courts. It is the legal process which consumes most of the time.

Steps have been taken to get the old paras settled at the time of review of old objections by the audit party. The Government have also constituted an audit committee for the prompt disposal/settlement of audit paras which are outstanding for more than five years.

The latest position of outstanding inspection reports/audit paras is as under :—

Year	No. of Inspection Report			No. of Audit paras		
	Pointed out by A.G.	No. of Inspection reports settled	No. of Inspection reports pending	Pointed out by A.G.	Settled paras	No. of audit paras pending
Upto 1983-84	123	101	22	380	326	54
1984-85	20	—	20	134	50	84
1985-86	22	2	20	201	100	101
1986-87	22	1	21	283	155	128
1987-88	17	—	17	348	149	149
	204	104	100	1346	830	516

The Committee are not satisfied with the pace of clearance of outstanding paras of inspection reports and desire that the department should take effective steps to settle long outstanding objections with A.G. expeditiously as those 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 three months.

[58]. 2.1. *Results of Audit (Sales Tax)*

Test check of sales tax assessments and other records of 22 units, conducted during the year 1987-88, revealed under-assessment of tax of Rs. 218 10 lakhs in 1,116 cases, which broadly fall under the following categories :—

	Number of cases	Amount (in lakhs of rupees)
1. Incorrect computation of turnover	274	55.46
2. Interest not charged	297	45.11
3. Under-assessment of tax under Central Sales Tax Act	99	29.39
4. Non-levy/short levy of penalty	107	24.25
5. Application of incorrect rate of tax	50	6.75
6. Other irregularities	289	57.14
Total	1,116	218.10

Some of the important cases noticed in 1987-88 and earlier years, are mentioned in the following paragraphs.

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

- (i) This para relates to under assessment of tax due to incorrect computation of turnover, non-levy/short levy of penalty, interest not charged and application of incorrect rate of tax etc.

The under assessment, incorrect computation of turnover or other irregularities etc. have been reviewed and found that the audit has pointed out under assessment of 218 10 lacs in 1,116 cases but actually it has been worked out to Rs. 211.65 lacs in 976 cases. The latest position is as

under —

Sr. No.	Description of cases	No. of cases	Amount in lacs
1	Settled without additional demand	624	124.95
2.	Cases settled with additional demand	115	11 44
3	Pending with appellate authority/Jt. ETC/DETC(I)/STT etc.	20	13.93
4.	Cases pending with various courts	5	1 93
5.	Balance cases pending for review	212	59 40
Total :		976	211 65

The position has been reviewed by the Department to detect the similar other cases and no such case has come to the notice so far.

- (ii) The explanation of the officers/officials responsible for the under assessment of tax in 59 cases has been called.
- (iii) The department created an inspection wing to check the assessments made by the assessing authorities so that the cases of under assessments are detected well in time. The Inspection Wing is playing a vital role in detecting cases and levying tax and penalty where required at the initial stage. It is proposed to further strengthen the Internal Audit Cell to minimise the number of cases of short assessment of tax in future.

During the course of oral examination the departmental representatives stated that 848 cases involving an amount of Rs. 167 lakhs have been settled and 25 cases pending with appellate authorities and in various Courts leaving a balance of 103 cases involving 38 78 lakhs pending for review. They also stated that action against the officers/officials of different status responsible for the under assessment of tax in 59 cases are mostly at final stage.

The Committee desire that the detail of the five cases pending with the various courts be furnished to the Committee within one month and the cases pending for review be finalised expeditiously and report be sent to the Committee accordingly.

The Committee further desire that the final action taken against the officers/officials in 59 cases of under assessment be intimated to the Committee within three months.

During the course of oral examination the Committee was also informed that scheme for the strengthening the audit cell of the department has been sent to the Government and will be finalised within three months. The Committee reiterate that their recommendations contained in Para 64 of 34th report should immediately be implemented and the Accounts Officers/Section Officers from the Finance Department be also associated with the DETCs (Inspection/ETO (Inspections) to detect the cases of wrong computation/calculations of interest, penalties, turnovers, short levy of taxes etc. in the safeguard of Government revenue and final action taken in this behalf be intimated to the Committee within three months.

[59]. 2.2. *Short levy/non-levy of purchase tax*

(a) As per provisions of the Haryana General Sales Tax Act, 1973, a dealer, on the strength of his certificate of registration and by furnishing a declaration in the prescribed Form ST-15, can purchase, without payment of tax, goods (other than those on which tax is leviable at first stage) for resale in the State or sale in the course of inter-State trade or commerce or for use in the manufacture of other goods (such other goods not being free of tax on sale) meant for resale in the State or for sale in the course of inter-State trade or commerce or for sale in the course of export out of the territory of India within the meaning of Section 5(1) of Central Sales Tax Act, 1956. If a dealer, who has purchased goods without payment of tax, fails to use the goods so purchased for the specified purposes, he is liable to pay tax on the purchase value of such goods at the rates notified under Section 15 of the State Act.

(i) Two dealers of Ladwa, purchased by furnishing declaration in Form ST-15 without payment of tax, goods valuing Rs. 27.56 lakhs within the State and exported those out of India through another agency during the years 1983-84 and 1984-85. Such exports did not fall within the ambit of Section 5(1) of the Central Sales Tax Act and hence the use of Form ST-15 for purchasing the goods for such purposes was not permissible and purchase tax was leviable. While finalising the assessment (October 1985 and January 1986), the assessing authority incorrectly allowed deductions of Rs. 31.08 lakhs on production of export certificates. The mistake resulted in non-levy of purchase tax of Rs. 2.25 lakhs. Besides, interest of Rs. 22,717 and penalty of Rs. 32,020 for non-payment of tax alongwith returns were also leviable.

On the omission being pointed out (August 1986) in audit, the department referred (May 1988 and June 1988) the cases to the Revisional Authority for *suo motu* action. Further progress has not been received (December 1988).

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

This case relates to M/s Telu Ram Vishnu Sarup Ladwa for the assessment year 1983-84 and M/s K.M. Gonotia and Co. Ladwa A.Y. 1984-85.

02.06.12 (1) In case of M/s Telu Ram Vishnu Sarup Ladwa, the dealer purchased cellery seeds within Haryana against STI-15 and exported

them out of the territory of India under section 5(3) of CST Act. The provisions of Section 12(ii) under the HGST Act lay down that sales in the course of export out of the territory of India are not taxable. This exemption was allowed under section 27(i)(a)(iv) of the Act. So the deductions were rightly allowed by Assessing Authority.

(2) Regarding levy of purchase tax, the case was sent to DETC (I) for *suo-motu* revision under section 40 of the HGST Act. Case was remanded by the Revisional Authority for fresh Assessment but during the course of proceedings, the dealer filed CWP No. 4515/90 before the Hon'ble Punjab and Haryana High Court and obtained stay on 4-4-1990.

(3) The stay continues and action will be taken when the case is decided by court.

(4) Guidelines in the form of instructions are issued from the Head Office from time to time clarifying the law points and emphasizing upon Assessing Authorities to frame assessments in accordance with law avoiding short/incorrect assessments. Moreover, our inspection wing is there to look after cases of short/incorrect assessment and to remedy the same under section 40 of the HGST Act, 1973.

In case of M/s K.M. Gonotia and Co., Ladwa, A.Y. 1984-85 is concerned it is stated that the assessment file was burnt during Anti-Reservation Stir. The DETC has been requested to reconstruct the record.

The Committee observe that the department should pursue the case in the Court for the vacation of stay granted on 4-4-90. The Committee also desire that the reply filed by the department in the Court in CWP No. 4515/90 be supplied to the Committee. The Committee further desire that action be also taken against the officers responsible for short/defective assessments.

The Committee further observe that the duplicate record pertains to the dealers M/s K.M. Gonotia and Co., Ladwa, as stated burnt during Anti-reservation stir, be completed as early as possible and the cases be decided under intimation to the Committee.

[60]. 2.2. Short levy/Non-levy of Purchase Tax.

(b) Under the Haryana General Sales Tax Act, 1973, if a dealer purchases goods, other than tax free goods from any source in the State and uses them in the State in the manufacture of tax free goods, tax is leviable on the purchase of such goods at the rate applicable for their sale in the State.

A dealer of Yamuna Nagar purchased, without payment of tax paddy husk valuing Rs. 29.20 lakhs during the years 1983-84 and 1984-85. Out of this, paddy husk valuing Rs. 20.58 lakhs (on

proportionate basis) was used as fuel in the manufacture of tax free goods. The assessing authority, while finalizing (July 1986 and February 1987) assessments, levied tax on the paddy husk valuing Rs. 4 97 lakhs instead of. Rs. 20.58 lakhs. The mistake resulted in short levy of tax of Rs. 63 691

On the mistake being pointed out (May 1987) in audit, the department referred (December 1987) the cases to the Revisional Authority for *suo motu* action. Further report has not been received (December 1988).

The cases were reported to Government between May 1987 and August 1988 their reply has not been received (December 1988).

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

This para relates to M/s. Haryana Distillary Yamuna Nagar A. Y. 1983-84 and 1984-85

- (1) The paddy husk was never purchased by the dealer and the same was got lifted from various dumps by paying carriage charges only. Thus the tax was levied only on the proportionate value of rice husk by the Assessing Authority. The Hon'ble (Supreme Court of India in the case of M/s Goodyear India Ltd. Vs State of Haryana held the levy of tax under Section 9 as ultra-vires and invalid. The interest and penalty is also not leviable in view of above position.
- (2) The cases were sent to the Jt. ETC (Appeals). Ambala, for taking suo-motu action in respect of both the assessment years but the same were returned on the plea that he could not revise the order of assessment as the original orders were passed by him. Thereafter the cases were sent to Addl. ETC(LC)-cum-Revisional Authority for taking suo-motu action and the same is still pending.

The dealer simultaneously filed an appeal before the Jt. ETC. (A), Ambala, against the orders of assessment dated 2-7-1986 for the year 1983-84 regarding (i) Levy of tax under section 9 of HGST Act on Rice husk and (ii) to allow deduction under rule 24 (J) on aggregate sale and purchase turn-over instead of only on sales turn-over. The Appellate Authority vide order dated 22-6-1989 held that in view of Supreme Court Judgement, rice husk is exempted from levy of tax and remanded the case for re-calculation of tax to the Assessing Authority. Regarding deduction under rule 24(J) the appeal was rejected. The dealer filed an appeal before the Sales Tax Tribunal, against the order of the Appellate Authority dated 22nd June, 1989 and the same is still pending with the Tribunal.

- (3) The original assessment was framed by Shri M.P. Jain DETC-cum-Assessing Authority. The action against the Assessing Authority can not be taken as the position regarding levy of purchases tax on rice husk was under litigation at the time of assessment.
- (4) All the Assessing Authority have been directed to assess the cases strictly in accordance with the provisions of various Acts/Rules.

During the course of oral examination the Committee was informed that the cases were sent to Addl. ETC for taking suo-motu action in December, 1987 and were decided in 1993. The Committee observe that the matter be investigated and responsibility be fixed for the delay in taking decision in five years. The Committee also desire that the action taken in the matter be intimated to the Committee within three months.

On a question of the Committee that what measures have been taken by the department to minimise the number of cases of short/incorrect assessment of tax/incorrect computation of taxable turnover, the department stated that all the Assessing Authority have been directed to assess the cases strictly in accordance with the provisions of various Acts/Rules and to be more careful in future in computation of taxable turnover to avoid such lapses but the departmental representatives failed to produce the copies of such directions/instructions issued in this regard before the Committee.

The Committee desire that copies of all such instructions/ copies of the minutes of the meetings of the officers in this behalf be supplied to the Committee within one month.

[61]. 2.4. *Excess allowance of rebate on paddy*

(a) Under the Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956, the rate of tax on the taxable turnover of rice and paddy is four per cent. However, in the case of rice produced out of paddy on the purchase of which tax has been levied inside the State, tax leviable on such rice is to be reduced by the amount of tax levied on such paddy.

(i) In the case of a paddy and rice dealer of Jind district, average purchase price of paddy was determined in March 1986 and March 1987 at Rs. 148 85 and Rs. 146 97 per quintal for the years 1984-85 and 1985-86 respectively by the assessing authority, but while allowing rebate of tax paid on paddy from the tax payable on rice, the purchase price of paddy per quintal was erroneously taken at Rs. 157 80 and Rs. 156.50 respectively. The allowing of excess rebate resulted in short levy of tax by Rs. 61,676.

On the mistake being pointed out (August 1978) in audit, the assessing authority referred (November 1987) the case to the

Revisional Authority for *suo motu* action Further report has not been received (December 1988).

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

This case pertains to M/s Shive Rice and General Mills, Narwana, A.Y. 1984-85 and 1985-86.

- (1) The excess rebate was allowed by taking into account the purchase price of paddy at the higher rates instead of actual rates by the assessing Authorities due to over sight.
- (2) The *suo motu* action under the HGST Act for the year 1984-85 was decided by the DETC (I) vide order dated 28th November 1989 and tax of Rs. 19489/- was levied. The *suo motu* action under the CST Act was decided vide order dated 11th September 1992, wherein tax of Rs. 4208/- was levied. The case for the year 1985-86 was sent to the Jt ETC (A), Rohtak, for taking *suo motu* action on 3-8-89 and since he did not take any action to finalise the case, the same has now been referred to DETC(I), Bhiwani.
- (3) There is no question of *denovo* assessment in this case, as only *suo motu* action was required.
- (4) The tax and interest for the year 1984-85 under the HGST Act for Rs. 19489/- stands recovered. As regard recovery of Rs. 4208/- levied under the CST Act the challan for the recovery has been issued to the dealer.
- (5) The original assessment for 1984-85 was framed by Shri B.L. Indora, E.T.O. and for 1985-86 by Smt. Surekha Sharma, E.T.O. The explanation of both the Assessing Authorities have been called vide this office letter No. 4293 and No. 4291/AA. I. dated 17th September, 1992 respectively.

The Committee desire that the action against the assessing authority for allowing excess rebate to dealers leading to delay in collection of tax be expedited and final action taken be intimated to the Committee within three months.

[62]. 2.5. *Incorrect computation of taxable turnover*

(c) The Haryana General Sales Tax Act, 1973, provides that a dealer, on the authority of his certificate of registration, can purchase without payment of tax, goods other than those on which tax is leviable at the first stage, *inter alia*, for use in the manufacture of other goods not being free of tax on sale, meant for sale in the course of inter-State trade or commerce or for sale in the course of export out of India. When such manufactured goods are disposed of,

otherwise than by way of sale or resale under circumstances in which no tax is leviable, there shall be levied a tax on the purchase of such goods at the rate applicable under the Act.

A dealer of Faridabad purchased, without payment of tax, iron and steel valuing Rs. 153.98 lakhs and consumable stores valuing Rs. 7.76 lakhs during the year 1984-85 and used them in the manufacture of other goods valuing Rs. 1.80 crores, out of which goods amounting to Rs. 42.41 lakhs were transferred to other branches outside the State. However, the assessing authority, while computing (January 1987) taxable turnover, determined the proportionate value of iron and steel and consumable stores used in manufacture of such transfers at Rs. 36.67 lakhs as against Rs. 38.09 lakhs worked out on proportionate basis. Besides, the stores goods were liable to tax at 8 per cent but were incorrectly taxed at 4 per cent. This resulted in short levy of tax amounting to Rs. 13,216. The interest and penalty for non-payment of tax alongwith the returns were also not charged.

On the omissions being pointed out (August 1987) in audit the department re-examined the case and admitted the purchase value of goods used in stock transfer at Rs. 38.09 lakhs and raised (November 1987) an additional demand for Rs. 47,903, including interest (Rs. 33,687) and penalty (Rs. 1,000). Report on recovery has not been received (December 1988).

The cases were reported to Government between October 1986 and May 1988 - their reply has not been received (December 1988).

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

The case pertains to M/s Super Steel 3476, Faridabad
(E) :—Assessment year 1984-85. The parawise comments are as under :—

There was a difference in turnover which affected tax revenue to the extent of Rs. 5,756/- due to the reasons that Assessing Authority included the turnover relating to goods which were not despatched by transfer but these were raised by the firm, in his assessment. The other difference of Rs. 7460/- is on account of the rate of tax. The assessing Authority had rightly charged tax at the rate of 4% on consumable stores and the rate of 8% pointed out by the audit is wrong. Addition demand of Rs. 47,903/- (Tax Rs. 13,216/-, interest Rs. 33,687/- and penalty Rs. 1000/-) was created vide order dated 6th November, 1987. Tax and penalty of Rs. 14,216/- has been deposited by the dealer vide T.R. No. 71 dated the 11th December, 1987. The dealer has filed CWP No. 1648 of 1987 in the Supreme Court of India. challenging the levy of

interest under Section 25(5). The Hon'ble Supreme Court of India vide order dated 28th January, 1988, directed to deposit one half of the amount and furnish security for the remaining half of the said amount to the satisfaction of the Assessing Authority. Accordingly the amount of Rs. 16,843 50 was deposited vide T.R. No. 176 dated 22nd February, 1988. The explanation of Sh. Ashok Sharma, ETO Palwal was called for vide letter No. 369(AA.III), dated 25th February, 1991. The explanation submitted by him was found unsatisfactory and he has been warned to be careful in future.

Now all the purchases are taxed strictly according to the provisions of the Act.

The Inspection Wing is regularly checking cases to see whether the tax is being levied correctly.

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

The Committee is not satisfied with the action taken by the department against the Assessing Authority for short levy of tax and desire that the case be reopened for taking strict disciplinary action against him and the Committee be informed accordingly within six months.

[63] 2.6. *incorrect grant of exemption*

(c) Under the Haryana General Sales Tax Act, 1973, goods specified in Schedule B to the Act, are exempt from levy of tax. As per item 34 of Schedule B, fodder of every type (dry and green), but not including oil cakes, Gaur giri and chhilka of foodgrains, pulses and cotton seeds, is exempted from tax.

In the case of a dealer of Dabwali, exemption from levy of tax was incorrectly allowed on sale of chhilka of cottons seeds amounting to Rs. 3 lakhs during 1982-83 resulting in non-levy of tax of Rs. 12,000/-.

On the omission being pointed out (June 1986) in audit, the department raised (June 1988) an additional demand for Rs. 12,000. Report on recovery has not been received (December 1988).

The cases were reported to Government between October 1986 and April 1988 ; their reply has not been received (December 1988).

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

This case pertains to M/s Kishori Lal Mahavir Parshad, Dabwali A.Y. 1983-84.

- (1) The exemption from the levy of tax was allowed by the Assessing Authority due to oversight.

- (2) Sh. B.N. Singh, ETO is responsible for the lapse who has since retired.
- (3) The dealer filed a civil suit in the Civil Court, Dabwali on 17th November 1990 and the Court stayed dealer's arrest.

The Committee noted that this case pertains to the year 1982-83 and the omission was pointed out by the Audit in June, 1986. The department stated that Shri B.N. Singh, ETO who was responsible for the lapse has retired on 30th June, 1991.

The Committee regret to observe that no sincere efforts were made for taking action against the officer who was at fault. The Committee desire to know who was responsible for not initiating the disciplinary proceedings against the defaulting officer well in time.

The Committee recommend that the action against the officer responsible for allowing incorrect exemption be taken expeditiously and informed the Committee within three months.

The Committee further recommend that disciplinary action be also taken against the officers/officials who did not initiate timely action against the officer at fault till his retirement and intimated the Committee within three months.

[64]. 2.8. *Suppression of sales*

As per departmental instructions issued in October 1982, with a view to ensure that there was no evasion of tax, the assessing authority is required to verify, at the time of assessment, from the account books of the assessee, that all bills of lading received by the authority from the officer in charge of the sales tax check barrier have been properly taken in the accounts by the assessee. Further, under the Haryana General Sales Tax Act, 1973, if an assessee is found to have maintained false or incorrect accounts, and suppressed his sales or purchases or stock of goods or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act or the Rules made thereunder, any account, return or information, which is false or incorrect in any material particular, he is liable to pay, by way of penalty, in addition to the tax to which he is assessed or is liable to be assessed, an amount which shall not be less than twice and more than ten times (five times from 17th April 1984) the amount of tax which would have been avoided, if the turnover as returned by such dealer had been accepted as correct.

In Sirsa district, in the assessment file of a dealer engaged in the business of manufacturing of straw board, 44 bills of lading in respect of inter-State sale of goods amounting to Rs 7.31 lakhs and 46 bills of lading amounting to Rs. 7.89 lakhs for the years 1983-84 and 1984-85 respectively were on record. It was, however, noticed (May 1987) in audit that sales amounting to Rs. 5.93 lakhs and Rs. 7.35 lakhs only

had been returned by the dealer during the years 1983-84 and 1984-85 respectively, which were accepted and assessed to tax by the assessing authority. Non verification of sales with bills of lading and detection of suppression of sales by the dealer resulted in less determination of taxable turnover by Rs 1 92 lakhs involving short levy of tax of Rs 19,283, besides minimum penalty of Rs. 38,566 leviable for suppression of sales.

On the omission being pointed out (May 1987) in audit, the department referred (May 1988) the case to the Revisional Authority for *suo motu* action. Further report has not been received (December 1988).

The case was reported to Government in September 1987 ; their reply has not been received (December 1988).

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

This para pertains to M/s Haryana Straw Board Industries, Rania A.Y. 1983-84 and 1984-85.

The suppression of sales of Rs. 1 92 lacs could not be detected by the Assessing Authority at the time of original assessment due to over sight.

The case was sent to the DETC(I) for *suo motu* action who created an additional demand of Rs. 26961 and Rs. 28774/- for the year 1983-84 and 1984-85 respectively vide order dated 8th February, 1989 and 12th April, 1989 and the whole amount has since been recovered . As regards penal action under section 9(2-A) and 10 of the CST Act read with section 47 and 48 of the HGST Act, 1975 the cases were decided on 29th October, 1992 and penalty of Rs. 24000/- and Rs. 35000/- were levied for the assessment year 1983-84 and 1984-85 respectively.

Shri B.N. Singh, ETO who had framed the original assessment has retired on 30th June, 1991. Action against the retiree for the lapse is being taken as per rules.

The Committee would like to invite attention to para 63 of this report and recommend that action against the officer responsible for the lapse be decided expeditiously and action against the officers/officials who are responsible for not initiating timely action against the retiree be also taken and intimated to the Committee within three months.

[65]. 2.15. *Exemptions allowed in assessments*

Under the Haryana General Sales Tax Act, 1973 and the Rules made thereunder, exemption is allowed from the gross turnover of a dealer, if he makes sales to a registered dealer of goods other than

those leviable to tax at first stage of sale or purchase under Section 17 or Section 18 of the Act, provided prescribed declaration is produced. A dealer claiming exemptions from payment of tax is required to file, along with return, lists in Form ST-12, ST-23A and ST-24A showing details of purchases/sales in respect of which exemption from payment of tax is claimed. The department issued instructions from time to time (August 1978, August 1981 and June 1987) requiring the assessing authorities to conduct cross verification of transactions exceeding Rs. 1,000/- (Rs. 10,000/- from June 1987) with reference to the seller and purchaser records. The assessing authorities were also directed (July 1981) to verify sales shown by registered dealers to the rural industrial tiny units granted exemption under Section 13 of the Act and to ensure that these units are genuine and do not indulge in malpractices.

50,252 assessments were finalised during 1986-87 in 11 unit offices. In 816 assessments, test checked in audit, out of gross turnover of Rs. 672.89 crores, turnover aggregating Rs. 227.34 crores (34 per cent) was exempted from payment of tax, which should have been brought to tax at some stage or the other. Test check of 10,658 transactions each exceeding Rs. 50,000 involving Rs. 128.46 crores, however, revealed as under :—

(i) Out of 10,658 transactions, 10,496 transactions involving Rs. 126.74 crores were not referred to other unit offices for cross verification and the assessments were finalised (1986-87) in the absence thereof.

(ii) In respect of 163 transactions (each exceeding Rs. 50,000 involving Rs. 22.21 crores), lists in Forms ST-12, ST-23-A and ST-24-A and the prescribed declarations required to be filed along with the returns were not filed by the dealers and the assessments were finalised (1986-87) in their absence.

(iii) Declarations in Form ST-14 filed by the dealers in respect of 361 items valuing Rs. 2.52 crores were accepted by assessing officers even though complete particulars of the dealers sales had not been given.

(iv) Results of cross verification in respect of 162 (out of 10,658) transactions (each exceeding Rs. 50,000) involving Rs. 1.72 crores initiated by the department were as under :—

(a) During 1982-83 and 1983-84, a dealer of Pehowa purchased paddy, without payment of tax, against declaration and the selling dealers were given exemption of Rs. 30.41 lakhs. The assessing authority in assessments for 1982-83 and 1983-84 (finalised in May 1986) did not charge tax from purchasing dealer, as the purchases being paper transactions only, were found ingenuine for which selling dealers were considered liable to pay tax. The assessing authority, however, made (June 1986) reference to his counterpart for levying tax on selling dealers. It was, however, noticed (September 1988) in audit that tax of Rs. 1.22 lakhs leviable on the transactions was not levied either on the selling dealers or the purchasing dealers.

(b) A dealer of Sonapat made sales amounting to Rs. 23 51 lakhs during 1984-85 to a dealer of Panipat and claimed exemption therefor against Form ST-15. Cross verification of the transactions was initiated (November 1986) by the assessing authority, Sonipat from his counterpart at Panipat, who stated (November 1986) that the sales made by the Sonapat dealer to the Panipat dealer were not genuine. Though the assessment of the Sonapat dealer was finalised in March 1988, exemption on account of sales to Panipat dealer were not disallowed. This resulted in non-realisation of tax of Rs. 94,046.

(c) A dealer of Karnal district made sale of paddy valuing Rs. 9.42 lakhs during 1982-83 to a rural industrial tiny unit exempted under Section 13 and claimed exemption from payment of tax against the prescribed declarations obtained from him. The assessing authority rejected (March 1985) the sales and levied tax of Rs. 37,682 on the ground that purchasing dealer had no purchasing capacity and machinery for husking of paddy to the extent of purchases and no subsequent disposal of the goods was shown. On an appeal by the selling dealer, tax charged was refunded as he was not held responsible for non-verification of genuineness of the purchasing dealer. No action was, however, taken while assessing (March 1987) the purchasing dealer. This resulted in a loss of tax revenue of Rs. 37,682.

(d) A dealer of Faridabad made sale of iron and steel goods valuing Rs. 2 77 lakhs during 1983-84 to a dealer of Sirsa and claimed exemption against Form ST-15. Cross verification by the department revealed (June 1986) that the purchasing dealer had not accounted for the purchases. Accordingly, the exemption was disallowed (January 1987) and the sales were taxed. On appeal by the selling dealer, the Appellate Authority held (January 1988) that the selling dealer was not responsible for non-accountal of purchases by the purchasing dealer when ST-15 Forms were issued by him. The exemption was, therefore, allowed (January 1988). It was noticed (August 1988) in audit that no action was taken to levy tax on the purchasing dealer resulting in non-realisation of tax of Rs. 11,0.75

(a) Minimum penalty of Rs. 5.30 lakhs was also leviable under the Act in the cases involving tax of Rs. 2.65 lakhs mentioned in the sub-para (a) to (d) above.

The above cases were pointed out to the department in July 1988 and were reported to Government in October 1988; their replies have not been received (December 1988).

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

The cross verification of sales to Registering dealers is done from the declaration form ST-14A, ST-15 & 15-B before finalisation of the assessment which is sufficient to prove the genuineness of the claim made by the selling or purchasing dealers, In the case of

few suspected dealers, the assessing authorities generally make verification from the respective purchasing or selling dealer. Secondly due to shortage of staff and with a view to give clear pendency of assessment cases the assessing authorities also verify the genuineness of such transactions through the accounts books of the assessee.

The levy of tax on the goods by concerned purchasing dealer is ensured by the examination of the account books ST-15-B, list in form ST-25-A and through enquiry agencies by the assessing authorities.

The assessment cases are finalised after proper cross verification of Sale/Purchase transactions. Adequate steps have already been taken. We are now expediting the disposal of pending assessment cases.

All the cases of assessments were finalised after cross verifications of record through stock register, ST-14-A, ST-15-A & ST-15-B etc. and there is no violation of departmental instructions. Dealer to dealer verification of hundred per cent transactions is not feasible.

Necessary forms were obtained and verified at the time of assessment by the Assessing Authorities. Hence no one is held responsible.

Such cross verification of transactions and examination of assessment files is a continuous process in the department. The task is being performed by the inspection wing, besides the assessing authorities. During the year 92-93 upto september, the inspection wing has created a demand of Rs. 262.47 lacs.

The ST-12, ST-23-A and ST-24-A were obtained from the dealers where required and the assessment were finalised after proper verification. It is, however, submitted that specific verification in all the cases has been got done as pointed out by the Audit and found that all the transactions were found incorporated in Accounts Books of the dealer.

All the transactions were found duly entered in the Accounts Books of the dealers. No action is required to be taken against any assessing authorities as there is no lapse in finalising in the assessment cases.

The wanted forms have been collected and figures stands reconciled with those mentioned in the Sales Tax returns filed by the dealer.

The incomplete declarations were accepted due to rush of work. All the transactions have now been got verified by the assessing authorities and it is found that no evasion of tax is involved.

There is no question of recovery of Rs. 1.22 lacs as the demand stands quashed by the appellate authority.

The demand stands quashed by the Jt. ETC(A).

There is no question of taking an penal action against selling dealers in view of the facts mentioned above.

In this para the audit has not mentioned the name of selling dealers of Sonipat and therefore it is not possible to initiate appropriate action for assessment under the provision of HGST Act. The CAG para appears to be wrongly drafted.

This case pertains to M/s. Jai Gram Udyog Mandal V. Atta (Panipat) assessment year 1982-83. The case has been moved to the Revisional Authority for taking suo-motu proceedings.

The action will be taken after finalisation of the suo-motu action.

The point to levy and demand of tax will only crop up after finalisation of suo-motu action in the case.

In this para the audit has not mentioned the name of selling dealers of Faridabad and therefore it is not possible to initiate appropriate action for assessment under the provision of HGST Act. The CAG para appears to be wrongly drafted.

In three cases (a, b and d) there is no question of levy of penalty in view of the facts given against each para. In fourth case the suo-motu case is still pending with DETC(I), Karnal.

The Committee is not satisfied with the reply of the department that the items mentioned at iv (b), (d) and (v) were wrongly drafted as audit has not mentioned the names of selling dealers of Sonipat and Faridabad respectively.

The Committee observe that the department should obtain the required information from the Audit Office and steps be initiated to recover the amount of tax as pointed out and the progress made be intimated to the Committee accordingly.

[66] 2.16. *Non-production of assessment files*

At the time of local audit conducted during the year 1987-88, 1,607 assessment and refund cases, relating to 19 units assessed by the assessing authorities during the year 1986-87, were not produced to audit for scrutiny. No reasons were assigned for non-production of these assessment files. Production of these cases to Audit at a late stage would render audit scrutiny ineffective, as recovery of under assessments, if any, might become time-barred by the time these files are produced to Audit.

The matter was reported to department between May 1987 and June 1988 and to Government in September 1988; their replies have not been received (December 1988).

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

This para pertains to non-production of 1607 assessment files pertaining to the assessment year 1986-87. Para-wise reply is as under :—

- (i) The files would not be produced due to the following reasons :—
 - (a) Transfer of files from one circle to another circle.
 - (b) Litigation and cancellation of registration certificates.
 - (c) Files were either in appeal or with inspecting authorities for appeal cases and suo motu cases respectively.
 - (d) Files sent to Head Office for arguments with the Sales Tax Tribunal in appeal cases.
- (ii) No officer/official is responsible for non-production of record to the Audit as the assessment files could not be produced due to valid reasons. Hence, no action is required to be taken
- (iii) In 1192 cases files have put to the Audit Party and in some cases the paras have also been dropped. In remaining 415 cases, the assessment files will be produced during the next audit. No time-barred case has come to our notice so far.
- (iv) All the Deputy Excise & Taxation Commissioner's have been directed to ensure that the assessment files are produced before the Audit parties at the time of audit.

The Committee recommend that the remaining 415

assessment cases be made available to the Audit without any further delay and the department should ensure that the assessment files/other cases, in future, be made available for scrutiny at the time of audit and such type of delay in producing the files may not occur in future.

[67] 5.1. Results of Audit

Test check of records of departmental offices dealing with the assessments, collection and realisation of other tax receipts, conducted in audit during the year 1987-88, revealed under-assessment of losses of revenue amounting to Rs. 308.82 lakhs in 409 cases as indicated below :—

Name of tax revenue	Number of cases	Amount (In lakhs of rupees)
State Excise	238	306.26

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

The under assessment in 238 cases involving Rs. 306.26 lacs have been reviewed as under :—

Sr. No.	Description	No of cases	Amount (In lacs)
1.	Settled without Addl demand	21	12.96
2.	Cases settled with Addl. demand	164	7.87
3	Cases pending with Courts.	2	4.51
4	Balance cases pending for review	51	280.92
		238	306.26

No Officer/Official is responsible due to the following reasons :—

- The amount also includes penalties imposed for breach of Excise Rules and auction conditions.
- The licences were granted under rule 24(ii) of H.L.L. Rule, 1970 and the same were renewed well in time before expiry. In such cases Rule 7 of Punjab Distillery Rules, 1932 does not apply. Thus penalty can not be imposed.
- In some cases the amount is regarding penalties imposed for late payment of licence fee.

- (d) In some cases, amount of recovery was stayed by the court, although timely notices were issued by the department.
- (e) In some cases the matter was under correspondence which took time.
- (f) The cases for the wastage of spirit during distillation for making spiced spirit is under consideration of Govt.
- (g) Interest on based payments charged for which no one can be held responsible.
- (h) Regarding low yield of spirit, notices were issued to the licencees and cases are still pending.
- (i) The vends were auctioned at the low bid with the approval of E.C. for which he is fully empowered.

The amount of Rs. 7.87 lacs have been recovered in 164 cases.

All other such cases have been reviewed by the Department to ascertain similar irregularities and no such case could be found.

During the course of oral examination the departmental representative stated that 47 cases involving Rs. 39.85 lakhs are pending for review and 2 cases involving Rs. 4.51 lakhs are pending with the Civil Courts at Jind and Gurgaon.

The Committee observe that the department should pursue the cases in the Courts to its logical conclusion and stay of recovery be got vacated.

The Committee further recommend that the balance cases pending for review be expedited and latest position be intimated to the Committee accordingly.

STATE EXCISE

[68] 5.2. *Non-recovery of licence fee*

Under the Haryana Liquor Licence Rules, 1970, licences for vending country liquor and Indian made foreign liquor are granted by auction. From 1st April 1983, a successful bidder is required to deposit, by way of security, an amount equal to sixteen and two-third per cent of the annual licence fee (bid money) of which 5 per cent is payable at the fall of hammer and the remaining eleven and two-third per cent within a period of ten days from the date of auction. The entire amount of security or its ninety per cent, as may be deemed proper by the Excise and Taxation Commissioner, is required to be adjusted against

the last instalment of licence fee payable by him. The remaining licence fee is payable in monthly instalment equal to one eleventh of the total annual licence fee by the 20th of the month. The Excise and Taxation Officer, incharge of the district, may authorise the licensee to deposit the amount of instalment or part thereof upto the last day of the month for which the instalment is due, on payment of interest at the rate of 15 per cent per annum for the period from the first day of the month to the date of payment of instalment or any part thereof deposited after the due date. In the event of failure to pay any instalment alongwith interest, where due, by the due date, the licence for vending is liable to be cancelled and re-auctioned at the risk and expense of the defaulting licensee.

In four cases, involving non-recovery of licence fee due to cancellation of vends and their re-auction at the risk and cost of the defaulting licensees, an amount of Rs. 1.73 lakhs was recovered on being pointed out in audit. A few other cases are given below.

In the year 1984-85, twelve licensees in Sonipat district were given licences for Rs. 49.93 lakhs for sale of country liquor and Indian made foreign liquor. After paying instalments and securities aggregating Rs. 29.60 lakhs, the licensees stopped making further payments. The department cancelled the licences and re-auctioned the vends for Rs. 15.47 lakhs at the risk and cost of defaulting licensees. The re-auction resulted in loss of Rs. 4.86 lakhs, which was recoverable from the defaulting licensees. In addition, an amount of Rs. 6,000/- on account of expenses incurred on re-auction, was also recoverable from them. No action was, however, initiated to recover Rs. 4.92 lakhs by the department.

On this being pointed out (May 1985) in audit, the department stated (May 1988) that recovery proceedings against the defaulters had been started. Further report has not been received (December 1988).

The matter was reported to Government in July 1985; their reply has not been received (December 1988).

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

The timely action was initiated to recover the amount of Rs. 4.92 lacs in respect of all the twelve licensees. The re-auction is for the year 1984-85 for which the recovery in respect of two licensees have been fully made. In respect of balance ten vends there were two partners S/Sh. Ajay Oberoi and Virender Singh. The recovery proceedings were initiated on 27-12-84 and recovery certificates were issued on 18-2-85 to the Collector Delhi and on 23-1-87 to the Ghaziabad but received back with the remarks

that defaulters is not residing at Delhi/Ghaziabad. Thereafter the defaulters filed a writ petition in the honourable Punjab and Haryana High Court in CWP No 3889 of 1987 and 5019 of 1988 and get stay against arrest. The cases are pending in the High Court.

Similarly recovery proceedings were initiated against Sh. Varinder Singh the other partner and was arrested on 25-5-88 but was released under the orders of Pb. and Haryana High Court on 7-6-88. Thereafter he filed a civil suit in the court of sub judge Sonapat and obtained stay against recovery.

There is no provision in the Excise rules to charge interest for delayed payment for such losses.

The amount of Rs. 0 33 lacs has since been recovered leaving the balance/irrecoverable amount of Rs 4 59 lacs due to stay by the Court.

The vends were reauctioned during January 1985 and after adjusting the amount of security the recovery proceedings were started against the defaulters. The reasons for the late recovery are that the licencees were not available and secondly the recovery proceedings under act and law also took time. As regard the recovery at the instance of audit the same would have been made even if not pointed out by the audit. Thus timely action was taken for the recovery of revenue of Rs 1 73 lacs.

All the E.T.Os. (Excise) have been directed to take necessary and effective steps for the recovery of licence fee from the defaulters in time.

The Committee observe that the department should pursue the cases in the Courts to get the stay of recovery vacated and should effect the balance recovery expeditiously.

The Committee further desire that progress made in the matter be intimated to them in due course.

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.	Indutries	8(Sub para 1 to 6, 12, 13)	Investments
7th report			
2.	P.W.D. (B&R)	33	Payment of work done.
9th report			
3.	Industries	5(2)	Credit facilities for development of small industries.
11th report			
4.	Welfare of SC&BC	26	Loan for Social Welfare
14th Report			
5.	Industries	16	Purchase of Cotton Yarn.
6.	Co-operation	44	Haryana State Co-operative supply and Marketing Fed., Ltd., Chandigarh.
15th report			
7.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
16th report			
8.	Industries	2(a), (b) (i) and 2(d)	Subsidy of setting up Industries Units in selected backward areas. (Cases of M/s. B.K. Steel Rolling Mill, Tohana and M/s. Modern Industries, Charkhi Dadri.)

1	2	3	4
18th report			
9.	Irrigation	24(a)	Damage of newly constructed bridge.
10.	P.W.D (Public Health)	31	Recoveries due from Contractors.
11.	Co-operation	39	Co-operative Consumer Stores.
12.	Co-operation	41	Hr. State Co-op. Industrial Fed. Ltd., Chandigarh.
13.	Revenue	44	Under-valuation of immovable property.
14.	Revenue	46	Non-levy of stamp duty and registration fee
15.	Revenue	47	Incorrect application of rates of stamp duty and registration fee on lease deeds.
19th report			
16.	Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra)
17.	Co-operation	25(ii)	Co-operative Consumers stores.
18.	Co-operation	26	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.
19.	Agriculture	28	Social conservation and water management works.
20.	Excise and Taxation	40	Loss of duty on excess wastage.
21.	Transport	45(a)	Short levy of token tax due to incorrect classification of vehicles.
21st report			
22.	Housing	7	Low Income Group Housing Scheme
23.	P.W.D.(Public Health)	12	Outstanding Recoveries against contractor.
24.	Irrigation	14	Excess payment to contractor.
25.	Irrigation	15	Outstanding Recoveries against contractor.

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26.	Irrigation	23	Arrears of water rates for supply of water for irrigation/non-irrigation purpose.
27.	Revenue	25	Result of Audit.
28.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
29.	Excise and Taxation	28	Result of test Audit in General.
30.	Excise and Taxation	29	Incorrect deductions.
31.	Excise and Taxation	30	Short levy of purchase tax.
22nd report			
32.	Industries	10(ii)	Industrial Estate.
33.	Industries	13(iii)	Excess grants.
34.	Co-operation	16	Co-operative Consumer stores
35.	Co-operation	17	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh
36.	Irrigation	18	Remodelling and lining of Hansi Branch.
37.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirements.
38.	Irrigation	21	Synopsis of important stores accounts.
39.	Irrigation	22	Physical verification of stores.
40.	Irrigation	23	Shortages.
41.	Agriculture	29(5&6)	Alleged mis-appropriation of cash and stores.
42.	Revenue	39(6(ii),8)	Land holding tax.
43.	Revenue	40	Non-levy of registration fee.
44.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.

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45.	Excise and Taxation	53	Loss of duty on excess storage wastage.
46.	Excise and Taxation	54	Shortfall in duty.
47.	Excise and Taxation	56	Recovery due from contractor.
48.	Excise and Taxation	57	Short levy of passengers tax
49.	Excise and Taxation	58	Non-recovery of entertainment duty.
23rd report			
50.	Lotteries	27(2)	Naugatory expenditure.
51.	Irrigation	29	Avoidable loss.
52.	Irrigation	31	Shortages.
53.	Co-operation	34	Co-operative Consumer Stores.
54.	Co-operation	35	Haryana State Federation of Consumer, Co-operative wholesale Stores Limited Chandigarh.
55.	Revenue	40	Under valuation of immovable property.
56.	Excise and Taxaiton	47	Uncollected Revenue.
57.	Excise and Taxation	48	Outstanding inspection reports.
58.	Excise and Taxation	49	Result of test audit in general.
59.	Excise and Taxation	51	Under-assessment of Central sales tax.
60.	Excise and Taxation	53	Inadmissible deduction from gross turnover.
61.	Excise and Taxation	55	Result of test audit in general.
62.	Excise and Taxation	57	Failure to initiate section to recover the licence fee.
63.	Excise and Taxation	58	Loss of duty on excess storage wastage.
64.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.

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		25th report	
65.	Co-operation	5	Co-operative Consumer Stores.
66	Colonization	9	Encroachment of Land.
67.	Colonization	11	Recoveries from plot holders.
68.	Colonization	12	Non-accountal of recoveries.
69.	Colonization	12(a)	Financia Results.
70.	Food and Supplies	15	Abnormal shortage/quality cuts on damaged wheat stocks
71.	Transport	18	Theft of cash.
72.	Industries	28	Export Production Project Panipat
73.	Education	30	Embezzlement.
74.	Fisheries	31	Devleopment of Fisheries.
75.	Irrigation	34	Pandit Jawahar Lal Nehrhu Lift Irrigation Scheme.
76.	Irrigation	35	Nangal Lift Irrigation Scheme.
77.	Irrigation	36	New Tajewala Barrage at Hathnikund
78.	Excise and Taxation	54	Un-collected revenue
79.	Excise and Taxation	58	Incorrect computation of tax on interstate sales.
80.	Excise and Taxation	60(Mangat Ram case)	Mistakes in applying rates and in calculation.
81.	Excise and Taxation	61	Failure to take timely action to safeguard revenue
82.	Excise and Taxation	65	Result of Audit
83.	Excise and Taxation	66	Internal audit of tax assessment and collection.
84.	Excise and Taxation	67	Irregular allowance for wastage.

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85.	Excise and Taxation	68	Interest not recovered.
86.	Excise and Taxation	69	Failure to enforce licence conditions.
87.	Excise and Taxation	70	Assessment in arrears.
88.	Excise and Taxation	71	Shortfalls in demand and recovery.
26th report			
89.	Printing and Stationery	3	Loss due to fire.
90.	Labour	4	Review on the working of Inspectorate of Factories and Steam Boilers and Control of Smoke Nuisances.
91.	Home	5	Embezzlement.
92.	Revenue	10	Gratuations relief for cops/houses damaged.
93.	Education	12	Outstanding audit observations.
94.	Food and Supplies	14 (7.42. 3F & 7.42. 10(4)	Delay in submission of bills/ Recovery of rent.
95.	Irrigation	20	Injudicious purchase of G.I. pipes.
96.	Irrigation	21	Defective Execution of earth work.
97.	Irrigation	22	Faulty measurements of work resulting in over payments.
98.	Irrigation	23	Breach in the Sunder Sub Branch
99.	Civil Aviation	28	Irregular payment of customs duty.
100.	Transport	33 Sub Para(3)	Fabrication of bus bodies.
101.	Transport	33 Sub Para (5&6)	Do
102.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax.

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103.	Revenue	40	Short recovery of stamps duty and registration fees due to under-valuation of immovable property.
104.	Revenue	41	Short levy due to mistake in computation.
105.	Revenue	42	Irregular grant of exemption from stamp duty and registration fee
106.	Excise and Taxation	49	Uncollected revenue
107.	Excise and Taxation	52	Loss of Revenue due to delay in assessment of tax in demanding tax.
108.	Excise and Taxation	55 (Food corp , Karnal)	interest not charged
109.	Excise and Taxation	57, (Case of Mohindra)	Short levy of tax due to mistake in computation.
110.	Excise and Taxation	59	Extent of internal audit.
111.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
112.	Excise and Taxation	63	Non-recovery of licence fee and interest

28th report

113.	Public Health	4	Injudicious purchase.
114.	Education	5	Irregularities in release/utilisation of grant.
115.	Transport	6	Short recovery of adda fee.
116.	Irrigation	9	Construction of Ujina Diversion Drain and Remodelling of Ujina Drain.
117.	Irrigation	10	Masani Barrage Project.
118.	Irrigation	11	Excess payment.

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119.	Irrigation	12	Avoidable expenditure on breach.
120.	PWD (B&R)	14	Shortage of Steel.
121.	Town and Country - Planning	15	Loss on sale of industrial plots.
122.	Town and Country Planning	19	Recovery of enhanced compensation.
123.	Printing and Stationery	22	Stationery Branch.
124.	Printing and Stationery	23	Printing and issue of forms (Form Branch).
125.	Police	26	Over-payment of daily allowance.
126.	Industrial Training	28	Avoidable expenditure.
127.	Development	29	National Rural Employment Programme.
128.	Development	30	Selection of works.
129.	Development	32	Irregular release of subsidy.
130.	Co-operation	34	Co-operative consumer store.
131.	Excise and Taxation	39	Uncollected revenue.
132.	Excise and Taxation	41	Registration of dealers under Sales Tax Act.
133.	Excise and Taxation	42	Mistake in computation of tax
134.	Excise and Taxation	44	Non-recovery of licence fee and interest
135.	Excise and Taxation	45	Interest not charged.
136.	Transport	48	Short levy of tax.
137.	Transport	49	Irregular grant of exemption or rebate.
138.	Revenue	51	Irregular grant of exemption.
139.	Revenue	52	Non-recovery of stamp duty.
140.	Finance	56	State Lotteries.

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29th Report			
141. Education.	6	Universal Elementary Education in the age group of 6—14 and Adult Education age group 15-35.	
142. Education	7	Idle investment on purchase of equipment.	
143. Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.	
144. Labour and Employment	9	Working of employment exchanges.	
145. Irrigation	13	Major and medium irrigation projects.	
146. Irrigation	14	Financial results of Irrigation projects.	
147. Irrigation	15	Modernisation of existing channel.	
148. Irrigation	16	Water logging	
149. Irrigation	17	Excess issue of coal .	
150. Irrigation	18	Injudicious purchase.	
151. Irrigation	19	Loharu lift irrigation project.	
152. Irrigation	21	Misappropriation.	
153. Irrigation	22	Miscellaneous Public Works Advances.	
154. P.W.D. (B&R)	24	Loss due to an injudicious decision	
155. Pubic Health	26	Cash settement suspense account.	
156. Public Health	27	Miscellaneous Public Works Advances.	
157. Development	32	Forestry sector.	
158. Tansport	36	Breakdowns and accidents.	
159. Transport	37	Repair and maintenance of vehicles.	

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160. Transport	40	Purchase of Kailwood.	
161. Excise and Taxation	41	Assessments in arrears	
162. Excise and Taxation	44	Short levy due to failure to detect suppression of purchase.	
163. Excise and Taxation	46	Application of incorret rate of tax.	
164. Excise and Taxation	47	Non levy of penatly.	
165. Excise and Taxation	50	Non levy of penalty.	
166. Excise and Taxation	51	Non levy of penalty.	
167. Excise and Taxation	52	Shot levy of surcharge.	
168. Excise and Taxation	53	Interest not charged.	
169. Excise and Taxation	55	Non-levy of duty on spirit lost in redistillation or conversion.	
170. Excise and Taxation	57	Non levy of tax.	
171. Transport	58	Result of Audit.	
172. Transport	59	Application of incorrect rate of tax.	
173. Tansport	60	Application of incorrect rate of tax.	
174. Revenue	62	Results of Audit.	
175. Revenue	63	Under valuation of immovable property.	
176. Revenue	64	Under valuation of immovable property.	
177. Revenue	65	Non levy of stamp duty.	
178. Revenue	66	Mistake in calculations.	
179. Revenue	67	Misclassification of instruments.	
180. Revenue	68	Short levy of fine on late presentation of documents for registration.	

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181. Revenue	69	Other topics of interest.	
182. Revenue	70	Arrears of stamp duty and registration fee	
183. Industries	71	Result of Audit.	
32nd Report			
184. Industries	4	Development of Small Scale Industries	
185. Industries	5	Excess release of Financial assistance	
186. Industries	6	Outstanding recovery of loan.	
187. Industries	7	Shortage of power connections	
188. Industries	8	Alleged Misappropriation	
189. Irrigation	9	Un-authorized purchases.	
190. Irrigation	10	Excess measurements.	
191. Irrigation	11	Injudicious purchase of machinery.	
192. Irrigation	12	Misappropriation.	
193. Irrigation	13	Wasteful expenditure on purchase of tractors.	
194. Irrigation	14	Recovery due from contractors	
195. Irrigation	15	Remodelling of Chandeni Drain.	
196. Irrigation	16	Wasteful expenditure.	
197. Irrigation	17	Injudicious purchase resulting in blockade of funds.	
198. Irrigation	18	Shortage of material.	
199. Irrigation	19	Misappropriation of lime.	
200. Irrigation	20	Shortage of stores.	
201. Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP)	

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202.	Home	24	Blockade of funds/nugatory expenditure.
203.	Revenue	25	Inadmissible payment.
204.	Supplies & disposals	26	Injudicious purchase.
205.	Supplies & Disposals	27	Extra expenditure on purchase of generating sets.
206.	Supplies & Disposals	28	Injudicious purchase.
207.	P.W.D. (B&R)	29	Spilitting up of tenders.
208.	P.W.D. (B&R)	30	Avoidable extra expenditure.
209.	Town & Country Planning (HUDA)	32	Avoidable expenditure/over payment to a contractor.
210.	Town & Country Planning (HUDA)	33	Recoveries due from a contractor.
211.	Town & Country Planning (HUDA)	34	Non-completion of reservoir.
212.	Town & Country Planning (HUDA)	35	Alleged embezzlement.
213.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement
214.	Town & Country Planning (HUDA)	37	Shortages.
215.	Town & Country Planning (HUDA)	38	Fictitious consumption of material.
216.	Public Health	41	Urban water supply and sewerage scheme.
217.	Public Health	42	Commencement of work without sanction.
218.	Public Health	43	Extra expenditure due to defective work.
219.	Public Health	44	Inflated measurements.
220.	Industries	47	Uncollects revenue.

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221. Industries	48	Result of Audit.	
222. Industries	49	Short recovery or non-recovery of royalty on bricks.	
223. Cooperation	51	Uncollected revenue.	
224. Cooperation	52	Short recovery of audit fee.	
225. Irrigation	54	Non-recovery of lease money.	
226. Irrigation	55	Non-recovery or short recovery of water charges.	
227. Agriculture	56	Embezzlement of licence fee money.	
228. Public Heath	57	Non-recovery of water charges	
229. Revenue	59	Result of Audit	
230. Revenue	60	Incorrect application of rates .	
231. Excise and Taxation	61	Uncollected revenue.	
232. Excise and Taxation	62	Outstanding Inspection reports	
233. Excise and Taxation	63	Irregular grant of exemption to non-manufactures.	
234. Excise and Taxation	64	Misapplication of exemption notification.	
235. Excise and Taxation	65	Grant of exemption to units whose capital investment on machinery and equipment exceeded prescribed limit.	
236. Excise and Taxation	66	Non-renewal of exemption certificate	
237. Excise and Taxation	67	Omission on levy of purchase tax.	
238. Excise and Taxation	68	Short levy due to application of incorrect rates of tax.	
239. Excise and Taxation	69	Irregular levy of tax at concessional rate	
240. Excise and Taxation	70	Non-levy of penalty.	

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241. Excise and Taxation	71	Interest/penalty not charged.	
242. Excise and Taxation	72	Interest not charged.	
243. Excise and Taxation	73	Irregular allowance of wastages.	
244. Excise and Taxation	74	Non-levy or short levy of duty on excess wastage.	
245. Excise and Taxation	75	Inter-state vehicular traffic schemes.	
246. Excise and Taxation	76	Non-pursuance of demand drafts.	

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247. Animal Husbandry	3	Special employment to educated Youngmen/Women in rural area through Dairy Development.	
248. Animal Husbandry	4	Non-recovery of dues.	
249. Animal Husbandry	5	Avoidable/extra expenditure.	
250. Development and Panchayats	6	Over due recoveries.	
251. Development and Panchayats.	7	Loss of plants.	
252. Development and Panchayats	8	Irregular and wasteful expenditure on books.	
253. Industries	9	Development of Khadi and Village industries.	
254. Industries	10	Targets and achievements.	
255. Industries	11	Misutilisation and excess release blockade of funds	
256. Industries	12	Review of the functioning of a few industries.	
257. P.W.D.(B&R)	16	Over payment due to inflated measurements of earth-work.	
258. Medical and Health	17	Eradication of leprosy.	
259. Medical and Health	18	Idle machinery.	

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260.	Transport	19	Inventory control in Haryana Roadways.
261.	Transport	20	Record of old items/parts
262.	Transport	21	Record of old spring leaves.
263.	Public Health	22	Non-Commissioning of water/water/sewerage scheme.
264.	Public Health	23	Stores and stock.
265.	Home	24	Modernisation of State Police Force.
266.	Home	25	Absence of area/Project approach.
267.	Home	26	Police stations without vehicles.
268.	Education	27	Outstanding inspection reports.
269	Education	28	Un-occupied holiday home.
270.	Revenue	29	Land Reforms
271	Revenue	30	Compensation to landowners.
272.	Revenue	31	Consolidation of holding.
273.	Irrigation	32	Payment for work not measured.
274.	Irrigation	33	Substandard Work.
275.	Irrigation	34	Injudicious purchase.
276.	Irrigation	35	Idle/Under utilised draglines.
277.	Irrigation	36	Defective lining.
278.	Irrigation	37	Extra liability due to retendering.
279.	Irrigation	39	Recovery due from contractor.
280.	Irrigation	40	Defective works.
281.	Irrigation	41	Defective/fictitious earth-work.
282.	Irrigation	42	Shortages.

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283.	Irrigation	43	Shortage of material.
284.	Food and Supplies	45	Avoidable payment of interest.
285.	Food and Supplies	46	Uneconomical transportation of wheat.
286.	Food and Supplies	47	Under storage of wheat.
287.	Food and Supplies	48	Excess cartage payment.
288.	Local Government	49	Slum clearance and economically weaker sections housing programme.
289.	Social Welfare	51	Haryana State Social Welfare Advisory Board.
290.	Medical and Health	52	Uncollected revenue.
291.	Medical and Health	53	Embezzlement of fees and other dues.
292.	Industries	54	Interest not charged.
293.	Mines and Geology	55	Uncollected revenue.
294.	Mines and Geology	56	Non-recovery/short recovery of royalty.
295.	Mines and Geology	57	Non-recovery of royalty.
296.	Mines and Geology	58	Short assesment of royalty.
297.	Excise and Taxation	62	Assesments in arrears.
298.	Excise and Taxation	63	Uncollected revenue.
299.	Excise and Taxation	64	Internal control and internal audit.
300.	Excise and Taxation	65	Working of sales tax check barriers in Haryana
301.	Excise and Taxation	66	Short levy/non-levy of purchase tax.
302.	Excise and Taxation	67	Irregular grant of exemption.
303.	Excise and Taxation	68	Incorrect computation of taxable turnover.

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304.	Excise and Taxation	69	Non-levy of pena ty.
305.	Excise and Taxation	70	Non-filing the quartely returns.
306.	Irrigation	71	Receipts from Canal waters.
307.	Irrigation	72	Arrears of Revenue.
308.	Irrigation	73	Short recovery of water charges.
309.	Irrigation	74	Non-raising of demand
310.	Irrigation	75	Revenue forgone due to non-levy of special rate.
311.	Transport	76	Variations between Budget estimates and actuals.
312.	Transport	77	Application of incorrect rates of tax.
313.	Chief Electrical Inspector	78	Uncollec ed revenue.
314.	Chief Electrical Inspector	80	Arrears of electricity duty.
315.	Chief Electrical Inspector.	81	Reconciliation of treasury receipts.
316.	Public Health	82	Results of Audit.
317.	Revenue	83	Results of Audit.
318.	Revenue	84	Under valuation of immovable property.
319.	Revenue	85	Incorrect exemption.
320.	Revenue	86	Short recovery of stamp duty on exchange deeds.