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411

ANNA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(1996-97)

(FORTY FOURTH REPORT)

REPORT

ON THE
REMAINING PARAGRAPHS OF THE
REPORTS OF THE

Comptroller and Auditor General
of India for the year ended
31 March 1991
31 March 1992
31 March 1993

(CIVIL AND REVENUE RECEIPTS)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

- *1. Shri Brij Mohan Singla
- **2. Shri Ram Bhajan Aggarwal

MEMBERS

- ***3. Shri Dharamvir Yadav
- 4. Shri Kartar Singh Badhana
- 5. Shri Kapoor Chand
- 6. Shri Anil Vij
- 7. Shri Ramesh Khatak
- 8. Shri Krishan Lal Panwar
- 9. Shri Raj Kumar Saini
- 10. Shri Randeep Singh Surjewala
- ****11. Shri Dev Raj Diwan

SECRETARIAT

- | | |
|---------------------------------|------------------|
| 1. Shri P. Raghavendra Rao, IAS | Secretary |
| 2. Shri Kuldip Singh | Deputy Secretary |

*Resigned from the Membership and Chairmanship of the Committee w.e.f. 14th January, 1997 on his appointment as Cabinet Minister, Haryana.

**Nominated as Member and Chairman of the Committee for the remaining period of the year 1996-97 against the vacancy caused by the resignation of Shri Brij Mohan Singla, MLA.

***Resigned from the Membership of the Committee w.e.f. 14th January, 1997 on his appointment as Cabinet Minister, Haryana.

****Nominated as member of the Committee for the remaining period of the year 1996-97 against the vacancy caused by the resignation of Shri Dharamvir Yadav, MLA.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, having been authorised by the Committee in this behalf, present this Forty-Fourth Report on the Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Civil) were laid on the Table of the House on 21st December, 1992, 30th August, 1993 and 12th September, 1994, respectively. Similarly the Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Revenue Receipts) were laid on the Table of the House on 13th July, 1992, 12th March, 1993 and 28th February, 1994, respectively.

3. The Committee during its tenure examined the representatives of concerned departments orally on the Reports of Comptroller and Auditor General of India for the year ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Civil and Revenue Receipts).

4. The Committee considered and approved this Report at their sitting held on 25th February, 1997.

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 department 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 the Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

Chandigarh :
The 25th February, 1997

RAM BHAJAN AGGARWAL
Chairman.

REPORT

GENERAL

1. The Committee for the year 1996-97 was nominated by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 24th May, 1996 authorising him to nominate the members of the Committee on Public Accounts for the year 1996-97, on 6th June, 1996.

2. The Committee held 64 meetings in all, at Chandigarh and other places, upto 25th February, 1997.

PART-I
(CIVIL)

1992-93
PUBLIC HEALTH DEPARTMENT

[3] 4.8 Sub-standard execution of work D/- 06/09/22

(1) In February 1982, the Public Health Division, Bahadurgarh awarded the work of construction of the sedimentation tank, high level tank, filter bed, clear water tank and the laying of pipes for the Barahi Water Supply Scheme to a contractor at a cost of Rs. 3 lakhs. The work was to be completed by December 1982. The contractor was granted extensions, from time of time, up to January 1985. The contractor executed works relating to the sedimentation tank and part of the works relating to the high level tank and was paid Rs. 2.90 lakhs up to January 1985. The payments were made after the concerned Junior Engineer/Sub Divisional Engineer (JE/SDE) had certified that the work had been executed according to the prescribed specifications. The contractor abandoned the work thereafter.

Subsequently in September 1989, the Executive Engineer (EE) constituted a committee of two Sub-Divisional Engineers to obtain samples from the abandoned work and get them tested by the laboratory of the Buildings and Roads Department. The tests revealed that the proportions of cement, sand and coarse aggregate used in the work were not according to the prescribed specifications. The work was, therefore, held to be sub-standard by the Executive Engineer (EE) and Superintending Engineer (SE). Excluding the expenditure (Rs. 0.35 lakh) on earth work, the value of the sub-standard work was assessed as Rs. 2.55 lakhs.

In August 1991, the EE levied compensation of Rs. 0.30 lakh on the contractor for delay in completion of work. A penalty of Rs. 0.30 lakh was also imposed by him in March 1992 for non-removal of defects. Against this, a sum of Rs. 0.58 lakh was adjusted from the security deposit of this work (Rs. 0.05 lakh) and other works (Rs. 0.53 lakh) and the balance amount of Rs. 0.02 lakh had been placed in Miscellaneous Works Advances against the contractor in May 1992. Meanwhile, an estimate for carrying out special repairs to the structures at a cost of Rs. 4.26 lakhs, submitted by the Division in February 1991, had not been approved by the Engineer-in-Chief as of March 1993.

The earlier contract agreement was rescinded in May 1992 and works relating to the other structures were completed through another agency at risk and cost of the original contractor in February 1993 at a cost of Rs. 2.22 lakhs, involving an extra expenditure of Rs. 1.29 lakhs. Action to recover the amount from the original contractor had not been initiated as of April 1993.

Thus, lack of supervision on the part of the departmental officials led to infructuous expenditure of Rs. 2.55 lakhs on execution of sub-standard work which necessitated special repairs estimated to cost Rs. 4.26 lakhs. The SE submitted charge sheets to the Engineer-in-Chief in October 1990 against the then EE, SDE and three JEs for failure to exercise proper control on the quality of work. The Engineer-in-Chief (PH) intimated (October 1993) that action against the officials at fault was in process.

The matter was referred to Government in June 1993; reply has not been received (November 1993).

(ii) In March 1987, the Public Health Division, Panipat entrusted the construction of 2 filter beds, a Clear Water Tank (CWT) and the laying of pipe line at the water works for providing water supply to the Bandh group of villages to a contractor at a cost of Rs. 5 lakhs. Based on certificates furnished by the Sub-Divisional Engineer that the work had been executed according to the prescribed specifications, three running payments amounting to Rs. 4.84 lakhs were released to the contractor up to November 1987. The final measurements were taken up in December 1989. Meanwhile, the contractor served a legal notice in March 1990 for finalisation of his claims which had remained pending with the Sub-Divisional Engineer. The final bill of the contractor for Rs. 4.92 lakhs was, however, submitted by the Sub-Divisional Engineer (SDE) to the Divisional office only in February 1992.

In October 1991, the Executive Engineer (EE) constituted a committee of three SDEs to check the work done by the contractor. Due to frequent changes/transfer of members of the committee, it was reconstituted in February 1992 and finally in May 1992. After re-measuring the work, the committee submitted its report in June 1992 pointing out (a) inflated measurements of filter media to the extent of 174.43 cubic metres involving excess payment of Rs. 0.45 lakh, (b) excessive consumption of 54.11 quintals of steel valued at Rs. 0.39 lakh, (c) inflated measurement of concrete valued at Rs. 0.32 lakh and (d) sub-standard execution of work.

The samples of the work done by the contractor were also got tested by the Shriram Institute for Industrial Research, New Delhi, and Departmental Research Laboratory at Hisar. The results received in September 1992 and January 1993 confirmed that the work executed in Clear Water Tank (CWT), brick masonry, mortar wall of filter and in foundation CWT bed was below specification as cement, sand and coarse aggregate were not used as per specifications. The EE asked the contractor during July 1992 to December 1992 to rectify the defects. The contractor did not remove the defects and the EE rejected the entire work in January 1993 as below specification in terms of contract agreement. The sub-standard work had not been rectified as of April 1993. In May 1993, the Department filed a claim for Rs. 22.42 lakhs, inclusive of penalty before the Arbitrator. Further action was awaited as of September 1993.

Scrutiny of the final bill by Audit further disclosed (January 1993) that payment of the last running bill based on the measurements recorded on 15 October, 1987 was made on 16 November 1987. No cement work was further executed by the contractor but 435 cement bags costing Rs. 0.25 lakh were issued to the contractor between December 1987 and February 1989.

Thus, accepting the below standard work by recording wrong certificate of specifications and inflated measurement resulted in rendering the entire expenditure of Rs. 4.84 lakhs nugatory.

The Engineer-in-Chief stated (August 1993) that the Sub-Divisional Engineer and Junior Engineer had been held responsible for the fictitious measurements and execution of work below specifications and chargesheet against them were under process.

The matter was referred to Government in June 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under :—

The following officers/officials were found responsible for execution of sub standard work :—

1. Shri D.R. Chaudhry, Executive Engineer.
2. Shri J.C. Taneja, Sub Divisional Engineer.
3. Shri Bhupinder Singh, Sub Divisional Engineer.
4. Shri Krishan Murari, Junior Engineer
- ~~5. Shri K.P. Sharma, Junior Engineer. 19.05.2012~~
6. Shri Randhir Singh, Junior Engineer.

They have been charge sheeted and the position of action taken against is as under :—

1. Shri D.R. Chaudhry
Executive Engineer

He has been charge sheeted. On the basis of enquiry report on the charge sheet it has been provisionally decided to award :—

- (i) Recovery of Government loss of Rs. 2,77,796.49 paise.
- (ii) Stoppage of the one increment with future effect.

Show cause notice to this effect is being issued shortly.

2. Shri Bhupinder Singh,
Sub Divisional Engineer

He has been charge sheeted. On the basis of enquiry report on the charge sheet it has been provisionally decided to award the following punishment to him :—

- (i) Recovery of Government loss of Rs. 1,59,529.30.
- (ii) Stoppage of one annual increment with future effect.

Show cause notice to this effect is being issued shortly.

3. Shri J.C. Taneja,
Sub Divisional Engineer

As per enquiry report no charge has been proved against him. Government has accordingly decided to drop the charges against him.

4. Shri Krishan Murari
5. Shri Randhir Singh
6. Shri K.P. Sharma
Junior Engineers

All these Junior Engineers have been charge sheeted in 8/94. Shri Sensi Singal, Superintending Engineer (Now Chief Engineer) has been appointed as Enquiry Officer in 3/95. Enquiry Report is awaited and is being pursued.

The contractor Shri Mohinder Singh, executed sub standard work to the tune of Rs. 2.25 lakhs for which arbitration proceedings are in progress. Last hearing was held on 17-8-1995.

The following officer/official have been found guilty of getting executed work below specification and making accepting and getting paid inflated measurement :—

1. Shri R. K. Malhotra, Sub Divisional Engineer.
2. Shri H L Sehgal, Junior Engineer.

The charge sheets against these officer/official are being processed and shall be served upon them shortly.

The Department filed an arbitration case with Arbitrator, Superintending Engineer, Public Health Circle, Karnal for recovery from contractor vide Executive Engineer, Public Health Division, Panipat letter No 4530 dated 19-5-1993. The then Superintending Engineer, Public Health Circle, Karnal gave two dates for hearing in 1993 but contractor failed to attend the arbitration proceedings. Ultimately the then Superintending Engineer, Public Health Circle, Karnal on 2-3-1995 directed Engineer-in-charge to approach the Court for enlargement of time. The matter is pending in Court of Senior Sub judge Panipat and next date of hearing is 17-11-1995.

4.8.(i) Sub-standard execution of work

After hearing the departmental representatives the Committee observed that due to lack of supervision on the part of departmental officials infructuous expenditure was incurred in the execution of sub-standard work which necessitated special repair. The departmental representatives informed that six officers/officials are held responsible for the execution of sub-standard work and the disciplinary proceedings are under process against the concerned officers/officials. The Committee therefore, recommends that action against the above said officers/officials alongwith the recovery be decided within a period of three months under intimation to the Committee. The Committee further recommends that arbitration proceedings against Shri Mohinder Singh, Contractor who executed sub-standard work be decided within a period of one month and a report be sent to the Committee for its information. The Committee also recommends that in order to avoid such sub-standard execution of work in future, the department should issue the instructions that every payment to the contractor should be released after testing of the samples.

4.8(ii) During the course of oral examination, the Committee was informed that Shri R.K. Malhotra, S.D.E. and Shri H.L. Sehgal, J.E. were held responsible for getting the work executed below specification and the action against these officials are under process. The Committee, therefore, recommends that the action against these officials be finalised within a period of one month and a report be sent to the Committee for its information. The Committee further recommends that criminal cases against the contractor as well as against the officer officials may be filed as they have pilferage the material (cement). The action taken by the department on the recommendation of the Committee be also intimated. The Committee further recommends that the arbitration case against the contractor for the recovery of amount be also decided within a period of three months under intimation to the Committee.

[4] 4.9. Recovery due from contractor

In the Public Health Division No 1, Rohtak, Construction of Sedimentation Tank and inlet channel (estimated cost Rs. 8.90 lakhs) was awarded to a contractor in January 1981. The period for completion was fourteen months reckoned from September 1981. While the work was under execution, its administrative control was transferred to the Public Health Division, Bahadurgarh in October 1982. The contractor after executing work to the extent of Rs. 6.57 lakhs and receiving payment in March 1983 abandoned the work in April 1983. The Executive Engineer levied compensation of Rs. 0.89 lakh in May 1983 for non completion of the work. The balance work was got executed at a cost of Rs. 2.62 lakhs from another contractor in March 1987 at the risk and cost of the original contractor. According to the contract agreement, the dispute was referred to Arbitrator appointed in February 1990 who awarded Rs. 0.61 lakh (compensation Rs. 0.22 lakh and extra expenditure : Rs. 0.39 lakh) against the contractor in July 1992. The award was pending in the court for making it rule of the court.

Departmental instructions provide, inter alia, that in case a contractor leaves the work incomplete, all the unused material should be taken into Government custody. In case of failure to return the unused material, the recovery should be effected from the contractor at double the stock issue rates. Further for making recovery from the defaulting contractor, the matter should be referred for arbitration.

It was noticed in audit (March 1993) that unused material valued at Rs. 1.77 lakhs was not returned by the contractor after he abandoned the work in April 1983 nor was the matter referred to arbitrator in 1990. After adjusting Rs. 0.09 lakh payable to the contractor, his final bill was passed for minus Rs. 2.29 lakhs. The amount had been placed in the Miscellaneous Works Advances against the contractor in October 1993. As the Department failed to file a claim before the Arbitrator in February 1990, it had to file a fresh claim for Rs. 1.77 lakhs before the Arbitrator in July 1993. Against the recoverable amount of Rs. 2.29 lakhs, security deposit of Rs. 0.32 lakh only was available with the Division.

The matter was referred to Government in June 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under :—

Against water supply scheme of village Jakhoda and Asoda group of villages, Arbitrator awarded Rs. 61 000/- in favour of the

Department in 7/92 (Rs. 22,000/- as compensation charges and Rs. 39312/- as extra expenditure). The award has been made rule of the court in 8/95 and Court has ordered attachment of property of the contractor.

After the returning back of some material by the contractor cost of the balance material due from the contractor M/S P.K. Goel and Co. is only Rs. 106477.96 instead of Rs. 1.55 lakhs. After finalisation of the bill claim for labour and material recoverable from M/S.P.K. Goel and Co., has been preferred before the Arbitrator under clause 25/A of the contract agreement vide Executive Engineer, Public Health Division, Bahadurgarh No 5961 dated 31-7-93. The Arbitration proceedings are in progress and last hearing was held on 17-8-95. for delay in filing of claim before Arbitrator responsibility is being fixed.

Following officers/officials have been found responsible for excess issue of material to the contractor .—

Sh. D.R. Chaudhry, Executive Engineer.

Sh. Iqbal Singh, Sub-Divisional Engineer.

Sh. Mehar Singh Dahiya, Junior Engineer.

Para dropped
Sh. Mehar Singh, Junior Engineer
Action to chargesheet them is under process.
5-7-10

4.9. Recovery due from the contractor

After hearing the departmental representatives, the Committee recommends that arbitration proceedings against the officer/officials who have been found responsible for excess issue of material to the contractor alongwith the recovery be completed within a period of three months under intimation to the Committee.

5.1. Stores and Stock

5.1.1 to 5.1.4. * * * *

5.1.5 Tools and Plant returns

The numerical account of articles of Tools and Plant, ordinary as well as special, is kept in a separate register. Every year ending September, a Tools and Plant Return is to be prepared for each Sub-Division and also consolidated by the Divisional Office. In 11 Divisions⁵, the preparation of Tools and Plant Returns was in arrears and the delay ranged from 1 to 21 years

Number of Divisions

Outstanding for more than 15 years	2
Outstanding between 10—15 years	1
Outstanding for over 1 year but less than 5 years	8

The department, in their written reply, explained the position as under :—

The T&P returns are under preparation and will be brought upto date. Necessary instructions have been issued vide Engineer-in-Chief Haryana, P.W.D. Public Health Branch letter No. 105—56-P.H./A.C. dated 12-1-1995, as under :—

Copy of memo No. 105-56-P.H./A.C.(1) dated 12—1-1995 from the Engineer-in-Chief Haryana, P.W.D. Public Health Branch, Chandigarh to All the Superintending Engineer, P.W.D. Public Health Circle in Haryana State.

Subject —Audit Committee Meeting/CAG Report of 1989-90

Kindly refer to instructions conveyed vide this office memo No. 2274-2325-P.H./A.C. dated 22-9-1993 on the subject noted above.

Since this matter is under action with the P.A.C. you are requested to confirm that the common audit objections already intimated and reproduced below are being complied with and report to this regard may please be confirmed to this office within a week positively .—

1. Value account of stores should be properly maintained and price store ledger be closed.
2. A.G. Memos be got adjusted expeditiously.
3. Balance in store ledgers be periodically reconciled with the balance of Bin Cards.
4. Profit and loss because of difference between cost price and issue rate of store items be properly worked out and adjusted annually.
5. T&P accounts should be made upto date and T&P returns be submitted to Accountant General annually as already requested by this office No. 1132-82 dated 16-4-92.
6. P.W. Misc. advances be got cleared by taking extra interest.
7. Cash settlement suspense account be periodically be reconciled.

Copy of endorsement No. 105-56-P.H./Ac dated 12-1-1995 from the same officer is forwarded to all the Executive Engineers, P.W.D. Public Health Branch in Haryana State for information and necessary action

5.1.5. Tools and Plant returns

The Committee recommends that a report be sent to the Committee after getting the inspection/Audit of the Accountant General.

[6] 5.1.6. Surplus materials

Rules provide that balances of stores should not be held in excess of requirements and stores remaining in stock for more than a year should be declared surplus unless there are sufficient reasons to hold them beyond that period. In 8 Divisions^a materials valued at Rs. 27.79 lakhs lying from 1968 to 1980 were surplus to the requirements of the Divisions. Out of this, the value of surplus stores in following three Divisions alone was Rs. 17.50 lakhs.

Name of Division	Amount	Period since when lying in the stores (Rupees in lakhs)
1. Public Health Division No. 1, Bhiwani	6 59	March 1968 to March 1987
2. Public Health Division, Karnal	6.58	From April 1972
3. Public Health Division, Narwana	4 33	March 1972 to February 1990
Total	17.50	

Analysis of surplus materials revealed that the spares of cast iron pipes and fittings, galvanised pipes and machinery were not utilised as PVC pipes and submersible Pumping sets were used instead. No action to dispose of surplus materials was taken as of May 1993

6. Ambala Cantt. (P.H.-I), Bhiwani (P.H.-I), Gurgaon (P.H.-II), Kaithal (P.H.-I), Karnal (P.H.-I), Narwana (Mandi P.H.), Rohtak (P.H.-II) and Sonapat (G.W.I.)

The department, in their written reply, explained the position as under —

The lists of surplus material are being regularly circulated to all the Executive Engineers in Public Health Department and necessary action to utilise the same and minimise the balances is therefore being taken.

5.1.6. Surplus Materials

The department in its written reply informed that out of 27.79 lakhs of surplus material, 9.31 lakhs of surplus material has already been consumed and the efforts are being made to dispose off the balance material of Rs. 18.48 lakhs. The Committee, therefore, recommends that the balance material be disposed off at the earliest under intimation to the Committee.

[7] 5.1.7. *Injudicious purchase*

In three Public Health Divisions⁷, Aluminium Cable Steel Reinforced (ACSR) conductors valued at Rs. 2.49 lakhs purchased between June 1989 and February 1990 for providing independent electric feeders for the Rural Water Supply Schemes were lying unutilised as of May 1993.

The Executive Engineer, Public Health Division, Jhajjar stated (April 1993) that the materials could not be utilised as the work for which independent feeder was to be laid was transferred to the Executive Engineer, Public Health Division, Rewari. However, the conductors purchased for the work were not transferred. In Public Health Division, Rohtak, no work to provide independent feeder line to water works had been taken up. Further, in Public Health Division, Narwana, the materials were surplus as the independent feeder lines were completed with the already available materials. Action to dispose off surplus materials had not been taken as of May 1993.

The department, in their written reply, explained the position as under :—

The material was purchased for providing independent electric feeders to water works but could not be utilised as the same did not mature because of less provision of funds by Government of India for Technology Mission Programme. Efforts are now being made to get the material transferred to Haryana State Electricity Board and for utilisation on getting new connections to water works.

5.1.7 *Injudicious purchase*

The department supplied the latest position of balance material as under :—

The position of balance material is as under :

Name of Division	Total	Cleared	Balance
P.H. Division Jhajjar	1.12	1.12	Nil
P. H. -II Rohtak	1.02	1.02	Nil
Narwana	7.729 Km.	4.112 Km.	3.617 Km.
	(0.35 lakhs)		

After being through the above statement, the Committee recommends that the remaining surplus material in respect of Narwana Division be also disposed off without any further delay, under intimation to the Committee.

7. Jhajjar : Rs. 1.12 lakhs, Narwana : Rs. 0.35 lakhs and Rohtak II : Rs. 1.02 lakh.

[8] 518. *Excess issue of materials*

Under the financial rules, the issue of materials to a contractor is permissible for bonafide requirement of works.

In Public Health Division, Panipat the materials valued at Rs 8.58 lakhs were issued during 1987-88 and 1988-89 to various contractors in excess of actual requirements in connection with execution of the following works .

Water Supply Scheme	Rupees in lakhs
1. Bubail	0 67
2. Dharamgarh	2.92
3. Geola Kalan	1.00
4. Mor Majra	1 84
5. Sanauli	1 72
6. Sithana	0 43
Total	8.58

The bills of the contractors which were minus were finalised in June 1990 and the entire amount of Rs 8.58 lakhs recoverable from them was kept in the Miscellaneous Works Advances FIRs against the defaulting contractors/Junior Engineers, Sub-Divisional Engineers were lodged with the Police for misappropriating the Government materials during September/October 1991. However, results of investigation were still awaited.

The chargesheets submitted by the Executive Engineer to the Superintending Engineer, Karnal in October 1991 against the defaulting officers/officials had not been issued as of May 1993.

The points mentioned above were referred to Government in August 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under —

In this case the following officers/officials were responsible for excess issue of material to the contractor and position of each person is given below :—

- | | |
|---|---|
| 1. Shri R.S. Sharma,
Executive Engineer
(now Superintending
Engineer). | He was charge sheeted under rule 7. Show
cause notice for giving warning with copy
of his personal file is under issue. |
|---|---|

2. Shri Iqbal Singh,
Sub Divisional Engineer He was charge-sheeted under rule 7. Show cause notice for recovery of loss of Rs. 1.62 lakhs and stoppage of two increments is under issue.
3. Shri R. K. Malhotra,
Sub Divisional Engineer He was charge-sheeted under rule 8. Action is under process to recover the Government loss from him and stoppage of his two increments.
4. Shri L.C. Verma,
Junior Engineer He was charge-sheeted under rule 7. Sh. Y.P. Mathur, Executive Engineer was appointed Enquiry Officer. Show cause notice has been issued with the following proposed punishment :- Recovery of Rs. 3,73,754/-. Removal from service not barring re-employment. Final punishment is under consideration.
DL
30/6/12
5. Shri Faquir Chand
Sharma, Junior Engineer Charge-sheet under rule 7 was issued vide No. 516 dated 16.3.95. Shri K.K. Mehta, Executive Engineer has been appointed Enquiry Officer in 8/95. Enquiry report is awaited.
DL
30/6/12
6. Shri H.L. Sehgal,
Junior Engineer Charge sheet under rule 7 was issued vide No. 519 dated 16-3-95. Sh. K.K. Mehta, Executed Engineer has been appointed as Enquiry Officer vide No. 17071 08 dated 17-7-95. Enquiry Report is still awaited.

5.1.8: Excess Issue of materials

After going through the written reply submitted by the department, the Committee recommends that the disciplinary proceedings/recovery be effected and finalised against the officers/officials who were held responsible for excess issue of material to the contractor within a period of three months and a final report be sent to the Committee for its information.

IRRIGATION DEPARTMENT

1991-92

[9] 4.5 *Defective lining resulting in non-utilisation of assets*

In the Canal Lining Division No. II, Sirsa the work "Earthwork and Lining of parallel Khaishergarh Minor" from RD 11000 to 46250 (tail) was executed during 1985-86 to 1986-87 at a cost of Rs. 13.50 lakhs (RD 11000 to 33000) . Rs. 9.06 lakhs and RD-33000 to 46250 . Rs. 4.44 lakhs).

The lined minor was linked with the existing Kutcha minor at RD 11000 in November 1991 at a cost of Rs. 0.13 lakh and was made functional up to RD 32500. The Executive Engineer intimated in May 1992 that no specific reasons were on record for not linking the lined minor with the existing Kutcha minor earlier and it appeared that this could not be done because of some defects in the level of lining in the reach down stream RD 32500.

According to a report sent by the Executive Engineer to the Superintending Engineer, Canal Lining Circle No. 1, Sirsa in May 1992 the bed level was higher than the designed level by 0.02 to 0.32 feet in reach RD 34000 to 38000 and 0.32 to 1.37 feet in reach RD 38000 to tail and the top level of the lining was also higher than the designed level. The lining in the reach RD 40200 to all tail was done at site with trapezoidal section with bed curves whereas according to approved design trapezoidal section without bed curves was to be provided. The linking and commissioning of this portion of the channel would require additional expenditure of Rs. 6.54 lakhs or Rs. 7.93 lakhs as per the two alternative proposals of the Executive Engineer.

Thus, defective execution in lining work resulted in non-utilisation of assets valued at Rs. 13.50 lakhs for about 5 years and out of this, assets valued at Rs. 4.44 lakhs (RD 33000 to tail) still remained unutilised (December 1992) and would require extra expenditure of Rs. 6 to 8 lakhs to make them functional.

The matter was referred to the Engineer-in-Chief in April 1992 and to Government in July 1992; their reply has not been received (December 1992).

The department, in their written reply, explained the position as under :—

The report of checking of levels at various stages revealed that lining was done higher than the designed. The Chief Engineer/Const. Unit-II had already recommended recovery due to defective lining and accordingly the Charge-sheets against the concerned officers have been sent to Government for approval vide No. 2012-13/4PAC Dated 4-7-96. The Junior Engineer has since been chargesheeted since it was in the competency of Chief Engineer.

The delay in linking has been attributed to delay in non-construction of bridges by the Building & Roads Department, Haryana.

4.5 Defective lining resulting in non-utilisation of assets.

After hearing the departmental representatives, the Committee recommends that action against the defaulting officials be decided at the earliest under intimation to the Committee.

[10] 4 6 Unfruitful expenditure on incomplete works

On the pressing demand of the villagers to provide facilities of irrigation in their area which could not be brought under irrigation with the existing irrigation channels, 22 schemes for the construction of new minors and extension of existing distributaries/minor (estimated cost): Rs. 392.33 lakhs were approved by the Government during January 1986—June 1987. Execution of earthwork and lining of 16 schemes (estimated cost : Rs. 314.87 lakhs was taken up by the Hansi Construction Division, Hansi and expenditure of Rs. 60.20 lakhs was incurred upto December 1987. Out of these 16 schemes, one scheme was made functional at a cost of Rs. 8.91 lakhs by November 1988. The work on the remaining 15 schemes executed in patches was discontinued after incurring an expenditure of Rs. 51.29 lakhs upto December 1987 and remained incomplete since then. These works were transferred to the Chakbandi Division No. III Bhiwani in October 1988. The works had not been brought to safe stage before discontinuance.

The Engineer-in-Chief stated in September 1992 that the working of these schemes after construction depends upon the availability of Ravi Beas water to be carried through Satluj Yamuna Link canal under construction and therefore second priority was assigned to these schemes. The decision was taken in view of limited funds available.

Thus, execution of these schemes without ensuring adequate funds for their completion had rendered the expenditure of Rs. 51.29 lakhs incurred on the incomplete works unfruitful.

The matter was referred to Government in July 1992. Government stated in October 1992 that the schemes were suspended due to paucity of funds and no decision for their recommencement had been taken so far.

The department, in their written reply, explained the position as under :—

The reply already given were that schemes were not considered due to paucity of funds during the period when there was hope of early completion of SYL and were left out later due to SYL stale-mate.

However, detailed information have been asked from the field to verify the features of the project and the schemes will be taken up in near future if the area is included in the parent channel, because areas already in the chok of system entitles itself to canal waters. If new COA has been added, availability of extra water has to be explored.

Ways and Means shall be provided to take up scheme in the former case.

4.6. Un-fruitful Expenditure on incomplete works

After hearing the departmental representatives, the Committee observed that there was no justification of execution of these schemes when the water is not available from S.Y.L. in the near future. The department should take up the work after proper planning and availability of sufficient funds. The Committee, therefore, recommends that these channels be utilised properly within limited funds available with the department.

[11] 4.7. Extra expenditure due to defective lining:

23/11/05
In the Canal Lining Division No. 4 Fatehabad, the lining of Kautiyana distributary from RD 0-79413 with designed capacity 11.65 cusecs. at tail was completed during 1985. The distributary was extended from RD 79413 to 84380 in 1987 at a cost of Rs. 2.59 lakhs with a designed capacity of 4.39 cusecs for providing irrigation to additional 526 hectares of land. After extension, the existing outlet at RD 79413, providing irrigation to additional 688 hectares, was shifted to RD 80500 in October 1987 by the Bhattu (IB) Division, Fatehabad. This increased the area to be irrigated by the extended distributary from 526 hectares to 1214 hectares. The Lining Division lined the extended portion of the distributary in 1988-89 at a cost of Rs. 3.72 lakhs on the basis of Longitudinal Section (L-Section) approved earlier in 1984. The L-Section had, however, become inadequate to meet the revised requirement of additional area.

In October 1989, the share holders complained to Government that they were not getting proper supply of water due to defective bed levels and requested for lowering of bed levels by one foot. The Superintending Engineer, (SE) Sirsa Bhakra Canal Circle (SBCC) informed the SE Canal Lining Circle (CLC) Sirsa in January 1990 that the bed levels of the lined section existing at site were higher by 3 to 6 inches than the designed bed levels. This had caused shortage of water in tail reaches. The SE further cautioned that the share holders might damage the lining to get their share of water if defects were not rectified immediately.

The SE (CLC) Sirsa directed the Executive Engineer (EE), Canal Lining Division No. 4 Fatehabad, in October 1990 to reobserve the bed levels. The levels were again observed in November 1990 and it was reported that there was marginal difference in the bed levels. During January 1991, the shareholders dismantled the canal bed and one side of the entire reach from RD 79413 to 84380.

The Division revised the L-Section of the distributary in April 1991 for raising its capacity from 4.39 cusecs to 7.62 cusecs and for lowering its bed by 3 inches to 8 inches. Thus, expenditure of Rs. 1.71 lakhs (approximately) initially incurred on the lining of the portion subsequently dismantled/damaged was rendered wasteful. The work of the relining of the channel as per revised L-Section was executed during July-November 1991 at a cost of Rs. 3.28 lakhs.

The EE stated in March 1992 that the bed in the extended portion had to be lowered because of shifting of outlet from RD 79413 to 80500 by Bhattu (IB) Division Fatehabad. The reply was not tenable as the outlet was shifted in October 1987 whereas the work of lining of the extended portion was taken up in 1988-89.

The matter was referred to the Engineer-in-Chief in April 1992 and to Government in July 1992, reply has not been received (December 1992).

The department in their written reply, explained the position as under :-

Revising of L-Section and repair of dismantling portion on the plea that share-holders dismantled the channel to draw extra benefit have been considered irregular. Concerned SE has been advised to intimate the part cost incurred on the repair of dismantled portion due to defective lining in the first instance.

Responsibility for the defective lining has been fixed and the Xen/ SDO/ JE concerned have been identified and departmental action has been initiated against them. SE has been asked to send draft charge sheets against the defaulters.

4.7. Extra expenditure due to defective lining.

After hearing the departmental representatives, the Committee recommends that the action against the concerned officer/officials who were held responsible for the defective lining, be completed within a period of three months under intimation to the Committee.

[12] 5.1.5. Surplus material *Drop - 9.1.19*

Rules provide that balances of stores should not be held in excess of requirements and stores remaining in stock for more than a year should be declared surplus unless there are sufficient reasons to hold them beyond that period. In 11 Divisions material valued at Rs. 237.52 lakhs was lying surplus to the requirements. The Divisions had circulated the list of surplus stores to the other Divisions of the Department. Out of these, the value of surplus stores in Canal Lining Division No. 24 Rohtak, Drainage Mechanical Division, Rohtak, Drainage Mechanical Division, Karnal and Loharu Canal Mechanical Division Charkhi Dadri was Rs. 194.17 lakhs. No reasons for such heavy accumulation of surplus stores could be assigned.

The department in their written reply, explained the position as under :-

Under the World aided project, the works are to be executed by the contractors, arranging material at their own cost, and as such the material and machinery available in the department would become surplus. The department had constituted a

committee to find out the details of surplus material/machinery for disposal. The position has been reviewed again now and it is considered that we must put our machinery in economical repairable conditions, in running condition and use them on works as far as possible.

5.1.5. Surplus Material

The department informed in its written reply that machinery worth Rs. 20 crores approximately was available in April, 92 out of which, machinery worth Rs. 4.67 crores and stores valuing Rs. 10.61 crores have been considered surplus/unserviceable. The department further informed that a Committee under the Chairmanship of Sh. J.K. Diwan, Chief Engineer have been constituted for finalising a procedure/guidelines for disposal of surplus/material. The Committee, therefore, recommends that the surplus unserviceable machinery be disposed off within a period of six months and a detailed report, divisionwise, be sent to the Committee for its information.

[13] 5.1.7. Tools and Plant returns

The numerical account of articles of Tools and Plant ordinary as well as special, is kept in a separate register. Every year ending September a yearly tools and plant return is to be prepared for each Sub Division, and also consolidated by the Divisional Office. The return is required to be got audited each year. In 20 out of the 42 Divisions, test-checked T & P returns were in arrears for one to 15 years and more as per details given below :—

	Number of Divisions
Outstanding for more than 15 years.	3
Outstanding between 10-15 years	2
Outstanding between 5-10 years	8
Outstanding for over 1 year but less than 5 years	7

The department, in their written reply, explained the position as under :—

- 9 Irrigation Divisions have since got audited the T&P Returns. To expedite clearance from the remaining Divisions field officers have been directed suitably.

5.1.7. Tools and Plant returns.

After hearing the departmental representatives, the Committee recommends that a separate audit party be set up to clear the pending objections within a period of three month.

[14] 5.1.8. Unnecessary purchase

In the Canal Lining (Mech.) Division No. 24, Rohtak spare parts valued at Rs. 31.29 lakhs were purchased during October 1980 to

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August 1982 for upkeep of machinery and equipment. Out of these, spare parts valued at Rs. 7.84 lakhs remained unutilised and were declared surplus to the requirements and lists thereof were circulated to other divisions in February 1992.

The case of purchases in excess of requirement was got in estimated through the Superintendent of Police, Vigilance, who concluded (February 1984) that the then Executive Engineer was responsible for making the purchase through supply orders as well as local purchase deviating all norms. It was noticed in audit (October 1992) that in contravention of the codal provisions the Executive Engineer had split up the purchases of spare parts keeping the value of each supply order upto Rs. 20,000 to avoid approval of higher authorities.

The charge sheet against the then Executive Engineer was submitted to the Superintending Engineer in September 1991 for approval of competent authority, but the same had not yet been approved (September 1992).

The department, in their written reply, explained the position as under :-

Sh. D.P. Goel, the then Xen. has been considered responsible for the irregularities committed by him in making the purchases. Draft charge sheet against him stand sent to Govt. for approval. Further action will be taken after completing the required formalities under the Rules.

5.1.8. Un-necessary Purchase.

The Committee recommends that the action against Sh. D.P. Goel, Xen. who has been held responsible for the irregularities, be finalised within a period of one month.

[15] 5.1.9. Blocking of funds

In the Loharu Canal (M) Division, Charkhu Dadri 4652 metres PVC cable valued at Rs. 7.33 lakhs was purchased through the Director, Supplies and Disposals, Haryana, Chandigarh in November 1987 for replacement of existing low tension electrical system of various pump houses. The entire quantity had remained unutilised; 1556 metres cable valued at Rs. 2.45 lakhs was transferred to Lift Mechanical Division, Bhiwani in November 1991 where it was lying unused (October 1992).

The Executive Engineer intimated in May 1992 that the above cable would be utilised for the same purpose after obtaining necessary blind* closure of the canal and blind closure could not be arranged due to keen demand of water in the area. However, the non-utilisation of cable for the last four and a half year indicated that replacement of cable was not necessary at the time of its purchase.

The department, in their written reply, explained the position as

under —

It has been established that quantity of 4652 meter PVC cable was purchased and the entire quantity remained un-utilised for 4 years and only in 1991 1556 mtr. PVC cable was transferred to other Divisions where it remained unutilised upto 1992. The concerned CE has been asked to prepare the draft charge sheets against the concerned Xens who have purchased.

5.1.9. Blocking of funds.

After hearing the departmental representatives, the Committee recommends that the action be finalised against the concerned official who was held responsible in purchasing excess quantity of cable which remained un-utilised, within a period of one month under intimation to the Committee.

[16] 5.1.11 Loss due to excess procurement of cement

In the Construction Division No. II, Sonapat, 6796 bags of pozolana portland cement (PPC) and 7171 bags of ordinary portland cement (OPC) was procured in February-March 1987, when the Division had already 1710 bags of PPC and 14105 bags of OPC in its store. The total quantity of cement of 6489 bags (PPC 1064 bags, OPC 5425 bags) were used on works and 20993 bags (PPC 7070 and OPC 13923 bags) were transferred to other Divisions during March 1987 to October 1990. The balance quantity of 372 bags of PPC and 1928 bags of OPC remained with the Division.

The cement lying in the store was got tested during December 1990-January 1991 from National Council of Cement and Building Materials, Ballabgarh which indicated compressive strength of PPC at 110 Kg/cm and of OPC at 220 Kg/cm against the required strength of 330 Kg/cm after 28 days curing. The Executive Engineer approached the SE in February 1991 for an early decision to dispose of the cement as further deterioration in the strength of cement was apprehended.

The Executive Engineer (EE) intimated in November 1991 that the cement was procured for the construction of Micro Hydel Project at Kakroi and the same could not be utilised due to delay in finalisation of design of Kakroi Project by the Alternate Hydro Energy Centre (AHEC) Roorkee. The reply was not tenable as the design referred to AHEC in January 1990 was approved in the same month.

Thus, the bulk procurement of cement which was not utilised on works resulted in deterioration of strength of 2250 bags of cement valued at Rs. 1.07 lakhs. An estimate to write off the loss of Rs 1.07 lakhs has been submitted to the Superintending Engineer by the EE in August 1992. Sanction was awaited upto October 1992. No responsibility for this had been fixed.

The department, in their written reply, explained the position as under:—

Sh I.J. Juneja, SE was appointed as Enquiry Officer in 1/96 but no report has been received from him so far. Recently, he has been placed under suspension and Shri R.K. Garg SE/ YWS circle, Delhi has been appointed Enquiry Officer in this case. Further action will be taken on the basis of Enquiry Officer's report so given.

5.1.11: Loss due to excess procurement of cement

The Committee recommends that the inquiry officer be directed to complete the inquiry within a period of two months and report be sent to the Committee after finalising the action.

[17]. 5.1.12: Shortage of T&P articles *2006-01.12.18*

In the Central Mechanical Division (Charkhi Dadri), shortages of T&P articles worth Rs. 10.22 lakhs were noticed in the T&P returns for the years ending September 1978 to September 1988 audited during July 1988 to July 1989.

The Executive Engineer stated (May 1992) that the charge sheets to the concerned officials were under preparation and would be served upon them after approval by the competent authority.

The matter was referred to Government in July 1992, reply has not been received (December 1992).

The department, in their written reply, explained the position as under :-

Responsible JE, for the shortage of T&P Articles have been identified and necessary charge sheets against them have been received from the SE on 5-7-96. On further scrutiny there were some discrepancies in the charge sheets and as such have been returned to the SE for needful within the prescribed period. Further action will be taken accordingly.

5.1.12: Shortage of T&P Articles.

The Committee recommends that the action be expedited so that recovery may be effected without any further delay.

1992-93.

[18] 4.2: Extra expenditure due to change in design.

Canal Lining Division No. II, Sirsa, the work, Lining Kussar Minor RD 0 to 15,300 (tail) was started (May 1983) after approval of L-section¹. The L-section provided trapezoidal design up to RD 10,300 and cup shape design from RD 10,300 to 15,300. The L-Section of the minor² was revised (July 1985) by the Superintending Engineer, Canal Lining Circle No. I, Sirsa, and the revised L-section provided rectangular design for reaches RD 10,300 to 15,300. The L-section so revised was not

acceptable to the share holders as it involved raising of bed by 0.55 foot at RD 10,300. The lining work done from RD 10,300 to 11,505, according to the revised design, during 1983 to 1985 at a cost of Rs. 0.22 lakh was also dismantled by the share holders between July 1985 and February 1986. In order to eliminate the rise in bed by 0.55 foot, the L-section was further revised (February 1986) which provided construction of cunette³ in bed in RD 10,300 to 11,505 and cup shape design for RD 11,505 to 15,300 (tails. The L-section so revised was also not acceptable to the share holders and ultimately the L-section of the minor was revised (January 1993) with a cup shape in RD 10,300 to 15,300 as originally provided in L-section approved in May 1983.

The Department carried out in May 1993 the re-lining of the dismantled portion of the minor RD 10,300 to 11,505 at a cost of Rs. 1.43 lakhs. The expenditure of Rs. 0.22 lakh incurred on lining already done in the aforesaid portion which was dismantled was rendered infructuous. Further due to abnormal delay in the execution of work as a result of frequent changes in design, the Department incurred an expenditure of Rs. 5.52 lakhs on the lining of minor in RD 10,300 to 15,300 as against original estimated cost (unsanctioned) of Rs. 1.77 lakhs, thereby incurring an extra expenditure of Rs. 3.75 lakhs.

The Superintending Engineer stated (May 1993) that the rectangular design in RD 10,300-15,300 was adopted in the L-section approved in July 1985 according to the instructions issued by the Chief Engineer (Projects) in April 1985. However, it was noticed that the instructions referred to by the Superintending Engineer were to be adopted sparingly. The Engineer-in-Chief, with whom the case was discussed (September 1993) stated that the Superintending Engineer took the decision for which he was competent and felt that even if the instructions quoted by the Superintending Engineer were interpreted in that manner, he should have sought clarification from the Chief Engineer as to whether the already designed channels should also be redesigned. The Engineer-in-Chief also agreed that the decision of the Superintending Engineer regarding change in design from cup shape to rectangular in tail reaches was not a mature decision, specially when ultimately the originally planned cup shaped design had to be adopted. The Engineer-in-Chief also stated that replies to specific queries to audit would be sent after examining the case; further reply had not been received as of December 1993.

The matter was referred to Government in August 1993, reply has not been received (November 1993).

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1. L-section means Longitudinal section depicting various parameters, levels, etc. of a channel at different points.
 2. Minor means small channel off taking from main canals/distributaries.
 3. Cunette means a small drain.

The department, in their written reply, explained the position as under :—

The repeated change of L-Section on the plea that the executed L-Section was not acceptable to the share-holders, has not been considered satisfactory. Accordingly responsibility has been fixed and the following officers are held responsible :—

1. Shri N.K. Arora, SE.
2. Shri S.P. Gulati, XEN.
3. Shri K.S. Chopra, SDO.

Chief Engineer/concerned has been asked to submit charge-sheets against these officers except Shri N.K. Arora, SE who has since retired.

4.2. Extra expenditure due to change in design

After hearing the departmental representatives, the Committee observed that timely action was not initiated against these erring officials who allowed revised L-Section resulting an extra expenditure. The Committee therefore, recommends that the disciplinary proceedings against them be finalised within a period of three months.

[19] 4.4 Outstanding inspection reports

Audit observations on financial irregularities and defects noticed in the initial accounts and records during local audit are communicated to the Heads of offices and their next departmental superiors through inspection reports. The more important irregularities are also reported to Heads of the concerned Departments and Government for their comments.

A review of the inspection reports issued up to March 1993 pertaining to 110 Divisions of the Irrigation Department disclosed that 1,440 paragraphs included in 656 inspection reports and involving Rs. 24590.32 lakhs remained outstanding at the end of September 1993. These included 90 inspection reports containing 131 paragraphs which had remained outstanding for more than ten years.

The year-wise position of outstanding inspection reports/paragraphs was as follows :

Period during which issued	Number of inspection reports	Number of paragraphs	Amount in invalid (Rupees in lakhs)
Up to 1982-83	90	131	170.69
1983-84 to 1987-88	168	248	781.15
1988-89	70	119	431.60
1989-90	62	112	679.17
1990-91	76	143	577.90
1991-92	86	183	904.65
1992-93	104	504	21045.16
Total	656	1,440	24590.32

In respect of 23 inspection reports comprising 135 paragraphs issued between February and April 1993, even the initial replies which were required to be furnished within six weeks were not received as of September 1993.

Some of the important irregularities commented upon in inspection reports which had not been settled as of September 1993 were of the following categories :—

Nature of irregularities	Number of paragraphs	Amount involved (Rupees in lakhs)
Losses due to theft, misappropriation, etc.	67	29.40
Amounts recoverable from contractors agencies/ officials on account of work done at their risk and cost, excess payment, cost of land and materials, etc.	94	17889.71
Non-accounting of materials	152	229.89
Extra and avoidable expenditure	226	821.74
Execution of Sub-standard works	32	94.26
Undue financial aid to contractors	5	17.41
Irregular/injudicious purchases	19	164.19
Blocking of funds	39	775.58
Non-closing of manufacturing accounts	7	26.82
Under-utilisation of machinery	18	241.06
Excess expenditure on deposit works	4	45.60
Short receipt of materials	10	7.08
Estimates not sanctioned	22	174.20
Infructuous and irregular expenditure	194	2295.02
	889	22811.96

Of the 1,440 outstanding paragraphs, 13 cases involving Rs. 6.93 lakhs were pending with courts of law, arbitrators and Police authorities and 29 cases involving Rs. 46.62 lakhs were pending with Government/Engineer in-Chief/Superintending Engineers for regularisation.

An analysis of the system and procedure for monitoring and pursuance and final settlement of inspection reports and paragraphs revealed that checks prescribed by the Finance Department requiring the administrative departments to maintain registers containing the substance of all outstanding objections and details of action taken thereof, the reference made to subordinate offices, replies received from them, etc. were not exercised. Not satisfied with the pace of progress of settlement of audit objections, the Finance Department issued instructions (January 1992) that the Departments should submit progress reports to Finance Department in the prescribed *pro forma* every quarter regarding action taken by them towards settlement of audit objections/paragraphs. It was noticed that Irrigation Department submitted a quarterly progress report for the quarter ending June 1992 only and no further reports were submitted as of October 1993.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under :—

In Irrigation Department, Haryana, field officers have already been directed to pursue all the outstanding Inspection Report Paras through monthly meetings and as a consequence thereto the year-wise position of outstanding I.R. Paras has received as under :—

Period during which issued	Number of Paragraphs	Amount involved (Rupees in lakhs)
Upto 1982-83	74	136.92
1983-84 to 1987-88	174	741.95
1988-89	85	353.21
1989-90	79	443.02
1990-91	64	287.70
1991-92	118	752.97
1992-93	191	1045.57
Total	785	4355.34

The initial replies to all the Inspection Report Paras have since been sent to Audit. However, field officers have also been directed to send initial replies within the stipulated period, in future.

As already submitted that field officers have since been directed to pursue/finalise each I.R. Para of their Division/Circle vigorously and resultantly the position of the outstanding I.R. Paras so achieved is as under :—

Name of Irregularities	Number of Para	Amount involved (Rupees in lakhs)
1. Losses due to theft/Mis-appropriation etc.	49	24.49
2. Amount recoverable from contractor/ Agencies/Officials on account of works done at their risk and cost excess payment, cost of land and material etc.	36	230.00
3. Non-accounting of material	83	181.93
4. Extra & avoidable Expr.	78	493.00
5. Execution of Sub-standard work	21	71.33
6. Un-due financial aid to Contractor	2	8.98
7. Irregular/Injudicious purchases	9	111.98
8. Blocking of funds	18	244.41
9. Non-closing of manufacture accounts	6	95.40
10. Under-utilisation of machinery	9	103.00
11. Excess expenditure on deposit works	1	28.10
12. Short receipt of material	6	4.93
13. Estimate not sanctioned	7	32.12
14. Infructuous & Irregular expenditure	98	1019.99
Total	442	2589.70

In fact the irregularities, on their exposure are being looked into by the Divisional Officers at their level with the Accountant General (Audit), Haryana. Since the paras are old and amount substantial, a Committee has been constituted by the Government but to accelerate the progress and for non-finalisation despite reminders, respective Chief Engineers have been advised to hold fortnightly meeting giving action plan on clearance of Paras or punitive action under conduct rules by

fixing responsibility and sending report as a regular feature on the progress achieved every month. The Chief Engineers have further been advised that officers may be informed that special mention will be made in their A.C.Rs. on the clearance of I.R. Paras/Accounts Arrears and every Xen. shall be required to indicate the monthly clearance about outstanding paras/Accounts arrears as their performance.

In light of the instruction of the Finance Department Haryana, necessary Quarterly Progress Report on outstanding I.R. Paras is being sent regularly. Last O.P.R. ending 3/96 was sent on 19-6-96.

4.4. Outstanding inspection reports

After going through the yearwise position of outstanding inspection reports/paragraphs, the Committee recommends that suitable efforts be made by the department for the early settlement of the pending reports/paragraphs.

2/11/92

LABOUR AND EMPLOYMENT DEPARTMENT
1991-92

- [20] 3.9 *Cost of sub-standard medicines not recovered*

The Director General, Health Services, Haryana procures medicines from the firms which are on rate contracts approved by the Employees State Insurance (ESI) Corporation, New Delhi for use in ESI hospitals and dispensaries. According to the terms and conditions of rate contract if the medicines are found to be sub-standard on inspection or analysis by the competent authority, the supplier will be liable to replace the entire quantity thereof or refund full payment for the entire consignment irrespective of the fact that part of the supplied stores may have been consumed. The ESI Corporation stressed in September 1983 upon the indenting officers to apply the above clause in case of sub-standard supplies. The Corporation also issued instructions in March 1985 for frequent test of drugs approved on rate contract in State laboratories and for taking action under Drugs and Cosmetics Act 1940 if those were found to be sub-standard.

A test-check of records of the Assistant Director, (ESI), Health Services, Haryana, conducted in April 1989 and further enquiries revealed that medicines valued at Rs. 1.91 lakhs were purchased from 22 firms against rate contracts during the years 1983-84 to 1988-89 and supplied to ESI hospitals/dispensaries. In the supply orders, the condition relating to replacement of medicines found sub-standard or refund in full cost thereof was not included. The medicines were subsequently found to be sub-standard, in laboratory tests, but neither the medicines were replaced nor their cost recovered from the suppliers.

On this being pointed out in audit in April 1989, medicines worth Rs. 0.83 lakh were either got replaced or their cost adjusted in the pending bills of the suppliers. The Department stated in December, 1991 that recovery of balance amount of Rs 1.08 lakhs or replacement of medicines could not be made as the supplier firms were at present neither on rate contract nor their bills pending for payments.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

The department, in their written reply, explained the position as under :—

1. As per proviso of ESI Medical manual (para No. 5.3) the expenditure on medicines and other medical benefits is shared between the State Govt. and ESI Corporation in the agreed ratio of 1 : 7. Regarding supply of medicines to ESI Institutions in the different States in the Country, agreement of rate-contract is made between the ESI Corporation itself and the concerned rate-contract firms, in which the State is not a party at all.

2. Regarding issue under reference, at the time of Audit for the period 4/88 to 3/89 of the office of the Assistant Director (ESI) Haryana, Chandigarh, it was noticed that medicines worth Rs. 190,023.20 were declared sub-standard.
3. As per terms & conditions of the rate-contract of ESI Corporation, the concerned firms were requested to replace the sub-standard medicine or refund the amount.
4. The case was vigorously pursued by Health Department for replacement of medicines or refunding the amount. By persistent efforts an amount of Rs. 1,01,884.25 has already been recovered from the firms whose medicines were declared sub-standard.
5. For recovery of aforesaid amount the matter were further pursued with ESI Corporation, New Delhi vide Directorate of ESI letters No. 21/32-ESI-G-2-88/8760, dt. 5-10-88, dt. 10-1-89, 6-2-89, 29-5-90, 7-6-90, 28-6-90, 29-6-90, 3-7-90, 25-7-90, 21-9-92, 3-9-92, 13-10-92 & 9-11-92. in response of these letters. ESI Corporation, New Delhi vide U.O. letter No. U-25/14(1)6/92-Medi-1 dt. 24/26-11-92 to Directorate of ESI advised that though the matter under reference, is very old, still the ESI Corporation, New Delhi is writing to the concerned firms for replacement of medicines or refund of the amount. In addition, ESI Corporation New Delhi further suggested that State should also initiate steps for recovery of aforesaid amount under "Land Revenue Act" through respective State Govt. Again vide Directorate of ESI office letter No. 21/57-ESI-G2-93/5921, dt. 26-10-93, it was requested to the ESIC, New Delhi that the recovery from the firms which are located outside Haryana State is not possible under Land Revenue Act. A list of such firms was also supplied to ESIC for which ESIC vide its letter No. U-25/14/1/6/90/Medi, dt. 14-2-94 suggested to take action against concerned firms through the State Govt.
6. Now the Accountant General Haryana vide letter No. Report (Civil) 1-2/91-92/D.P. 30/1452, Dt. 4-10-95 has admitted that the balance amount of only Rs. 90,000 is still to be recovered. (The actual amount as per Health Department is Rs. 88,138.95 only).
7. In view of the position explained above, the share of the State came to only Rs. 23,793 (1/8th share) whereas the amount already recovered by the State is Rs. 1,01,884.25 which is much more than the actual share of the State Govt. Hence, no financial loss has occurred to the State Govt. and the full share has already been re-imbursed by the ESI Corporation.
8. ESI Directorate vide D.O. letter No. 21/57-ESI-G3/95/4416, dt. 8-11-95 again requested ESI Corporation New Delhi to

take cognizance of this default and proceed against those firms for recovery of the amount and black listing these firms and get the sub-standard medicine replaced.

9. ESI Corporation New Delhi vide D.O. letter No. U-25/14 (1) Haryana/95-Med.—1, dt. 17-11/95 opined that as the matter is over delayed and almost all these defaulting firms have gone out of the rates contract as they do not participate in the rate contract. ESI Corporation also informed that Corporation does not keep any security amount for such recoveries. ESI Corporation has advised to effect recovery under Land Revenue Act by the State Government.
10. As per advice of the ESI Corporation, if the Haryana Govt. goes for litigation under the "Land Revenue Act" with the respective States i.e. Maharashtra, Gujarat, West Bengal, U.P. etc. for the recovery of remaining amount Rs. 90,000 then it is felt that the State will have to incur much more in litigation than the litigation amount to be recovered in following the procedures of the cases.

In view of the submission made above, it is requested that the para may kindly be dropped.

3.9 Cost of sub-Standard medicines not recovered

After going through the reply given by the Department, the Committee observed that timely action was not taken against the firms immediately after receipt of the medicines. The reply of the Department that the State Govt. has recovered amount more than 1/8 which is the Govt. share is not found convincing because ultimately it is a Govt. loss whether Central/State. During the course of oral examination, the Committee observed that the instructions of the Govt. of India issued on 5th March, 1985 are not followed strictly by the Department, which resulted loss to the Department. The Committee, therefore, recommends that samples of the medicines should be tested frequently so that sub-standard medicines may not be issued in the E.S.I. Hospital/Dispensary in the State in future. The Committee further recommends that efforts be made to recover the balance amount from the concerned firms after verifying the actual amount from the Accountant General under intimation to the Committee.

SOCIAL WELFARE DEPARTMENT
1992-93

(Social Defence and Security Department)

[21] 3.3 Old Age Pension

3.3.1 to 3.3.4 * * * * *

3.3.5 Financial management

(i) * * * *

(ii) The Department issued (14th March 1991) instructions to the DSWOs to draw the amount as per immediate requirement subject to the condition that no funds remained unutilised on 31st March 1991. However, out of an amount of Rs. 561 lakhs (Ambala: Rs. 231 lakhs and Hisar : Rs. 330 lakhs) drawn during March 1991, a sum of Rs. 517.35 lakhs was disbursed and Rs. 42.73 lakhs were refunded during April to September 1991 (Rs. 35.85 lakhs) and October 1991 to February 1992 (Rs. 6.88 lakhs) to the DSWOs. An amount of Rs. 0.92 lakh remained undisbursed with 3 disbursing teams of Hisar district. Of this, Rs. 0.30 lakh were refunded to DSWOs between March and October 1993 and Rs. 0.62 lakh was still outstanding with the disbursing teams.

The department, in their written reply, explained the position as under :—

It is agreed that the amount of Rs. 561 lac was drawn by DSWO Ambala and DSWO Hisar as per details given in the para. An amount of Rs. 62,000/- remained undisbursed with three disbursing teams of Hisar district.

However, the position has been reviewed in all districts, as to whether there is any more amount due from CRO, or otherwise. It has been seen that out of Rs. 62000/- shown outstanding in Hisar District a sum of Rs. 50,972/- was already recovered and balance Rs. 11,028/- outstanding from 3 CROs have also been recovered. These CROs had been transferred from Hisar. and as such the recovery has been made through the concerned Dy. Commissioners.

3.3.5 (ii) Financial Management

After hearing the Departmental Representatives, the Committee observed that the amount of Rs. 62,000/— remained un-disbursed with the Disbursing team of Hisar District without any justification for such a long period. The Committee was not satisfied with the explanation given by the Department and therefore recommends that responsibility be fixed and disciplinary action be initiated against the delinquent officials who kept the Govt. money with them for such a long period, thus putting a loss of interest to the Govt. The action taken in the matter be intimated to the Committee.

(22) 3.3.6 Targets and achievements

The number of beneficiaries estimated and the number actually covered under the scheme were as under:

year	Estimated number of beneficiaries	Number of beneficiaries actually covered	Excess (+)/ Shortfall (—)
(in lakhs)			
1987-88	5.50	6.72	(+) 1.22
1988-89	7.62	7.57	(—) 0.05
1989-90	7.77	7.37	(—) 0.40
1990-91	8.48	8.32	(—) 0.16
1991-92	8.67	7.40	(—) 1.27
1992-93	7.78	7.37	(—) 0.41

The department, in their written reply, explained the position as under:—

This para contains targets and achievements in reference to the number of beneficiaries with excess/shortfall. This excess/shortfall has occurred due to addition of new beneficiaries as well as death of some beneficiaries and left out cases. Further a difference of 1.22 lac occurred in 1987-88 due to the reasons that the Old Age Pension scheme was renewed w.e.f. 17/6/87. In the new scheme there has been a change in the age limit prescribed for eligibility for the payment of pension, which was not expected at the time of submission of budget as well as at the time of fixing targets. Further from 1991-92, the age limit was further changed from 65 to 60 years for eligibility of pension linked with economic criteria. Therefore the difference in the number of beneficiaries has occurred.

TARGETS AND ACHIEVEMENTS

3.3.6 The Committee, after going through the number of beneficiaries estimated and the number actually covered under the scheme during the previous years, observed that there is a great problem of identification of beneficiaries as the genuine cases are left out and non-genuine cases are included in the list of beneficiaries every year. The Committee further feels that in the absence of proper coordination between the Social Welfare Department and the Circle Revenue Officers/officials, the scheme is not implemented in true letters and spirits. After hearing the departmental representatives, the Committee recommends that the Department should ensure that the genuine people are covered under the Old Age Pension Scheme and the persons who are found not eligible should not be included by the field investigators.

With a view to achieve the very purpose of the scheme, the Committee further recommends that the Department should adopt any alternative source of distribution of pension as the Patwaries do not distribute the pension to the beneficiaries in the villages in time. The steps taken by the Department in this regard be intimated to the Committee.

[23] 3.3.7 (i) Payment of pension to ineligible persons

(a) Under the OAP(L) Scheme Rules, 1987, the eligibility criteria for pension was 65 years or more of age. However, 29,877 persons who were paid pension of Rs. 330.89 lakhs during June 1987 to February 1990 were found ineligible during annual verification being below the age of 65 years. The payment of pension was terminated forthwith but the DSWOs did not initiate any action to effect the recovery. The Director of Social Defence Security, Haryana intimated (November 1993) that the matter was being examined and notices were being issued to effect the recovery. However, the State Government has not issued any orders in this regard as of November 1993.

(b) Test-check of the 12,518 cases in one block of each of the 4 districts revealed as under :

(i) 173 persons were sanctioned pension under OAP Scheme, 1991, under which the prescribed age for eligibility was 60 years or more. According to their applications the age ranged between 60 and 65 years in 1991-92 and thus none of them could have been more than 65 years of age in 1987. However, these persons were also given pension under OAP(L) scheme, 1987, for which the eligibility criteria was 65 years of age or more. This resulted in irregular payment of Rs. 7 lakh paid to them during June 1987 to October 1990 under OAP(L) Scheme, 1987.

(ii) Another 406³ persons who were sanctioned and paid pension of Rs. 6.39 lakhs during the period July 1991 to December 1991 had land/income in excess of prescribed limit and were thus ineligible for pension under OAP Scheme, 1991. On this being pointed out (February 1993) in audit, the DSWOs intimated (March 1993) that payment of pension to these 406 cases after December 1992 was stopped and action was also being taken to recover the amounts already paid.

(c) Under the OAP(L) Scheme, 1987 and OAP Scheme 1991 the persons in receipt of pension above Rs. 100 per month from any source, were not eligible for pension. However, pension was sanctioned to 679 persons in six districts out of 4.5 lakh persons who were already in receipt of pension above Rs. 100 per month from other sources and who were, thus, not eligible for old age pension. This resulted in inadmissible payment of Rs. 10.26 lakhs during the period from June 1987 to October, 1992.

The Director, Social Defence and Security, Haryana stated (November 1993) that out of Rs. 10.26 lakhs, an amount of 1.34 lakhs had been recovered upto September 1993 and money orders despatched to 90 persons involving amount of Rs. 2.45 lakhs relating to Karnal District were received back undelivered.

2. Ambala 78, Hisar 44, Karnal 193 and Rohtak 91 .

3. Ambala 57, Bhiwani 172, Gurgaon 161, Hisar 147 Karnal 90 and Rohtak 52.

The department, in their written reply, explained the position as under :-

In this regard it is stated that as has been intimated in the reply to Draft para, that the figures of ineligible beneficiaries worked out by Audit i.e., 73434 were not correct. Actual figures of ineligible beneficiaries were worked out to be 60,033 Nos during annual verification by the scrutiny Committees, during the year 1988-89, 1989-90 and 1990-91. But when their pensions were stopped, as a result of above verification, a great resentment prevailed due stoppage of pensions to the large No. of beneficiaries. The matter was discussed in the meeting held on 29-12-88 by Chief Secretary to Govt. Haryana with all DCs of the State, and the matter was also brought to the notice of Honable Chief Minister, Haryana. It was then decided that these disputed cases be put up before the DLC. The notice were served upon them to present themselves before DLC for reverification of their eligibility for pension. As a result of this verification 29647 were declared eligible and recoveries from 509 beneficiaries already been made leaving a balance of 29877 beneficiaries involving an amount of Rs. 3,30,88,816/- as already intimated vide D.O. No. 4141, dated the 17-11-93. Therefore, their cases were also required to be reverified before arriving at the final conclusion of their being ineligible. In view of the above, these beneficiaries, were again called to appear before DLC and out of 29877 beneficiaries, only 19280 presented themselves before DLC out of which 13218 were found eligible and 6062 as ineligible. Further, 2156 cases were reported died and remaining 7441 are still to appear before DLC. Despite issuing them 3-4 notices, they have not presented themselves before DLC.

Thus as per above position Rs. 1,58,43,351/- in respect of 13218 eligible persons are not recoverable. Further, out of 6062 ineligible cases, an amount of Rs 33,48,264/- has been recovered in 3524 cases. As far as recovery of ineligible cases is concerned, efforts are in hand to make good the same.

(i) In this para the test check of 4 districts has been shown in which the payment of pension to under age has been pointed out in respect of 173 persons. The position of recovery is shown here below :-

Sr. No.	District	No. of ineligible persons	Total recovery	Amount recovered	Balance Amount
*1	Karnal	56	2,26,576	not recoverable	
*2	Hissar	29	1,17,334		
3	Rohtak	34	1,37,566	1,37,566	—
4	Ambala	54	2,18,486	1,86,118	* * 32,368
		173	6,99,962	3,23,684	32,368

* As for as the position of recovery in Karnal and Hissar districts. is concerned the detailed reply was already sent to A.G. (Audit), Haryana vide this office D.O. Letter No. 4141, dt. 17/11/93 that the cases were got scrutinised from DLC and all the beneficiaries were found to be 71 years old at that time i.e. in 9/93, as such all these beneficiaries were of 65 years age in 1987. Therefore, no recovery is to be made from beneficiaries

** At present there is only a sum of Rs. 32,368/- which is to be recovered in respect of Ambala district. The cases relating this recovery, are reported died.

(ii) In this para 406 persons have been shown who were stated to be having excess land/income than the norms fixed for eligibility to pension and a sum of Rs. 6,39,200/- has been shown excess paid to these beneficiaries being ineligible in four districts. In this connection, the cases have been got scrutinised from the DLC and it was found that while filling up the forms of these beneficiaries, the revenue authorities had also shown the income/land holding of their children, who were not residing with their parents, but were residing independantly. The forms in which such mistakes were found were again got set right, as has already been intimated by the department vide D.O. No. 4141, dt. 17-11-93 under para 7.2. However, the district-wise position of recovery is as under :—

Karnal :—In Karnal district, 193 beneficiaries were shown as paid in excess. Out of them 68 beneficiaries are such whose recovery was also pointed out in the audit report of A.G. for the period 5/91 to 4/92. These 68 beneficiaries have been found eligible after their rechecking from the DLC and the same have also been got verified from the A.Gs. party and the para stands dropped. Therefore, a recovery of Rs. 122400/- in respect of these 68 beneficiaries, is not to be made. As regards balance of Rs. 2,00,000/- from 125 beneficiaries, the income/land has also been got reverified from DLC, and these 125 beneficiaries have also been found eligible for pension. So the recovery of Rs. 2,00,000/- is also not due from them.

Ambala :—A sum of Rs. 1,40,400/- was pointed out as excess paid in 78 cases of this district. Out of this amount a sum of Rs. 79,200/- has been recovered, from 34 cases leaving a balance of Rs. 61200/-.

Hissar :—A sum of Rs 42,000/- was recoverable in 44 cases, out of which Rs 31,427/- have been recovered leaving a balance of Rs. 10,573/-.

Rohtak :—In Rohtak district, recovery has been affected from 91 beneficiaries to whom Rs. 1,63,800/- has been shown as excess paid and stands deposited in the treasury.

Thus, out of Rs. 6,39,203/- a sum of Rs. 5,67,427/- has been recovered/adjusted and now there is a balance of Rs. 71,773/- to be recovered for which action is in hand.

The position of recovery pointed out in this para as a result of double payment of pension as well as recovery affected and balance till date is shown here under. The DSWOs are being regularly persued to make good the recovery in full:—

Sr. No.	District	No of ineligible persons	Total recovery	Amount recovered	Balance amount
1	Ambala	57	1,85,042	30,284	1,54,758
2	Bhiwani	172	2,08,817	1,56,850	51,667
3	Hissar	147	1,66,817	82,362	84,435
4	Karnal	90	2,45,102	2,45,102	—
5	Rohtak	52	1,08,224	22,206	86,018
*6	Gurgaon	153	1,06,564	1,05,540	1,024
(2 died cases)					
		671	10,20,260	6,42,344	3,77,922

3.3.7. (i) PAYMENT OF PENSION TO INELIGIBLE PERSONS

After hearing the Departmental Representatives, the Committee observed that the ineligible beneficiaries were allowed pension at first instance and proper verification was not done initially to avoid late resentment amongst these beneficiaries on stopage of their pension. The Committee, therefore, recommends that a proper procedure be adopted, as earlier recommended in the above said para, for the identification of eligible beneficiaries so that such type of irregularities may not arise in future. The Committee further recommends that the recovery in ineligible cases be affected at the earliest under intimation to the Committee.

[24] 3.3.7. (iii) *Outstanding amount of undelivered money orders with postal authorities*

According to the provisions in OAP (L), a proper record of all the undisbursed money orders should be kept in a separate register. The undisbursed amount received back should be taken in the cash book and the entire amount, thus, received should be adjusted by short drawal from subsequent pension bill.

*In Gurgaon district, 8 cases were not found of payment of double pension, as such the recovery in these 8 cases is not to be made amounting to Rs. 5668/-. Hence, the net-recovery of Rs. 1,06,564/- was due from 153 persons.

A sum of Rs. 17.12 lakhs representing undelivered money orders (Hisar district) for the years 1988-89 to 1989-90 was lying with the postal authorities as of March 1993 as the amount had become time-barred, due to delay in lodging the claim by DSWOs. In Rohtak district, Rs. 1.18 lakhs relating to 1988-89 were also lying with postal authorities.

On being pointed out in audit, the DSWO, Rohtak stated (October 1993) that the matter was under process with postal authorities for early payment of outstanding amount.

The department, in their written reply, explained the position as under :—

3.3.7. (iii) In this para, a sum of Rs. 18.30 lacs has been shown as pending with postal authorities. Since, this amount has remained unpaid for more than 3 years, as such the postal authorities had referred the case for sanction of refund of lapsed deposits to the Central Govt. However, as per latest communication received from Central Govt. Ministry of Telecommunications vide D.O. No. 9-2/95 to dated 21-6-95, it has been intimated by them that they have given necessary instructions to the CPMG, Ambala to settle the issue. The CPMG, Ambala was also requested vide this office D.O. No. 18989, dt. 25-8-95 to refund the amount of Rs. 18.30 lac to this department immediately and DSWO concerned were also requested to remain in touch with the postal authorities for refund of Amount. The matter was also discussed with postal authorities Ambala Division, Ambala. They have issued further directions to concerned post offices to refund the amount. However, till date a sum of Rs. 15,38,187 has been refunded to DSWO, Hissar. So, a balance amount of Rs. 1,74,043/- of DSWO, Hissar, and Rs. 1,18,440. of DSWO, Rohtak—Rs. 2,92,483/- is yet to be refunded by postal authorities. Action is already in hand to get the balance refund.

3.3.7. (iii) Outstanding amount of undelivered money orders with Postal Authorities

After hearing the departmental representatives, the Committee feels that timely claim was not lodged with the postal authorities resulting a loss of interest to the Department. The Committee, therefore, recommends that responsibility be fixed if some one is found negligent on this account. The Committee further recommends that the remaining amount be recovered from the concerned postal authorities without further delay, under intimation to the Committee.

[25] 3.3.8. Evaluation

The Pension cell created in the Directorate at Chandigarh during February 1988, had not done any evaluation work to ascertain the impact of the scheme on the beneficiaries.

The points mentioned above were referred to Government in September 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under :—

The pension cell created at Head Office has been pursuing the timely disbursement of crores of rupees to lakhs of beneficiaries under the various Pension Schemes. All the loopholes and lapses noticed by the department have been looked into properly from time to time and suitable remedial measures taken. Recoveries of over payment of wrong pension were made good immediately.

The Head Office staff deployed in the pension branch under the Old Age Pension Schemes has been responsible for implementation of all the 3 Pension Schemes. All complaints received from different quarters beneficiaries, are redressed by the said branch at Head Office. As a result of the monitoring and evaluation of the Old Age Pension Scheme from time to time the scheme was revised and new scheme introduced during the year 1987 and 1991 respectively with reference to economic criteria of the persons to extend the benefits to maximum number of needy persons. The system of sending pension through Money Orders was also changed into cash disbursement through Revenue Authorities which is more economic quick and a viable mode of payment of pension to the large number of beneficiaries. It is not out of place to add here that the information gathered by audit has mostly been taken from the Head Office from pension branch. Audit would appreciate that the draft review of the scheme prepared by them would not have been possible had the Head Office branch not monitored, evaluated and made available to audit the relevant record maintained by it from time to time. However, as the formalities for sanctioning/payment of pension is dependable on the various departments their officers/officials, so the happening of mistakes in payment/sanctioning pension to lacs of persons in the State cannot be ruled out. But, this branch is taking more remedial steps to avoid such lapses in future.

3.3.8. Evaluation

During the course of oral examination, the Committee was informed that there is a monitoring cell functioning at the Head quarter. But the Committee feels that the said monitoring cell is not doing monitoring and evaluation work properly. The Committee, therefore, recommends that more suitable steps be taken by the Department to make this cell more effective to undertake the impact of the scheme in beneficiaries. The Committee further recommends that the department should hold camps at district level every month for the redressal of the grievances of the beneficiaries. The action taken by the department be intimated to the Committee.

✓
(WELFARE OF SCHEDULED CASTES/SCHEDULED TRIBES AND
BACKWARD CLASSES DEPARTMENT)

[26]. 3.4. *Liberation of scavengers*

3.4.1. * * * * *

3.4.2. (i) to 3.4.2 (iii) * * *

3.4.2 (iv) Non-recovery of loan ✓

According to the loan register maintained by the respective District Managers of Haryana Kalyan Nigam of the four districts test checked, the following was the position of interest free loans advanced (recoverable in ten half-yearly equal instalments to the liberated scavengers for rehabilitation, recovery due, actually recovered and balance during the years 1988-89 to 1991-92.

The department, in their written reply, explained the position as under :—

(iv) The figure shown by the Audit are not confirmed. The positions is as under :—

District	Year	Total Amount of loan	Amount of Loan due as on 31-12-95	Amount recovered as on 31-12-95	Balance
Hissar	1988-89	92975.00	387725.60	203682.00	184043.00
	1989-90	19225.00			
	1990-91	239400.00			
Gurgaon	1989-90	55750.00	55750.00	7175	48575.00
Narnaul	1991-92	86050.00	60235.00	3200	57035.00
Rohtak	1991-92	146250.00	116210.00	36760.00	79450.00
		639650.00	619920.60	250817.00	359103.60

Efforts are being made to recover the amount from the beneficiaries.

3.4.2. (iv) Non Recovery of Loan

After hearing the departmental representatives, the Committee recommends that the efforts be made to recover the balance amount from the beneficiaries under intimation to the Committee.

MEDICAL AND HEALTH DEPARTMENT
1992-93

7/3/89 [27] 3.1. *Family Welfare Programme including India Population Project*

3.1.1. to 3.1.12 ** * ** ** ** **

3.1.13. Training

Health and Family Welfare Training Centres were to be established with 100 *per cent* Central assistance to impart in-service training programme to the staff working at PHCs. There is one such centre at Rohtak for imparting training to Medical Officers, Health Assistants (Male and Female) and Block Extension Educators, etc.

The position of training courses arranged at the centre was as tabulated in Appendix VI.

The perusal of training programme, however, revealed the following shortcomings.

(i) No course for in-service training to Health Assistants and Block Extension Educators was planned during 1985-86 to 1988-89.

(ii) The shortfall in number of Medical Officers, Health Assistants and Block Extension Educators trained as compared to the number of courses planned and the capacity of each course ranged from 42 to 100 *per cent* during 1985-86 to 1992-93.

Shortfall in various training courses/trainees were attributed by the DGHS to non-provision of Hostel accommodation, stipend and travelling allowance for candidates of Medical Courses and to shortage of space and non-sponsoring of candidates by Civil Surgeons for Health Assistant Courses.

(a) Female Health Workers Training Programme

Nine Training schools¹ were established for imparting training to Female Health Workers. Year-wise details of the admission capacity and actual number of trainees in respect of test-checked schools of Ambala and Sonapat were as under

¹ 1. Ambala, Bhiwani, Faridabad, Gurgaon, Narnaul, Nuh, Rohtak, Sirsa & Sonapat.

Year	Intake capacity of students		Number of students trained		Shortfall	
	Ambala	Sonepat	Ambala	Sonepat	Ambala	Sonepat
1985-86	50	50	50	39	Nil	11
1986-87	50	50	46	45	4	5
1987-88	50	50	48	60	2	Nil
1988-89	50	50	46	46	4	4
1989-90	50	50	42	25	8	25
1990-91	50	50	41	34	9	16
1991-92	50	50	43	43	7	7
1992-93	50	—	40	—	10	—

The reasons for shortfall were not intimated.

(b) Regional Teachers' Training Institute, Barwala (Hisar)

A Regional Teachers' Training Institute for imparting training for Nursing Tutors and Public Health Nurses was established at Faridabad in July 1983 to cater to the requirement of four States^a. During the years 1985-86 to 1992-93, against the capacity of 30 candidates for each year only 3 to 18 candidates were trained as under :

Year	Capacity	Number actually trained	Shortfall
		(In numbers)	
1985-86	30	12	18
1986-87	30	11	19
1987-88	30	5	25
1988-89	30	12	18
1989-90	30	18	12
1990-91	30	3	27
1991-92	30	6	24
1992-93	30	9	21
	240	76	164

1. Converted into Multipurpose Health Workers (Male) Training School from 1992-93.
2. Haryana, Jammu & Kashmir, Himachal Pradesh and Punjab.

The Principal of the institute attributed the shortfall to lack of response from concerned State Governments, non-provision of jobs after training, and lack of incentives to trainees.

(c) Multipurpose Worker Scheme

According to instructions of the Government of India, a sub-centre was to be manned by two Health Workers, i.e. one male and one female. The expenditure on pay and allowances of male Health Worker was to be met by the State Government. In view of shortage of male health workers in the State, the Government of India issued instructions to the State Government to review the position of requirement of male health workers and place them in position by the end of 1991-92 failing which they would stop the maintenance expenditure of those sub-centres where male workers were not in position.

Scrutiny of records of four districts test-checked revealed that out of 737 sub-centres, 287 sub-centres were functioning without male health workers by the end of 1992-93. Thus, the instructions of the Government of India for positioning the male health workers at all the sub-centres were not followed even by the end of 1992-93.

APPENDIX

(Refer paragraph : 3.1.13;

Training courses arranged at

Year	Planned	Conducted	Medical Officer Course Capacity per course	To be trained	Actually trained	Short- fall	Per- cent- age of short- fall	Planned
1985-86	7	4	30	210	57	153	73	Nil
1986-87	7	7	30	210	103	107	51	Nil
1987-88	9	8	30	270	83	187	69	Nil
1988-89	12	Nil	30	360	Nil	360	100	Nil
1989-90	3	1	30	90	15	75	83	5
1990-91	3	1	30	90	8	82	91	6
1991-92	1	Nil	30	30	Nil	30	100	4
1992-93	1	Nil	30	30	Nil	30	100	3

VI

training centre, Rohtak

Health Assistant Courses						Block Extension Educators Courses						
Con- duc- ted	Cap- acity per course	To be trai- ned	Ac- tual ly trai- ned	Short fall	Per- cen- tage of short fall	Plan- ned	Con- duc- ted	Cap- acity per course	To be trai- ned	Act- ually trai- ned	Short- fall	Per- cen- tage of short fall
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	30	150	28	122	81	1	1	30	30	7	23	77
4	30	180	59	121	67	2	4	30	60	64	Nil	Nil
2	30	120	51	69	58	2	1	30	60	9	51	85
4	30	150	87	63	42	3	2	30	90	13	77	86

The department, in their written reply, explained the position as under :—

The position of training courses shown in appendix-6 is correct. However besides the training mentioned in the said appendix, additional trainings of Medical Officers, Health Assistants and stock Extension Educators (B.E.E.) were also conducted which are as under :—

Year	Number of personnel/category trained	Number of batches
1	2	3
1985-86		
(i) 19-M.E. I O./Deputy MEIO		2 batches
(ii) 8-D.P.H.N. & Principal of Multi purpose worker (p) School		1 batch
(iii) 18-A.M.Os/AUOs/HA (Male)		1 batch
(iv) 142-School Teachers		2 batches
1986-87		
(i) 24-BEEs/Artists/Projectionists		2 batches
1987-88		
(i) 29 Officers		3 batches
(ii) 57 M.P.W (Male) Promotional Training		2 batches
1988-89		
(i) 55 M.P.W. (Male) Basic Training Course		1 batch
1989-90		
(i) 83 Deputy M.E.I.O. Projectionists/Sister Tutors		3 batches
(ii) 59 M.P.W (Male) Basic Training Course		1 batch
1990-91		
(i) 54-M.P.W (Male) Basic Training Course		1 batch
(ii) 50 M.P.W. (Male) Promotional Training		1 batch
1991-92		
i) 6 Projectionists		1 batch
(ii) 5 Sister Tutors		1 batch
(iii) 44 M.P.W (Male) Promotional Training		1 batch
(iv) 55 M.P.W. (Male) Basic Training Course		1 batch
1992-93		
(i) 13 B.E.E.S.		2 batches
(ii) 44 M.P.W. (Male) Promotional Training		1 batch
(iii) 55 M.P.W (Male) Basic Training course		1 batch

This was due to the change in the National Health Policy which involved the shifting from Unipurpose Delivery system to Multipurpose Health Workers scheme. All the BEEs and Health Assistants, were imparted training under M.P.W. scheme and there was no need to impart any in-service training to these newly trained health personnel.

Now all the previous short comings are noted and have been over come and training to all the categories is being provided in proper way. The planned numbers are being imparted training under World Bank Project IPP-VII since 1991-92 and the same is given below :—

Training carried out in the World Bank Project

Year	Category of personnel		
	Medical Officer	Multipurpose Health Supervisors (Male & Female)	Multipurpose Health Worker (M & F)
1990-91	—	—	—
1991-92	462	1102	2807
1992-93	65	644	841
1993-94	481	484	525
1994-95	450	411	1421
1995-96 upto Sept. 1995	122	249	398

The reasons for shortfall in imparting training, as pointed out in the para are explained hereunder :—

Ambala

1985-86	No shortfall.
1986-87	4 students left the training.
1987-88	2 students left the training.
1988-89	3 students died during training.
1989-90	3 students left the training and could not clear the examination and 3, cleared the examination later on.
1990-91	Out of 9 student 6 left the training, 3 students were expelled from the training course due to tempered certificate and other irregularities.
1991-92	6 students left the training and one not joined the training.
1992-93	5 candidates not joined the training course and 5 left the training.

Sonepat

As per Medical Superintendent, General Hospital, Sonepat letter No. Acctt. No. 94/246 dated 9-5-94 there is no shortfall in their school during 1985-86 to 1990-91. In 1991-92 4 students left the training and 3 did not join the training course.

3.1.13. Training

After going through the written reply given by the Department, the Committee is constrained to observe that against the training capacity of 240 candidates in Regional Teachers Training Institute, Barwala during the years 1985-86 to 1992-93, only 76 candidates were trained. The clarification given by the Department that the main reason for shortfall is attributed due to lack of response from the candidates and shortage of staff at the institute. The Committee is not convinced with plea taken by the Department. The Committee, therefore, recommends that the said institute be shifted to some other suitable place in the State where more candidates be made available and even if the response is very poor, then the decision be taken to close down the Institute in order to avoid the further wastage of Govt. money. The Committee further desired that the Department may ensure to supply certain information in respect of statement of expenditure and budget allocation on the said institute during the previous years at the time of oral examination, but the required information is still awaited from the Department.

[28] 3 1.14—(ii) Audio Visual Equipment

(a) Of the 14 film projectors available in Hisar district 12 from 1985-86 to 1990-91 and one each received during 1991-92 and 1992-93 2 remained out of order for 7 years (1986-87 to 1992-93), 6 for 4 years (1989-90 to 1992-93), 4 for 2 years (1991-92) and 2-93 and 1 for 1 year (1992-93), only one projector was in working order during 1992-93. District Family Welfare Officer stated (April 1993) that the projectors could not be repaired due to paucity of funds.

(b) Of the 6 film projectors available in Kurukshetra District from 1985-86 to 1990-91, 4 remained idle during 1985-86, 3 in 1986-87 and 2 from 1987-88 to 1990-91.

(c) Of the 4 projectors available in Ambala district in the year 1992-93 3 remained out of order for want of repairs.

The department in their written reply explained the position as under :—

In (b), (c) The Government of India introduced portable Super 8mm projectors in all the States in the Country for the use of Block Extension educators during small group meetings. These projectors were supplied by M/s PDR, Bombay who were sole manufacturer and distributor. There was arrangement for after sale service. The projectionists in the Regional Family Planning Training Centre, Rohtak was trained by the company for attending the minor faults. These projectors after certain period started giving trouble for want of periodical service check up. The pro-

jectors which developed major fault could not be repaired by the company itself. In the mean time the company stopped manufacturing these projectors and the spare parts were not available for repair. Ultimately the use of these super 8mm projectors abandoned not only in Haryana State but all other States also. The work of condemnation of these super 8mm projectors has been taken up.

3.1.14. (ii) Audio Visual Equipment.

During the course of oral examination, the Committee asked for certain information in respect of purchase of fourteen film projector from a company of Bombay, the total amount spent on the publicity including printing of posters and bills etc. etc. during the period under review but the required information has not been supplied by the department till the finalisation of the report.

SUPPLIES AND DISPOSALS DEPARTMENT

1991:92

[29] 7.7 *Avoidable extra expenditure*

On receipt of an indent in October, 1988 for the procurement of cast iron pipes of 200 mm to 900 mm dia (diameter) from the Haryana Urban Development Authority (HUDA) the Director Supplies and Disposals (DS&D) Haryana contacted all the six firms on rate contract of the Director General Supplies and Disposals (DGS&D) for the supply of cast iron pipes. In response, five firms conveyed their willingness to supply the material. The matter was considered by the High Powered Purchase Committee (HPPC), which decided in October 1988 to place order on Calcutta based firm 'A'. Firm was not borne on the rate contract of DGS&D for supply of pipes of 900 mm dia, it however, offered to supply this size of pipe at its rate for 800 mm dia and the HPPC approved the procurement of this size of pipe also from the firm.

Accordingly the DS&D placed an order for the supply of CI pipe of various dias including 5,600 metres of 900 mm dia at Rs. 3053.95 per metre (plus freight Rs 298.44 per metre) on firm 'A' in October 1988. The supply was to be completed by 30th June 1989. Firm 'A' completed supplies of all other sizes except 900 mm dia, and represented in May 1989 for extension in delivery period upto December 1989. It also claimed enhancement of rate to Rs. 3498 08 per metre as allowed by DGS&D after the placement of the order.

The case was examined in May 1989 by a technical committee consisting of the Director, Supplies and Disposals, Chief Administrator HUDA and the Assistant Director, Supplies and Disposals, and their recommendations were submitted to HPPC. The latter decided in October 1989 to cancel the order on firm 'A' on the grounds that (a) enhancement in rate was not stipulated in the order, (b) firm 'A' had not disclosed that it did not have ISI licence for 900 mm dia pipe and (c) the pipes of 900 mm dia offered by firm in 4 metre length would entail an additional expenditure of Rs. 3.49 lakhs on account of extra joints required.

The DS&D placed an order on firm 'B' direct in November 1989 by DS&D at the revised DGS&D rate contract rate of Rs. 3534.36 per metre (plus freight Rs. 302.31 per metre) with instructions to complete the supply within 2 months. The firm supplied only 1,030 metre pipes and refused in April 1990 to continue further supplies unless the freight rate was revised to Rs. 500 per metre.

After protracted correspondence with firm 'B' the matter was deliberated upon by the HPPC in December 1991, and it was decided to treat the order as null and void as the DGS&D had stated in February 1990 that the supply order was not supported by a demand draft as a

pre-deposit. Although the specification of material and other conditions on which the order placed on firm 'A' as cancelled in October 1989 remained unchanged, it was decided to place a fresh order for balance quantity of 4,548 metres in 4-metre length, conforming to ISI specification on firm 'A' at the fresh DGS&D rate. Accordingly, an order was placed in December, 1991 on firm 'A' for supply of 4548 metres at the rate of Rs. 4,308.44 per metre (plus freight Rs. 100 per metre).

Thus the injudicious decision of cancelling the first supply order placed on firm 'A' in October 1988 resulted in extra liability of Rs. 27.83 lakhs for 4548 metres pipes of which extra expenditure of Rs. 6.97 lakhs was incurred on 2102 metres pipes received upto March, 1992.

The matter was referred to Government in June, 1992 reply has not been received (December 1992).

The department in their written reply explained the position as under :—

The Chief Administrator, Haryana, Urban Development Authority sent an indent on 12-10-1988 for the purchase of C.I. pipes of various sizes. It was mentioned in the indent that as the rates approved in the DGS&D rate contract are on the FOR works basis, so commitment of the firms to transport the material by road upto the destinations and freight charges be obtained. Accordingly, DGS&D approved firms were written on 13-10-88 to confirm the delivery period and freight charges upto the consignee's godown.

For size 900 mm, M/S Electro Steel Casting was the only approved firm on the DGS&D rate contract at that time and the rate contract was valid upto 31-10-1988. This firm intimated to supply the pipes of 900 mm dia. on DGS&D rate contract and claimed the freight charges from the despatching station to the consignee's godown as Rs. 650 per MT. Another firm namely M/S Indian Iron & Steel Co; Ltd. intimated that although size 900 mm is not included in their current DGS&D rate contract but they are willing to supply it at per Kg. rates of 800 mm dia. approved on current rate contract. Regarding freight rates, M/S HISCO Calcutta intimated same as Rs. 298.44 per mtr. This freight work out to Rs. 625 on per MT basis.

The freight charges of Electro Steel Casting Ltd. were higher than M/S HISCO Calcutta. M/S, Electrotrol Steel Casting later on intimated that they are willing to accept the lowest road freight as received by the department. The case was put up in the meeting of High Powered Purchase Committee held on 27-10-1998, in which followings were present:—

1. Sh. K. R. Punia, CHAIRMAN
Industries Minister, Haryana
2. Sh. Verender Singh,
Irrigation & Power & Urban Estates Minister, Haryana
3. Sh. Tirlochan Singh, IAS,
Commissioner & Secretary to Govt. Haryana
Industries department.

4. Sh. A. N. Mathur, IAS,
Commissioner & Secretary to Govt. Haryana,
Urban Estates & Colonization.
5. Sh. Anil Razdan, IAS,
Chief Administrator, HUDA.
6. Sh. J. P. Narang, IAS,
Joint Secretary, Finance deptt.
7. Sh. N. K. Jain, IAS,
Director, Supplies & Disposals, Haryana
8. Sh. K.K. Gandhi,
Engineer-in-Chief, Haryana, HUDA.
9. Sh. B. N. Mehta,
Technical Expert (ME)
Directorate of Industries, Haryana.

In the meeting the High Powered Purchase Committee didnot consider the offer of M/S Electro Steel Casting on the ground that this firm had revised their freight charges at a later stage. As there was no other firm approved on the DGS&D rate contract for size 900 mm and M/S Indian Iron & Steel Co. Ltd. which is a Govt. of India Undertaking, had applied for DGS&D rate contract for 900 mm dia also, it was decided by the HPPC to supply order on this firm for size 900mm also @Rs. 3053.95 per mtr.

In pursuance to the decision of High Powered Purchase Committee, Supply order on M/S Indian Iron & Steel Co. Ltd., for size 900 mm was placed on 28-10-88 @Rs. 3053.95 per mtr. pipe rate and Rs. 298.44 per mtr. as freight charges. This was a non-DGS&D rate contract order. The firms was allowed delivery period as upto 30-6-89. After the placement of the supply order, M/S Indian Iron & Steel Co. intimated vide letter 30-12-88 that the pipes are already under production. Separately M/S Electro Steel Casting Ltd. sent representations for not placing order on them although they were on the rate contract.

HUDA informed on 26-4-89 that M/S IISCO was not having ISI licence for this size. Accordingly, a notice was served upon this firm on 23-5-89 to explain as to why they did not bring this fact to the notice of the Govt. immediately after the placement of supply order about no-capability to supply the pipes duly ISI marked. In response, this firm intimated vide letter dated 1-7-89 that they had applied before placement of supply order to the Bureau of Indian Standard inclusion of pipes of size 900 mm in the licence which was under consideration with BIS and they were confident that necessary permission from BIS would be granted well in time so as to enable them to meet their stipulated delivery and hence they did not object to stipulation of ISI marking in the supply order. The firm submitted a copy of ISI licence vide their letter dated 18-7-87.

M/S IISCO demanded following amendments vide their letter dated 1-7-89.

- (i) To amend the rates of pipes as Rs. 3135.44 per meter instead of Rs. 3053.95 per meter due to heavier pipe.
- (ii) To allow price variation as per DGS&D rate contract.
- (iii) To allow them to charge rates as applicable at the time of despatch.

All these amendments were not in accordance with the decision of the High Powered Purchase Committee. Separately M/s Electro Steel Casting intimated that the length of pipes being manufactured by them is 5.5. meters whereas length of pipe in case of IISCO is 4 metres and so there would be lesser number of joints, if pipe is purchased from them. This firm offered to supply the pipes as per DGS&D rate contract and at the freight rates of Rs. 650 per MT. The case was again taken in the meeting of High Powered Purchase Committee held on 31-10-89.

In this meeting, following were present:—

1. Sh. B. D. Gupta, CHAIRMAN
Deputy Chief Minister & Finance Minister, Haryana.
2. Sh. R. S. Malik, IAS,
Commissioner & Secretary to Govt. Haryana,
Industries Deptt.
3. Sh. R. K. Ranga, IAS
Joint Secretary to Govt. Haryana,
Finance deptt.
4. Sh. I.M. Khunger IAS,
Director, Supplies & Disposals, Haryana.
5. M.N. Sharma,
Chief Engineer, HUDA.
6. Sh. K.K. Bhugra,
Superintending Engineer, HUDA.
7. Sh. B. N. Mehta,
Technical Expert,
Directorate of Industries, Haryana.

In the meeting, it was observed by the High Powered Purchase Committee that claim of IISCO that prices as applicable on the day of opening will be charged cannot be accepted. Further, it was also noted by the Committee that there will be a saving of Rs. 3,48,996 on account of lesser No. of joints in pipes of M/s Electro Steel Casting Limited. The High Powered Purchase Committee decided to cancel the supply order placed on M/S IISCO and decided to place fresh supply order on M/s Electro Steel Casting regarding payment terms, the Committee decided that HUDA would be come pre-deposit party on the DGS&D as HUDA is a Autonomous body.

In pursuance to the decision of High Powered Purchase Committee supply order on M/s. Electro Steel Casting Limited, Calcutta was placed on

28-11-89 on DGS&D rate contract rates terms and conditions and at the road freight charges Rs. 650 per MTR. Accordingly, HUDA was also requested to deposit the funds with the DGS&D. The rates of pipe applicable on the date of placement of supply order was @ Rs. 3534.36 per mtr.

After placement of the supply order, M/s Electro Steel Casting Limited started raising clarifications regarding insurance clause, length of pipes, delivery period etc. and supplied material worth Rs. 40 lacs only out of total material worth Rs. 220 lacs. The matter was referred to DG&D Delhi and L.R. Govt. of Haryana. The matter was placed before the High Powered Purchase Committee, in its meeting held on 16-10-1991 under the chairmanship of Hon'ble Chief Minister Haryana. The High Powered Purchase Committee decided to constitute a Sub Committee under the chairmanship of Finance Minister, Haryana. This Sub-Committee held its meetings on 16-10-1991 & 28-10-1991. The case was thereafter placed before the High Powered Purchase Committee in its meetings held on 11-12-1991 & 30-12-1991. In the meeting of High Powered Purchase Committee dated 31-12-1991, followings were present:—

1. Sh. Bhajan Lal,
Chief Minister, Haryana .
2. Sh. Mange Ram Gupta,
Finance Minister, Haryana.
3. Sh. A Banerjee IAS,
Financial Commissioner & Secretary to Govt. Haryana
Finance Deptt.
4. Sh. R. S. Malik, IAS,
Commissioner & Secretary to Govt., Haryana,
Industries Deptt.
5. Sh. Raj Kumar, IAS,
Chief Administrator, Huda.
6. Sh. K. K. Jalan, IAS,
Director, Supplies & Disposals, Haryana .
7. Sh. B. K. Wadhwa,
Chief Engineer, HUDA,
8. Sh. M.L. Verma, IAS,
Addl. Principal Secretary to C. M. Haryana.
9. Sh. B. N. Mehta,
Technical Expert (M.E.)
Directorate of Industries, Haryana.

In this meeting of High Powered Purchase Committee, it was observed that the conduct of M/s Electro Steel Casting was not satisfactory.

& it was decided to cancel the supply order placed on M/s Electro Steel Casting for the balance quantity & decided to place the fresh supply order on M/s Indian Iron & Steel Co. Ltd., Hence fresh supply order in M/s IISCO was placed for the balance quantity on 30-12-1991 @ Rs. 4308.44 per mtr. & freight rate @ Rs. 100 per mtr. This firm has completed the supplies. HUDA have informed that excess amount which they have to pay to IISCO against order dated 30-12-91 as compared to the value of equivalent pipes in order earlier placed on Electro Steel Casting is Rs. 16,81,51,800. The High Powered Purchase Committee in its meeting held on 30-12-1991 had also decided to initiate debarring action against M/s Electro Steel Casting & to take efforts for recovering the excess amount from M/s Electro Steel Casting. Accordingly this office sent the case to the State Govt. for initiating debarring action against this firm but the Govt. after careful consideration withdrew the debarring action against this firm. The matter for recovering the excess amount from M/s Electro Steel Casting has been referred to DGS&D, Delhi.

In views of the position explained above it is pointed out that the decision to cancel the supply order placed on M/s Indian Iron & Steel Co. Ltd. in Oct., 88 was rightly taken due to following reasons:—

(i) The amendment in rates demanded by M/s IISCO was neither according to their original offer nor as per DGS&D rate contract rates terms & conditions. In the DGS&D rate contract also, the firm can claim only that price variation on raw material which is affected within the original delivery period and no price variation is allowed on that increase in rates of raw material which is effected after original delivery period whereas against order placed in October 1988 M/s IISCO has demanded increase in prices during the extended delivery period also. Even if the increase in prices of raw material as per DGS&D rate contract their pattern would have been allowed to M/s IISCO then its rates would have been Rs. 3498.09 per mtr. and total landed prices for 5600 mtrs. of pipes would have been Rs. 2,16,09,508 which includes additional cost due to the extra number of joints as compared to longer pipes manufactured by Electro Steel Casting. In case of M/s IISCO steel Casting Calcutta, the prices per mtr. at the time of decision of High Powered Purchase Committee was Rs. 3534.36 per mtr. and the total landed price in case of this firm was Rs. 2,14,85,352. Hence at the time of the decision the High Powered Purchase Committee purchasing of pipe from Electro Steel Casting Ltd. was cheaper even if increase within original delivery period would have been allowed to M/s IISCO.

In addition to the increase in prices within the original delivery period, the request of M/s IISCO was also for those increase on the basis of revision in prices of raw material which are effected within the extended delivery period. Hence, this firm would have supplied the pipes only if the amendment in rates as per their pattern would have been accepted. Had these conditions been accepted by the High Powered Purchase Committee then the purchasing of the material would have been much costlier than the order placed on M/s Electro Steel Casting Ltd. Hence, High Powered Purchase Committee had rightly decided to cancel the supply order placed on M/s IISCO in October, 1988 in Government interest.

A regards extra expenditure, it is as per DGS & D rate contract terms & conditions, the rates approved were on F.O.R. despatching station basis

and the firms were required to supply pipes through Goods Train & claim actual railway freight. At the time of meeting of High Powered Purchase Committee, dated 27-10-88, only M/s. Electro Steel Casting was on the DGS & D rate contract & if this firm would have been considered strictly as per DGS & D terms & conditions, total value of order would have been as under :

DGS & D rates at the time of decision of HPPC	: Rs. 3058.79/mtr
Delivery period requirement	: upto 30-6-96
Increase in rates allowed by DGS & D within 30-6-96	: Rs. 759.46/mtr
DGS & D rates of pipe after adding above increase	: Rs. 3412.00/mtr plus ST @ 10%
Value of pipes 5351 mtrs. finally purchased	: Rs. 2,00,83,373
Rail freight prevalent in the year 1988 from railhead of ECL to Haryana.	: Rs. 794 PMT
Total value of freight charges	: Rs. 19,75,790
Tentative charges on account of unloading of pipes at consignee's railhead, loading into trucks & local transportation charges.	: Rs. 300 PMT

Total Value : Rs. 2.28 Crores

Against Rs. 2.28 crores, the pipes have been purchased at a cost of Rs 2.33 crores, as per detail placed below. The matter regarding recovery of Rs. 16.81 lacs. against M/s ECL is pending with DGS & D, Delhi. Hence, keeping in view the recoverable amount at the level of DGS & D, Delhi, there has been no loss to the Government.

Calculation details.

Quantity of pipes as per indent	: 5600 mtrs.
Quantity purchased finally	: 5351 mtrs. (2488.4 MT)

1st Order.

(Order dated 28-10-1988, placed on 11SCO)

DGS & D rate contract rates at the time of placing the order	: 3058.79/mtr. plus price variation.
Rate at which supply order was placed on 11SCO	: Rs. 3053.95/mtr.
Rates demanded by 11SCO after placement of order	: Rs. 3498.08/mtr.

Freight demanded by IISCO : Rs. 298.44/mtr.

Value of order placed on IISCO = $(3498.08 \times 5351 + \text{ST @ } 10\% + \text{freight})$
=Rs. 2,21,87,000/- plus further price variation

IIrd Order

(Order dated 28-11-1989 placed on ECL)

DGS & D rate contract rates on the date of : Rs. 3534.35/mtr.
HPPC meeting

Rates increased by DGS & D within D. P. : Rs. 3565.66/mtr.

Freight demanded by ECL : Rs. 650/MT

Total Value of order = $(3565.66 \times 5351 + \text{ST @ } 10\% + \text{freight})$
=Rs. 2,26,05,291/-

Quantity Supplied by ECL : 1051.5 mtrs
(489 MT)

Value of pipes supplied by ECL = $(3565.66 \times 1041.5 + \text{ST @ } 10\% + \text{freight})$

=Rs. 44,40,109/-

IIIrd Order

(Order dated 30-12-1991 placed on IISCO)

Rates at which order was placed : Rs. 4308.44/mtrs.

Freight demanded by IISCO : Rs. 100/mtrs.

Quantity obtained from this firm : Rs. 4300 mtrs.

Value of pipes supplied by IISCO : Rs. 1,89,56,292
(Although firm charged ST @4% but it has not been added because firm raised bill from Haryana)

Total value on which pipes were finally purchased

Value of pipes supplied by ECL + value of pipes supplied by IISCO

=Rs. 44,40,109 + Rs. 1,89,56,292 = Rs. 2,33,96,400/-

7.7. AVOIDABLE EXTRA EXPENDITURE

After hearing the departmental representatives, the Committee recommends that the balance recovery of 16.81 lakhs against M/s E.C.L. which is pending with D G S & D be effected at the earliest under intimation to the Committee.

LOCAL GOVERNMENT AND HOUSING DEPARTMENT

1992-93

[30] 6.2.2. *Nehru Rozgar Yojna*

6.2.2.1 Introduction

Nehru Rozgar Yojna (NRY) was launched in October 1989, and was recast in March 1990 as a Centrally Sponsored scheme with the objective of providing employment to urban and unemployed under-employed poor. The NRY consists of following three schemes :

- (i) Scheme of urban micro-enterprises with training and infrastructure support for urban poor beneficiaries.
- (ii) Scheme for wage employment for creation of socially and economically useful public assets in the jurisdiction of urban local bodies; and
- (iii) Urban employment through housing and shelter upgradation in low income neighbourhoods mainly for the urban poor and economically weaker sections and training and infrastructure support for promotion of construction skills among beneficiaries.

NRY was implemented in the State from 1989-90.

6.2.2.2 Organisational set up

At the national level, the Ministry of Urban Development was responsible for planning, implementation, monitoring and evaluation of the scheme and also for release of the Central share of funds to the various States/Union Territories on the basis of their urban population and incidence of urban poverty. At the State level, the State Government nominated the Secretary, Local Self Government Department as the State Nodal Officer, who was assisted by the Project Director, NRY. At District level, a District Urban Development Agency (DUDA) set up during 1990-91 was responsible for the implementation of the scheme through the urban local bodies.

6.2.2.3 Audit coverage

The review covers the period from 1989-90 to 1992-93 and is based on test-check conducted during September 1992 to February 1993 of the records of Project Director, NRY, District Urban Development Agencies (DUDAs) of four districts¹ and their connected municipal bodies.

The department, in their written reply, explained the position as

¹ The abbreviations used in this review have been listed in the Glossary in Appendix XV

under :—

Nehru Rozgar Yojna has been explained. No comments. Organisational set-up explained. No comments. This para is regarding audit coverage, hence no comments.

6.2.2. Nehru Rozgar Yojna

During the course of oral examination, the Committee observed that the criteria of identification of beneficiaries is not satisfactory one and in most of the cases income certificates are issued without any survey report. The Committee, therefore, recommends that a full proof procedure be adopted with active participation of each Municipal Committees so that the purpose of the scheme is achieved to its satisfaction. The Committee further recommends that the subsidy amount be also disbursed to the beneficiaries through Municipal Committees concerned in future. The action taken by the department in this regard be intimated to the Committee.

[31] 6.2.2.4. Highlights

—Against the allocation of Rs. 733.61 lakhs as Central and State share provided during 1989-92, an expenditure of Rs. 581.70 lakhs was incurred during 1990-91 and 1991-92.

—There was delay of 14 months in release of State share for 1989-90.

The department, in their written reply, explained the position as under :—

It is explained that out of Rs. 733.61 lakh provided by the Centre and the State for NRY the State Urban Development Society received Rs. 623.10 lakh during the year 1989-90, 1990-91 and 1991-92 for SUME (L & S), SUME (Trg.) SUWE and A & O.E etc. and the balance amount of Rs. 110.51 lakh was received by Housing Board, Haryana for SHASU Scheme. Against the funds of Rs. 623.10 lakh received during these years the utilisation was to the tune of Rs. 563.98 lakh which shows more than 90% utilisation.

The delay of 14 months in the release of State share for 1989-90 was due to the fact that the Centre launched this scheme abruptly during the Oct. 1989 and simultaneously released the funds directly to the districts (DRDAS) without prior consultation with the State Government. It took time for the State Government to appoint staff, make budget provision in the year 1990-91 and complete other modalities like appointment of DDO etc. There is, however, no delay in subsequent years.

During 1989-92 period, the low percentage of women beneficiaries was due to the fact that the scheme was new and was implemented for the first time by the Municipal Staff.

The other reasons for low coverage of women are :—

1. It involves risks and the women do not come forward.

2. Socially also it is in the manfolk which takes loans etc. & avail of subsidy under the scheme.
3. In a patriarchal society these schemes are difficult to push through.
4. Even the banking regulations are not favourable.

Efforts are, however, made to motivate as many women as possible.

Expenditure on material exceeded the desired ratio under SUWE because of the nature of construction work undertaken under the scheme. The Municipal Committees did not have sufficient resources to spend on material from their own resources.

6.2.2.4 Highlights

While going through the low percentage of women beneficiaries during the period from 1989 to 1992, the Committee is not satisfied with the reply given by the department that the women are not coming forward to get the benefit of the scheme due to risk factor. The Committee is of the view that women are working with men equally in all walks of life ignoring the risk factor now a days. The Committee, therefore, recommends that sincere efforts be made by the department to motivate as many women as possible for adopting this scheme. The Committee further recommends that the department should also examine this aspect to conduct a survey, within a period of two years instead of three years so that more people could be benefitted with this scheme. The action taken by the department be intimated to the Committee.

[32] 6.2.2.5. Financial outlay and expenditure

The expenditure under the three schemes was to be shared between the Central and the State Governments as under :

Name of the scheme	Name of component	Sharing ratio upto 31st March 1992
Setting up of Urban Micro Enterprises (SUME)	(a) Subsidy (b) Training and infrastructure support	50 : 50 100 per cent by the Central Government
Scheme for Urban Wages Employment (SUWE)	(a) Urban settlements below 20,000 population (b) Urban settlements between 20,000 and one lakh	80 : 20
Urban Employment through Housing and Shelter Upgradation (SHASU)	(a) Subsidy (b) Training and infrastructure support	80 : 20 100 per cent by the Central Government

From 1992-93, expenditure on all the three schemes and their components was to be shared between the Central and the State Governments in the ratio of 60 : 40

For the Scheme of Housing and Shelter Upgradation, the funds were to be released by the Central Government to Housing and Urban Development Corporation (HUDCO) and by HUDCO to Haryana Housing Board (being the implementing agency) and the State share of subsidy was also to be released to Haryana Housing Board.

The year-wise position of release of the Central/State shares and expenditure incurred there against during 1989-90 to 1992-93 was as follows :

Year	Name of scheme	Amounts made available as		Total	Expenditure
		Central Share	State Share		
(Rupees in lakhs)					
1989-90	SUME (Subsidy)	43.49	43.49	86.98	*
	SUME (Training)	8.59	—	8.59	
	SUWE	92.03	23.00	115.03	
	Direction and Administration	19.38	11.97	31.35	
		163.49	78.46	241.95	
1990-91	SUME (Subsidy)	12.01	12.01	24.02	106.69
	SUME (Training)	3.70	—	3.70	10.98
	SUWE	84.98	21.24	106.22	212.05
	Direction and Administration	17.66	7.38	25.04	22.20
		118.35	40.63	158.98	351.92
1991-92	SUME (Subsidy)	49.20	49.20	98.40	99.29**
	SUME (Training)	8.40	—	8.40	6.97
	SUWE	63.20	15.80	79.00	87.91**
	Direction and Administration	17.50	10.67	28.17	17.89
	Strengthening of local bodies	6.30	—	6.30	Nil
	Assistance to non-Government organisations	1.90	—	1.90	Nil
		146.50	75.67	222.17	212.06

* Central funds pertaining to 1989-90 were received later during 1990 and accordingly the expenditure was incurred during 1990-91.

** Excess expenditure was met out of balance grant of previous years.

1992-93 No funds were released up to March, 1993.

The State Government was to make available its share within three weeks from the date of release of share by the Central Government.

While the Central share of Rs. 163.49 lakhs was released in November, 1989, the State share of Rs. 66.49 lakhs for the year 1989-90 was released as late as in February 1991, after a delay of 14 months.

The amount of subsidy released by the Central Government to HUDCO and by HUDCO to Haryana Housing Board (HHB) under the scheme of Urban Employment through Housing and Shelter Upgradation (SHASU) and expenditure incurred thereagainst during 1989-90 to 1992-93 was as under:

Year	Central share released by the Central Government to HUDCO	State share released by the State Government to HHB	Total	Amount actually released by HUDCO To HHB	Funds released by HHB to Additional Deputy Commissioners (ADCs) (DUDAs)	State share of subsidy released by HHB to Additional Deputy Commissioners (ADCs) (DUDAs)	Expenditure
(Rupees in lakhs)							
1989-90	35.05	7.30	42.35	14.60	14.60	7.30	Nil
1990-91	42.60	8.36	50.96	16.70	14.12	3.53	17.72
1991-92	17.20	—	17.20	—	—	—	—

1992-93 No funds were released as on 31 March 1993.

The funds for the year 1989-90 were released by HHB to the ADCs during January and March 1991 against which expenditure of Rs. 17.72 lakhs was incurred during 1990-91. The funds for 1990-91 were released by HHB to the ADCs in November 1992 and no expenditure was incurred as of March 1993.

The department, in their written reply, explained the position as under:—

Actually the scheme was introduced by Govt. of India through HUDCO vide their letter dt. 15-11-89. The direction to make out proposals were given on 14-12-89. In the meanwhile, HUDCO also supplied guidelines to Govt. vide their letter dt. 7-12-89 regarding how to identify the beneficiaries, how to frame scheme and how to apply for loan and central share of subsidy and to provide in the budget estimate of 1989-90 regarding state share subsidy. HUDCO also allocated funds for 1989-90 for Haryana. Rs. 109.53 lacs loan component, Rs. 29.21 lacs central share subsidy (80%) and Rs. 7.30

lacs State Share subsidy (20%). A lot of correspondence and consultation took place amongst HUDCO, State Govt. (Housing Deptt. & local Govt. Deptt) and Housing Board Haryana. Meetings were also held on 1-2-90 and 8-2-90. Ultimately on 13-3-90 State Govt. appointed Housing Board Haryana to implement SHASU as a Nodal Agency under NRY. On 13-3-90 directions were also issued to the effect that HUDCO will release loan/Central share subsidy to Housing Board Haryana State Govt. would release its share to Housing Board Haryana in turn was to pass on these funds to respective Dy. Commissioners who would disburse the loan and subsidy to the identified beneficiaries as takavi loan and will also recover the same as takavi loan. The proposal to provide of Rs. 7.302 lacs as State share of subsidy was received in the 1st week of Feb., 1990 which was approved on 7/8-3-90. HUDCO sanctioned the scheme on 16-4-90.

Concurrence of Finance Deptt. for State Govt. Guarantee was made in April, 1990. The Finance Deptt. advised in October, 1990 to get HUDCO share released first Schedule. New Estimates (SNE) regarding provision of Rs. 7.302 lacs as State share of subsidy in budget estimates has been submitted to Finance Deptt. on 6-3-90 and Govt. sanction could be released on 5.3.1991. However, efforts were made to persuade HUDCO who released funds of Rs. 52.58 lacs (50%) during the last week of Dec. 1990 and 50% Central subsidy Rs. 14.60 lacs on 27-2-91.

Similarly, 50% of the 2nd scheme of 1990-91 was received from HUDCO in the last week of Sept., 1992. Thus, it was not possible to release any funds to Various Dy. Commissioners before January, 1991, March, 1991 and October, 1992. As such, there is no delay at all at any point of time. It is requested that this para may be dropped.

As regards expenditure side it is submitted that since the amount is disbursed by the Dy. Commissioners, on the basis of utilisation certification/reports received from various Dy. Commissioners it has transpired that expenditure of Rs. 244.59 lacs (Rs. 183.03 loan + 61.56 lacs subsidy) have been incurred and utilisation for the remaining amount of Rs. 55.83 lacs are awaited from the Dy. Commissioners as follows :

Sr. No.	Station	Amount
1.	Rohtak	8.72
2.	Ambala	30.08
3.	Yamuna Nagar	14.80
4.	Panipat	2.00
5.	Sirsa	0.24
Total :		55.84 lakhs

Broad details of expenditure are given in Annexure 'A'/'B'. The information is yet awaited from some Dy. Commissioners inspite of several reminders.

ANNEXURE-A

STATEMENT SHOWING DETAIL POSITION OF LOAN COMPONENT AND SUBSIDIES GOT RECEIVED FROM HUDCO SENT TO A.D.Cs. AMOUNT UTILIZED UNDER NEHRU ROJGAR YOZANA

Year	Scheme No.	No. of Beneficiaries	Amount Drawn from HUDCO	Amount sent to A.D.Cs.			Amount Utilised			Remarks (Utilisation still awaited)
				Loan	Central/State Subsidy	Total	Loan	Central/State Subsidy	No. of Beneficiaries	
1	2	3	4	5	6	7	8	9	10	11
1989-90	7326	3651	12/90 3/91	52.58 2.17						Ambala City 9.60 Ambala Cantt. 11.00 20.60
			9/93	54.78						
				109.53	37.06	146.59	94.08	31.91	3136 Nos.	
1990-91	7919	2088	9/92 6/93	52.96 9.68						Rohtak 1.92 Ambala City 5.72 20.60
				62.64	20.88	83.52	51.03	17.01	1701 Nos.	Y. Nagar 7.84 15.48
1991-92	10104	1758	12/93	52.75						Rohtak 6.80 Panipat 2.00 Ambala City 3.76 Y. Nagar 6.96 Sirsa 0.24 19.76
				52.74	17.58	70.32	37.92	12.64	1264 Nos.	
Total				224.92	224.91	75.52	300.43	183.03	6101 Nos.	55.84

STATUS OF VARIOUS SHASHU SCHEMES

Sch./Year of Scheme	No. of beneficiaries	Schemes-Sanctioned			Released by HUDCO/Govt.			No. of beneficiaries	Disbursed to DCS		
		Loan Amt.	Central subsidy	State subsidy	Loan Amount	Central subsidy	State subsidy		Loan Amt.	Central subsidy	State subsidy
1	2	3	4	5	6	7	8	9	10	11	12
1. 1989-90											
(Sch. No. 7326)	3651	109.53	29.208	7.302	109.53	29.208	7.302	3651	109.53	29.208	7.302
2. 1990-91											
(Sch. No. 7919)	4177	125.31	33.416	8.354	62.64	16.704	8.354	2088	62.64	16.704	4.176
3. 1991-92											
(Sch. No. 10104)	3516	105.48	21.096	14.064	5.74	10.55	7.032	1758	52.74	10.548	7.032
Total	11,344										
4. 1992-93											
(Sch. No. 11607)	2100	63.00	12.60	8.40							
5. 1993-94	2033	60.99	12.198	8.132							
6. 1994-95	2000	60.00	12.00	8.000							
7. 1995-96	2000	60.00	12.00	8.000							
	8133										

Scheme sanctioned by HUDCO in July-94 but Govt. approval/Guarantee not yet received.

Schemes sent to HUDCO for sanction on 16-1-96

6.2.2.5. Financial Outlay and Expenditure

After going through the statement showing detailed position of loan components and subsidies received from HUDCO, the Committee observed that the utilisation certificate of the loan and subsidy granted is still awaited from the concerned ADCs. The Committee, therefore, recommends that remaining utilisation certificates be obtained from the concerned ADCs under intimation to the Committee.

[33] 6.2.2.8 Scheme of Employment through Housing and Shelter Upgradation (SHASU)

6.2.2.8 (i) to (iii) * * * * *

6.2.2.8 (iv) Misutilisation of grant

- 14/6/93
- (a) The Scheme of Housing and Shelter Upgradation was to be implemented in urban settlements having population of more than 1 lakh to 20 lakhs. However, expenditure of Rs. 5.48 lakhs was incurred on the scheme during 1990-91 in Municipal Committee, Ambala Sadar, which had a population of 80,741 as per 1981 census. The Chairman, Haryana Housing Board stated (January 1993) that the population of Ambala Sadar including Ambala Cantt. was 1,21,203 as per 1981 census and the funds were correctly released. This was not correct since in 1981 census Ambala Sadar was shown as independent Municipal Committee with a population of 80,741.
- (b) Of the amount of Rs. 147.25 lakhs (loan Rs. 107.70 lakhs and subsidy : Rs. 39.55 lakhs) released to respective Additional Deputy Commissioners by the Haryana Housing Board in January 1991, March 1991 and November 1992, utilisation report of Rs. 75.68 lakhs (loan : Rs. 53.85 lakhs and subsidy: Rs. 21.83 lakhs) was awaited from the District Urban Development Agencies.

The position of loan disbursed, amount recovered and outstanding in respect of Ambala and Sonapat districts as on 31 March, 1993 and in respect of Hisar as on 31 December 1992 was as under :

Serial Number	Name of district	Loan disbursed	Number of loan-ees	Recovery due including interest	Amount recovered	Amount outstanding	Number of loan-ees
(Rupees in lakhs)							
1.	Ambala	7.71	257	1.82	0.17	1.65	215
2.	Hisar	4.98	167	0.78	0.41	0.37	131
3.	Sonapat	3.75	125	0.94	0.33	0.61	115
		16.44	549	3.54	0.91	2.63	461

The reason for low recovery was attributed (May 1993) by ADC Sonapat to non-awareness of the mode of depositing the due amount. However, no replies had been given by ADC, Ambala and Hisar as of June, 1993.

The department in their written reply explained the position as under :—

- (a) The population of Ambala Sadar and Ambala Cantt. was taken together treating both as one town i.e. the Ambala Cantt. This was done in spirit of implementing the scheme.
- (b) Out of total release of Rs. 147.25 lacs, Rs. 138.24 lacs had been utilised Rs. 5.36 lacs were redistributed to all the Districts which were all utilised.

Against Rs. 75.68 lacs, utilisation certificates of Rs. 72.03 lacs have been received and the utilisation certificates for the remaining amount of Rs. 3,65,200/- are still awaited from various Districts.

Dy. Commissioners concerned who are the loan disbursing/recovering authorities are being requested to apprise the Hon'ble Committee the latest position in this regard.

6.2.2.8 (iv) Mis-utilisation of grant.

After hearing the departmental representatives, the Committee recommends that the amount of outstanding recovery from the beneficiaries be recovered at the earliest and intimation be sent to the Committee. The Committee further recommends that a proper publicity/seminars be organised to make this scheme more effective.

INDUSTRIAL TRAINING AND VOCATIONAL EDUCATION DEPARTMENT

1992-93

[34] 3.6 Non-utilisation of equipment

Director, Industrial Training and Vocational Education purchased, between November 1990 and July 1991, various items of equipment, intended for the trade of plastic processing operators at Industrial Training Institute, Narnaul, at a cost of Rs. 13.87 lakhs. The cost of the equipment was shared by the Central and the State Government in the ratio of 60 : 40.

The equipment could not be installed as of June 1993; this was attributed by the Principal, Industrial Training Institute, Narnaul to non-availability of adequate space in the building. The construction work has been taken up by PWD (B&R) since June 1993. The Principal stated (September 1993) that the equipment would be installed/erected by the supplier and the same was lying in packed condition.

Thus, the purchase of equipment without ensuring the availability of space for its installation resulted in blocking of funds.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under :—

As per the decision of Govt. of India the cost of the machinery and equipment for the Plastic Processing Operator trade to be started at ITI Narnaul, was to be shared by the Centre and the State Govt. in the ratio of 60 : 40. The department decided to introduce this trade in ITI Narnaul during the session 1990-91. Accordingly, after obtaining the administrative approval of the State Govt. a draft of the amount of Rs. 4.80 lacs, equal to 40% share of State Govt. was sent to the Indian Plastic Institute Bombay for the purchase of machinery and equipment. As a result the machinery was supplied to ITI Narnaul between 17-11-90 to 11-7-91. But the machinery could not be installed immediately as, for the installation of the machinery, necessary arrangement was to be made for foundation work and cooling water etc. Accordingly the PWD (B&R) Haryana was requested to do the required addition and alternation work in the main workshop of the Institute. But such construction work required some time as rough cost estimate are to be got prepared from PWD (B&R) and after that administrative approval of the

State Govt. is required to be obtained. To start the construction work the PWD is also required to complete certain formalities such as inviting tenders and arranging budget for the work.

The PWD (B&R) completed the above said work in March 1995 & consequently all the machinery received by the Institute was got installed permanently by April 1995.

Due to non-installation of machinery the department was fully aware for the practical training of the trainees and as such the practical training of the trainees was arranged at ITT's Sonapat and Karnal, where the said trade exists, and there was no loss of training of the trainees.

3.6. Non-Utilisation of Equipment

After hearing the Departmental Representatives, the Committee observed that various items of equipment were purchased when infrastructure for its installation was not available with the Department which defeated the very purpose of providing adequate training to the students in that particular trade. The Committee is not at all convinced with the explanation given by the Department. The Committee, therefore, desired that certain information in respect of details of allocation of funds on this project, utilisation of funds, yearwise number of students admitted in the said course, total quantity of raw-material received from the Govt. of India alongwith its utilisation and how much expenditure was incurred in arranging the practical training at I.T.Is, Sonapat and Karnal etc. etc. The Committee took a serious view that the required information has not been supplied by the Department till the finalisation of the Report. The Committee, therefore, desires that the said information be supplied to the committee immediately for its consideration.

RURAL DEVELOPMENT DEPARTMENT

1990-91

[35] 6.6. *Non-recovery of subsidy misutilised*

28/4/90
Under the Integrated Rural Development Programme introduced by Government of India from the year 1978-79, assistance is provided to identified families for various schemes relating to veterinary, agriculture, forestry and village industries for which subsidy ranging from 25 per cent to 66.66 per cent is provided. An agreement deed is executed with each beneficiary which provides; (i) the beneficiary will maintain the assets at least for three years and will not sell or replace the same without prior approval of District Rural Development Agency (DRDA) and (ii) in case of breach of agreement, the beneficiary will be liable to refund the amount of subsidy with interest at the rate of 18 per cent per annum. The agreement deed executed with the beneficiaries also provides that in case of dispute, the matter would be decided through arbitration.

A test-check of the records of DRDA Jind, Rohtak and Faridabad conducted during September 1989 to October 1990 revealed that in 339 cases (Jind : 132, Rohtak : 125 and Faridabad : 82) involving payment of subsidy of Rs. 5.51 lakhs (Jind : Rs. 2.51 lakhs, Rohtak : Rs. 1.87 lakhs, Faridabad : Rs. 1.13 lakhs) assets were disposed of by the beneficiaries within a period of two years from the dates of disbursements of subsidy without prior approval of the DRDA. In 207 cases involving subsidy of Rs. 3.00 lakhs, notices for recovery of subsidy alongwith penal interest at the rate of 18 per cent per annum were issued (April 1990 and March 1991). No action was taken in the remaining 132 cases relating to Jind District. Although no recovery could be effected, the Department had not taken any action to appoint arbitrator as provided in the agreement (May 1991).

The matter was reported to Government in April 1990 and in reply they stated (March 1991) that the procedure laid down for effecting recovery was lengthy, cumbersome and expensive, and that steps were being taken by the DRDA to effect recovery. Further developments were awaited (February 1992).

The department, in their written reply explained, the position as under :—

The reply from all the three DRDAs has been received (i) Addl. Deputy Commissioner-cum-Chief Executive Officer, DRDA Jind has reported that notices were issued to all the 132 beneficiaries under registered cover by the Chairman, DRDA, Jind vide No. 10983-11093 dt. 31-7-91 and No. 4311-4330 dt. 25-5-92 whose assets were not found intact at the time of

first verification. In response to the notices, the beneficiaries replied that the assets could not be produced at the time of first verification because animals were out for grazing in the fields and to the market for earning livelihoods in case of animal carts. On the requests of beneficiaries, re-verification of assets was conducted in all the 132 cases. All the assets were found intact with the beneficiaries at the time of re-verification. The audit seems to have worked out the audit para on the basis of first verification report of assets which showed assets were not available. Chief Executive Officer has reported that the staff of DRDA could not explain the matter properly to the audit party, that the assets being animals could be away for grazing; and to market for earning livelihood. All the assets were found intact at the time of re-verification. Hence, there has been no lapse on the part of the Department for not initiating action as per terms of the agreement in respect of 132 cases of Jind District.

As regards, 125 cases of DRDA Rohtak, Additional Deputy Commissioner-cum-Chief Executive Officer has reported that assets of 72 beneficiaries out of 125 were found intact at the time of 2nd verification. Further out of remaining 53 cases, animals of four beneficiaries were found expired and five cases related to Rewari district due to transfer of villages Jhol kheri & Sadat Nagar from Rohtak district to Rewari district.

ADC-cum-CEO, DRDA Rewari has reported that assets of all the five cases were found intact at the time of re-verification. Notices were issued to remaining 44 beneficiaries whose assets could not be made available at the time of 2nd verification to refund the amount of subsidy or to show the assets. As a result of this action one beneficiary Sh. Jaswant Singh S/o Sh. Chand Ram refunded his subsidy of Rs. 333. The remaining 43 beneficiaries explained to the APOs of this Agency that they were actually away from their home at the time of verification on account of some urgent and unavoidable circumstances so on their request, final verification of 43 cases was conducted and assets in 40 cases were found intact. 3 assets were sold after a period of three years. So in this case also there has been no lapse.

Additional Deputy Commissioner-cum-Chief Executive Officers, DRDA Faridabad has reported that as per first verification report the assets were not found available in 82 cases. Actually, the position was different. The field staff reported later that the assets/beneficiaries were not available at the time of first verification for the following reasons :—

Animals were out for grazing, field work and to market for earning of livelihood. This fact was clearly recorded by the field staff in the re-monitoring report submitted in Sep., 1991 in each case giving above facts against each beneficiary. The staff which produced the record to the Audit Party probably could not explain the reasons for non-

availability of assets at the time of first verification. On re-verification conducted in Sep., 1991 assets in respect of all the 82 cases were found intact.

As explained above, notices were issued to all the defaulting beneficiaries. As a result of the same, one defaulter Sh. Jaswant Singh S/o Sh. Chand Ram (DRDA Rohtak) has refunded the amount of subsidy of Rs. 333. The other beneficiaries requested for re-verification of assets. According to them they could not produce the animals at the time of first verification as the same were out for grazing, and were in the market for earning of livelihood. On re-verification of assets, all the assets were found intact except four animals expired and three beneficiaries disposed of their assets after expiry of three years as laid down in IRDP Manual. From the above, it is clear that timely action was initiated against the defaulters.

As all the assets were found intact/maintained and reasons explained by the beneficiaries so the necessity of appointment of Arbitrator was not required.

A report had been called for, from the other districts of the State as desired. The position of other districts is explained as under :—

Y. Nagar	:	} These four districts were not in existence during the year 1988-89 and were part of Ambala, Kurukshetra, Karnal and Narnaul districts.
Kaithal	:	
Panipat	:	
Rewari	:	} So the information is to be treated as Nil.
Hisar	:	
Sonepat	:	} There was no case where assets were sold or disposed of during the year 1988-89.
Sirsa	:	
K/Shetra	:	} There was no case of mis-utilisation of subsidy during the year 1988-89.
Gurgaon	:	
Narnaul	:	The agency had tried its level best to recover the amount of subsidy from the beneficiaries who had disposed of their assets. All possible methods have been adopted to recover the amount of subsidy. Notices have been issued to the beneficiaries. FIR have also been lodged in chronic cases. An amount of subsidy to the tune of Rs. 63,100 has been got recovered through Tehsildar, Mohindergarh so far.

- Ambala : 27 beneficiaries have misutilised the subsidy during the year 1988-89. They were requested many times verbally or through APOs either to create the assets or refund the subsidy, but they have neither created the assets nor deposited the subsidy. So the SDM concerned has been appointed as Arbitrator to decide these cases :
- Bhiwani : Where the asset is found disposed of, the beneficiary is issued notice and FIR is lodged. Every effort is made to recover the subsidy in such cases with interest.
- Karnal : There were no such type of mis-utilisation cases in this agency.

6.6 Non-recovery of subsidy mis-utilised

After hearing of the departmental representatives, the Committee recommends that strenuous efforts be made by the department to recover the amount of subsidy alongwith interest from the beneficiaries of Narnaul, Ambala and Bhiwani Districts within a period of 6 months under intimation to the Committee. The Committee further recommends that in order to check the mis-utilisation of subsidy in future, necessary instructions be issued to the effect that reverification of assets should be conducted by APOs of adjoining district.

1992-93

[36] : 6.2.3. *Integrated Rural Development Programme*

6.2.3.1. Introduction

The Integrated Rural Development Programme (IRDP) was launched as major poverty alleviation programme in the State during 1978-79 in 39 selected blocks of 6 districts and was extended from 02 October 1980 to all the 89 blocks (12 districts). The main objective of the programme is to enable the rural poor to cross the poverty line on a lasting basis by providing them income generating assets and access to credit and other inputs. The assets which could be in primary, secondary and tertiary sectors are provided through financial assistance in the form of subsidy by Government and loans advanced by financial institutions. "Training of Rural Youth for Self Employment (TRYSEM)" and "Development of Women and Children in Rural Areas (DWCRA)" are the allied programmes covering beneficiaries of the IRDP.

A family of about 5 persons with an annual income level of below Rs. 3,500; subsequently revised to Rs. 6,400 from 1985-86 and to Rs. 11,000 from 1992-93 is termed as below the poverty line. In terms of the "Antodaya" approach followed under the IRDP, the poorest among the poor were to be selected first, the assistance was to be given to the rural families of the target group having annual income upto

Rs. 3,500 first. After covering all such families, the families in the income group of Rs. 3,501 to 4,800 and thereafter from Rs. 4,801 to 6,400 were to be assisted and so on.

The programme envisaged that 30 *per cent* of the assisted families were to be drawn from scheduled castes and scheduled tribes and 30 *per cent* of the total beneficiaries were to be women. These limits were raised to 50 *per cent* in the case of scheduled castes and scheduled tribes and 40 *per cent* in respect of women from April, 1990. Three *per cent* of the handicapped should belong to the handicapped category.

6.2.3.2. Organisational set up

At the State level, the programme was being implemented under the overall supervision of the Joint Secretary-cum-Director, Rural Development. A monitoring cell was to monitor the formulation and implementation of the programme. The schemes under the programme at District and Block level were executed by the District Rural Development Agencies (DRDAs) and Block Development Officers (BDOs).

6.2.3.3. Audit coverage

A review on the implementation of the programme was included as paragraph 6.5 of the Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil) and the recommendations of the Public Accounts Committee (PAC) were contained in its 28th Report presented to the legislature in March, 1989.

The present review is based on a test-check, conducted between September 1992 and April, 1993, of the records relating to the period from 1985-86 to 1992-93 of the Directorate of Rural Development, four District Rural Development Agencies and Block Development and Panchayat Officers in these districts.

6.2.3.4. Highlights

— Against availability of total funds of Rs. 77.31 crores, a sum of Rs. 76.54 crores was spent on the programme during 1985-86 to 1992-93.

The department, in their written reply, explained the position as under :—

Progress Report of 28th Report is being sent regularly.

It is submitted that reply of draft Para of this review was sent to audit office vide DRD No. Accts. 94/20/9011/10867, dated 15-7-94 as the information had to be collected from various DRDAs which took considerable time.

Needs no comments.

The surveys are conducted from time to time and updated according to the revision of the definition of poverty line. Normally, the beneficiaries are selected from the identified BPL families. However, some families are also selected on the basis of the recommendations of the Gram Panchayat/ Gram Sabha in the credit camps.

The abbreviations used in this review have been listed in the Glossary in Appendix XV (page 191 of C & AG of India for the year 1992-93)

1. Ambala, Bhiwani, Gurgaon, Hisar, Mohindergarh and Rohtak.

As explained in the reply of concerned para infra the physical verification of the assets is to be conducted by the bankers within one month. As for as Deptt. of Rural Development is aware such physical verification coupled with qualitative monitoring by the department is conducted regularly.

Loans are recovered by the banks. For this purpose credit cum-recovery camps are arranged and every assistance is provided by DRDAs wherever necessary.

Position is explained in detail against the concerned para infra.

Vikas Patrikas are being issued to the beneficiaries regularly by the DRDAs.

The training imparted in the training centres by DRDAs does not always make the beneficiaries very confident and they intend to have some more experience before starting their own ventures with the assistance under DRDP.

Every effort is made to activate the groups formed. Where the groups are unable to be activated the assistance given is withdrawn as explained in the detailed reply of the succeeding relevant para.

The Department has supplied the latest position as under :—

Position of 1132 cases involving subsidy of Rs. 21.73 lacs under Para 6.2.3.7 (VII) of CAG Report for the year 1992-93

Para 6.2.3.4

S. No.	Name of I RDA	Period of Loan	No. of Cases involved	Amount Involved (Rs. in lacs)	Latest Position	
					Amount Recovered	Action Taken by the Agency
1	2	3	4	5	6	7
1.	Ambala	4/87 to 3/91	64	1.11	NIL	Arbitrator appointed in all 64 cases on 30-8-94.
2.	Bhiwani	4/86 to 3/92	175	3.30	NIL	FIR has been lodged in all the cases.
						Infact there are 98 cases instead of 106 cases as report by the ADC-cum-CEO.
3.	Gurgaon	4/88 to 3/93	106	1.94	NIL	FIR lodged in 18 cases & assets found intact on 2nd verification in 80 cases.
4.	Hisar	4/85 to 3/91	307	4.85	NIL	Para 10 & 2 for the year 1985-86 to 1987-88 in the report for the year 1993-94 in volving Rs. 4.39 lacs has been settled by A.G.
5.	Kurukshetra	4/88 to 3/91	173	3.74	NIL	FIR lodged in 6 cases. Notices for recovery issued in 167 cases.
6.	Rohatak	4/87 to 3/91	53	0.81	333 00	Amount stand recovered in one case. Assets found intact on 2nd verification in all the remaining 52 cases.

1	2	3	4	5	6	7
7. Rewari		4/90 to 3/92	98	2.65	NIL	Cases of 1990-91 has been settled by audit. In 58 cases beneficiaries has created the assets. In 2 cases animals were dead and claim settled. In 1 cases the beneficiary has refunded the amount. In 1 case the loan was not disbursed to the beneficiary. FIR lodged in all the cases. FIR lodged in 5 cases & assets found intact on 2nd verification in 25 cases.
8. Sirsa		4/86 to 3/91	126	2.68	NIL	
9. Y/Nagar		4/91 to 3/92	30	-0.65	NIL	
			1132	21.73		
Note : Infact there were 1124 cases.						
No. of cases in which Arbitrator appointed		Cases settled/ assets found intact	F.I.R. lodged	Notices for recovery issued	Total	
64		540	330	190	1124	

6.2.3.4. Integrated Rural Development Programme

After going through the written reply, the Committee made the following observations :—

- (i) Proper identification of beneficiaries was not done in many cases;
- (ii) The percentage of recovery of loan is very low from the beneficiaries;
- (iii) Assets were not made available at the time of verification; and
- (iv) Monitoring and evaluation of the programme is not being done effectively.

The Committee, therefore, recommends that some concrete steps be taken by the department to make this programme more effective so that more and more families, which are living below the poverty line, may be benefitted. The Committee also desires that the steps taken by the department to improve the existing system be intimated. The Committee also recommends that action already initiated in 1124 cases involving subsidy be settled within a period of six months, under intimation to the Committee.

[37] 6.2.3.8. TRYSEM

TRYSEM was introduced as a facilitating component of IRDP from August, 1979 with a view to imparting training to the identified rural youths between the age group of 18 to 35 years from families living below the poverty line to enable them to improve their skill and to seek self employment. The trainees were to be given stipend from Rs. 100 to Rs. 250 (Rs. 150 to Rs. 300 from 1991-92) per month. Additionally Rs. 75 per trainee per month to the training institution and honorarium of Rs. 50 per month to the master craftsman were to be paid during the period of training. 30 per cent of the youth should be scheduled caste/scheduled tribes and a minimum of 33.3 per cent of youth should be women. These percentages were raised to 50 per cent and 40 per cent respectively from April, 1991.

Up to March, 1972, recurring expenses on TRYSEM training were met from 10 per cent funds available under programme infrastructure of IRDP and thereafter funds were separately provided.

Year-wise position of funds available and actual expenditure incurred on training during 1985-86 to 1992-93 in the State was as

under:—

Year	Total funds released under IRDP	Funds available under IRDP for TRYSEM	Expenditure
(Rupees in lakhs)			
1985-86	744.00	74.40	32.67
1986-87	891.18	89.12	24.71
1987-88	973.45	97.34	23.14
1988-89	1091.08	109.11	22.84
1989-90	1152.86	115.29	30.14
1990-91	943.60	94.36	40.57
1991-92	723.07	72.31	58.75

During 1992-93, as against allocation of Rs. 60.97 lakhs, Rs. 81.93 lakhs had been spent under this component. Following points have emerged as a result of test-check:

(i) Physical performance

(a) The year-wise position regarding youth trained, provided self or wage employment and youth remained unemployed in the State from 1985-86 to 1992-93 was as under :

Year	Youth trained	Youth provided with employment		Youth remained unemployed	
(In numbers)					
		Self-employed	Wage-employed	Total	
1985-86	3,317	185	97	282	3,035
1986-87	2,789	429	72	501	2,288
1987-88	2,531	375	176	551	1,980
1988-89	2,218	395	461	856	1,362
1989-90	2,328	877	316	1,193	1,135
1990-91	2,453	926	396	1,322	1,131
1991-92	4,402	1,700	595	2,295	2,107
1992-93	7,067	2,818	1,075	3,893	3,174
Total	27,105	7,705	3,188	10,893	16,212

Of the 27,105 youths trained during 1985-86 to 1992-93 at a cost of Rs. 314.75 lakhs, the DRDAs could settle only 10,893 youths (40 per cent).

(b) None of the trainees was provided with free tool kit in any year of the training course as envisaged in the scheme.

(c) 50 per cent of the sale proceeds of the articles produced by the trainees during the training period were to be given to the trainees and the remaining 50 per cent were to be given to trainer/training institute. However, in the 4 districts test-checked sale proceeds of articles produced by the trainees were neither given to trainees nor to the trainers/training institutes. The sale proceeds amounting of Rs. 24.29¹¹ lakhs during 1985-86 to 1992-93 was deposited with the DRDAs; which treated it as miscellaneous receipts.

(ii) Financing project for self employment

Loan applications of the TRYSEM trainees were to be completed and processed while training was in progress so that loans could be disbursed immediately after completion of course.

(a) In the four districts test-checked, records relating to collection of applications and their processing were not maintained by any of the agencies.

(b) In Gurgaon district, 7 applications of youths trained in Gem polishing of Nagina block were recommended by the Block Development and Panchayat Officer, Nagina for assistance for self employment. Of these, 6 applications were recommended by the Additional Deputy Commissioner, Gurgaon in May 1991 to bank for granting loan under IRDP but none of them received assistance as of May, 1993.

(iii) Support to training infrastructure

Government of India provided assistance to training institutions belonging to the Central and the State Governments and voluntary organisations (which imparted training under TRYSEM) for construction of buildings, workshops, equipment and training aids, transport vehicle and lodging equipment, etc.

The position of funds released, funds available, expenditure incurred and unspent balance during each year on TRYSEM infrastructure

¹¹ Ambala : Rs. 10.36 lakhs; Gurgaon : Rs. 0.77 lakh; Hisar : Rs. 9.68 lakhs; and Rohtak : Rs. 3.48 lakhs.

from 1985-86 to 1991-92 (State as a whole) was as under :

Year	Funds released	Miscellaneous receipts	Funds available	Expenditure	Unspent balance	Percentage of shortfall
(Rupees in lakhs)						
1985-86	5.04	—	5.04	—	5.04	100
1986-87	10.88	—	15.92	5.02	10.90	68
1987-88	14.96	—	25.86	9.93	15.93	62
1988-89	8.17	0.05	24.15	14.37	9.78	40
1989-90	19.14	0.31	29.23	15.69	13.54	46
1990-91	16.91	0.36	30.81	11.94	18.87	61
1991-92	12.84	1.56	33.27	10.39	22.88	69
1992-93	11.52	1.29	35.69	18.98	16.71	47

The shortfall in utilisation of funds ranged between 40 and 100 per cent during 1985-93. This was mainly due to late release of final instalment of grant and late sanction of a few projects during 1991-92 and 1992-93. During 1991-92, Rs. 1.38 lakhs provided for TRYSEM infrastructure were utilised for providing assistance of Rs. 0.50 lakh to Khadi Sadan, Ambala, Rs. 0.25 lakh to Co-operative Milk Producer, Ambala and Rs. 0.63 lakh spent on payment of salary to DRDA staff not covered under the TRYSEM infrastructure. Reasons for deviation were not intimated as of October, 1993.

The department, in their written reply, explained the position as under :—

Being introductory part needs no comments.

(i) (a) The reports have been obtained from different DRDAs and it has been explained in general by them that the figures shown as unemployed pertained to the same year of training. Cent per cent employment cannot be done in the same year. In certain cases it is reported that coverage of women in self employment could not be raised to 50% as most of the girls leave the village after their marriage.

(b) As regards, issue of tool-kits, the shortage of funds hampered progress of purchasing tool-kits by the DRDAs. However, best efforts are being made to provide all necessary tools to the TRYSEM Trainees. The trainees are provided tool-kits by the Agency depending on the availability of funds.

(c) In this connection, it is generally reported that the expenditure of the TPCs is higher as compared to their earnings from sale proceeds. Moreover, in most of the cases the material is consumable. Where, however, some articles are produced and sold, appropriate share is given to trainees also.

(ii) It is explained that the applications are collected, processed and sent to banks along with IRDP cases. Record is being maintained with IRDP loan cases and all efforts are being made to set up their units for self-employment. However, most of the trainees after completion of their training do not gain sufficient self-confidence and want to gain experience in the open market for one or two years and only after that they consider to set up their units and go in for wage employment. Hence, it becomes difficult to provide assistance of loan to all of them immediately after the completion of training.

(iii) Being introductory hence no comments.

As reported by ADC-cum-CEO, DRDA Ambala, the position of utilisation of funds to the tune of Rs. 1.38 lacs is as under :—

- (i) Rs. 49,800 was provided to Khadi Sadan for installation of Honey Extractor Machine for providing marketing facilities. Out of this Rs. 46,300 were provided to Khadi Sadan for installation of Honey Processing Plant to supplement the further requirement of Bee Keeper. Rs. 3500/- were provided for Honey Extraction to bee users by IRDP beneficiaries.
- (ii) Rs. 25,000 were given to Milk Union, which caters to the needs of farmers under IRDP. This expenditure has been approved by the Governing Body and the Co-operative Society has also created the assets out of this amount.
- (iii) Rs. 63,433 were spent on salary of IRDP staff from 4/91 to 3/92. This expenditure has been made as per provision in the Annual Action Plan which was approved by SLCC.

The expenditure has already been got approved from Governing Body of DRDA and Khadi Sadan has also utilised the amount in full and installation of Honey Processing Plant which is already working. Keeping this in view, the para may kindly be dropped.

6.2.3.8. TRYSEM

After going through the report of concurrent evaluation of integrated Rural Development Programme (September, 92 to February, 93) as supplied by the department, the Committee observed that percentage of beneficiaries who received training under TRYSEM was zero. The Committee therefore, recommends that some suitable steps be taken by the department to attract trainees towards this programme as the proper linkage of IRDP beneficiaries with TRYSEM is an important aspect of the programme.

**TOWN AND COUNTRY PLANNING DEPARTMENT
(HARYANA URBAN DEVELOPMENT AUTHORITY)**

1 1990-91

[38] 6.5. *Unfruitful Expenditure*

The Haryana Urban Development Authority (HUDA) acquired 20.88 acres of land valued at Rs. 26.40 lakhs in 1984-85 for developing a new Sector 14 in the Urban Estate, Karnal.

The High Court, when approached by some of the land owners against acquisition of their land granted stay (January 1985) against the land acquisition order. The Court also disposed of two other writ petitions (July 1985) when HUDA agreed to release the land of the petitioners from acquisition and to provide alternate site to 126 other petitioners without contesting.

Despite the above facts, administrative approval for providing public health services (Rs. 24.48 lakhs) and for construction of roads (Rs. 13.18 lakhs) was accorded in January, 1986. On completion of demarcation of the Sector (March 1986), the execution of developmental works for providing water supply and sewerage lines were commenced in May, 1986. Expenditure of Rs. 2.88 lakhs (Tubewell : Rs. 0.96 lakh; Sewer : Rs. 1.92 lakhs) was incurred during May, 1986 to February 1987, whereafter execution was suspended due to hindrances caused by a large number of buildings constructed by the residents of the area during pendency of land acquisition proceedings.

The Estate Officer, HUDA, Karnal further reported in March 1989 that out of 20.88 acres land acquired in different pockets, 5.18 acres (in two pockets) were under dispute due to various writ petitions. 161 out of 255 plots allotted fell under the disputed areas and the remaining 94 plots fell in 3 different pockets lacking contiguity, on account of which development costs would be very high. Resultantly, neither the tubewell was commissioned nor was the partly constructed sewer lines connected with the main sewer, and the agreements executed with contractors were rescinded. Thus, due to defective planning and lack of co-ordination among various officers within the organisation, the entire expenditure of Rs. 2.88 lakhs was rendered unfruitful.

HUDA reported (May, 1991) that for the present there was no proposal to utilise the land available in Sector 14 Part II, Karnal.

The matter was reported to Government in July 1991; reply has not been received (February 1992).

The department, in their written reply, explained the position as

under :—

The plots had been allotted and it was incumbent on HUDA to develop the same expeditiously and to hand over the possession to allottee. The work was therefore taken up after the receipt of A/A and the approved layout plan. The litigations/encroachments came to the notice only after the start of the work at site and the work was stopped immediately after these difficulties came to notice.

The observation of P.A.C. is correct, as the work was started only in the portion which was undisputed.

Before starting the work demarcation was jointly done by the Engg. & Town Plg. Wing. No land owner ever objected to the demarcation or brought any litigation to any body's notice. The hinderances were caused only when the work was actually started at the site. HUDA made an award of 20.88 acres of land, but later on some of the land owners went to court and obtained stay orders. Now the latest position is that out of the 20.88 acres, of the land, 18.78 acres land is available with HUDA and only land under litigation is 2.10 acres. Therefore, the expenditure incurred amounting to Rs. 2.88 lac have not been infructuous. It is further added that Rs. 0.96 lac have been spent on boring of tubewell which is on HUDA land and Rs. 1.92 lacs has been spent for laying of sewer line which is mostly on HUDA land. Only Rs. 0.28 lac for laying sewer on land under litigation/unacquired have been spent. The laying of sewer in the un-acquired area is also essential to make the sewerage system functional and as such this sewer will have to be laid through the un-acquired area either by acquiring the road portion of about 1/2 acre of land or by passing the sewer underground by mutual agreements with the land owners. Since the land measuring 18.78 acres out of 20.88 acres is with HUDA and is being replanned for development, therefore, the expenditure incurred above has not been unfruitful.

No body is responsible as no hinderance came to the notice at the time of demarcation. Hinderances were caused when the work was in progress and the same was stopped as soon as the hinderance came to the notice. Therefore, no officers/officials can be held responsible.

Since most of the area i.e. 18.78 acres out of 20.88 acres is clear from litigation, now, as the stay against CWP No. 1742, 1743, 1926 and 1975 have since been vacated. The work already done will be used for the clear area. However, efforts are being made to get the balance area cleared from litigation.

6.5 Un-fruitful Expenditure

During the course of oral examination, the Committee asked for certain information from the Department but the Committee is constrained to observe that despite issue of the repeated reminders by the Vidhan Sabha Secretariat, no reply has so far been supplied by the Department till the finalisation of the report. The Committee, therefore, directs the Commissioner & Secretary, Town & Country Planning Department, to ensure that reply be sent to the Committee as and when required in a stipulated period. The Committee further recommends/desires that the responsibility be fixed of those who failed to supply the requisite information to the Committee well in time and a report be sent to the Committee for its information.

The Committee also recommends, that intimation be sent to the Committee after the balance area is cleared from litigation.

1991-92

[39] 6.5. *National Capital Region*

6.5.1. Introduction

The National Capital Region Planning Board (NCRPB) was constituted in March 1985 under the NCRPB Act, 1985, to cope with the population pressures in Delhi and check further migration by developing "Counter Magnet" towns around the capital. The Regional Plan 2001 was approved by the Board in November 1988.

The Regional Plan envisaged development policies, programmes and plans to remodel the pattern of settlement in the National Capital Region (NCR) to relieve the capital from the increasing pressures of population and to avoid adding new pressures on the capital.

In sub-region Haryana, 5 priority towns (Dharuhera, Panipat, Palwal, Rewari and Rohtak), 4 Delhi-Metropolitan Area (DMA) Towns (Bahadurgarh, Faridabad, Gurgaon and Kundli) and 1 Counter Magnet Town (Hisar) were identified for development under NCR plan. Fifteen schemes were taken up under the NCR plan in the sub-region up to the period ending March 1992.

6.5.2. Organisational set up

The NCRPB is responsible for ensuring proper and systematic programming in regard to project formulation, determination of priorities, development in stages indicated in the Regional Plan 2001 and overseeing the financing of selected development projects through Central/State plan funds.

In Haryana, the Town and Country Planning Department is the nodal agency responsible for the implementation of the plan in the sub-region.

The Chief Co-ordinator Planner (CCP) (NCR) Haryana is responsible for preparation of sub-regional plan, assisting the implementing agency in preparation of projects formulation, providing feed back to NCRPB in matters relating to planning and development of the scheme and monitoring of the sub-regional plan.

The implementation of the sub-regional plan and execution of projects and schemes are the responsibility of the Chief Administrator Haryana Urban Development Authority (HUDA).

6.5.3. Audit Coverage

The review covers the period from 1985-86 to 1991-92 with reference to a test check (April-May 1992) of the records of the office of the CCP (NCR), Gurgaon and the Implementing Agency HUDA and its field offices at Gurgaon and Panipat.

Records relating to the following four projects were not made available to Audit by the CCP (NCR) Gurgaon in spite of reminders :

Sector 14-(Residential) Gurgaon

Sector 17-(Residential) Gurgaon

Sector 4 and 7 (Residential) Gurgaon

Sector 25 (Industrial) Panipat

6.5.4. Highlights

—Against the Central assistance of Rs. 1452.50 lakhs released during 1985-86 to 1991-92, expenditure of Rs. 1474.63 lakhs was incurred by the Implementing Agency. The Implementing Agency did not provide its share of matching contribution for the development of National Capital Region during 1985-86, 1987-88, and 1989-90 to 1991-92.

(Paragraph 6.5.5.1)

—Implementing Agency/Chief Co-ordinator Planner (NCR) Haryana reported inflated figures of expenditure of Rs. 2062.82 lakhs in the progress reports of expenditure sent to NCRPB.

(Paragraph 6.5.5.2)

—Utilisation certificates for Rs. 480.50 lakhs of Central assistance required to be sent to NCRPB by March 1992 had not been sent by HUDA.

(Paragraph 6.5.5.3)

—NCR Planning and Monitoring Cell, Haryana had not been fully functional because of a large number of vacancies in the technical cadres.

(Paragraph 6.5.6)

—During 1985-86, 1986-87 and 1990-91, no project report was approved; five out of nine project reports were approved between June 1991 and February 1992. No project report for three out of four DMA towns and for the Counter Magnet Town Hisar was prepared. Of the five priority towns, no project report for Palwal Town was prepared.

(Paragraph 6.5.7)

—The progress of land development for Institutional Sector 32 and part-39 (Residential) Gurgaon was slow. Construction of link road for Sector 4 and 7 connecting Sector 17 targetted for March 1992 was incomplete. Although land for Sector 25 (Industrial) Phase-II- Informal Panipat was acquired in March 1991, the layout plan was finalised only in July 1992.

(Paragraph 6.5.9)

—Show rooms and shops completed at a cost of Rs. 48.79 lakhs during November 1989 to June 1992 at Transport Nagar, Panipat had not been allotted so far.

(Paragraph 6.5.10)

—Against the advance of Rs. 580 lakhs by HUDA for acquisition of land in Gurgaon, the awards announced by the Land Acquisition Collector (LAC), amounted to Rs. 486.35 lakhs. The balance amount of Rs. 93.65 lakhs had neither been claimed by HUDA nor refunded by the LAC.

(Paragraph 6.5.11)

—Construction of a large number of residential and industrial plots in Gurgaon and Panipat had not been completed.

(Paragraph 6.5.14)

* * * * *

Para 6.5.3. Audit coverage

Although the Audit coverage is from 1985-86 to March 1991-92 but in the relevant test-check, it is mentioned as April-May 1992 of the records of the Office of CCP Gurgaon and HUDA.

Record pertaining to the mentioned project are very old. Development works on these Sectors have already been completed prior to the formation of office of CCP Gurgaon.

* * * * *

Para 6.5.5.7.

As per the decision of NCR Planning Board DMA towns were excluded from the preview of loan assistance. Central assistance was to be given for selected priority towns because of the limited funds available with in the NCR Planning Board. Project report of Palwal town was not prepared as it was not included in the list of selected towns prepared by NCR Planning Board.

Para 6.5.5.9

Since there was no response from institution/Govt. of India offices for allotment of land in sector 32 and part 39 Gurgaon progress of land development was slow. Construction of link road for Sector 4 & 7 was not completed because some portion of land is yet to be acquired. Sector 25 (Industrial) Phase-II-In Formal Panipat matter was to be sorted out with HSIDC regarding construction of work places or in Formal Sector 25 Panipat.

* * * * *

6.5. National Capital Region

The Committee, while discussing the Regional Plan envisaged development policies, programmes and plans, to re-model the pattern of settlement in the National Capital Region, with the representatives of the Department, observed that in order to release the Capital from the increasing pressure of population, the National Capital Region plan needed to be revised in view of the changed scenario. The Committee, therefore, recommends to the Government to take up the matter with the Government of India that the areas within 150 Km radius of Delhi including town i.e., Karnal, Hansi, Bhiwani and Mahendergarh should be included in the National Capital Region Plan to reduce the pressure of migration of people to Delhi.

[40] 6 5.5.3. Utilisation of Central assistance

Analysis in audit revealed that against the aggregate amount of Rs. 1178 50 lakhs released as Central assistance by NCRPB to HUDA during 1985-86 to 1990-91, HUDA had submitted utilisation certificates for Rs. 698 00 lakhs only. Utilisation certificates for Rs. 480.50 lakhs had not been submitted as of September 1992, reasons for which were waited.

The department, in their written reply, explained the position as under :—

Para 6.5.5.3.

The position of utilisation certificates for amount of Rs. 480.50 lacs is as under :

Name of scheme	Utilisation certificates to be submitted	Remarks
1. Link road Sec. 4 & 7 Gurgaon	Rs. 88 lacs (38+50)	Expenditure upto 3/93 incurred is Rs. 97.29 lacs and utilisation certificate of Rs. 25.00 lacs has already been sent. The utilisation certificates of Rs. 88.00 lacs shall be submitted on incurring double the expenditure of central assistance received.
2. Transport Nagar Panipat	Rs. 45 lacs	Expenditure of Rs. 93.05 Lacs has been incurred of this scheme however utilisation is being sent shortly.
3. Sec. 7	Rs. 108 lacs	Utilisation certificate of Rs. 108 lacs has already been sent to NCRPB.
4. Sec. 5 (New No. 18, 19 & 20) Gurgaon	Rs. 105 lacs (75 + 30)	These schemes have already been completed and expenditure more than the double of the amount of central assistance received has been incurred.
5. Sec. 11 & 12 residential Panipat	Rs. 133.50 lacs	The utilisation certificates of Rs. 75 lacs, Rs. 50 lacs, Rs. 30 lacs and Rs. 83.50 lacs have already been sent Out of the amount of Rs. 480.50 lacs Utilisation certificate of Rs. 346.5 lacs NCRPB and utilisation certificate of Rs. 46 lacs is being sent shortly.

6.5.5.3 Utilization of Central Assistance

After going through the written reply submitted by the Department, the Committee observes that still in many cases, utilization certificates have not been sent for the assistance received. The Committee is failed to understand as how the expenditure incurred in a particular scheme can be justified in the absence of utilization certificates. The Committee, therefore, recommends that the remaining utilization certificates be obtained without any further delay.

[41] 6.5.6. *Functioning of State planning cell*

The NCRPB approved in February 1988 the creation of NCR planning and monitoring cell in Haryana with a strength of 30 suggested posts of various disciplines. The NCRPB agreed to provide financial assistance to the State Government in the shape of grants-in-aid to the extent of 50 per cent of the expenditure on the cell commencing from 1st January 1988, till the end of Seventh Five Year Plan period and 100 per cent thereafter. Expenditure of Rs. 29.10 lakhs was incurred on the cell up to March 1992. Central Government had provided assistance of Rs. 2.30 lakhs against the expenditure of Rs. 4.60 lakhs incurred up to February 1989. Central assistance was still awaited against the expenditure of Rs. 24.50 lakhs incurred during 1989-92.

Despite repeated directions from the NCRPB to make the cell fully functional, necessary staff as per the prescribed staffing pattern was not provided by the State Government. Though the Ministerial and class IV posts (13) had been fully filled up, 13 out of total 17 technical posts were sanctioned and of these 11 remained vacant as on 31st March 1992 :

Name of Post	Sanctioned posts	Number of vacant posts	Period during which these remained vacant
Associate Planner	2	2	1989-90 to 1990-91
Assistant Town Planner	3	2*	1990-91 to 1991-92
Research Officer	1	1	1989-90 to 1991-92
Planning Assistant	2	2	1989-90 to 1990-91
Research Assistant	2	2	1989-90 to 1991-92
Ferro Printer	1	1	1989-90 to 1991-92
Planning Draftsman	2	1	1989-90 to 1991-92

The technical posts having remained vacant, the planning and monitoring cell had not been fully functioning.

The department, in their written reply, explained the position as under :—

Para 6.5.5.6.

Present position of vacant post is given as under out of total 13 technical posts, 9 posts are vacant.

Steps will be taken to fill the posts at the earliest.

* Additionally, one post remained vacant during 1989-90.

STATE PLANNING CELL

Name of Post	Sanctioned posts	Number of vacant posts	Period during which these remained vacant	Latest position of vacant posts as on 1995-96
Associate Planner	2	2	1989-90 to 1990-91	1
Assistant Town Planner	3	2	1990-91 to 1991-92	2
Research Officer	1	1	1989-90 to 1991-92	1
Planning Assistant	2	2	1989-90 to 1990-91	—
Research Assttstant	2	2	1989-90 to 1991-92	2
Ferro Printer	1	1	1989-90 to 1991-92	1
Planning Draftsman	2	1	1989-90 to 1991-92	2

6.5.5.6 Functioning of State Planning Cell.

After hearing the departmental representatives, the Committee recommends that the vacant Technical posts be filled up at the earliest so that the functioning of the Monitoring Cell be made more effective.

[42] 6.5.10. Idle investment

NCRPB approved in March 1988 a scheme for the construction of Transport Nagar, Panipat (estimated cost : Rs. 92 lakhs, revised to Rs. 94.35 lakhs) and also sanctioned Central assistance of Rs. 46 lakhs representing 50 per cent Central share.

The scheme provided for the construction of 14 number show rooms 8 number shops, 21 number convenient shops besides public utility blocks, boundary wall and pavement etc. These buildings were to be sold to general public through auction by the Estate Office, HUDA, Panipat. The following buildings had been constructed up to September 1992.

Building	Cost of construction (Rupees in lakhs)	Date of handing over to Estate Office
21 Number convenient shops	9.88	November 1989
8 Number shops	4.41	October 1990
8 number show-rooms	34.50	June 1992
Total	48.79	

None of the above buildings has been allotted as of October 1992 and investment of Rs. 48.79 lakhs remained idle.

The department, in their written reply, explained the position as under :—

Para 6.5 5.10

Some of the constructed shops/show rooms were put to auction during 3/94 and 6/95 but due to slump in the real market the bidders did not come forward and the auction remained unsuccessful. The reserve price for the next auction which is to be held in near future will be fixed after adding upto date interest. As such there is no financial loss to HUDA.

6.5.5.10 Idle Investment .

The Committee recommends that the show-rooms and shops constructed at Transport Nagar, Panipat, be allotted without any further delay and a report be sent to the Committee for its information.

1992-93

[43] 6.3.2 Avoidable Payment of interest

Under the Land Acquisition Act, 1894, if any person does not accept the award within the time limit specified in the Act, he may, on written application, require the matter be referred by the land Acquisition Collector to the Courts for determination of the award. Failure to make references promptly to the concerned courts entails the payment of interest at the rate of 9 per cent per annum for the first year from the date of award and 15 per cent per annum for subsequent period till realisation of amount. However, no time limit for forwarding the applications to the Court is provided in the Act.

Test-check of the records of Land acquisition collector, panchkula revealed that in 42 cases where land was acquired for Haryana Urban Development Authority (HUDA), involving payment of compensation amounting to Rs. 338.24 lakhs made between October 1990 and may 1993, the time taken to forward the applications to the Court ranged between 8 and 66 months. The inordinate delay in forwarding applications to the Courts resulted in avoidable payment of interest of Rs. 174.50 lakhs by HUDA.

The matter was referred to Chief Administrator HUDA/Government in January/August 1993; reply has not been received (November 1993).

The department, in their written reply, explained the position as under—

In this connection, the submission of this office regarding loss of interest is as under :—

1. That neither there is any specific time limit prescribed in the L.A.O. Act nor any time schedule have been fixed for the proceeding of application under section 18 of the Act.

2. That at the inception of L.A.O. office Panchkula in 1971-72, the acquisition of land was limited upto Panchkula Urban Estate and with the passage of time jurisdiction of land Acquisition office Panchkula extended to cover the Districts of Ambala, Kaithal, Yamuna-Nagar, Kurukshetra Karnal and Panipat. All these Districts put together, there are 17 Districts Courts of D.J./A.D.J. level. Besides these, High Court and Supreme Court are there. Litigation work in all these cases is being attended to by the revenue staff comprising of 5 Patwaris and 2 Kanungoes which is considering the quantum of work. This strength was sanctioned in 1971-72 and despite increased work load strength of the supporting staff has not increased.

3. That besides the above litigation work of Urban Estates, cases of Haryana State Agriculture Marketing Board as well as colonization Deptt. are also being attended to by the above staff.

All out efforts are being made to submit the cases under section 18 to the respective courts as early as is possible to avoid delay. Moreover, whatsoever payment of interest is made to the Land owners, that is paid, with the approval of beneficiary Department i.e. HUDA. Enhanced cost of land is to be recovered by the HUDA from the plot owners as per the agreement or allotment. Hence, there is no scope for loss either to the acquisition agency i.e. Government or to H.U.D.A.

6.3.2. Avoidable payment of Interest.

After hearing the departmental representatives, the Committee observed that applications were not forwarded to Courts promptly, though there was no time limit prescribed in the Act. The inordinate delay in forwarding the applications need justification. The Committee, therefore, recommends that enquiry be conducted by the Commissioner & Secretary, Town & Country Planning Department personally and the responsibility be fixed against the delinquent Officers/Officials and a report be sent to the Committee for its Consideration.

PRINTING AND STATIONERY DEPARTMENT
1991-92

[44] 7.4. Avoidable extra expenditure in printing of bus tickets

The Controller, Printing and Stationery Department, invited separate tenders in November 1988, for (i) purchase of 185 tonnes mottled paper in sheets required for printing of bus tickets and (ii) for printing of 84 crore bus tickets for Transport Department. The notice inviting tenders of printing the tickets did not specify whether paper required for printing of tickets would be supplied in sheets or in reels. Firm 'A' quoted lowest rate of paper (in sheets) at Rs. 16216.20 per tonne, which was accepted in December 1988.

The lowest rates received from firms 'B' & 'C' for printing of tickets were Rs. 1.60 (reelfed) and Rs. 2.15 (sheetfed) per thousand tickets respectively. The specification of paper (in sheets or in reels) which would be required by the two lowest tenderers for printing were not brought to the notice of the High Powered Committee (HPC) which approved the lowest rate of Rs 1.60 of firm 'B' in January 1989 for printing of bus tickets. The Printer, firm 'B' demanded in January 1989 paper in reels of 51 cm width instead of in sheets. Accordingly, the Department did not place order on firm 'A' for supply of paper and invited fresh tenders in January 1989 for supply of 185 tonnes of paper in reels of 51 cm width. The lowest offer this time was Rs. 17601.55 per tonne but the printer again revised his specification of paper in March 1989 in reels from 51 cm to 35.5 cm width.

After reinviting short term tenders in March 1989, an order for 185 tonne paper of 35.5 cm width in reels was placed in May 1989 at the lowest quoted rate of Rs. 26,000 per tonne on a Chandigarh based firm 'D'. Firm 'D' supplied 191.860 tonnes paper (value : Rs. 49.88 lakhs) during June-October 1989 and 82.25 crore tickets were got printed from firm 'B'.

It was observed in audit that if the Department had placed the order for printing with the second lowest tenderer having sheetfed machine at his quoted rate of Rs 2.15 per thousand tickets, it would have saved Rs. 18.77 lakhs in the purchase of paper but incurred extra expenditure of Rs. 4.52 lakhs in printing of tickets. The failure to lay down the specifications of paper in the notice inviting tenders for printing of tickets and subsequent acceptance of change in specifications of reelfed paper resulted in extra expenditure of Rs. 14.25 lakhs.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

The department, in their written reply, explained the position as under :

The Department earlier used to get the bus tickets printed on Mottled Paper in sheets. Accordingly tenders for the printing work as well as for supply of paper in sheets were called in November, 1988, simultaneously.

The lowest rate received for printing of bus tickets was Rs. 1.60 per thousand offered by M/s Druckgrafien India Limited, Chandigarh who has installed a modern Rotary (Global) Printing Machine which had a printing capacity of 75 lacs bus tickets in 7.30 hours, whereas other tenderers who have demanded higher rates from Rs. 2.16 to Rs. 3.20 per thousand as against the lowest offer of Rs. 1.60 per thousand. Further all other tenderers had a capacity of printing one crore tickets in a month i.e. about 3 lacs tickets per day.

These printers were located at distant points in Allahabad and Jalandhar and in case the order would have been placed with them, Haryana Roadways staff would have to be deputed to supervise and check the printing of tickets for long spell which have also resulted considerable amount as an extra expenditure.

Keeping other aspects in view as well as urgent requirement of tickets, the High Powered Committee, in its meeting held on 10-1-1989 approved the lowest rate of Rs. 1.60 per thousand offered by M/s Druckgrafien India Ltd., Chandigarh.

The conversion of paper from sheets to that of reels of any width would have not resulted in any significant increase in cost of paper but some of the unsuccessful tenderers filed a Writ Petition in the Hon'ble Punjab & Haryana High Court on 23.1.89 which was dismissed on 7.3.89 in favour of M/s Druckgrafien which was the lowest tenderers and the purchase of paper was stalled for about three months as the Writ petition was pending. During this period, the rates of paper were considerably increased resulting in extra expenditure of Rs. 18.77 lacs.

The decision of accepting the lowest offers by the high Powered committee was correct and increase in rate in future due to conversion of order in sheets could not be anticipated.

Keeping in view the facts explained above the Committee is requested to drop.

7.4 Avoidable extra expenditure in printing of bus tickets.

After going through the written reply submitted by the Department and also orally examine the re-presentatives of the Department, the Committee observes that the Department has failed to lay down the specification of paper in the notice inviting tender for printing of tickets and subsequent acceptance of change in specifications of reeled paper resulted in extra expenditure. The Committee also feels that utmost care was not followed while inviting tenders in the instant case. The Committee, therefore, recommends that the matter be enquired afresh by the Officer of the rank of Joint Secretary of Finance Department and a report be sent to the Committee within a period of three months.

1992-93

[45] 7.4 'Extra' expenditure

On the basis of an indent received from the Transport Commissioner for printing of 89 crore bus tickets for the year 1989-90, tenders were invited by the Controllor, Printing and Stationery Department in March 1990.

According to the terms and conditions of notice inviting tenders, the successful contractor was required to print and supply one crore tickets every 30 days irrespective of the number of orders and to deposit security equal to 10 per cent of the tendered amount within 7 days of acceptance of tender. In addition, 25 per cent of the cost of paper supplied to the contractor by the Department was also to be deposited failing which earnest money of Rs. 2,500 received with the tender was liable to be forfeited and work entrusted to any other contractor without notice. The work was not to be allotted to contractor having a press with production capacity of less than one crore tickets per month.

Thirteen firms offered their rates. Of these, eight offers were received from Allahabad firms. For firms quoted the lowest rate of Rs. 1.29 per thousand tickets while other four firms quoted rates between Rs. 1.55 and Rs. 1.60 per thousand tickets. One firm of Chandigarh (ninth lowest) quoted the rate of Rs. 1.87 per thousand tickets. Each firm had the capacity to print one crore tickets per month as assessed by the Technical Committee of the Department during 1987-88 and had also executed the printing jobs of bus tickets of the Department collectively during, 1987-88 and 1988-89.

The High Powered Committee ignored in April 1990 offers of eight Allahabad firms on the ground that these firms did not have proper security (watch and ward) and capacity and that they had never quoted such lower rates in the earlier years and approved the negotiated rate of Rs. 1.75 per thousand tickets of Chandigarh based firm. Accordingly the job of printing of 89 crore bus tickets was awarded (June 1990) to the Chandigarh based firm stipulating that the entire work should be completed by December 1990 and the firm would also deposit Rs. 15.08 lakhs i.e. 10 per cent security (Rs. 1.56 lakhs) besides 20 per cent of cost of paper (Rs. 13.52 lakhs) within 7 days. The firm neither pledged the security amount nor paid the cost of paper. No action was taken by the Department for breach of the agreed terms. The firm, however, printed 89.30 crore of tickets up to September 1992.

Thus, by ignoring the offers of Allahabad firms, the Department had incurred an extra expenditure of Rs. 2.95 lakhs.

The matter was referred to Government in July 1993, reply has not been received (November 1993).

The department in their written reply explained the position as under :—

No doubt, the presses located at Allahabad had offered lower printing rates ranging from Rs. 1.29 to Rs. 1.60. These presses had reduced their rates considerable as compared to the rates quoted by them during the previous year. The High Powered Committee in its meeting held on 12.4.90, took notice of this noticeable decrease in rates and also felt that these presses did not have appropriate security arrangements in their presses. The High Powered Committee approved the negotiated rate of Rs. 1.75 per thousand of M/s Druckgrafon India Limited, Chandigarh. Originally this firm had quoted the rate of Rs. 1.87 per thousand.

The allotment of printing work to M/s Druckgraphen India Limited, Chandigarh at the slightly higher rate was taken after careful consideration by the High Powered Committee in public interest.

It is also pointed out that an added advantage of placing order with the local press had resulted in considerable saving on account of staff required to be deputed to supervise and check the printing of bus tickets at Allahabad in case the order was placed with them.

The firm was already printing the bus tickets against orders of previous years and the department had with it sufficient amount of security and balance payments of the press and as such did not insist on deposit of fresh security. It is also stated that the paper was issued to the press in instalments keeping in view the quantity utilised by them for the printing of bus tickets. The paper security for whole quantity of paper involved was therefore not necessary.

Keeping in view the facts explained above, the Committee is requested to drop this para.

7.4 Extra expenditure

After hearing the departmental representatives, the Committee made the following queries to the Department which remained un-answered :—

- (i) Why was the lowest tenderer firm not summoned for re-negotiation ?
- (ii) In re-negotiation, why was the price not brought down to the level of the lowest quoted price in the tender which was Rs. 1.29 per thousand vis-a-vis. the re-negotiated price of Rs. 1.75 per thousand.
- (iii) What was the justification for recording that the Allahabad firm did not have capacity to print the required number of tickets when there was nothing on record to substantiate such a factual aspect ?
- (iv) What was the justification for coming to a conclusion that there may be breach of security in case of Allahabad firm who were quoting the lower price when there was nothing on record either before the Committee or with the Department that there was a breach of security in the case of printing of tickets by the same firm in earlier years ?
- (v) What was the justification for waiver of security in case of M/S Druckgraphen Ltd. when it amounted to breach of tender's conditions ?

In view of the aforesaid facts, the Committee is of the view that the matter needs to be examined by the Vigilance Department of Haryana in order to fix a responsibility for the lapse. Prima facie, the Committee is of the opinion that re-negotiation with M/S Druckgraphen India Ltd. Chandigarh and allotment of contract to them was not bonafied. The Committee, therefore, recommends that Vigilance Department may be directed to complete the said enquiry within a period of 6 months and the report be sent to the Committee for its consideration.

REVENUE DEPARTMENT

1991-92

46/64] 6.6 Mewat Development Board

6.6.1	XX	XXX	XX	XX
6.6.2	XX	VX	XX	XX

- 6.6.2 (i) State Aid to Industries ; A sum of Rs. 87.71 lakhs was paid as loans to 1240 beneficiaries during 1980-81 to 1990-91 under the State Aid to Industries Act 1935, for construction of working sheds, purchase of machinery and working capital. Loans for fixed assets were to be repaid in six annual instalments and for the working capital in three equal instalments. The first instalment became due after the expiry of two years from the date of disbursement. A sum of Rs 80.72 lakhs had become due for recovery in December 1991 against which Rs. 34.07 lakhs had been recovered. The balance amount of Rs. 46 65 lakhs was outstanding for the period ranging from 1 to 10 years. In 327 cases (amount Rs. 25.37 lakhs) the amount of loan was not utilised for the purpose for which it was granted. The information regarding the number of units which had become defunct was not available with the Department.

The department, in their written reply, explained the position as under :—

The scheme of providing loan under State-Aid to Industries Act in the Mewat Area remained in force for the period from 1980-81 to 1990-91. The funds for the purpose were provided by the State Government and disbursement of the loan under the scheme was made through General Manager, District Industries Centre, Gurgaon and Faridabad on behalf of Mewat Development Agency. As per information available with G.m., DIC, Gurgaon and Faridabad, an amount of Rs. 87.74 lacs was provided to 1257 beneficiaries during the period of operation of scheme. Out of this amount of Rs. 87.74 lacs, a sum of Rs. 63.42 lacs become due upto 31-12-91 leaving an arrear of Rs. 55.34 lacs, out of this amount of Rs. 55.34 lacs, an amount of Rs. 8.40 lacs has further been recovered between 1-1-92 to 31-12-95 and thus an amount of Rs. 46.94 lacs was outstanding as on 1-1-96.

Out of the 1257 beneficiaries to whom loan was provided under the Scheme, 379 beneficiaries misutilised the loan and 22 units had become defunct. Strenuous efforts are continued to recover the maximum possible outstanding amount.

6.6 Mewat Development Board

6.6.2 (i) State Aid to Industries

During the course of oral examination, the Committee observed that

the most of the cases the amount of loan was not utilised by the beneficiaries for the purpose for which it was granted. The Committee, therefore, recommends that the strenuous efforts be made to recover the outstanding amount from the beneficiaries who mis-utilised the loan within a stipulated period. During the course of oral examination, the Committee desired to furnish certain information in respect of 379 cases where the money has been mis-utilised. The department promised to supply the desired information within a period of 15 days, but the Committee pains to observe that the said information has not been supplied till the finalisation of this report. The Committee, therefore, recommends that the desired information be supplied without any further delay.

SPORTS AND YOUTH WELFARE DEPARTMENT

1991-92

[47] 3.12 Embezzlement of funds

15/11/08
The Government released (March 1988 - December 1988) grants-in-aid amounting to Rs. 9.06 lakhs in favour of the Deputy Commissioner, Karnal who also functioned as the President, District Sports Council (Council), for the construction of sports infrastructure at Karnal. The amount was to be drawn from the treasury by the District Sport Officer (now designated as District Sports and Youth Welfare Officer-DS & YWO), who was also Secretary of the Council, and credited to a joint bank account of the President and the Secretary.

It was noticed in audit in August 1990 that the amount of grant was drawn from the treasury by the DS & YWO and deposited (March 1988: Rs. 6.25 lakhs and February 1989 : Rs. 2.81 lakhs) in a separate account opened in his own name in the Central Co-operative Bank. The DS & YWO withdrew from the bank a sum of Rs. 8.09 lakhs during the period from March 1988 to June 1990 through cheques issued in his own favour. Of this amount, he spent Rs. 0.70 lakh on sports infrastructure and Rs. 2.07 lakhs on items not covered under the grant. For the remaining amount of Rs. 5.32 lakhs, no account/vouchers were rendered. On this being pointed out in audit in August 1990, the Department held an enquiry, and intimated in November 1990 that the then DS&YWO, Karnal had embezzled the amount of Rs. 5.32 lakhs. An FIR was lodged on 14th November 1990 against the incumbent and he was also placed under suspension from that date. The Department stated in March 1992 that the case was still under investigation with the police.

The matter was referred to Government in June 1992; reply has not been received (December 1992).

The department, in their written reply, explained the position as under :—

Draft para addressed to the Commioner & Secretary to Govt. Haryana, Sports Deptt. with an endorsement to Director, Sports & Youth Welfare regarding embezzlement of Rs. 5,32,030/- and irregular expenditure of Rs. 2,04,708/- by the then Distt. Sports Sh. J. S. Mor was received in the Directorate as well as in Distt. Sports Office on 30-10-90. The Distt. Sports Officer was requested on 7-10-90 and 30-9-91 to send the reply in respect of the advance para to the Accountant General Haryana under intimation to headquarter. District Sports Officer, Karnal sent the reply to the draft para vide letter dated 28-11-90. Enquiry report got conducted by the then Deputy

Commissioner Karnal Shri R. S. Aggarwal through the Additional Deputy Commissioner was received in the headquarter on 10-10-90. On the basis of this enquiry report the Superintendent of Police Karnal informed this office on 27-11-90 that a case under sections 409/120 IPC has been registered against Sh. J.S. More on 14.11.90. In view of the case registered against Sh. J. S. Mor, he was placed under suspension on 3.1.91. The superintendent of Police who was requested by the office on 19-2-91 to initiate action against the officer informed that the necessary record was being collected fwhereafter, challan will be produced in the court against the officer who was arrested on 29-6-92 and Accountant General (Audit) Haryana was informed of the arrest on 1.9.92. The Sports Department accorded necessary sanction to prosecute the officer in the Court on 31.3.93 and the first date of hearing was fixed on 11.10.94. Subsequently, this case was fixed on 27.7.95, 15.7.95 and 20.11.96 on which dates, some of the witnesses of the case were summoned. Now, the next date of hearing in the case is 15.2.97.

The departmental enquiry, under Rule 7 of the punishment and Appeal Rules, 1987, instituted against the officer has since been completed, on 16.10.95 and the charges levelled against the officer established. Here, it is further mentioned that case was referred to the officers Committee headed by, Chief Secretary on 20.9.1995 to decide as to whether the officer is to be retained in service beyond 50 years of age. The officer's Committee, in its meeting held on 25.1.1996, decided to compulsorily retire the officer, which decision was conveyed by the Committee on 13.2.1996. The Department sought advice of the Law Department in this connection LD, in advice dated 15.11.1996, has intimated that in cash, the officer, who is under suspension, is to be compulsorily retired, the Deptt. will have to re-instate the officer, drop the proceedings against him and to treat the period of suspension as period spent on duty. Under the circumstances, on 21.11.96, Administrative Department has referred the case to the Chief Secretary Office again requesting the earlier decision of the officer's Committee to be reviewed and the punishing Authority to be allowed to take decision on the basis of findings of the enquiry as it is felt that the penalty of dismissal from service would be attracted in this case.

3.12 Embezzlement of funds

After hearing the Departmental representatives, the Committee observed that it was the primary responsibility of the Deputy Commissioner concerned who was also the Chairman of District Sports Council, to see whether the amount was being spent for the purpose for which it was sanctioned, which resulted embezzlement of the amount by the District Sports Officer. The Committee was further informed that a

criminal case under Section 409/120 IPC has been registered against the delinquent officer and is under process. Besides, a decision is yet to be taken by the Government on the basis of the findings of the inquiry already conducted against the delinquent officer. The Committee, therefore, desires that the decision taken in the instant case by the Government, be informed to the Committee.

PART-II
(REVENUE RECEIPTS)

MINES AND GEOLOGY DEPARTMENT

1990-91

[48] 1.4 *Uncollected Revenue*

As on 31st March 1991, 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
(in crores of Rupees)		
Non-ferrous Mining and Metallurgical Industries	2.36	1.05

The department, in their written reply, explained the position as under :—

- (i) Rs. 2.36 crores arrears as on 31-3-1991, comprised of total outstanding contract money, royalty, interest on delayed payments or penalties in the form of value of the minerals right from inception of Haryana State in November, 1966. Out of this amount, a sum of Rs. 88.49 lakhs have already been recovered leaving a balance of Rs. 1.48 crores. Out of which a sum of Rs. 27.35 lakhs shown as recoverable from M/s Sain Minerals, Shri Pat Ram and Ram Kumar have been held to be not recoverable as per the orders of District Judge, Faridabad and quasijudicial orders passed by State Government under Mines and Minerals (Regulation and Development) Act and Rules framed thereunder. Recovery of a sum of Rs. 4.06 lakhs have been stayed by the Hon'ble Punjab and Haryana High Court in four cases, two of district Faridabad in the cases of M/s Nihal Singh and Company. M/s Ishwar Industries two of district Mahendergarh i.e. in Hari Singh versus State of Haryana and of Krishan Lal versus State of Haryana. Recovery of another sum of Rs. 3.31 lakhs has been stayed by the lower courts in 5 cases, one of district Yamunanagar and in four cases of district Mahendergarh. In this way, the recovery of total sum of Rs. 7.37 lakhs has been stayed by the Courts. In nut shell a sum of Rs. 1.23 crores have either been recovered or not recoverable or recoveries have been stayed. Out of the balance of Rs. 1.13 crores a major amount of Rs. 42.30

lakhs is to be recovered from M/s Surjeet Singh Kanti Parkash Bhalla who had taken the contract of Ketian, boulder, gravel sand quarry of tehsil Kalka, district Ambala in the auction held on 12-4-1988 for the period from 16-4-1988 to 31-3-1990 at the rate of Rs. 45,55,300 per annum as against the reserve price of Rs. 17.00 lakhs. The contract had to be terminated prematurely because of non payment of the contract money as the contractor could not run the contract viably at this rate. Security amounting to Rs. 11,38,825 was also forfeited. The contractor challenged the recovery proceedings initiated against them in the Court of Sub Judge, Ambala on the plea that land owner did not allow them to work in the quarry and had obtained an injunction against them from the Civil Court and obtained the stay of the recovery. On filing of appeal against the stay granted by the Sub Judge Ambala Additional Session Judge, Ambala vacated the stay on 17-1-1995. On vacation of the stay, Estate Officer, Panchkula has been approached, not to disburse the compensation in lieu of the acquisition of the land of the Kanwar Tara Singh one of the surety. On release of the compensation, same shall be attached by the department. The contractor company has now filed a RSA No. 2655 of 1995 in Punjab and Haryana High Court which is fixed for hearing on 14-12-1995. Out of the balance amount of Rs. 81.30 lakhs a sum of Rs. 30.82 lakhs are to be recovered from the defaulters staying outside the State. Out of this amount position regarding recovery of Rs. 27.27 lakhs from M/S Himgiri Minerals, M/s Mohan Lal and Co. the two firms owned by Sarv Shri Anup and Ajay Oberoi sons of Shri S.N. Oberoi who is staying at Ghaziabad have already been explained in detail in the previous oral examination to paras of the CAG report for the year 1988-89. For balance amount of Rs. 50.07 lakhs recovery certificates have been issued by the concerned Mining Officers who are making efforts to recover the same. Out of the sum of Rs. 1.5 crore which were the five years old arrear a sum of Rs. 32 lacs has already been recovered.

The perusal of the reply to (i) above would show that the arrear of Rs. 2.36 crores is to be recovered from large number of defaulters. The details of cases where substantial amount of recoveries are involved have been explained. There are number of Brick Kilns which have been closed down and the field officers are facing difficulty in locating their owners. Similarly, a number of contractors have died. Efforts are being made to recover the outstanding amount from their legal heirs.

- (iii) The position have been explained above. For balance amount of Rs. 50.97 lacs recovery certificates have been issued by the concerned Mining Officers who are making efforts to recover the same.

1.4 Un-collected Revenue

After hearing the departmental representatives, the Committee recommends that balance recovery of Rs. 1.48 crores be effected within a stipulated period and progress of recovery be intimated to the Committee within a period of 3 months. The Committee further recommends that the cases of recovery, which have been stayed by the Court, be pursued vigorously so that this amount be also recovered at the earliest.

[49] 1.8 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 the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of the departments and 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 1991, 1889 inspection reports (issued upto December 1990) containing 5314 audit objections with money value of Rs. 2657.55 lakhs remained outstanding, out of which 564 inspection reports containing 1178 objections with money value of Rs. 1136.90 lakhs were outstanding for more than 5 years.

(ii) In respect of 213 inspection reports issued between April 1990 and March 1991 even the first replies had not been received (August 1991) despite issue of instructions by the Finance Department in February 1991 to all Heads of Departments for sending replies to the Audit Office within the prescribed period.

The matter regarding non-receipt of initial replies from the departments was reported to the Government between June 1991 and July 1991, their reply has not been received (January 1992).

The above position was also brought to the notice of the Chief Secretary to the Government of Haryana in November 1991; their reply has not been received.

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

Year	Number of inspection reports	Number of audit objections	Amount (In lakhs of rupees)
Non-ferrous Mining and Metallurgical Industries			
upto 1985-86	25	50	274.01
1986-87	11	32	39.54
1987-88	8	40	25.01
1988-89	14	62	21.92
1989-90	12	64	10.02
1990-91	16	90	0.64
Total	86	338	371.14

The department, in their written reply, explained the position as under :—

- (i) Out of 338 objections outstanding upto 31-3-1991, 209 have already been settled. Efforts are being made to get balance 129 paras settled/dropped.

The reason for the non-settlement of audit objection is that the audit party insist that the audit objection can be settled only when last rupee of the balance contract money, royalty or interest is recovered. Even in cases where majority amounts have been recovered, the paras are still outstanding on the plea that complete recoveries have not been made.

- (ii) Following steps are being taken for the settlement of the paras :—

(a) The A.G. Haryana has transferred 67 paras to the Department to ensure the recovery of the amount mentioned in these paras. The Field Officers have been requested to send the progress report every quarterly.

(b) The meeting with Officers of A.G. Haryana (Audit) is being arranged for the settlement of the paras.

(c) The Field Officers of the department in the district are making efforts to ensure that the outstanding amount are recovered expeditiously, so that same is not pointed as irregularity in audit reports to avoid accumulation of audit paras.

(iii) The position of the audit objection is given as under :

Year	No. of paras shown outstanding in para 1.8	Amount involved (Rs. in lakhs)	Paras now outstanding	Amount (Rs. in lacs)
Upto 1985-86	50	274.01	42	1.90
1986-87	32	39.54	12	0.09
1987-88	40	25.01	10	0.13
1988-89	62	21.92	18	0.15
1989-90	64	10.02	25	0.08
1990-91	90	0.64	22	0.17
	338	371.14	129	2.52

1.8 Outstanding inspection reports

The Committee recommends that the outstanding inspection reports be settled within a period of six months under intimation to the Committee.

[50] 5.1. Results of Audit

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted in audit during the year 1990-91, revealed under assessment or losses of revenue amounting to Rs. 120.07 lakhs in 352 cases as indicated below :

Name of department	Number of cases	Amount (In lakhs of rupees)
(A) Mines and Geology	352	120.07

The department, in their written reply, explained the position as under :—

Out of the total sum of Rs. 120.06 shown as outstanding a sum of Rs. 20.67 lacs have already been recovered. Another, sum of Rs. 34.45 lacs is otherwise not recoverable. The

position in detail for different categories is explained as under :—

S. No.	Category	No. of cases	Amount shown as recoverable	Amount recovered	Amount not recoverable	Balance
			In lacs	In lacs	In lacs	In lacs
1.	Non/Short recovery of dead rent/surface rent	10	5.65	1.54	2.05	2.06
2.	Non/short recovery of royalty	18	18.52	3.83	3.90	10.79
3.	Short/non recovery of interest	17	49.33	3.11	—	46.22
4.	Non recovery of contract money	36	36.53	5.02	26.85	4.66
5.	Unauthorised extraction of bricks earth/non recovery of price of minerals	271	10.03	7.17	1.65	1.21
		332	120.06	20.67	34.45	64.94

Itemwise position regarding non-recoverable and balance amounts

1. Non-recovery of Dead rent/surface

(i) Non-recoverable amount Rs. 2.05 lakhs.

Hindustan Zinc Ltd. a Govt. of India undertaking was granted a mining lease over an area of 607.8 hectares of land in village Tosham Distt. Bhiwani for Tin, Zinc and Allied minerals for the period from 29-8-84 to 28-8-2004. The Company had taken mining lease of large track of land keeping in view their future expansion for setting up of processing unit of the ore and also residential complexes for their workers and officials. Out of total area of 607.8 hectares of land only 50 hectares is hilly terrain. The Company had taken possession of only this area for carrying out the exploration work with the help of Mineral Exploration Corporation Limited another Govt. of India undertaking and French Collaborators BGRM. After detailed exploration including underground exploratory mining, the company came to the conclusion that the deposits of tin, zinc are not economical for commercial exploitation. Ultimately the mining lease was surrendered by the Company

on 28-6-94. According to Rule 27(4) of Mineral Concession Rules, 1960 the lessee was liable to pay the surface rent and water cess only of the land of which actual possession is taken. Thus out of the total amount of Rs. 2,21,068 shown recoverable as surface rent and water cess over whole of lease land a sum of Rs. 16,449 was actually due for 50 hectares. The remaining amount of Rs. 2.05 lacs is not payable. Accountant General Haryana has already been requested to drop this para.

Position of balance dead rent (Rs. 1,63,000)

Out of the balance dead rent amount of Rs. 1,63,000/- a sum of Rs. 1,48,887/- is due from one Shri Sat Narain who held the mining lease over an area of 499.10 hectares of land in village Pachnota for the period from 4-3-1981 to 3-3-2001. The lessee is untraceable for last number of years. Even his family members are not aware of his whereabouts. As a last resort of recovery certificate amounting to Rs. 2,79,347/- has been issued against his wife Smt. Salochna. She is employed as Anganwari worker and has no immovable property in her name or in the names of her minor children. This case formed part of para No. 51 of 38th PAC report for which oral examination has already taken place.

The remaining amount of Rs. 16,449/- is the surface rent and water charges due from M/s. Hindustan Zinc Ltd. which is being recovered from them.

II. Non/Short recovery of royalty

Details of non-recoverable amount of royalty (Rs. 3.90 lakhs)

(i) M/s HML a Haryana Govt. undertaking are operating Kund Slate Mines as agent of the State Govt. as because of a litigation pending in the Supreme Court of India they could not be granted formal mining lease. During the year 1991 the rate of royalty on slate was Rs. 17/- per tonne. However, audit worked out the royalty @ Rs. 18/- per tonne and pointed out that an additional amount of Rs. 18,952/- is still payable from HML. On being explained the factual position Audit party settled this para vide their memo No. RAW/S/HR/94-95/7972, dated 10-5-1995.

(ii) M/s Bhumihari Minerals held the mining lease for a major/minerals, over an area of 228.29 hectares of land in village Bayal district Mahindergarh for the period from 22-4-80 to 21-4-90. On the expiry of mining lease there was a stock of inferior grade quartz for which lessee could not find market and despatch it. According to the Audit a sum of Rs. 28,985/- as royalty on this stock was due from the lessee. On being explained that royalty is payable only on the mineral despatched and not on the mineral lying in the stock. Accountant-General settled this para vide their letter No. 586-89 dated 22-12-92.

(iii) M/s Krishan Kumar and Company had obtained a mining contract for extraction of sand in village Agwanpur district Faridabad in the public auction held on 27-4-89 for the period from 5-5-89 to 31-3-92 @ Rs. 16 lacs per annum. The contractor had challenged the

demand of contract money on the ground that land owners did not allow him to extract sand and also Collector Faridabad did not assess the compensation payable to the land owners in lieu of the mining operations. The contractor initially challenged the demand of contract money in Hon'ble Punjab & Haryana High Court, where their writ petition was dismissed. However on filing of SLP by the contractor Hon'ble Supreme Court of India held that contractor was liable to pay the contract money from the date they actually got the possession. In this way, they were not held liable to pay the contract money for the period from 5-5-1989 to 22-10-1991 amounting to Rs. 24 lakhs. Thus, they were also not liable to pay the interest of Rs. 3,42,253/- for this period. On being explained the position, the audit party settled the para vide letter No 356-85 dated 5-8-92. Thus a total amount Rs. 3.90 as royalty/ interest is not recoverable.

Position regarding balance amount of royalty

Balance amount of Rs. 10.79 lakhs constitute recovery of amount Rs. 1,20,255/-, Rs. 5,95,985/-, Rs. 2,76,118/- from HML as minimum guarantees for their leases for silica sand in village Sehsola district Gurgaon and in villages Manger and Dhauj district Faridabad. These three cases forms part of paras No. 5.2(i) and 5.4 of the report under examination the position of which is being explained in the succeeding paras No. 5.2 and 5.4.

III. Non/Short recovery of interest

Position regarding balance amount of Rs. 46.22 lakhs.

Out of the balance amount of 46.22 lakh main amount of Rs. 45.85 is recoverable from M/s. Surjit Singh Kanti Parkash, Bhalla as contract money and interest and not as only interest. The position of this case has already been explained in detail to reply to para 1.4 above. This case also forms para No. 5.5 of this report.

IV. Non recovery of contract money.

Position regarding non recoverable amount of Rs. 26.85

(i) The contract of Agwanpur sand quarry of district Faridabad was granted to M/s. Krishan Kumar & Co. in the auction held on 27-4-1987 @ Rs. 16 lacs per annum for the period from 5-5-1989 to 31-3-1992. The contractor did not deposit the contract money for the period from 5-5-1989 to 22-10-1991 on the plea that land owners did not allow them to extract sand from the quarry and the compensation payable to the land owners was not assessed by the Collector, Faridabad. They had initially challenged the demand of contract money in Punjab and Haryana High Court where their writ petition was dismissed. On filing of appeal by them in Hon'ble Supreme Court of India, Hon'ble Court ordered that the contractors were liable to pay the contract money with effect from 22-10-1991 when they commenced mining operation. Thus they were held not liable to pay the contract money for the period from 5-5-1989 to 22-10-1991 amounting to Rs. 24 lacs. On being explained the position the Accountant General Haryana dropped the para vide his letter No. R/OR/356-58 dated 5-8-1992.

(ii) A sum of Rs. 2,85,324 has been shown recoverable as an additional amount in form of penalty for delayed payment of licence money by Oil and Natural Gas Commission. (ONGC) had taken two exploration licences from Haryana Govt. for carrying out search of crude oil in districts of Jagadhri and Ambala. The licences were granted for four years duration and after the expiry of two years term, ONGC surrendered the licences whereas audit worked out the additional amount as licence fee and penalty for late payment for third years i.e. from 1-10-1990 to 30-9-1991 when ONGC surrendered the licence on 30-9-1990. Thus this amount was not chargeable as licence fee and penalty for the third year amounting to Rs. 2,79,500. In this way only a sum of Rs. 4734/- was payable by ONGC as penalty for late payment of licence fee for two years ONGC requested for waiving off this amount also on the plea that they had carried out exploration to the benefit of the State of Haryana but unfortunately they could not strike any oil deposit and had to incur huge expenditure on exploration thus penalty should not be charged. According to their request State Govt. waived off the penalty amount on being explained the position, Accountant General Haryana settled this para subject to the verification at the time of audit vide their letter No. RAW/S/OR/91-92/PTL-7/0853/M&M/1498-99 dated 23-3-1992

Position regarding balance contract money of Rs. 4.66 lakhs.

A sum of Rs. 3,46,927 was recoverable from M/s Sharma and Company contractor of Rampur quarry of district Yamuna Nagar. The contractor challenged in the Court of Sub Judge of the Jagadhri the recovery proceedings initiated against them on the ground that they were not permitted by the land owners to commence mining operations. Id. Court stayed the recovery proceedings after the plaintiff were made to deposit Rs. 2 lacs in cash and furnished a bank guarantee amounting to Rs. 1 Lac. In this way till the suit is finally decided, the amount of Rs. 46,927/- cannot be recovered. For recovery of balance amount of recovery dificates have been issued by the concerned mining offices.

V. Unauthorised extraction of brick earth/Non recovery of price of the mineral

Position regarding not recoverable amount of Rs. 1.65 lacs.

A sum of Rs. 1.65 lacs is not recoverable as royalty on brick earth be the audit had calculated the outstanding royalty with effect from the date of grant of licence by the Food and Supplies Department to the brick kiln owner for instalation of kiln and not from the date of issue of quarrying permits by the Mines and Geology Department on being explained the position. Accountant General Haryana has settled these paras vide their letter No RAW/S/OR/94-95/395-98 dated NIL for district Hisar.

(i) Position regarding balance amount of royalty.

Balance amount of Rs. 1.21 as royalty on brick earth is to be recovered from 27 BKO's. Recovery proceedings have been initiated against them by the concerned Field Officers.

In view of the position explained above out of the total sum of Rs. 120 lacs balance recoverable amount is Rs. 68.02 lacs. The main amount recoverable is from one party of district Ambala i.e. M/s Surjit Singh Kanti Parkash amounting to about Rs. 45 lacs the position of which have already been explained in the preceeding paras. The surety of the contractor company are to get compensation from HUDA in lieu of the acquisition of their land. Estate Officer, Panchkula has already been requested to attach the compensation payable to the surety.

In view of the position explained above the questionnaire are replied as under :—

- (i) Position in detail has been explained in preceding paras category-wise. Perusal of these details would show of than in majority of cases there was no under assessment or non/short levy Inspite of demand raised for payment of royalty contract money the lossee/contract did not pay the instalment which led to termination of countracts and recovery as arrears of land revenue to wherever lapses were round on the part of field officers/official disciplinary action were initiated against them.
- (ii) In reply to questionnaire (ii) it is stated that it is not a test check but a complete audit of the District Industries Centres of the State. Thus, there is no chance of remaining any similar case undetected.
- (iii) Remedial measures adopted by the Department to minimise the short/non recovery of royalty etc. are that :—
 - (a) An interest of 24% per annum is charged on delayed payment of royalty/contract money etc.
 - (b) To avoid assessment of number of bricks sold by brick kiln owners for working out the royalty, now on the pattern of charging of lumpsum sales tax, royalty on brick earth is also being charged on lumpsum basis as per the category of brick kiln depending upon kiln size. System of charging royalty on brick earth has been simplified which is eliminating the short recovery/non recovery of royalty on brick earth.
- (iv) Out of a sum of Rs. 120.06 lacs a sum of Rs. 20 67 lacs have been recovered leaving an amount of Rs. 99.39 lacs. A sum of Rs. 34.45 is not recoverable & balance amount of Rs. 64.94 lacs is to be recovered for which efforts are being made to recover the same.

5.1. Results of audit

During the course of oral examination, the Committee was informed that amount of Rs. 64.94 lakhs is yet to be recovered. The Committee recommends that strenuous efforts be made by the department to recover the balance amount within a period of six months.

[51] 5.2. Short recovery of royalty and interest.

Under the Punjab Minor Minerals Concession Rules 1964, as applicable to Haryana, a lessee to whom the Mining lease is granted shall pay royalty at specified rates on minor minerals despatched from the leased area. Lease deeds executed for this purpose may also stipulate extraction of a minimum quantity of mineral so that even if the lessee extracts lesser quantity, he will be liable to pay royalty on the basis of this minimum quantity. Default or delay in payment shall make the lessee liable for payment of interest at a rate of 15 per cent per annum.

(i) In Gurgaon, mining lease for Sohola mines for extraction of sand from an area of 159.66 hectares, was granted to a lessee for a period of ten years from 13th September 1988 to 12th September 1998. According to the lease deed, the lessee was under obligation to extract minimum 300 tonnes of sand per hectare per annum. Minimum royalty payable at the rate of Rs. 5 per tonne for two years from 13th September 1988 to 12th September 1990 worked out to Rs. 4.79 lakhs against which the lessee paid Rs. 63058 thereby resulting in short recovery of royalty amounting to Rs. 4.16 lakhs. Besides, interest of Rs. 78929 (worked out upto 30th November 1990) was also chargeable for short payment of royalty.

On the omission being pointed out (March 1990 and January 1991) in audit, the Department issued (October 1990 and August 1991) notices for recovery. Further report on recovery has not been received (January 1992). In the meantime another amount of Rs. 0.47 lakh has become due as interest upto August 1991.

The department in their written reply, explained the position as under :—

Para 5.2 (i) M/s HML have filed an appeal under Rule 47 of Punjab Minor Mineral Concession Rules, 1964 against the orders of Director Mines and Geology asking them to deposit a minimum guarantee amounting to Rs. 6,49,727/- and a sum of Rs. 1,37,249/- as interest on the ground that State Govt. is not competent to impose a condition forcing them to extent 300 tonnes of ordinary sand per hectare, per annum resulting in payment royalty @ Rs. 36,000/- per annum per hectare irrespective of the quantity of the mineral extracted by them. Their challenge is based on the ground that under Section 15(3) of Mines and Minerals (R&D) Act, 1957 State Govt. is only competent to charge royalty per tonne, of the mineral consumed/or despatched or dead rent per hectare of the land leased out whichever is more. Their plea is that they have already paid royalty worked out on the basis of actual production of ordinary sand and they are not liable to pay the minimum guarantee. They have also quoted as precedent the decision in the case of M/s Rajdhani Minerals Corporation where it had been decided that State Govt. is not competent to impose minimum guarantee and is entitled only to recover the royalty on actual mineral despatched. Appeal of H. M. L. is awaiting final decision.

As explained above the Appeal of HML is pending before the State Govt. regarding levy of minimum guarantee. In view of this no one is responsible for short payment.

Payment of royalty in field is monitored by the head office also.

The position has been explained above.

5.2. (i) Short recovery of royalty and interest

After hearing the departmental representatives, the Committee recommends that the efforts be made to recover the balance amount from the Haryana Mineral Limited within a period of three months under intimation to the Committee as per the decision taken by the Govt. in accordance with the relevant Act

[52] 5.4 Loss of revenue due to defective execution of lease deed.

Under the Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, a lessee to whom the mining lease is granted, shall pay royalty on minor minerals despatched from the leased area at specified rates. Lease deeds executed for this purpose may also stipulate extraction of a minimum quantity of mineral so that even if the lessee extracts lesser quantity, he will be obliged to pay royalty on the basis of this minimum quantity.

In Faridabad, a mining lease for extraction of sand from an area of 60.16 hectares was granted (July 1984) to a private lessee for ten years. The lease deed so executed stipulated that the lessee shall pay minimum royalty on the basis of 300 metric tonne per hectare per annum. The lease was, however, terminated prematurely by Government in October, 1986 in order to grant it to Haryana Minerals Limited, a Public Sector Undertaking, which took possession of the mining area on 4th October 1986. However, in the lease deed executed with Haryana Minerals Limited, the clause to pay royalty on the basis of minimum quantity of 300 metric tonne per hectare per annum was erroneously omitted to be incorporated with the result that the lessee did not pay any royalty on the plea that no mineral was extracted by them from the mining area from the date of occupation till 14th January 1991. The defective execution of lease deed deprived the Government of revenue of Rs. 3.32 lakhs for the period from 4th October 1986 to 14th January 1991.

On the omission being pointed out (January 1991) in audit, the Department stated (May 1991) that the said clause has been incorporated in the lease deed with effect from 15th January 1991 and simultaneously Government have been requested to waive off the arrears of royalty upto 14th January 1991. Further report has not been received (January 1992).

The case was reported to the Government (June 1991) followed up by reminder (August 1991); their reply has not been received (January 1992).

The department, in their written reply, explained the position as under :—

As has been explained in reply to para 5.2 H.M.L. have already filed an appeal before the State Govt. for setting aside the condition of imposition of minimum guarantee on the ground that State Government is only competent to charge royalty or

dead rent which ever is more in accordance with Section 15(3) of Mines and Minerals (R&D) Act, 1957, their appeal is pending. It is submitted that the appeal is pending before the State Government for taking the decision whether the State Govt. is competent to impose minimum guarantee under section 15(3) of Mines and Mineral (R&D) Act-1957 or not.

5.4 Loss of revenue due to defective execution of lease deed.

The Committee recommends that similar action may be taken in the instant case as proposed in para 5.2(i).

[53] 5.5 Short calculation of interest

Under the Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, a mining lease for quarrying is granted by auction or by inviting tenders to the highest bidder. The lessee is required to deposit 25 percent of the annual bid money as security and one twelfth of the annual bid money as advance payment immediately on the allotment of the contract. The balance of the contract money is payable in advance, in monthly instalments due on 16th of every month. In the event of default in payment, the competent authority may by giving a notice, terminate the contract and forfeit the security. Interest at the rate of 15 per cent per annum is also recoverable for the period of default.

In Ambala, a contract for extraction of boulder, gravel and sand from the quarry of village Kotian was granted (April 1988) through auction for the period from 16-4-88 to 31-3-90. As the contractor failed to pay the monthly instalments, the Department terminated (April 1989) the contract and took over possession of the quarry in April 1989 and thereafter issued (December 1989) recovery certificate for recovery of balance amount of contract money of Rs. 38.78 lakhs and interest of Rs. 4.83 lakhs calculated upto 3-12-89. Audit scrutiny (December 1990) revealed that interest upto 3-12-89 actually worked out to Rs. 6.29 lakhs instead of Rs. 4.83 lakhs. Incorrect calculations resulted in short demand of interest amounting to Rs. 1.46 lakhs.

On the mistake being pointed out (December 1990) in audit, the Department accepted the omission and stated (December 1990) that action was being taken to recover the amount as arrears of land revenue. Report on recovery has not been received (January 1992).

The case was reported to Government in January 1991 followed up by reminder in March 1991; their reply has not been received (January 1992).

The department, in their written reply, explained the position as under :—

The position of this case has been explained in detail in reply to para 1.4 above. However, the explanations of concerned Mining Accountant and Mining Officer has been called for not correctly calculating in the interest on delayed payment.

It is submitted that explanations of the concerned mining Accountant and Mining Officer/Officials have been called for not correctly calculating the interest.

5.5 Short calculation of interest.

After hearing the departmental representatives, the Committee recommends that action be initiated/completed against the delinquent officials who wrongly calculated the interest on the delayed payment, within a period of two months

1991-92

[54] 1.4 Uncollected Revenue

As on 31st March 1992, 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 five years
Non-ferrous Mining and Metallurgical Industries		(In crores of rupees) 1.84 0.76

The department, in their written reply, explained the position as under:—

- (i) Rs. 1.84 crores arrears as on 31-3-92 comprised of total outstanding of contract money, royalty, interest on delayed payments or penalties in the form of value of the minerals right from inception of Haryana State in November, 1966. Out of this amount, a sum of Rs. 81.00 lakhs have already been recovered leaving a balance of Rs. 105 lacs. Out of which a sum of Rs. 27.35 lakhs shown as recoverable from M/s Sain Minerals, Shri Pet Ram and Ram Kumar have been held to be not recoverable as per the orders of District Judge, Faridabad and quasi-Judicial orders passed by the State Government under Mines and Minerals (Regulation and Development) Act and Rules framed there under. Recovery of a sum of Rs. 4.06 lakhs have been stayed by the Hon'ble Punjab and Haryana High Court in the two cases of district Faridabad in the cases of M/s Nihal Singh and Co, and M/s Ishwar Industries. Rs. 42.30 lakhs is to be recovered from M/s Surjeet Singh Kanti Parkash Bhalla who had taken the contract of Kotian, boulder, gravel, sand quarry of tehsil Kalka, district Ambala in the auction held on 12-4-1988 for the period from 16-4-1988 to 31-3-1990 at the rate of Rs. 45.55.300 per annum as against the reserve price of Rs. 17.00 lakhs. The contract had to be terminated prematurely because of non payment of the contract money as the contractor could not run the contract viably at this rate. Security amounting to Rs. 11,38,825/- was also forfeited. The contractor challenged the recovery proceedings intimated against them in the Court of Sub Judge, Ambala on the plea that land owner did not allow them to work in the quarry

and had obtained an injunction against them from the civil Court and obtained the stay of the recovery on filing of appeal against the stay granted by the sub Judge, Ambala Additional Session Judge, Ambala vacated the stay on 17-1-1995 on vocation of the stay, Estate Officer, Panchkula has been approached not to disburse the compensation in lieu of the acquisition of the land of the kanwar Tara Singh one of the sureties on release of the compensation, same shall be attached by the department. The contractor company has now filed a RSA No. 2655 of 1995 in Punjab and Haryana High Court which is fixed for hearing on 19-4-1996. A sum of Rs. 30.92 lakhs are to be recovered from the defaulters staying outside the State. Out of this amount position regarding recovery of Rs. 27.27 lakhs from m/s Himgiri Minerals, m/s Mohan Lal and Co. the two firms owned by Sarv-Shri Anup and Ajay Oberoi sons of Shri S. N. Oberoi who is staying at Ghaziabad have already been explained in detail in the previous oral examination to paras of the CAG report for the year 1988-89. Out of the sum of Rs. 75.77 lacs, which were more than five years old arrear a sum of Rs. 19.40 lacs has already been recovered.

During the course of oral examination, the Committee was supplied the latest figures of arrears/recoveries which is reproduced as under :—

	Rs. in lacs
1. Total arrears	— 184.00
2. Amount recovered	— 81.00
3. Balance	— 103.00

Details of balance amount of Rs. 103.00 lacs.

4. Amount not recovered.

(a) As Per orders of district judge Faridabad

(i) Sh. Pat Ram	7,65,732.00	
(ii) Sh. Ram Kumar	17,23,128.00	
(iii) M/s. Sain Minerals	2,56,000.00	
	<hr/>	
	27,44,860.00	
Say Rs.	27,45,000.00	Rs. 27.45 lacs

(b) Recovery stayed by High Court

(i) M/s. Nihal Singh	2,42,735.00
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(ii) M/s. Ishwar Industries Faridabad	71,356.00	
(iii) Sh. Vinod Kumar, Gurgaon	21,166.00	
	<u>3,35,257.00</u>	
Say Rs.	3,35,000.00	Rs. 3.35 lacs

(c) Amount outstanding from parties residing outside Haryana State.

(i) M/s. Hemgiri Minerals	27,27,000.00	
(ii) M/s. Mohan Lal & Co.	—	
(iii) 27 parties of FDB	3,54,551.00	
(iv) M/s. Kamal Khan	22,983.00	
(v) M/s. Ishwar Industries	<u>22,689.00</u>	
	31,27,223.00	
Say Rs.	31,27,000.00	Rs. 31.27 lacs

(d) Stay by Punjab & Haryana High Court

(i) Sh. Tajinder Singh, Ambala	58,596.00	
(ii) Sh. Hans Raj, Ambala	2,41,916.00	
(iii) Sh. Dharam Pal, Ambala	22,434.00	
(iv) M/s. Sain Faridabad	<u>2,56,000.00</u>	
	5,78,946.00	
Say Rs.	5,79,000.00	Rs. 5.79 lacs

2. Amount to be recovered from M/s. Surjeet Singh Kanti Parkash Bhalla.

(a) Total to be recovered	42.30	
(b) Recovered	<u>(—)7.50</u>	
Balance	34.80	Lacs
Say Rs.	34.80 lacs	Rs. 34.80 lacs
G. Total		<u>Rs. 102.66 lacs</u>
Say		<u>Rs. 103.00 lacs</u>

1.4 Uncollected Revenue

After going through the above stated position, the Committee recommends that strenuous efforts be made to recover the balance amount within a stipulated period. The Committee further recommends that the cases in which recovery has been stayed by the Punjab and Haryana High Court, be pursued vigorously so that recovery be effected from the concerned parties at the earliest.

[55] 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 the offices and to the next higher departmental authorities through local audit inspection reports and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of the departments and 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 1992, 1,727 inspection reports (issued up to December, 1991) containing 4792 audit objections with money value of Rs. 2,649.02 lakhs remained outstanding, out of which 413 inspection reports containing 854 objections with money value of Rs. 777.35 lakhs were outstanding for more than 5 years.

(ii) In respect of 159 inspection reports issued between April 1991 and March 1992, even the first replies had not been received (September 1992) despite issue of instructions by the Finance Department in February 1992 to all the Heads of Departments for sending replies to the Audit office within the prescribed period.

The matter regarding non-receipt of initial replies from the departments was reported to the Government in September 1992; their reply has not been received (October 1992).

(iii) Relatively, large number of audit objections were outstanding under the following major head :

Non-ferrous Mining and Metallurgical Industries

Year	Number of Inspection reports	Number of audit objections	Amount (In lakhs of rupees)
1	2	3	4
Up to 1986-87	18	40	119.71
1987-88	8	22	15.06

1988-89	10	20	15.92
1989-90	11	34	00 63
1990-91	11	32	—
1991-92	12	49	72 54
	70	197	223.86

The department, in their written reply, explained the position as under —

- (i) Out of 371 outstanding objections upto 31-3-1992, 216 have already been settled. Efforts are being made to get balance 155 paras settled/dropped.

The reason for the non settlement of audit objection is that the audit party insist that the audit objection can be settled only when last rupee of the balance contract money, royalty or interest is recovered. Even in cases where majority amounts have been recovered the paras are still outstanding on the plea that the complete recoveries have not been made, following steps are being taken for the settlement of the paras :—

- (a) The A.G. Haryana has transferred 67 paras to the Department to ensure the recovery of the amount mentioned in these paras. The field Officers has been requested to send the progress report every quarterly.
- (b) The meeting with Officers of A.G. Haryana (Audit) is being arranged for the settlement of the paras.
- (c) The Field Officers of the department in the district are making efforts to ensure that the outstanding amount are recovered expeditiously, so that same is not pointed as irregularity in audit reports to avoid accumulation of audit paras.

The position of audit objection is given as under :—

Year	No. of paras shown out-standing in para 1.9	Amount involved (Rs. in lakhs)	Paras now outstanding	Amount (Rs. in lacs)
1	2	3	4	5
Upto 1986-87	82	313.55	54	1.99
1987-88	40	25.01	10	0.13
1988-89	62	21.92	18	0.15

1989-90	64	10.02	25	0.08
1990-91	90	0.64	22	0.17
1991-92	33	54.39	26	9.45
	371	425.53	155	2.09

1.9 Outstanding inspection reports.

The Committee recommends that the pending audit objections be settled within a period of three months under intimation to the Committee.

[56] 5.1 Results of audit

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted in audit during the year 1991-92, revealed under-assessment or losses of revenue amounting to Rs. 46.97 lakhs in 615 cases as indicated below :—

Name of Department	Number of cases	Amount (In lakhs of rupees)
1	2	3
Mines and Minerals	615	46.97

The department, in their written reply, explained the position as under :—

Out of the total sum of Rs. 46.97 shown as outstanding a sum of Rs. 30.91 lacs have already been recovered. Another sum of Rs. Rs. 2.00 lacs is otherwise not recoverable. The position in detail for different categories is explained as under :—

Sr. No.	Category	No. of cases	Amount shown as recoverable	Amount recovered	Amount not recoverable	Balance
1	2	3	4	5		7
1.	Non recovery of contract money	60	20.25	11.03	0.73	8.49
2.	Non/Short recovery of royalty from BKO	503	16.53	11.96	1.27	3.30

3. Non recovery of Royalty/ Surface rent	15	5.34	3.71	—	1.63
4. Misc. irregularities	37	4.85	4.21	—	0.64
Total	615	46.97	30.91	2.00	14.06

Out of total amount of Rs. 46.97 lacs shown as recoverable during the year 1991-92, a sum of Rs. 30.91,000 has already been recovered. A sum of Rs. 2 lacs is otherwise not recoverable, leaving a balance of Rs. 14.06 lacs for which efforts are being made to effect the recovery. The following table category wise detail of the number of cases, amount due, amount recovered, amount not recoverable, and balance amount due is given below :—

1. Non-Recovery of contract money.

No. of case	Total amount due in lacs	Amount recovered	Amount not-recoverable	Balance
1	2	3	4	5
60	20.25	11.03	0.73	8.49

Remarks : The details of the Non-recoverable amounts of contract money are given as under :—

(i) A sum of Rs. 3,462 is an excess interest calculated by the audit on delayed payment of royalty by H.M.L. in respect of Rozka Gujjar Silica/ordinary sand mine of district Gurgaon. This amount is not recoverable.

(ii) A sum of Rs. 29,098 is not recoverable from M/S A.C.C. Limited who have a Cement Plant namely M/S Bhupindra Cement Works at Surajpur hold a mining lease for limestone in village Malla, tehsil Kalka district Panchkula. Due to prolong working over a half century working have become deep. consequent by the quality of the limestone has deteriorated. Company is purchasing high quality limestone, from HP for using it as sweetner with their own limestone. In the production figures, submitted to department inadvertently they had also mentioned the limestone which they had purchased from HP. In this way, they had shown excess quantity of 2698 tonnes of limestone on which royalty of Rs. 26980 was shown as recoverable by the Audit. However on explaining the position, this para has already been settled vide Accountant General letter No. 892-94 dated 12-1-1993

- (iii) A sum of Rs. 21,854 is not recoverable in respect of Minor Mineral quarry of Ramgarh tehsil Kalka district Panchkula which was on contract upto 31-3-90 @ Rs. 6,67,000 per annum. This quarry was put to auction on 15-4-90 for the grant of fresh contract. The bid received in the auction was rejected and till fresh auction, the quarry was operated on short term permit on pro-rata basis of annual contract money of Rs. 6,67,000. A short term permit was issued for Rs. 12,792 for month from 9-4-90 to 8-5-90, authorising the permit holder to extract boulder gravel and sand from Ramgarh quarry. In the permit, instead of writing 200 MT of sand, the quantity of sand was mentioned as 2000 MT in two monthly short term permits. The audit had pointed out that on 3600 MT royalty @ Rs. 5/- per MT amounting to Rs. 18,000 be charged. In addition interest of Rs. 3,854 on delayed payment be also recovered totalling to Rs. 21,854. As has been explained that permit has issued on pro-rata basis and thus no other amount is recoverable. The monthly permit amount is Rs. 12,792 which the permit holder paid. The position has already been explained to Audit and effort are being made to get this para settled.
- (iv) A sum of Rs. 18,667 is not recoverable. Shri Narinder Kumar was granted a contract of Bataur minor mineral quarry for the period from 1-2-1991 to 31-11-1994 @ Rs. 60,000 per annum. He deposited a sum of Rs. 30,000 at the time of auction. Rs. 15,000 as advance quarterly instalment and balance Rs. 15,000 as security. The instalment deposited at the time of auction was adjusted as instalment for the period from 1-2-1991 to 30-4-1991. The audit wrongly pointed out that the instalment for the period from 1-2-1991 to 30-4-1991 is recoverable which in fact had been deposited at the time of auction. Similarly, an interest of Rs. 1306.85 on this instalment was not due when the principal amount was paid on time. On termination of the contract the possession of the quarry was taken back from Shri Narinder Kumar on 7-10-1991 whereas the audit has calculated the recoverable amount upto 31-10-1991. In this way, a sum of Rs. 18,667 is not recoverable.

2. Non/Short recovery of royalty from BKO's

503	16.53	11.96	1.27	3.30
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Remarks

- (i) A sum of Rs. 8,750 was calculated as excess royalty to be recovered from the Bricks Kiln owners of district Bhiwani. On position being explained this para has been dropped by audit party of A.G.
- (ii) An amount of Rs. 1,12,250 was shown as recoverable royalty from 24 Bricks Kiln owners which was actually not recoverable.

This fact has been got verified from the audit party during the review of the office of the Assistant Geologist, Hisar for the year 1994-95 and para stands settled.

- (iii) Similarly royalty of Rs. 5,500 to be recovered from 2 parties in district Faridabad was actually not recoverable.

3. Non recovery of royalty on expired lease/terminated contract

15	5.34	3.71	—	1.63
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4. Misc. Irregularities

37	4.85	4.21	—	0 64
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During the course of oral examination, the department supplied the details of balance amount to be recovered under various heads which is reproduced as under :—

Details of balance amount

(A) *Non Recovery of contract money* 8.49 lakhs

1. Faridabad	—	1,74,897
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2. Gurgaon	69,676	38,142
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—31,534

<u>38,142</u>

3. Narnaul	2,36,857
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4. Bhiwani	20,230
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5. Ambala	52,078
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6. Yamunanagar	2,65,784
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Balance	<u>8.17</u>
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(B) *Non/short recovery of royalty from BKO's* 3.30

1. Faridabad	15,750
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2. Sonapat	49,500
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3. Rohtak	5,000
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4. Jind	3,750
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5. Kurukshetra	11,604
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6. Bhiwani	8,750
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7. Panipat	23,750
8. Ambala	90,500
(C) Non recovery of royalty/surface rent	1.63 lakhs
1. Gurgaon	1,60,018
2. Narnaul	2,478
(D) Misc:	0.64
1. Ambala	64,050

5.1 Result of Audit

After going through the above stated position of the balance recovery, the Committee recommends that some suitable steps be taken by the department to effect the balance recovery of Rs. 13.74 lakhs at the earliest. The progress made in this regard be intimated to the Committee.

[57] 5.3 Non-realisation of contract money and interest

Under the Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, a mining contract for quarrying is granted by auction or by inviting tenders to the highest bidder. The contractor is required to deposit 25 per cent of the annual bid money as security and another 25 per cent (one twelfth of the bid money where contract exceeds Rs. 5 lakhs) as advance payment immediately on the allotment of the contract. The balance of the contract money is payable in advance in monthly/quarterly instalments. In the event of default in payment, the competent authority may, by giving a notice, terminate the contract and forfeit the security and the instalments paid in advance, if any. Besides, interest at the rate of 15 per cent per annum is also recoverable for the period of default.

In Ambala, a contract for extraction of boulder bazri/sand in Dadupur Main Line (RD-69 to tail) was granted to a contractor through auction for the period from 16 April 1988 to 31 March 1990 for an amount of Rs. 5.60 lakhs per annum. The contractor paid monthly instalments late for the period from 16 April 1988 to 15 June 1989 and failed to pay the contract money due from him for the period from June 1989 onwards. The department, however, did not terminate the contract, which expired on 31 March 1990 and also failed to recover the contract money of Rs. 2.98 lakhs and interest of Rs. 1.26 lakhs (worked out upto April, 1992) due on delayed/non-payments of contract money.

On the omission being pointed out (December, 1990) in audit, the department issued demand notices (December, 1990 and April, 1992). Report on Recovery has not been received (August, 1992).

The case was reported to Government in January, 1991, their reply has not been received (August, 1992).

The department, in their written reply, explained the position as under :—

The contractor M/S Darshan Lal and company was issued notices on 27-7-89, 14-9-89, 17-10-89 and 7-2-90, under clause-16 of the contract agreement to pay the outstanding contract money within a period of 30 days failing which contract would be terminated. In response to demand notice the contractor made part payments of the contract money resulting in fresh issuance of demand notice. Mining Officer, Ambala vide his letter dated 14-2-1990 informed that the contractor had deposited Rs. 40,000 on 1-2-90, Rs. 30,000 were adjusted as contract money for the period from 16-5-89 to 15-6-89 and Rs. 3,333/- as interest and remaining amount of Rs. 6,667/- against the instalment from 16-6-89 to 15-7-89. Since the contractor was making part payments regularly, the contract could not be cancelled as it would have caused loss to the Govt. It may be mentioned that after adjusting the security of another sum of Rs. 75,000 has already been recovered leaving a balance of Rs. 65,000 only. The contractor has filed a suit in the Court of Senior Sub Judge, Karnal challenging the recovery proceedings initiated against him. However, the contractor has also made a representation for waiving of interest and recovery of balance amount in instalments.

5.3 Non-realisation of contract money and interest

After going through the latest position of the pending cases as supplied by the department, the Committee recommends that outcome of these cases be intimated to the Committee. The Committee further desires that the reasons for non-recovery be also intimated to the Committee after ascertaining the same from the field.

[58] 5.4 Non-recovery of dead rent and interest thereon.

Under the Mines and Minerals (Regulations and Development) Act, 1957, the holder of a mining lease is required to pay royalty at the rates specified in the second schedule to the Act on any mineral removed or consumed by him or his agent from the leased area by the dates stipulated in the lease deed. Further, as per lease agreement, the lessee shall pay royalty at such rates or deed rent in respect of that area whichever is higher. Under the Minerals Concession Rules, 1960, simple interest at 15 per cent per annum (24 per cent with effect from 1 April 1991) is chargeable in the event of default in payment so long as the default continues.

In Narnaul, the lease of Bayal Mining was granted for a period of ten years from April, 1980 for the extraction of quartz. Subsequently in October 1985, the lease was transferred to another party on the request of previous lessee. The second lessee did not make payment of any royalty/dead rent from January, 1989 onwards. The possession of the mine was handed over to the department on 22 April 1990. Deed rent not paid, worked out to Rs. 33,642. In addition, interest of Rs. 16,925 was also recoverable.

On the omission being pointed out (December 1990) in audit, the department stated (January 1992) that efforts were being made to recover the amount. Report on recovery has not been received (August 1992).

The case was reported to Government in December 1990; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under :—

M/s Bhumihari Minerals held a mining lease for extraction of quartz and felspar minerals in village Bayal district Mohindergarh for a period ending on 21-4-1990. The lease did not work the area and also not paid the dead rent for the period from 1-7-88 to 21-4-90 amounting to Rs. 31,879-15P. Their mining lease was not renewed when it expired on 21-4-1990. A recovery certificate for recovering the dead rent amounting to Rs. 40,128/- alongwith interest has already been issued. A sum of Rs. 44,316/- has already been recovered from one of the partners Sh. Harikesh other two partners namely Sarvhari Bharat Singh and Umed Singh are staying at Bhiwani Mining Officer, Bhiwani is making effort to recover the same from them.

5.4 Non-recovery of dead rent and interest thereon.

The Committee recommends that the Mining Officer, Bhiwani be directed to effect the balance recovery from the partners within a period of three months under intimation to the Committee.

[59] 5.5 Interest not charged on delayed payments

The Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, require a lessee to pay instalments of contract money in advance by the stipulated dates. In the event of default, he is liable to pay interest at the rate of fifteen per cent per annum so long as the default continues.

(i) In Faridabad, three lessees paid instalments of royalty/contract money for the period April 1990 to May 1991 after the stipulated dates. Interest chargeable on belated payments amounted to Rs. 1.82 lakhs, which was not demanded. 12/1/2010

On the omission being pointed out (August 1991) in audit, the department recovered Rs. 0.57 lakh in one case. Report on recovery of the balance amount of Rs. 1.25 lakhs has not been received (August 1992).

The case was reported to Government in December 1991; their reply has not been received (August 1992).

(ii) In Faridabad, a lessee who was granted mining lease for three quarries for the extraction of road metal and masonry stone for five years, paid dead rent after the stipulated dates during 1990-91. The delay ranged from 310 days to 329 days. On belated payments of amount due, interest amounting to Rs. 1.41 lakhs was chargeable, but was not demanded. 12/1/2010

On the omission being pointed out (December 1991) in audit, the department stated (May 1992) that notices for recovery of interest had been issued (September 1991). Report on recovery has not been received (August 1992).

The case was reported to Government in December 1991; their reply has not been received (August 1992).

(iii) In Ambala, contract for extraction of boulder, gravel and sand was granted (April 1988) through auction for the period from 16 April 1988 to 31 March 1990. As the contractor failed to pay monthly instalments from 16 September 1988 onwards, the department terminated (July 1989) the contract and took over the possession of the quarry on 29 July 1989. The contract money amounting to Rs. 19.87 lakhs was payable by the contractor for the period from 16 September 1988 to 29 July 1989 and the same was deposited by him between September 1989 and April 1990. However, the department incorrectly worked out the recoverable amount of contract money at Rs. 18.97 lakhs and thus adjusted the amount of Rs. 90 lakh towards interest of Rs. 3.47 lakhs payable by the contractor for belated payments of contract money. The monthly instalments of contract money relating to the period from May 1988 to September 1988 were also deposited late by the contractor. The interest for belated payments of entire contract money (including Rs. 19.87 lakhs) worked out to Rs. 3.47 lakhs as against Rs. 2.49 lakhs calculated by the department and resulted in short demand of interest amounting to Rs. 0.98 lakh.

On the omission being pointed out (December 1990) in audit, the department rectified the mistake and intimated (January 1992) that notice for recovery of interest of Rs. 3.47 lakhs has been issued to the contractor. The recovery certificate was also issued (January 1992) to Collector Ambala for effecting recovery as arrears of land revenue. The department recovered amount of rupees one lakh in February 1992. Report on balance amount of Rs. 2.47 lakhs has not been received (August 1992).

The case was reported to Government in January 1991; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under:—

5.5. (i) Department grants mining contracts for minor minerals for a minimum period of five years and mining leases for major minerals for a minimum period of twenty years. A lessee pays royalty on the basis of weighment slips issued by him to the trucks carrying minerals. In some cases royalty is paid in the form of bank drafts and demand of interest on delayed payment is raised after the royalty is paid. In this way, some delay is caused in realisation of the interest on delayed payment. The interest amounting to Rs. 108 000/- has been recovered out of the total amount of Rs. 182356/- from two lessees. The remaining amount of Rs. 73,219/- is to be recoverable from M/s K. M. Stone Company who held the contract of Sarai Khawaja Plot No. 2 quarry upto 31-3-1992. The recovery certificate has already been issued against the partners of the firm.

5.5 (ii) M/s. Haryana Minerals Limited, a public sector undertaking held the mining leases of Anangpur, Mewla Maharajpur and Lakarpur, stone mines of district Faridabad for a period of five years upto 31-3-1994. A sum of Rs. 1,41,000/- is recoverable as interest on delayed payment from Haryana Minerals Limited. Efforts are being made to recover the amount from Haryana Minerals Limited.

5.5 (iii) Out of the total interest of Rs. 3,47,000/- a sum of Rs. 2,00,000/- has already been recovered leaving a balance of Rs. 1,47,000/- for which a recovery certificate has been issued and efforts are being made to recover the same.

5.5 (i) Interest not charged on delayed payments.

The Committee recommends that the matter be pursued vigorously to get the stay vacated from Senior Sub-Judge, Faridabad so that recovery of outstanding dues to the tune of Rs. 74,000/- be effected from the sureties at the earliest. The final decision in the matter be intimated to the Committee.

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5.5 (ii) The Committee recommends that the amount of interest on delayed payment from the Haryana Minerals Limited be recovered within a period of three months under intimation to the Committee.

5.5 (iii) The Committee recommends that strenuous efforts be made by the department to effect the balance recovery in the instant case at the earliest. The Committee further desires to supply the certain information in respect of arrears of outstanding amount but the said information has not been supplied by the department till the finalisation of this report.

12/1/2010

1992-93

[60] 1.4. Uncollected revenue

As on 31st March 1993 arrears of revenue under principal heads of revenue, as reported by the departments, were as under :

Heads of revenue	Total Arrears	Arrears more than five years old	Remarks
1	2	3	4
(In lakhs of rupees)			
Non-ferrous Mining and Metallurgical Industries	222.69	73.61	Out of Rs. 222.69 lakhs, a sum of Rs. 150.72 lakhs was covered under certificate recovery process and the recovery of Rs. 54.99 lakhs had been stayed by courts/judicial authorities. Remaining recovery of Rs. 16.98 lakhs was under other stages of action.

The department, in their written reply, explained the position as under :—

Out of the arrears of Rs. 222.69 lacs a sum of Rs. 99.27 has been recovered. In addition to this a sum of Rs. 54.99 lacs has been stayed by the court and Govt. Thus a sum of Rs. 68.43 lacs is outstanding. Out of the amount of Rs. 73.61 lacs shown as arrears more than five years old a sum of Rs. 8.78 lacs has been recovered leaving a balance of Rs. 64.83. All out efforts are being made to recover the outstanding amount & liquidate the arrears. In this connection, the field officers of the districts have been advised to recover the outstanding amount and in case the amount has become non recoverable the reasons with full justification be intimated to this office. They are also advised to send the monthly progress report of recovery every months & the progress of recovery is compared from their reports.

After going through the latest figures as supplied by the department of the total arrears payment recovered is reproduced as under :—

1. Total arrears	—	Figure in lacs 222.69
2. Amount recovered	102.08	
(ii) Court cases		
Recovery stayed by court	52.18	
	154.26	154.26
3. Balance		68.43

Details of 68.43

Sr. No.	District	Amount	Recovered	No. of cases/parties	Balance
1		3	4	5	6
1.	Gurgaon	14.43	—	134	14.43
2.	Faridabad	2.17	0.22	37	1.95
3.	Jind	0.83	—	19	0.83
4.	Rohtak	2.05	—	—	2.05
5.	Sonipat	26.82	0.50	18	26.32
6.	Kurukshetra	0.37	—	11	0.37

1	2	3	4	5	6
7.	Bhiwani	4.90	0.32	40	4.58
8.	Hisar	1.41	0.65	26	0.76
9.	Narnaul	9.23	3.40	50	5.83
10.	Ambala	2.59	0.21	33	2.38
11.	Sirsa	0.94	0.08	31	0.86
12.	Panipat	2.69	0.68	65	2.01
		68.43	6.06	464	62.37

Note :—Out of 68.43 Lakhs, a sum of Rs. 6.06 has been recovered as on 20-1-1997 leaving a balance of Rs. 62.37.

Para No. Arrears More than five years old.

1.4

I (B) (i) Total Arrears	73.61
(ii) Amount recovered	8.78
Balance	64.83

Details of amount Rs. 64.83

Sr. No.	District	Amount	Recovered	No. of cases/ parties	Balance
1	2	3	4	5	6
1.	Faridabad	9.89	5.71	45	4.18
2.	Gurgaon	6.73	—	83	6.73
3.	Jind	0.71	0.15	12	0.53
4.	Rohtak	1.70	—	—	1.70
5.	Sonipat	25.80	—	18	25.80
6.	Kurukshetra	0.43	—	11	0.43
7.	Bhiwani	2.12	0.03	51	2.09
8.	Narnaul	6.55	3.53	22	3.02

1	2	3	4	5	6
9	Ambala	5.15	0.16	26	4.99
10.	Sirsa	0.69	—	30	0.69
11.	Panipat	2.86	0.14	27	2.72
12.	Hisar	2.20	1.28	17	0.92
		64.83	11.83		53.80

Note.—Out of the arrears of Rs. 64.83 lacs a sum of Rs. 11.03 lacs has been recovered as on 20-1-97 leaving a balance of Rs. 53.80.

1.4. Un-collected Revenue

The Committee observed that still a huge amount is yet to be recovered from the various districts of the State. The Committee was further informed that out of the arrears of Rs. 64.83 lakhs, a balance of Rs. 53.80 lakhs is yet to be recovered which is more than 5 years old. The Committee, therefore, recommends that the strenuous efforts be made by the department to effect the balance recovery within a stipulated period and a progress report of the recovery be sent to the Committee regularly.

[61] 5 1. Results of Audit.

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted in audit during the year 1992-93, revealed under assessment or losses of revenue amounting to Rs. 627 lakhs in 627 cases as indicated below :

Name of Department	Number of cases	Amount (In lakhs of rupees)
1	2	3
(A) Mines and Geology	627	78.11

During the course of the year 1992-93 :

(A) In the case of mines and geology, the department accepted under assessment of Rs. 90.88 lakhs involved in 457 cases of which 273 cases involving Rs. 63.07 lakhs were pointed out during 1992-93 and the rest in earlier years and out of which an amount of Rs. 17.69 lakhs in 44 cases has been recovered.

The department, in their written reply, explained the position as under :—

Out of the total of sum of Rs. 78.11 lacs shown as outstanding a sum of Rs. 46.75 lacs have already been recovered. Ano-

ther sum of Rs. 2.35 lacs is otherwise not recoverable. The detailed position of different categories is explained as under :

Sr. No.	Category	No. of cases	Amount shown as-recoverable	Amount recovered	A.N.C.	Balance
1	2	3	4	5	6	7
1.	Non recovery/short recovery of contract money, royalty/dead rent and interest.	36	39.40	30.19		9.21
2.	Non recovery/short recovery of contract money, royalty/dead rent & ill expired terminated contract.	34	16.95	1.07	2.35	13.53
3.	Non recovery/short recovery of interest on delayed payment of royalty/dead rent & contract money.	6	3.67	1.74		1.93
4.	Non recovery/short recovery of royalty & interest from Brick Kiln owners.	520	16.60	12.26		4.34
5.	Miscellaneous irregularities	31	1.49	1.49		—
		627	78.11	46.75	2.35	29.01

The above chart shows that a sum of Rs. 29.01 lacs is outstanding. All district officers have been instructed to liquidate the arrear immediately and send their monthly progress report to head office for information & necessary action. However, all our efforts are being made to liquidate the arrears.

After going through the following latest figures of the balance recovery :—

1. Non Recovery/Short Recovery of contract money/royalty/dead rent & interest.

Total amount 9.21

Amount recovered 1.18

Balance 8.03

Details of 8.03

Sr. No.	District	No. of Party	Amount involved
1	2	3	4
1.	Ambala	5	1.40
2.	Yamunanagar	2	1.60
3.	Narnaul	4	0.21
4.	Faridabad	3	4.67
5.	Gurgaon	1	0.15
		15	8.03

2. Non Recovery/Short Recovery of contract money/royalty/dead rent & ill expired terminated contract.

Details of Amount — 13.52 No Recovery

Sr. No.	District	No. of Parties	Amount
1	2	3	4
1.	Ambala	7	1.86
2.	Yamunanagar	11	6.66
3.	Narnaul	2	1.88
4.	Gurgaon	15	3.13
		35	13.53

3. Non recovery/Short recovery of interest on delayed payment of royalty dead rent and contract money.

Total amount — 1.93 Not recovered

Details of 1.93

Sr. No.	District	No. of Parties	Amount
1	2	3	4
1.	Ambala	2	0.84
2.	Faridabad	2	1.09
Total		4	1.93

IV. Non/Short recovery of royalty & interest from BKO's

Total amount	4.34
Recovered	0.25
Balance	4.09

Details of 4.09

Sr. No.	District	No. of parties	Amount
1	2	3	4
1.	Ambala	46	1.29
2.	Narnaul	6	0.14
3.	Faridabad	3	0.11
4.	Bhiwani	1	0.03
5.	Rohtak	87	0.17
6.	Hisar	12	0.04
7.	Kurukshetra	26	0.08
8.	Jind	15	0.54
9.	Sonipat	56	0.47
10.	Gurgaon	51	1.22
		263	4.09
		-56	-47
		207	3.62

5.1 Results of Audit.

The Committee recommends that necessary instructions be issued to the officers posted at the district head-quarters to liquidate the arrear immediately and progress report be sent to the Committee within a period of three months.

[62] 5.2 Non-recovery of contract money and interest.

Mining contracts for quarrying are granted by auction or by inviting tenders for a period extending upto five years. The provisional highest bidder is required to deposit 25 per cent of the annual bid money as security and whole of the bid money or 25 per cent or one-twelfth of the annual bid money as the case may be, as advance contract money. The balance contract money is payable in advance in monthly, quarterly instalments. In the case of contract of saltpeter, the balance amount is payable on or before 15th of May of the year to which the contract pertains. The execution of the deed is made within one month from the date of communication of acceptance of bid. In case of default in the due observance of the terms and conditions of the contract or in payment of the contract money on the due date, the contract may be terminated by the Government or by any officer authorised by Government by giving one month's notice with forfeiture of security deposit as also the instalment paid in advance. Interest at the rate of fifteen per cent per annum (twenty four per cent from 20th March, 1992) is also recoverable for the period of default.

In four districts (Ambala, Faridabad, Gurgaon & Narnaul), 26 contractors who were awarded mining contracts for the periods between April 1985 and March 1993 did not pay the quarterly or monthly instalments of contract money due from them for the periods between January, 1987 and October, 1992. The department failed, either to grant extension in the mining lease or terminate the contracts in time thus resulting in undue benefit to contractors, as they operated the contracts without payment of 2 to 5 quarterly or monthly instalments of contract money, and also in non-realisation of contract money amounting to Rs. 27.44 lakhs and interest of Rs. 10.48 lakhs as tabulated below :

Sr. No.	Name of district	Number of contracts	Period of contract	Period of recovery	Contract money recoverable (Rupees)	Interest Chargeable
1	2	3	4	5	6	7
1	Ambala	7	April 1985 to March 1993	January 1987 to October 1992	6,81,358	4,26,210
2	Faridabad	3	May 1986 to March 1992	June 1988 to June 1992	13,42,136	3,00,002

1	2	3	4	5	6	7
3	Gurgaon	13	August 1985 to March 1992	November 1988 to March 1991	4,99,086	2,42,386
4	Narnaul	3	November 1988 to March 1993	February 1989 to September 1992	2,21,555	79,486
		26			27,44,135	10,48,084

The department issued (between May, 1990 and November, 1992) recovery certificates for the recovery of Rs. 23.06 lakhs in 14 cases and issued (between 9/92 and 3/93) demand notices for the recovery of Rs. 12.24 lakhs in 9 cases. In the remaining 3 cases Collector Gurgaon, Narnaul and Rohtak have been requested (1/93 and 2/93) to issue recovery certificates for Rs. 2.61 lakhs. An amount of Rs. 3.70 lakhs was recovered (between 10/92 and 3/93) in 6 cases and of Rs. 6.88 lakhs was adjusted (1/93) by the department in one case against security deposit.

The department, in their written reply, explained the position as under :—

A sum of Rs. 27.44 lacs as contract money & Rs. 10.48 lacs as interest is outstanding against 26 No. of cases as shown in this para. Out of Rs. 27.44 lacs as contract money as sum of Rs. 12.98 lacs has been recovered, leaving a balance of Rs. 14.46 lacs. Similarly out of Rs. 0.48 lacs as interest a sum of Rs. 1.08 lacs has been recovered leaving a balance of Rs. 9.39 lacs. The collector of the district have been requested to issue the R.C. The field officers have also been instructed to recover the outstanding amount from the defaulters and monthly progress report be intimated to Head office regularly.

5.2 Non-recovery of Contract money and interest.

The Committee recommends that the Commissioner, Mines and Zoology Deptt. should take up the matter with the concerned Deputy Commissioners to effect the balance recovery at the earliest. The action taken in the matter be intimated to the Committee.

[63] 5.4. Non-recovery/Short recovery of royalty.

Under the provisions of Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana and as amended vide notification dated 16th February 1989, the Director or any other officer authorised by him in this behalf, may grant quarrying permit for a period of two years for extraction of brick earth for manufacture of bricks within the limits of

State of Haryana to any body who applies for the grant of a permit on payment of a fee of Rs. 200 along with application. Brick kiln owners are required to make payment of fixed royalty (ranging between Rs. 1100 and Rs. 6000 per annum) for different categories (A, B, C and D) of brick kilns. 25 per cent of the annual royalty is payable in advance and thereafter on quarterly basis. In case of default in due observance of the terms and conditions of the permit or in payment of the quarterly instalments on due dates, the permit may be cancelled by the competent authority by giving one month's notice. Any sum due (including interest is recoverable from the permit holders as arrears of land revenue.

In Ambala, Faridabad, Gurgaon and Narnaul, royalty amounting to Rs. 5.73 lakhs for the period between April 1989 and March 1992 was either not recovered or was recovered short from 112 permit holders. Besides, interest amounting to Rs. 1.59 lakhs is also recoverable.

On this being pointed out in audit to department (between November 1990 and January 1993) the department recovered (March 1991 to February 1993) Rs. 0.57 lakh from 11 permit holders and issued (between January 1993 to March 1993) demand notices for the recovery of the balance amount.

The department, in their written reply, explained the position as under :—

A sum of Rs. 5.73 lacs was outstanding as shown in this para. Out of this 2.97 lacs have been recovered, leaving a balance of Rs. 2.76 lacs. The Field offices have been instructed to recover the outstanding amount immediately. They have also been instructed to intimate the progress of recovery monthly to this office.

5.4 Non-recovery/Short recovery of royalty.

After hearing the departmental representatives, the Committee recommends that the field officers be directed to effect the balance recovery of Rs. 2.73 lakhs within a period of three months under intimation to the Committee.

[64] 5.6 Interest not charged.

Under the Punjab Minor Mineral Concession Rules 1964, the holder of a mining lease/mining contract is required to pay royalty in respect of any mineral removed or consumed by him or dead rent of the entire leased area, whichever is higher or instalments of contract money in advance by the dates stipulated in deed. Simple interest at the rate of 15 per cent per annum (24 per cent with effect from 20th March 1992) is chargeable for the period of default in payment.

(i) In Ambala, mining contract for extraction of boulder, gravel and sand was granted for the period from February 1991 to March 1994 for Rs. 9.55 lakhs per annum. The contractor paid monthly instalments

of contract money for the period June 1991 to March 1992 after stipulated dates. Interest chargeable amounted to Rs. 24,620 on belated payments was not demanded.

On this being pointed out in audit to department, the department issued (February 1993) notice for the recovery.

(ii) A public sector undertaking paid instalments of royalty/dead rent in respect of mines awarded in Faridabad district for the period from April 1990 to March 1991 after the stipulated dates. Interest chargeable amounting to Rs. 21,609 on belated payments was not demanded.

On this being pointed out in audit to department, the department stated (January 1993) that demand notice had been issued.

These cases were reported to Government (July 1993); their reply has not been received.

The department, in their written reply, explained the position as under :—

5.6(I) & (II) The position have been explained in reply to questionnaire 1.4. However Mining Officer Ambala & Assistant Mining Engineer Faridabad has been directed to recover the amount from the concerned parties immediately under intimation to this office.

5.6. Interest not charged

The Committee was informed that no recovery has been made from the parties of Faridabad and Ambala districts. The Committee, therefore, desires that some concrete steps be taken by the department to effect the recovery from the concerned parties without any further delay.

REVENUE DEPARTMENT

1991-92

65] 1.4 *Uncollected Revenue.*

As on 31st March 1992, 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 five years
1	2	3
(In crores of rupees)		
Stamps and Registration Fee	2.87	0.18

The department, in their written reply, explained the position as under :

The main reasons for non-settlement of the uncollected revenue are non-traceability of defaulters due to incomplete/changed addresses and pendency of cases U/S 47-A of the Indian Stamp Act, 1899. However, a latest position of such arrears is given below :—

	Total arrears	Arrears out- standing for more than five years
1		2
(Rs. in crores)		
Pending	2.87	0.13
Recovered/Settled	1.52	0.13
Balance	1.35	0.05

Year-wise position of uncollected revenue is as under :—

Year.	Amount involved. (Rs. in crores):
1986-87	0.05
1987-88	0.18
1988-89	0.25
1989-90	0.25
1990-91	0.23
1991-92	0.39
Total	1.35

1.4 Un-collected Revenue

During the course of oral examination, the Committee was informed that an amount of Rs. 1.35 crore is yet to be recovered. The Committee, therefore, recommends that the balance amount be recovered within a period of 6 months under intimation to the Committee.

[66] 1.4. Uncollected Revenue (Land Revenue)

As on 31st March 1992, 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 five years (in crores of rupees)
Land Revenue	0.21	0.06

The department, in their written reply, explained the position as under :—

As per the information received from the Divisional Commissioners, an amount of Rs. 18,35,668/- has been recovered out of Rs. 21,00,000/- upto 30-9-1995, leaving a balance of Rs. 2,64,337/-.

1.4 Arrears of land revenue

During the course of oral examination, the Committee was informed that out of 21 lakhs, an amount of Rs. 18,35,663/- has been recovered with remaining balance of Rs. 2,64,000/-. The Committee recommends that the balance amount also be recovered within a period of 3 months under intimation to the Committee.

[67] 3.1 Results of Audit

The check of records in departmental offices, conducted in audit during the year 1991-92, revealed short levy and non-levy of stamp duty and registration fee and other irregularities amounting to Rs. 141.13 lakhs in 1290 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	766	111.73
2. Irregular exemption of stamp duty and registration fee	357	9.57
3. Non/short levy of stamp duty and registration fee	123	2.17
4. Evasion of stamp duty and registration fee	25	8.62
5. Other irregularities	19	9.04
	1290	141.13

During the course of the year 1991-92, the department accepted under assessment etc. of Rs. 183.90 lakhs involved in 1288 cases of which 488 cases involving Rs. 80.90 lakhs had been pointed out in audit during 1991-92 and the rest in earlier years, out of which an amount of Rs. 2.40 lakhs in 30 cases has been recovered. 8 Draft paragraphs containing 13 cases involving financial effect of Rs. 10.58 lakhs and bringing out major irregularities noticed during the year 1991-92 or earlier years were issued to the Government for their comments. The department has accepted the observations in 12 cases involving Rs. 10 lakhs of which Rs. 0.96 lakhs have been recovered up to August 1992.

A few illustrative cases are given in the following paragraphs.

The department, in their written reply, explained the position as under :—

A latest position in respect of 1290 cases is as under :—

1. Loss of stamp duty and registration fee due to under valuation of properties.

	Amount (Rs. in lacs)	No. of cases
(i) Recovery already mentioned in CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	25.96	82
(iii) Amount dropped by collectors/D. Cs.	19.32	110
(iv) Amount recovered by Deptt.	19.51	261
(v) Cases in various courts.	31.96	182
(vi) Balance Amount	14.98	131
Total	111.73	766

2. Irregular Exemption of stamp duty and Registration Fee.

(i) Recovery already mentioned in C A.G.S.	0.02	1
(ii) Amount dropped by A.G. in the subsequent audit.	2.47	49
(iii) Amount dropped by collectors/D. Cs.	0.55	8
(iv) Amount recovered by the Deptt.	4.29	247
(v) Cases in various courts	0.33	3
(vi) Balance Amount	1.91	49
Total	9.57	357

3. Non/Short levy of stamp duty and Registration Fee

	Amount (Rs. in lacs)	No. of cases
(i) Recovery already mentioned in C.A.G.'s Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	0.38	37
(iii) Amount dropped by collectors/D.Cs.	0.54	13
(iv) Amount recovered by the Deptt.	0.96	66
(v) Cases in various courts	0.05	1
(vi) Balance Amount	0.24	6
Total	2.17	123

4. Evasion of stamp duty and registration fee

(i) Recovery already mentioned in the CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	0.25	1
(iii) Amount dropped by collectors/D.Cs.	2.75	5
(iv) Amount recovered by Deptt.	1.57	9
(v) Cases in various courts	1.89	3
(vi) Balance Amount	2.16	7
Total	8.62	25

5. Other Irregularities

	Amount (Rs. in lacs)	No. of cases
(i) Recovery already mentioned in CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	5.51	5
(iii) Amount dropped by collectors/D.Cs.	0.20	1
(iv) Amount recovered by Deptt.	0.52	3
(v) Cases in various courts.	0.56	3
(vi) Balance amount	2.25	5
Total	9.04	19

The overall picture is as under :—

1. Recovery already mentioned in CAG's Report	0.02	1
2. Amount dropped by A.G. in the subsequent audit.	34.57	174
3. Amount dropped by collectors/Ds.Cs.	23.36	137
4. Amount recovered by the Deptt.	26.85	588
5. Cases in various courts.	34.79	192
6. Balance Amount	21.54	198
Total	141.13	1290

3.1 Results of Audit.

After going through the latest position of the arrears, the Committee is constrained to observe that still huge amount is to be recovered under various heads. The Committee, therefore, recommends that the strenuous efforts be made by the Department to effect the balance recovery within a stipulated period. The Committee further recommends that the cases which are pending with the Collectors be settled within a period of 6 months under intimation to the Committee.

[68] 3.2 Short Levy of Stamp duty

Under the Indian Stamp Act, 1899, conveyance includes conveyance on sale and every instrument by which property, whether movable or immovable, is transferred inter vivos and which is not otherwise specifically provided for by Schedule I—A. Further, the Indian Registration Act, 1908, provides that immovable property includes land, building, hereditary allowances, rights to ways, lights, ferries, fisheries or any other benefit to arise out of land and things attached to the earth, but not standing timber, growing crops nor grass.

In Shahabad (Kurukshetra) a vendee purchased a factory for a consideration of Rs. 41.31 lakhs in auction conducted by the official liquidator attached to Delhi High Court. Out of the total auction cost of the factory an amount of Rs. 6.91 lakhs was apportioned for land and building and the balance amount of Rs. 30.40 lakhs represented plant and machinery. While executing (October 1990) the sale deed in the office of Sub-Registrar, Shahabad, stamp duty was paid on Rs. 6.91 lakhs viz. on the cost of land and building instead of on the total cost of Rs. 41.31 lakhs. The omission resulted in short levy of stamp duty amounting to Rs. 5.33 lakhs on the cost of plant and machinery.

On the omission being pointed out (June 1991) in audit, the department referred (October 1991) the case to the Collector who upheld the view point of audit and ordered (January 1992) recovery of the balance stamp

duty of Rs. 5.33 lakhs. The vendee has gone in appeal in the civil court against the judgement of the Collector. Further progress of the case has not been received (August 1992). The case was reported (June 1992) to the Government.

The department, in their written reply, explained the position as under :—

Being a court case, this has been deleted by A.G. from the list. This is pending for decision in the Hon'ble Punjab and Haryana High Court. Action will be taken for the recovery of Rs. 5.33 lacs in accordance with a decision of the High Court.

3.2 Shortlevy of stamp duty.

After going through the facts of this case, the Committee desires that decision of the Court in the instant case be intimated to the Committee.

[69] 3.3 Under valuation of immovable property

Under Section 47-A of the Indian Stamp Act, 1899 and the rules made thereunder, as applicable to Haryana, if the Registering Officer has reasons to believe that the value of the property or the consideration as the case may be, has not been truly set forth in the instrument of transfer, he may refer the same to the Collector for determination of the value or consideration of the property and the proper duty payable thereon. Further, Section 64 of the Indian Stamp Act, 1899, provides that any person, who with intent to defraud Government, executes any instrument, in which all the facts and circumstances required to be set forth in such instrument under the Act are not fully and truly set forth, is punishable with a fine which may extend to five thousand rupees.

(i) In 6 sale deeds registered in registering offices at Ferozepur Jhirkha, Rewari and Safidon during the period from June 1990 to May 1991, the value of the properties set forth in the sale deeds had been shown less than those agreed upon between the parties as per agreements to sell executed by them earlier and recorded with the document writers. This resulted in stamp duty being realised short by Rs. 1.95 lakhs.

On the omission being pointed out (June 1991, November 1991 and January 1992) in audit, the department raised (August, December 1991 and May 1992) the demand for recovery. Report on recovery has not been received (August 1992).

The cases were reported to Government between June 1991 and January 1992 ; their reply has not been received (August 1992).

(ii) In the office of the Sub-Registrar, Pehowa (Kurukshetra), a sale deed was executed during June 1989 on account of sale of agricultural land measuring 7.225 acres (57 kanals 16 marlas). The value of land set forth in the sale deed was of Rs. 1.96 lakhs whereas, as per agreement executed between the affected parties in December 1988 and found recorded with the document writer, the sale value agreed upon works out to Rs. 3.61 lakhs at

the rate of Rs. 50,000 per acre. This resulted in stamp duty being realised short by Rs. 20,690. Besides, penalty not exceeding Rs. 5000 for undervaluation done with intent to defraud Government was also leviable, but was not levied.

On the omission being pointed out (July, 1990) in audit, the department recovered (between April 1991 and July, 1992) Rs. 15,690 and intimated that efforts were being made to recover the balance amount.

The case was referred to Government in October 1990; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under :—

3.3 (i) A latest position of 6 sale deeds is as under :—

	No. of cases	Amount involved (in Rs.)
Amount recovered by the Deptt.	5	1,63,875
Pending u/s 47-A	1	31,150
Total	6	1,95,025

(ii) The deficient amount of Rs. 20690/- has been recovered by Sub-Registrar, Pehowa. This para may, therefore, be dropped.

3.3 Under valuation of a immovable Property.

The Committee recommends that the entire amount be recovered within a period of 6 months under intimation to the Committee

[70] 3.4 Evasion of Stamp duty and registration fee through power of attorney

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 if 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 1—A to the Indian Stamp Act, 1899.

In Sub-Registry Panipat, an agreement to sell was executed (December, 1990), after receiving full consideration and handing over possession of the property to the purchaser. Simultaneously, power of attorney authorising the purchaser to dispose of the property in any manner and sign the sale deed was also given. Stamp duty and registration fee amounting to Rs. 1.01 lakhs was leviable on the consideration as applicable to sale deed, but was not levied.

On the mistake being pointed out (September, 1991) in audit, the department issued (February, 1992) notice of recovery. Further report has not been received (August, 1992).

The matter was reported to Government in December, 1991; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under :—

On receipt of the notice of recovery, the concerned party filed a case in the Civil Court, Panipat. As such, further action will be taken after the Court's decision.

3.4 Evasion of Stamps duty and Registration fee through Power of attorney.

During the course of oral examination, the Committee was informed that the matter is pending with the Civil Court of Rewari. The Committee, therefore, desires that the action in the matter be taken as per the decision of the Court.

[71] 3.5 Irregular exemption of stamp duty and registration fee

Under the Indian Stamp Act, 1899, as applicable to Haryana, mortgage deed includes every instrument whereby, for the purpose of securing money advanced, or to be advanced, by the way of loan, or an existing or future debt or the performance of an engagement, one person transfers or creates, to or in favour of another a right over or in respect of specified property. In cases where possession of property is not given, stamp duty is chargeable at one and a half percent of the amount of loan secured by such instrument. Government vide two notifications issued in October 1983 under the Indian Stamp Act, 1899 and Indian Registration Act, 1908, remitted levy of stamp duty and registration fee on the deeds of mortgage without possession which are executed by agriculturist in favour of Commercial Banks for securing loans for purposes specified in the said notifications.

One Pharmaceutical Private Limited Company secured cash credit limit Rs. 38 lakhs from scheduled Commercial Bank. Two agriculturists stood surety for the payment of loan by the company and got registered two mortgage deeds of Rs. 19 lakhs each (without transfer of possession of property) in Registry Offices at Pehowa and Thanesar in February 1991. Stamp duty and registration fee on these mortgage deeds was not levied on the plea that both the mortgagees only stood surety but they did not secure and loan for themselves. The plea of the department is not tenable because the purpose of mortgagees did not fall under the items specified for exemption under aforesaid notification. The irregular grant of exemption resulted in non-levy of stamp duty of Rs. 57,000 and registration fee of Rs. 1,000.

The case was reported to the Government in August 1992, their reply has not been received (October 1992).

The department, in their written reply, explained the position as under :—

A latest position of the cases is as under :—

No. of cases	Amount in Rs.
1.	29,000 Dropped by Punjab and Haryana and High Court.
1.	29,000 Pending in the Punjab & Haryana High Court for decision.
Total	58,000

Action will be initiated after the court's decision.

3.5. Irregular exemption of stamp duty and registration fee

The Committee desires that the decision of the Court be intimated to the Committee.

[72] 3.6 Misclassification of instruments

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 purposes and is chargeable to stamp duty at the rate higher than that chargeable on a deed of declaration of trust which indicates expression of the desire by the author of the trust to vest the property in a body administering the trust as per his directions contained in the deed itself.

Sub-Registrar office, Rewari, two instruments (by which immovable property was donated to trusts created for educational and charitable purposes) were erroneously registered (May, 1990) as deeds of declaration of trust, instead of as deeds of settlement and assessed to stamp duty at the lower rates. Stamp duty and registration fee levied short as a result of this misclassification amounted to Rs. 45,618.

On the mistake being pointed out (August 1991) in audit, the department issued (December 1991 and January 1992) notices for recovery. The affected persons filed (June 1992) a suit in the court of Senior Sub-Judge, Rewari against the notices for recovery. Final outcome of the case is awaited (August 1992).

The cases were reported to Government in November 1991; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under :—

Affected parties filed a civil suit in the court of Senior Sub-Judge,

Rewari against the recovery notice. Further action will be taken after the court's decision.

3.6 Misclassification of instruments

During the oral examination, the Committee was informed that the case is pending in the Court of Senior Sub-Judge, Rewari. The Committee, therefore, desires that the latest position of the case be intimated to the Committee.

1992—93

[73] 1.4 Uncollected revenue

As on 31st March 1993 arrears of revenue under principal head of revenue, as reported by the departments, were as under :

Heads of revenue	Total Arrears	Arrears more than five years old	Remarks
Stamps and Registration fee	310.92	47.71	Out of Rs. 310.92 lakhs, a sum of Rs. 4.41 lakhs was covered under certificate recovery process and the recovery of Rs. 23.55 lakhs and Rs. 24.05 lakhs had been stayed by courts/judicial authorities and Government respectively. A sum of Rs. 54.01 lakhs was likely to be written off. Specification taken in respect of the remaining arrears of Rs. 204.90 lakhs has not been intimated (August 1993) by the department.

The department, in their written reply, explained the position as under :—

1.4 Latest Position of uncollected revenue is as under :—

	Total	(Rs. in lacs) Arrears more than five years old
1. Amount dropped by A. G.	2.27	—
2. Amount dropped by Collectors/ D.Cs.	49.36	2.52
3. Amount recovered by the Deptt.	128.47	36.91
4. Case in various courts	28.04	1.74
5. Balance amount	102.78	6.24
Total	310.92	47.41

1.4 Uncollected revenue.

The Committee recommends that the balance amount be recovered within a period of 6 months under intimation to the Committee.

[74] 1.4 Uncollected revenue (Land Revenue)

As on 31st March 1993 arrears of revenue under principal heads of revenue, as reported by the departments, were as under :

Heads of revenue	Total Arrears	Arrears more than five years old	Remarks
1	2	3	4

(In lakhs of rupees)

1 Land Revenue	30.86	4.40	Out of Rs. 30.86 lakhs a sum of Rs. 0.17 lakhs was covered under certificate recovery process, recovery of Rs. 0.12 lakh had been stayed by courts/appellate authorities and a sum of Rs. 0.49 lakh was likely to be written off. Action taken to recover the remaining arrears of Rs. 30.08 lakhs has not been intimated (August 1993) by the Department.
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The department in their written reply explained the position as under:-

As per the information received from the Divisional Commissioners, an amount of Rs. 22,52,127/- has been recovered out of Rs. 30,08,000/- up to 30-9-1995, leaving a balance of Rs. 7,55,873/. Similarly, out of the arrear of Rs. 4,40,000/- outstanding for the last five years, an amount of Rs. 2,15,176/- has been recovered, thus leaving a balance of Rs. 2,24,824/-.

1.4 Land Revenue

The Committee recommends that the balance amount be recovered within a period of 4 months and report be sent to the Committee. The Committee further recommends that the district-wise details of the amount to be recovered, be supplied to the Committee for its information.

[75] 1.5 Frauds and evasion of taxes

The table below indicates the amounts of taxes/receipts assessed during the year 1992-93 in cases of frauds and evasions of taxes/receipts

detected by the departments concerned during 1992-93 and earlier years :

Nature of tax/receipt	Cases pending as on 1 April 1992	Number of cases detected during the year	Number of cases finalised during the year		Number of cases pending as on 31 March 1993		Amount of tax interest and penalty levied
			Out of Col. 2	Out of Col. 3	Out of Col. 2	Out of Col. 3	
							(In lakhs of rupees)
Stamp Duty and Registration fees	745	525	473	107	272	418	35.69

The department, in their written reply, explained the position as under :

1.5 Latest position in respect of 690 cases (272 + 418) frauds & evasion taxes is as under :—

	No. of cases	Amount (Rs. in lakhs)
1. Amount dropped by collectors/D.Cs	27	4.40
2. Amount recovered by the Deptt.	467	24.28
3. Cases in various courts	189	5.54
4. Balance Amount	7	1.47
Total	690	35.69

1.5 Frauds and evasion of taxes

The Committee recommends that balance amount be recovered within a period of 3 months and the cases which are pending in various courts be pursued regularly so that these may be decided at the earliest.

[76] 3.1 Results of Audit

Test check of records in department officers, conducted in audit during the year 1992-93, revealed short levy and non-levy of stamp duty and registration fee and other irregularities amounting to Rs.

176.54 lakhs in 1102 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	683	103.23
2. Evasion of stamp duty and registration fee	174	39.17
3. Irregular exemption of stamp duty and registration fee	152	16.81
4. Non/short levy of stamp duty and registration fee	17	10.83
5. Loss of stamp duty and registration fee due to misclassification of deeds	21	2.27
6. Other irregularities	55	4.23
	1102	176.54

During the course of the year 1992-93, the department accepted under assessment of Rs. 24.94 lakhs involved in 370 cases of which 95 cases involving Rs. 8.38 lakhs had been pointed out in audit during 1992-93 and the rest in earlier year. Of this an amount of Rs. 4.43 lakhs in 104 cases had been recovered.

A few illustrative cases involving Rs. 10.88 lakhs and highlighting important observations are given in the following paragraphs:

The department, in their written reply, explained the position as under:-

3.1 Latest position of 1102 cases categorywise is as under :—

1—Loss of stamp duty & registration fee due to under valuation of properties.

	No. of cases	Amount (Rs. in lacs)
(i) Recovery already mentioned in CAG's report.	3	0.16
(ii) Amount dropped by A.G. in the subsequent audit.	18	2.82
(iii) Amount dropped by Collectors/ D.Cs.	92	22.72
(iv) Amount recovered by the Deptt.	148	19.46
(v) Cases in various courts	334	47.17
(vi) Balance amount	88	10.90
Total	683	103.23

2. *Evasion of stamp duty and registration fee*

(i) Recovery already mentioned in the CAG Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	3	0.76
(iii) Amount dropped by collectors/ D.Cs.	17	1.97
(iv) Amount recovered by the Deptt.	69	7.32
(v) Cases in various Courts.	29	14.93
(vi) Balance Amount	56	14.19
Total	174	39.17

3. *Irregular exemption of stamp duty & registration fee.*

	No. of cases	Amount (Rs. in lacs)
(i) Recovery already mentioned in the CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit	12	0.12
(iii) Amount dropped by Collectors/ D.Cs	7	0.27
(iv) Amount recovered by the Deptt.	71	7.25
(v) Cases in various courts.	8	3.42
(vi) Balance Amount	54	5.75
Total	152	16.81

4. *Non/Short levy of stamp duty & registration fee*

(i) Recovery already mentioned in the CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	2	0.37
(iii) Amount dropped by Collectors/ D.Cs.	—	—
(iv) Amount recovered by the Deptt.	9	0.59
(v) Cases in various Courts.	—	—
(vi) Balance Amount.	6	9.87
Total	17	10.83

5. *Loss of stamp duty & registration fee due to misclassification of deeds.*

	No. of cases	Amount (Rs. in lacs)
(i) Recovery already mentioned in the CAG's Report.	—	—
(ii) Amount dropped by A.G. in the subsequent audit.	2	0.10
(iii) Amount dropped by Collectors/ D.Cs.	3	0.09
(iv) Amount recovered by the Deptt.	9	1.15
(v) Cases in various courts	1	0.60
(vi) Balance Amount	6	0.33
	<hr/>	<hr/>
Total	21	2.27
	<hr/>	<hr/>

Other Irregularities

(i) Recovery already mentioned in the CAG's Report.	—	—
(ii) Amount dropped by A.G. in the Subsequent audit.	12	0.63
(iii) Amount dropped by Collectors/ D.Cs	3	0.22
(iv) Amount recovered by Deptt.	26	1.98
(v) Cases in various courts	8	0.60
(vi) Balance Amount.	6	0.80
	<hr/>	<hr/>
Total	55	4.23
	<hr/>	<hr/>

ABSTRACT

	No. of cases	Amount (Rs. in lacs)
(i) Recovery already mentioned in the CAG's Report.	3	0.16
(ii) Amount dropped by A.G. in the subsequent audit.	49	4.80
(iii) Amount dropped by Collectors/ D. Cs.	122	25.27
(iv) Amount recovered by the Deptt.	332	37.75
(v) Cases in various courts	380	66.72
(vi) Balance Amount	216	41.84
G. Total	1102	176.54

3.1. Results of Audit.

After going through the latest position of the balance amount, the Committee recommends that strenuous efforts be made by the Department to recover the balance amount within a period of 6 months. The Committee further recommends that the cases, which are pending in various Courts/Collectors, be also pursued regularly so that these may be decided within a reasonable period.

[77] 3.2 Short recovery of stamp duty on mortgage deed

Under the Indian Stamp Act, 1899, as applicable to Haryana, "mortgage deed" includes every instrument whereby, for the purpose of securing money advanced or to be advanced, by way of loan, or an existing or future debt, or the performance of an engagement, one person transfers, or creates, to or in favour of another, a right over or in respect of specified property. In cases where possession of property is not given stamp duty is chargeable at one and a half percent of the amount of loan secured by such instrument. Government *vide* notification issued in October 1983 under the Act remitted levy of stamp duty on the deeds of mortgage without possession which are executed by agriculturists in favour of Commercial Banks for securing loans up to the amount of rupees one lakh for specified purposes.

In the office of Sub-Registrar Palwal (Faridabad), a mortgage deed was executed in August 1991 by a firm of Delhi after mortgaging an agriculture land situated in the revenue estate of Palwal tehsil in favour of a scheduled bank of Delhi which granted credit facilities of Rs. 3 crores to the firm. Stamp duty amounting to Rs. 8,400 was charged instead of chargeable amount of Rs. 4.50 lakhs. This resulted in stamp duty being realised short by Rs. 4.42 lakhs.

On this being pointed out (March, 1993) in audit, the Revenue Department intimated (May, 1993) that notice has been issued to the concerned party. Further report has not been received (July, 1993).

The case was reported to Government (July 1993); their reply has not been received (July, 1993).

The department, in their written reply, explained the position as under:—

The deficiency of Rs. 4,41,600/- is being recovered as arrears of Land Revenue by S.R. Palwal.

3.2. Short recovery of stamp Duty on mortgage deed.

After hearing the departmental representatives, the committee recommends that an enquiry made in the instant case and responsibility be fixed for this lapse and matter may be finalised within a period of 6 months, under intimation to the Committee.

[78] 3.3 Irregular exemption of stamp duty

As per the notification issued in July, 1948 under the India Stamp Act, 1899, levy of stamp duty on instruments executed by any officer or a member of a co-operative society was exempted, provided the transactions evidenced by the instrument related to the business of the society registered under the Co-operative Societies Act. This exemption was withdrawn by Government through a notification issued in February, 1962 in respect of the instruments executed by House Building Co-operative Societies in urban areas, except where all the members of such a society belonged to scheduled castes.

One House Building Co-operative Society, having its headquarter in urban area and not having all members belonging to scheduled castes, executed five conveyance deeds for purchase of land during September, 1991 and March, 1992. Stamp duty amounting to Rs. 3.24 lakhs and registration fee of Rs. 2,500 was leviable on such instruments, but was not levied.

On the irregular grant of exemption being pointed out (November, 1992) in audit, the department issued (December, 1992 and January, 1993) notices for recovery from the co-operative society. Report on recovery has not been received (July, 1993).

The case was reported to Government in December 1992; their reply has not been received (July 1993).

The department, in their written reply, explained the position as under:—

3.3 The affected parties filed an appeal in the court of Additional Senior Sub-Judge, Gurgaon against the recovery notice for Rs. 3,26,500/-. Further necessary action will be taken after the decision of the court.

3.3 Irregular exemption of Stamp Duty.

The Committee recommends that the responsibility be fixed against those who granted irregular exemption in the above said case within a period of 3 months.

[79] 3.4 Short realisation of stamp duty due to undervaluation 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 the 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 reasons 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.

(i) Two deeds of conveyance in respect of property situated in Gurgaon were registered in the Central Registry Office, in Delhi during July, 1990. The documents were sent to Registry Office Gurgaon in October, 1990 where it was revealed that the value of the properties set forth in the deeds of conveyance of the property had been shown less than the rate fixed by the collector. This resulted in stamp duty being realised short by Rs. 1.11 lakhs.

On this being pointed out (July, 1991) in audit, the department intimated (March, 1993) that the notices for recovery have been issued. Report on recovery has, however, not been received (July, 1993).

The case was reported to Government in July, 1991; their reply has not been received (July, 1993).

(ii) In two registering offices at Kalayat and Kaithal, two deeds of conveyance were registered during April, 1991 and July, 1991. Consideration of the properties set forth in the deeds of conveyance were shown less than those agreed upon between the parties as per agreement to sell executed by them earlier and recorded with the document writers. This resulted in evasion of stamp duty amounting to Rs. 46,930.

On this being pointed out (December, 1992) in audit, the department issued notices for recovery (December, 1992 and March, 1993) and intimated (May, 1993) that efforts were being made to recover the amount. Further report on recovery has not been received (July, 1993).

The case was reported to Government in March, 1993; their reply has not been received (July 1993).

(iii) In the office of the sub-Registrar, Rewari, three deeds of conveyance were executed (November 1990, April and August, 1991) on account of sale of property. The value of the properties set forth in the instruments was Rs. 4.20 lakhs whereas in agreements executed between the parties (November, 1990, April, 1991 and August, 1991) the value of properties found recorded with the document writers, was Rs. 7.70 lakhs. As such the deeds of conveyance having been executed and registered at a lesser consideration resulted in less realisation of stamp duty and additional stamp duty of Rs. 34,537.

On this being pointed out (October, 1992) in audit the department recovered (January, 1993) Rs. 11,437 and intimated that efforts were being made to recover the balance amount. Further report on recovery of balance amount has not been received (July, 1993).

The case was reported to Government in October, 1992; their reply not been received (July, 1993).

The department in their written reply explained the position as under :—

- (i) The affected parties filed the appeal in the court of District Judge, Gurgaon, against the orders of collector Gurgaon on his decision in the case decided U/S 47-A. The District Judge Gurgaon had remanded the case back to Collector Gurgaon for review of the case. The decision of the Collector is awaited.

- (ii) The latest position of two cases is as under :—

	No. of cases	Amount in Rs.
(a) Amount recovered by the Deptt.	1	20,055
(b) Pending in the court of Collector	1	26,875
	2	46,930

- (iii) The latest position of three cases is as under :—

	No. of cases	Amount (in Rs.)
(i) Amount recovered by the Department.	2	14537
(ii) Pending in civil court	1	20000
Total	3	34,537

3.4 (i) Short realisation of stamp duty due to undervaluation of immovable property

The Committee recommends that directions be issued to the Collector, Gurgaon to decide the case within a period of one month and a report be sent to the Committee for its perusal.

3.4 (ii)

The Committee recommends that directions be issued to the concerned Collector to decide the case within a period of one month so that recovery may be effected, under intimation to the Committee.

3.4 (iii)

The Committee recommends that the decision of the court be intimated to the Committee alongwith the recovery of balance amount.

[80] 3.5 *Misclassification of instruments*

(a) Under the Indian Stamp Act, 1899, a deed of settlement, made for any religious or charitable purposes is chargeable to stamp duty at the rate higher than that chargeable on a deed of declaration of trust which indicates expression of the desire by the author of the trust to vest the property in a body administering the trust as per his directions contained in the deed itself.

In the office of Sub-Registrar, Kaithal, one instrument (by which a certain individual had donated immovable property to a trust created for religious and charitable purposes) was erroneously registered as deed of declaration of trust and assessed to stamp duty at lower rates instead of as deed of settlement chargeable to higher rates. The misclassification resulted in short levy of stamp duty and registration fee amounting to Rs. 60,430.

On this being pointed out (December 1992) in audit, the department issued (March 1993) notices for recovery.

The case was reported to Government in February 1993 and March 1993; their reply has not been received (July 1993).

The department, in their written reply, explained the position as under :—

The concerned party has filed a case in the civil court against the recovery notices for Rs. 60,430/- stay orders have been passed by the Court. Further action will be taken after the final decision of the court.

3.5 (a) *Misclassification of instruments*

The Committee is not satisfied with the explanation given by the Department and therefore, desires that the same more details of this case be supplied to the Committee for its consideration.

TRANSPORT DEPARTMENT

1990-91

[81] 1.8 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 the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of the departments and Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

Relatively large number of audit objections were outstanding under the following major heads. Taxes on vehicles as per details given below :—

Year	Number of inspection reports	Number of audit objections	Amount (In lakhs of rupees)
Taxes on Vehicles upto			
1985-86	39	71	15.52
1986-87	11	20	0.07
1987-88	24	40	16.69
1988-89	23	23	1.14
1989-90	36	54	2.19
1990-91	40	143	12.32
Total	173	351	47.93

The department, in their written reply, explained the position as under :—

The main reasons for non settlement of a large number of outstanding audit objections were that most of the owners of vehicles from whom token tax etc. was to be recovered have shifted to the un-known, places/other states and their present whereabouts are not known to the concerned Registering Authorities. The owners can deposit further token tax anywhere in India without obtaining any NOC

or getting their vehicles transfer. Despite of these difficulties the Registering Authorities have made serious efforts to recover the amounts pointed out by Audit and got a fairly large number of paras settled as would be clear from the position given in the succeeding paragraphs. Number of present staff dealing with this work is also not commensurate with the manifold increase in the work load.

Vigorous efforts have been made for the settlement of old objections by way of arranging of meetings with the Registering Authorities and A.6. For on the spot disposal. Special reviews were also conducted by the A.6. Audit party in collaboration with the Internal audit Cell of this Department. Audit objections clearance week/fortnight were/are being observed for speedy disposal of these audit paras each year. However no time schedule has been fixed to get the audit paras settled.

Initially, the department imparted training to the staff of R.A. offices regarding various Motor Vehicle Act/Rules as a result of which there is considerable improvement in the working of the staff of RA, the Registering Authorities.

The latest position of pending paras is as under :—

Year	No. of Audit objection pending	Amount involved in pending audit
1985-86	—	—
1986-87	—	—
1987-88	5	5,48,505
1988-89	10	1,79,032
1989-90	18	1,85,214
1990-91	21	2,20,720
Total	54	11,33,471

The department further supply the detailed information, as under :—

The Commissioner Transport informed the PAC on 17-9-96 that since the system of lump sum Taxes has been introduced w.e.f. 1-7-93 there are no such cases after 1993. Assurance was given by Commissioner Transport that we will write to owners of such vehicles and shall inform the committee later on. Accordingly instructions were issued to the Registering Authorities on 20-9-96/25-9-96 followed by remainders issued on 29-11-96. Since then Rs. 3714/- have been recovered by Registering Authority Kurukshetra and replies from other Registering Authorities is still awaited.

1.8 Outstanding inspection reports

During the course of oral examination, the Committee was informed that only 54 cases are still pending out of 351 Audit Objections. The Committee, therefore recommends that the pending audit objections may also be settled under intimation to the Committee. At the time of oral examination an assurance was given by the Commissioner Transport that they will write to the owners of such vehicles who failed to deposit road tax in the State. Accordingly instructions were issued to the registering authorities in the month of November, 1996. The Committee was further informed that the replies from the registering authorities except Kurukshetra is still awaited. The Committee, therefore, desires that intimation be sent to the Committee after recovering the full amount by the concerned registering authority.

1991-92

[82] 4.1 Results of Audit

Test check of records in departmental offices, conducted in audit during the year 1991-92, revealed short/non-recovery of taxes on vehicles and of excise duty amounting to Rs. 938.66 lakhs in 17,957 cases which broadly fall under the following categories :

	Number of Cases	Amount (In lakhs of rupees)
A. Taxes on vehicles	17,818	149.95
B. State Excise	139	788.71
	17,957	938.66

During the course of the year 1991-92 the departments accepted under-assessment etc. of Rs. 1668.20 lakhs involved in 29,395 cases of which 11,531 cases involving Rs. 996.51 lakhs had been pointed out in audit during 1991-92 and the rest in earlier years, out of which an amount of Rs. 1.22 lakhs in 36 cases has been recovered. One draft review and one draft paragraph containing 26,294 cases involving financial effect of Rs. 213.84 lakhs bringing out major irregularities noticed during the year 1991-92 or earlier years were issued to the Government for their comments. The department has accepted the observations in 26,294 cases involving Rs. 213.84 lakhs of which Rs. 64.86 lakhs have been recovered upto August 1992.

The department in their written reply explained the position as under —

Out of Rs. 149.95 lacs a sum of Rs. 34.27 lacs has been recovered and efforts are being made to recover the balance amount of Rs. 115.68 lacs. The details of each para is given in subsequent paras.

4.1 Results of Audit

During the course of oral examination, the Committee was informed that out of Rs. 115.68 lakhs, a sum of Rs. 34.89 lakhs is yet to be recovered. The Committee, therefore, recommends that some suitable efforts be made to recover the balance amount within a period of six months under intimation to the Committee as the pace of recovery is very slow.

[83] 4.2 *Review on taxes on motor vehicles*

4.2.1 to 4.2.5	*	*	*	*	*
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4.2.6. Short realisation of token tax on private service vehicles

(a) Under Motor Vehicles Act, 1988, "Private Service Vehicles" which *inter-alia* means a motor vehicle constructed or adapted to carry more than six persons excluding the driver and ordinarily used by or on behalf of the owner of such vehicle for the purpose of carrying persons for, or in connection with his trade or business otherwise than for hire or reward but does not include a motor vehicle used for public purposes.

Government of Haryana vide notification dated 20 October 1989 introduced the new rates of token tax at the rate of Rs. 400 per seat per annum for such private service vehicles effective from 1 October 1989. Earlier it was covered under a common rate of Rs. 200 per seat per annum.

During the test check of records in the offices of five Registering Authorities for the period 1989-90 to 1990-91, it was noticed that 42 buses owned by various private bodies and used exclusively for the carriage of their employees token tax of Rs 2.00 lakhs was recovered short.

On the mistake being pointed out in audit between July 1990 and December 1991, the department recovered between January 1991 and May 1992 Rs. 87,255 in respect of 13 vehicles. In the remaining 29 cases notices were issued between April 1992 and May 1992 by the department to recover the balance amount of Rs. 1.13 lakhs.

The department, in their written reply, explained the position as under:—

Out of total recovery of Rs. 1.13 lakhs the department has recovered 0.62 lakh till date and efforts are being made to effect the recovery of remaining amount of Rs. 0.51 lakh by the Registering Authority, Sonapat & Ballabgarh (Rs. 0.17 lakh & 0.34 lakh) respectively.

4.2.6^{3(a)} Short realisation of token tax on private service vehicles

After hearing the departmental representatives, the Committee recommends that the balance recovery be effected within a period of six months under intimation to the Committee.

[84] 4.2.7 *Non-deposit of token tax*

The Punjab Motor Vehicles Taxation Act, 1924, and the Rules made thereunder, allow a person, exemption from payment of tax in respect of

vehicles for a quarter if he proves to the satisfaction of the Licensing Officer that he has not used or permitted the use of the vehicles throughout the said quarter and deposits the registration certificate with the Licensing Officer and also sends an advance intimation of his intention not to use the vehicle during the quarter for which exemption is claimed.

(i) During test check of records of five Registering Authorities it was noticed that Haryana Roadways had not deposited tax in respect of 26 buses between April 1988 to March 1991 on grounds of non-use of vehicles. Cross verification of receipt wise registers of these vehicles, in audit, however, revealed that vehicles continued to ply during the aforesaid period and tax amounting to Rs. 1.59 lakhs had not been demanded for the concerned quarter.

The department reported (May 1992) that Rs. 61,380 had been recovered between January 1992 and April 1992 in respect of 9 buses and for the remaining cases it was intimated (April-May 1992) that notices had been issued for recovery.

The department, in their written reply, explained the position as under :—

The department has recovered a sum of Rs. 57773/- out of Rs. 97,620/- leaving a balance of Rs. 39847/- only which relates to Registering Authority, Kurukshetra & Hisar, i.e. 23141/- and 16706/- respectively. The efforts are being made to effect the recovery at the earliest.

4.2.7 (i) Non-deposit of token tax

The Committee recommends that the balance amount be recovered from the Registering Authority Kurukshetra and Hisar within a period of one month under intimation to the Committee.

[85] 4.2.8 *Irregular grant of exemption*

The Punjab Motor Vehicles Taxation Act, 1924 and the Rules made thereunder, provide for exemption from the liability to pay tax in respect of motor vehicles owned and kept for use by departments of Central or State Government. The exemption is, however, not admissible in respect of the vehicles owned by Government undertakings or autonomous bodies.

During test check of records of offices in four Registering Authorities, it was noticed that tax amounting to Rs. 1.29 lakhs for various periods during the years 1988-89 to 1990-91 was not levied in respect of 15 vehicles belonging to autonomous bodies. The department reported that the Registering Authorities issued notices (between April 1992 and May 1992) to the vehicle owners to deposit the tax. Report on recovery has not been received (August 1992).

The department in their written reply, explained the position as under :—

Out of Rs. 1.29 lacs, a sum of Rs. 0.48 lacs has been recovered and a sum of Rs. 0.81 lac is yet to be recovered by the Registering

Authority, Ambala and Panchkula (Rs. 12600 and 59800 respectively) for which they are being directed to effect the recovery at the earliest.

4.2.8 Irregular grant of exemption

The Committee is constrained to observe that even the tax was not levied in respect of the vehicles belonging to autonomous bodies. The Committee, therefore, recommends that the concerned registering authority be directed effect the recovery within a period of three months and a report be sent to the Committee for its perusal.

[86] 4.2.9 Non-realisation of Trade Certificate fee

Under Central Motor Vehicles Rules, 1989, a manufacturer or a dealer in motor vehicles is required to obtain Trade Certificate on payment of advance fee in respect of each vehicle which remains in possession of the dealer during the course of his normal trade as under :—

1. Motor Vehicle	Rs. 25 each.
2. Invalid Carriage	Rs. 25 each.
3. Others	Rs. 100 each.

During test check of records of three Registering Authorities, it was noticed that 23 dealers did not apply for trade certificates nor these were insisted upon by the department resulting in non-realisation of revenue amounting to Rs. 64790 during the period 1989-90 and 1990-91.

The department reported (May 1992) that the Registering Authorities, Rewari and Ballabgarh recovered Rs. 11025 from 8 dealers and had issued notices (April 1992 and May 1992) to recover the balance amount of Rs. 53765.

The department, in their written reply, explained the position as under :—

The department has recovered a sum of Rs. 18725 out of Rs. 53765 leaving thereby a balance of Rs. 35040 which relates to Registering Authority, Kurukshetra.

4.2.9 Non-realisation of Trade Certificate fee

After hearing the departmental representatives, the Committee recommends that efforts be made to reconstruct the records so that balance recovery be effected within a period of three months.

[87] 4.2.10 Short realisation of registration fee/transfer of ownership fee/hire purchase agreement fee

(a) Under the Central Motor Vehicles Rules, 1989, an application for the registration of motor vehicles shall be made by the vehicle owners accompanied by a fee specified in Rule 81 of the Rules *ibid*.

During test check of records of twelve offices of Registering

Authorities*, it was noticed that in respect of 4949 vehicles, registration fee was charged at lower rates than specified under the rules *ibid* resulting in short realisation of fees amounting to Rs. 2.47 lakhs during the years 1989-90 and 1990-91.

The department reported (May 1992) that Rs. 11.675 recovered (between March 1991 and April 1992) in 235 cases and issued notices to recover the balance amount (April 1992 and May 1992). Report on recovery has not been received (August 1992).

(b) An application for transfer of ownership of motor vehicles under Central Motor Vehicles Rules, 1989 may be made by the transferee, accompanied by a fee specified in Rule 81 of the Rules *ibid*.

Test check of records of offices of ten Registering Authorities ** revealed that in respect of 923 cases of transfer of ownership in the offices of Registering Authorities, fee amounting to Rs. 34223 was short realised during the period 1989-90 and 1990-91.

The department reported (May 1992) that Rs. 1115 recovered in 26 cases between September 1991 and March 1992 and issued notices to recover the balance fee (April 1992 and May 1992) for which report on recovery is awaited.

(c) An application for making entry of hire purchase agreement in certificate of registration of a motor vehicle required under sub-section (21) of section 51 of Motor Vehicles Act, 1988 is to be accompanied by a fee specified in Rule 81.

Test check of records of the offices of the four Registering Authorities *** revealed that in 624 cases of hire purchase agreements, fee amounting to Rs. 28085 was realised short during the year 1989-90 because the department effected recovery at uniform rate of Rs. 5 instead of Rs. 50 in each case.

The department reported (May 1992) that Rs. 2700 have been recovered (between February 1991 and December 1991) and issued notices to recover the balance fee (April 1992 and May 1992).

The department in their written reply explained the position as under :—

Out of total amount of Rs. 293818 in r/o registration fee/transfer of ownership fee Higher Purchase Agreement Fee a sum of Rs. 42362 has been recovered and a balance of Rs. 251456 is yet to be recovered. The said recovery relates to Registering

*Sonipat, Gohana, Dabwali, Tohana, Safidon, Jind, Gurgaon, Rohtak, Bhiwani, Ballabgarh(Faridabad), Meham(Rohtak) and Hansi (Hisar).

**Gohana (Sonapat), Rewari, Jind, Sonapat, Jhejjar, (Rohtak), Dabwali (Sirsa), Bhiwani, Ballabgarh (Faridabad), Kurukshetra and Bahadurgarh (Rohtak).

***Sonipat, Karnal, Kurukshetra and Ballabgarh.

Authority Sonapat, Gohana, Tohana, Jind, Gurgaon, Rohtak, Bhiwani, Ballabgarh, Meham, Hansi, Krurukshetra, Karnal, Jhajjar.

4.2.10 Short realisation of registration fee/transfer of ownership fee/higher purchase agreement fee

After hearing the departmental representatives, the Committee recommends that instructions be issued to all the registering authorities to effect the balance recovery within a period of six months under intimation to the Committee.

[88] 4.2.12 Short realisation of permit/counter-signature fee

Under the Punjab Motor Vehicles Rules, 1940, as applicable to Haryana, fees at prescribed rates shall be payable for the issue and renewal of permits and countersignature of permits. The amount of fee is payable on the basis of number of regions included in permit in the State. Previously prior to July 1990 there were three Regional Transport Authorities at Ambala, Hisar and Faridabad. Later on, three more offices of Regional Transport Authorities were created at Karnal, Rohtak and Rewari vide Government notification dated 26 July, 1990.

On creation of three more Regional Transport Authorities, the permit/countersignature fees (for a block of five years) was recoverable at Rs. 2625 and Rs. 1750 per heavy and light vehicle respectively but the same was charged at Rs. 1500 and Rs. 1000 resulting in short realisation of fees amounting to Rs. 202 lakhs in respect of 19484 cases between July 1990 and September 1991.

The department intimated (between April and May 1992) that a recovery of Rs. 63 lakhs (in 5757 cases) has been made. Further progress of recovery of balance amount of Rs. 139 lakhs has not been received (August 1992).

The department, in their written reply, explained the position as under :—

The main reasons for short realisation is that on creation of three new Regions w.e.f. 26-7-90 the RTAs were supposed to collect revised rates under the provision of the Act/Rules. But they did not charge the revised rate till 9/91 when advice was sent to them from the Directorate. However the department has recovered a sum of Rs. 0.28 crores out of Rs. 1.39 crores and a balance of Rs. 1.11 crores is yet to be recovered by the Regional Transport Authorities as detailed below :—

Hisar	7,43,923.00
Ambala	24,76,875.00
Faridabad	68,05,000.00
Rohtak	3,15,000.00
Rewari	1,37,250.00
Karnal	6,54,375.00
Total :	1,11,32,423.00

The RTAs are being directed to recover the above said amount

4.2.12 Short realisation of permit/Countersignatures fees

The Committee after going through the latest figures of the recovery, observed that still amount of Rs. 29.73 lakhs yet to be recovered. The Committee, therefore, recommends that the balance recovery be effected within a period of six months. The Committee further observed that the recovery is not effected in many cases due to the malafide activities on the part of certain officials of the department. The Committee, therefore, recommends that certain departmental action should be taken against such officials.

The Committee also feels that there should be internal audit system on permanent basis in the districts of Panchkula, Gurgaon, Faridabad, Panipat Sirsa and Hisar as these districts are on the borders of Rajasthan, Delhi and Chandigarh. The Committee is of the view that if we concentrated more on these districts, we would be able to double up our income. The action taken by the department on these observations of the Committee be intimated to the Committee.

1992-93

[89] 4.1 Results of Audit

Test check of records in departmental offices, conducted in audit during the year 1992-93, revealed short-/non-recovery of excise duty, taxes on vehicles and entertainment duty amounting to Rs. 543.29 lakhs in 7,216 cases which broadly fall under the following categories :

	Number of cases	Amount (In lakhs of rupees)
B. Taxes on Vehicles	7,086	45.99

During the course of the year 1992-93 :

(a) In the case of state excise, Excise Department accepted under-assessment of Rs. 99.52 lakhs involved in 21 cases of which 10 cases involving Rs. 98.59 lakhs had been pointed out during 1992-93 and the rest in earlier years, out of which an amount of Rs. 26,283 in 8 cases had been recovered.

(b) In the case of taxes on Motor Vehicles, the Transport Department accepted under-assessment of Rs. 37.09 lakhs involved in 311 cases of which 221 cases involving Rs. 4.76 lakhs had been pointed out during 1992-93 and the rest in earlier years, out of which an amount of Rs. 37,181 in 63 cases had been recovered.

(c) In the case of entertainment duty and show tax, the department accepted under-assessment of Rs. 5.75 lakhs involved in 15 cases of which 13 cases involving Rs. 4.05 lakhs had been pointed out in audit during 1992-93 and the rest in earlier years.

The department, in their written reply, explained the position as under :—

Based upon facts and needs no comments.

Out of total recovery of Rs. 45.99 Lacs a sum of Rs. 22.33 Lacs has been recovered by the department and balance of Rs. 23.66 Lacs is yet to be recovered. The Field Officer viz. RTAs & R.As have been directed from time to time to recover the remaining amount at the earliest.

The department further supplied the detailed information, as under :—

In order to pursue the matters S.Os/Acctts. of this office were specially sent to the office of Regional Transport Authorities in the month of 10/96. As a result of this effect further recovery of Rs. 7.06 lacs has been made and now Rs. 16.60 lacs remains to be recovered for which efforts are still going on.

4.1 Results of Audit

During the course of oral examination, the Committee was informed that only Rs. 16.60 lakhs is still to be recovered for which efforts are being made. The Committee, therefore, recommends that efforts be made to recover the balance amount within a stipulated period and progress be intimated after three months.

[90] 4.4 Short realisation of Permit/Countersignature Fees

Under the Punjab Motor Vehicle Rules, 1940, as applicable to Haryana, fees at prescribed rates shall be payable for the issue and renewal of permits and countersignatures of permits. The amount of fee is payable on the basis of number of regions included in permit in the State. Earlier, there were three Regional Transport Authorities, at Ambala, Hisar and Faridabad. Later on, the Government by a notification dated 26 July 1990, created three more such Regional Transport Authorities at Karnal, Rohtak and Rewari.

On creation of three more Regional Transport Authorities, the rates of permit/counter-signature fees (for a block of five years) were revised and were recoverable at Rs. 2625 and Rs. 1750 per heavy and light vehicle respectively instead of Rs. 1500 and Rs. 1000 applicable thereto in the State. During the audit of Regional Transport Authority, Hisar it was noticed (August 1992) that in 1204 cases the rates of permit/counter-signature fees were charged at Rs. 1500 and Rs. 1000 respectively resulting in short realisation of fees amounting to Rs. 12.73 lakhs during the period April 1991 to September 1991.

On this being pointed out (August 1992) in audit, the department informed that a sum of Rs. 1.47 lakhs has been recovered and balance is being recovered. Further report on recovery of balance amount has not been received (July 1993).

The case was reported to Government in October 1992; their reply has not been received.

The department, in their written reply explained the position as under :—

Out of Rs. 12.73 Lacs a sum of Rs. 9.78 Lacs has been recovered

by the RTA, Hisar and efforts are being made to recover the balance amount of Rs. 2.95 lacs.

The department further supplied the detailed information as under :—

Out of Rs. 2.95 lacs a sum of Rs. 0.80 lacs has been recovered and efforts are still going on to recover the balance amount of Rs. 2.15 lacs.

As regards fixing of responsibility, RTA Hisar has intimated that this happened due communication gap. However the matter is being examine by the department.

4.4 Short realisation of Permit/Countersignature Fees

At the time of oral examination, the Committee was informed that Rs. 9.78 lakhs have been recovered and only Rs. 2.95 lakhs yet to be recovered. The Department, in its additional reply, informed that out of Rs. 2.95 lakhs a sum of Rs. 0.80 lakh has been recovered. The Committee, therefore, recommends that strenuous efforts be made to recover the balance amount of Rs. 2.15 lakhs. The Committee further recommends that action be initiated against the officer/officials responsible for this short realisation and a report be sent to the Committee for its consideration.

PROHIBITION EXCISE AND TAXATION DEPARTMENT

1992-93

6/2/2010
[91] 1.3 Arrears in assessment of sales tax and passengers and goods tax

The details of sales tax and passengers and goods tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of each year during 1988-89 to 1992-93 as furnished by the department are given below :—

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percent- age of columns of 5 and 4
1988-89	52221	138438	190695	126995	63664	66
1989-90	63664	139794	203458	119625	83833	59
1990-91	83833	146018	229851	130392	99459	57
1991-92	99459	160541	260000	149451	110549	58
1992-93	110549	129832	240381	159141	81240	66

The above table would show that the number of cases pending at the beginning of 1988-89 was 52221 which went upto 81240 at the end of 1992-93, registering an increase of 56 per cent.

Number of Cases

	Sales Tax	Passengers and Goods Tax
Upto 1987-88	219	11
1988-89	891	15
1989-90	4425	33
1990-91	18373	59
1991-92	57132	82
Total	81040	200

The department, in their written reply, explained the position as under :—

Arrears in Assessment of Sales Tax

This para is based on the information supplied by the department for Chapter 1 to Accountant General Haryana. Out of 81040 pending cases of Sales Tax 73492 cases have since been disposed of upto 30-9-95, leaving a balance of 7548 cases. The Assessing Authorities have been directed to dispose of the remaining cases by the end of 31st March, 1996.

Arrears in Assessment of PGT

This para is based on the information supplied by the department for Chapter 1 to Accountant General Haryana. Out of 200 pending cases 182 cases have been disposed of upto 30-9-95, leaving a balance of 18 cases. The Assessing Authorities have been directed to dispose of the remaining cases by the end of 31st March, 1996.

1.3 Sales Tax

During the course of oral examination, the Committee was informed that out of 81040 pending cases, 78536 cases have been disposed of upto 31-7-1996 leaving a balance of 2504 cases at present. The Committee recommends that remaining cases also be settled within a period of three months under intimation to the Committee.

1.3 PGT

The Committee was informed that out of 200 pending cases, 187 cases have been disposed of upto 31-7-1996 leaving a balance of 13 cases only. The Committee appreciates the steps taken by the Department for such speedy disposal of cases and further recommends that these 13 pending cases also be settled at the earliest under intimation to the Committee.

[92] 1.4 Uncollected revenue (Sales Tax)

As on 31st March, 1993 arrears of revenue under principal heads of revenue, as reported by the department, were as under :—

Heads of revenue	Total Arrears	Arrears more than five years old	Remarks
1	2	3	4
(Rupees in lacs)			
1 Sales Tax	12,710.16	3,237.52	Out of Rs. 12,710.16 lakhs, demand for Rs. 956.54 had

1	2	3	4
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been certified for recovery as arrears of land revenue. Recoveries amounting to Rs. 6,956.41 lakhs and Rs 483.14 lakhs had been stayed by the Courts and Government respectively. Recoveries amounting to Rs. 544 67 lakhs were held up due to rectification/review applications. Demand for Rs. 507.38 lakhs was likely to be written off. Specification taken to recover the remaining amount of Rs. 3,262.02 lakhs has not been intimated.

2. Taxes on Goods and Passengers

425.70

52.51

Out of arrears of Rs. 425.70 lakhs, demand for Rs 77 85 lakhs had been certified for recovery as arrears of land revenue. Recovery amounting to Rs. 15.32 lakhs and Rs. 15 lakhs had been stayed by the Courts and Government respectively. Demand for Rs. 0.61 lakh was likely to be written off. Specific action taken in respect of the remaining arrears of Rs. 316.92 lakhs has not been intimated (August, 1993).

3. State Excise

749.33

405.12

Out of Rs. 749.33 lakhs demand amounting to Rs. 43.04 lakhs had been certified for recovery as arrears of land revenue. Recoveries amounting to Rs. 368.49 lakhs and Rs. 0.60 lakh had been stayed by the Courts and Government respectively. Demand for Rs. 26.55 lakhs was likely to be written off. Specific action taken in respect of the

1	2	3	4
			remaining arrears of Rs. 310 65 lakhs has not been intimated (August, 1993) by the Department.
4. Other taxes and duties on Commodities and Services—			
(ii) Receipt under the Punjab Entertainment (Cinema-tograph Shows Act)	10.02	3.20	Out of Rs. 10.02 lakhs a sum of Rs. 0.65 lakh was likely to be written off. Remaining arrears of Rs. 9.37 lakhs was lying in other stages for which action taken by the department has not been intimated (August, 1993).

The department, in their written reply, explained the position as under :—

Uncollected Revenue (Sales Tax)

This para is based on the information supplied by the department to the Accountant General Haryana and printed in C.A.G. Report for the year 1992-93. Out of the uncollected revenue of Rs. 127.10 crore an amount of Rs. 44.48 crore has been recovered, leaving a balance of Rs 82.62 crore as on 31-7-1995. The reason-wise details of balance arrears of Rs. 82.62 crore are as under :—

	Amounts in Crores
1. Under Stay	48.77
2. Liquidation	6.96
3. Instalments	0.88
4. Writing off	6.47
5. Inter State Arrears	10.35
6. Inter District Arrears	1.06
7. Property attached	4.25
8. Deferment	0.17
9. Net recoverable	3.71
Total	82.62

Passengers and Goods Tax

This para is based on the information supplied by the Department to the Accountant General, Haryana and printed in the C.A.G. Report for the year 1992-93. Out of Rs. 425.70 lacs, an amount of Rs. 221.64 lacs stand recovered leaving a balance of Rs. 204.06 lacs as on 31-7-1995. The reasonwise details of balance arrears of Rs. 204.06 lacs are as under :—

	(Amount in lacs)
1. Under stay	23.31
2. Writing Off	0.61
3. Inter State arrears	29.47
4. Inter district arrears	0.78
5. Net recoverable	149.89
Total	204.06

Excise

This para is based on the information supplied by the Department to the Accountant General, Haryana and printed in the C.A.G. Report for the year 1992-93. Out of the total arrears of Rs. 749.33 lacs an amount of Rs. 66.31 lacs stand recovered leaving a balance of Rs. 683.02 lacs upto 31-7-1995. The reasonwise details of balance arrears of Rs. 683.02 lacs are as under :—

	(Amount in lacs)
1. Under stay	465.77
2. Writing off	38.00
3. Inter State arrears	27.34
4. Inter district arrears	33.27
5. Property attached	0.18
6. Instalments	33.76
7. Under liquidation	9.31
8. Net recoverable	75.39
Total	683.02

Entertainment

This para is based on the information supplied by the Department to the Accountant General, Haryana and printed in the C.A.G Report for the year 1992-93. Out of total arrear of Rs. 10.02 lacs, an amount of Rs. 0.10 lacs stand recovered leaving a balance of Rs. 9.92 lacs. Out of 9.92 lacs Rs. 6.49 lacs stand written off and Rs. 1.26 lacs are under process for writing off leaving balance of Rs. 2.17 lacs as on 31-7-95. The reasonwise detail of balance of arrears of Rs. 2.17 lacs are as under :—

	(Amount in lacs)
1. Under stay	1.50
2. Net recoverable	0.67
Total	2.17

1.4 Uncollected revenue (Sales Tax)

During the course of oral examination, the Committee was informed that out of uncollected arrears of Rs. 127.10 crore, an amount of Rs. 57.81 crore stands recovered leaving a balance of Rs. 69.29 crore. The Committee further recommends that efforts be made to recover this balance amount within a period of three months under intimation to the Committee.

1.4 Excise (Tax on Goods and Passengers)

The Committee was informed that out of uncollected arrears of Rs. 749.33 lac, an amount of Rs. 339.19 lacs stands recovered leaving a balance of Rs. 410.14 lac. The Committee recommends that the recovery of balance amount be also effected at the earliest under intimation to the Committee.

1.4 P.G.T. (State Excise)

The Committee was informed that out of uncollected arrears of Rs. 425.33 lacs, an amount of Rs. 241.15 lacs stands recovered leaving a balance of Rs. 184.55 lacs. The Committee recommends that the balance amount be also recovered within a period of three months under intimation to the Committee.

1.4 Entertainment

The Committee was informed that out of uncollected arrears of Rs. 10.02 lacs, an amount of Rs. 6.49 lacs stands written off, out of balance of Rs. 3.53 lacs, Rs. 0.36 lac were recovered leaving a net balance of Rs. 3.17 lac. The Committee, therefore, recommends that the balance amount be also recovered within a period of three months under intimation to the Committee.

[93] 1.5. Frauds and evasion of taxes.

The table below indicates the amounts of taxes/receipts assessed

during the year 1992-93 in case of frauds and evasions of taxes, receipts detected by the department during 1992-93 and earlier years :

Nature of tax/receipt	Cases pending as on 1 April 1992	Number of cases detected during the year	Number of cases finalised during the year		Number of cases pending as on 31 March 1993		Amount of tax, interest and penalty levied (In lacs of Rs.)
			Out of Col. 2	Out of Col. 3	Out of Col. 2	Out of Col. 3	
Sales Tax	247	3085	178	2959	69	126	74.15

The department, in their written reply, explained the position as under :—

Sales Tax

This para is based on the information supplied by the Department to the Accountant General, Haryana and printed in the CAG Report for the year 1992-93. In this para 195 cases (69+126) were shown pending as on 1-4-93. Out of 195 cases, 163 cases have been disposed of after creating a demand of Rs. 27.13 lacs. Out of this demand Rs. 12.78 lacs stand recovered. Recovery of Rs. 7.77 lacs has been stayed by the Courts and efforts are being made to effect the balance recovery of Rs. 6.58 lacs. 32 cases are under review and concerned DETCs have been directed to dispose of these cases.

1.5 Frauds and evasion of taxes

During the oral examination, the Committee was informed that out of 195 pending cases, 163 cases have been disposed of after creating a demand of Rs. 27.13 lacs. Out of this demand, Rs. 12.78 lacs stands recovered. Recovery of Rs. 7.77 lacs has been stayed by the Courts and efforts are being made to effect the balance recovery of Rs 6 58 lacs. 32 cases are under review and concerned DETCs have been directed to dispose of these cases. The Committee recommends that the balance recovery be effected within a period of three months under intimation to the Committee.

[94] 2.1. Results of Audit *DL-057/9*

Test check of sales tax assessments and other records of 28 units conducted during the year 1992-93, revealed under-assessment of tax of Rs. 888.45 lakhs in 1105 cases, which broadly fall under the following

categories :

	Number of cases	Amount (In lakhs of rupees)
1. Incorrect computation of turnover	267	182.16
2. Under-assessment under the Central Sales Tax Act	85	63.69
3. Interest not charged on non-payment/delayed payment of tax	115	32.51
4. Application of incorrect rate of tax	57	34.50
5. Non/Short levy of penalty	22	18.62
6. Other irregularities	559	556.97
Total	1105	888.45

During the course of the year 1992-93 the department accepted under-assessment of Rs. 30.10 lakhs involved in 257 cases of which 211 cases involving Rs. 18.79 lakhs were pointed out in audit during 1992-93 and the rest in earlier years and out of which an amount of Rs. 13.15 lakhs has been recovered. A few illustrative cases and findings of the reviews on 'Internal Controls in respect of registration of dealers' and 'Exemptions and Concessions against declaration forms' involving Rs. 178.54 lakhs are given in the following paragraphs.

The department, in their written, reply explained the position as under:—

The Audit had raised objections in certain cases during the Audit of 1991-92 and the Inspection reports were received during the period from October, 1992 to March, 1993.

Out of 1105 cases, 678 cases have been reviewed with the following results :—

No. of cases reviewed	Amount pointed out by Audit (Rs. in lac)	Result of review
415	607.16	The cases have been settled without any additional demand. Settled with additional demand.
263	35.50	

427 cases involving an amount of Rs. 245.79 lacs are under review.

2.1 Results of Audit.

The Committee was informed that out of 1105 cases, 696 cases have been disposed of leaving 409 cases which are under review. The Committee, therefore, recommends that the remaining cases may also be settled within a period of three months under intimation to the Committee

[95] 2.2.7 Non-registration of dealers liable to registration.

(a) The Government of India through 46th constitutional amendment expanded the scope of the term 'sale' and 'purchase' by virtue of which the use of goods for the execution of works contract involving transfer of property in goods (whether as goods or in some other form) could be brought into the net of taxation. The State Government made consequential amendments in Haryana General Sales Tax Act, 1973 as a result of which the transactions of such kind became exigible to tax with effect from 18th April 1984. As per notification issued in March 1989 and the existing provisions of the State Act, all contractors executing works contract exceeding Rs. two lakhs (Rs. one lakh prior to October 1989) in a year were liable for registration and tax was deductible at source in respect of works contract exceeding Rs. one lakh. Similarly, the definition of goods was amended vide Act-I of 1989 and growing crops, grass, trees and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale were included in the definition of goods. Thus, all Forest Officers (Territorial) who executed sales of trees exceeding Rs. 2 lakhs in a year were liable for registration.

Failure to apply for registration attracts the levy of penalty, in addition to amount of tax, equal to twice the amount of tax so assessed.

(i) and (ii) * * * *

(iii) As per provisions of the State Act, liability to pay sales tax arises on expiry of thirty days after the date on which gross turnover first exceeds the taxable quantum. Forest Officer of Gurgaon applied for registration in October 1992 and his date of liability was fixed from the date of application rather than from January 1990 i.e. on the expiry of thirty days after the date on which his gross turnover first exceeded the taxable quantum. Due to incorrect fixation of date of liability, no tax could be realised on sales valued at Rs. 12.94 lakhs made from January 1990 to March 1992. This resulted in revenue loss of Rs 1.14 lakhs besides penalty amounting to Rs. 2.28 lakhs.

Thus lack of co-ordination between sales tax department and other department and proper survey failed to safeguard against loss of revenue.

The department, in their written reply, explained the position as

under :—

M/s. Range Forest Officer, Gurgaon.

The Audit had raised this objection in February, 1993, regarding wrong fixation of liability to pay tax in this case. Accordingly, the case was referred to the Revisional Authority for re-fixation of date of liability which is still pending. The Revisional Authority has been directed to decide the case at the earliest.

2.2.7(a)(iii) M/s. Range Forest Officer, Gurgaon.

The Committee recommends that the Revisional Authority be directed to decide this case within a period of three months under intimation to the Committee.

[96] 2.2.9. *Grant of Certificates of registration without following proper procedure*

Under the Haryana General Sales Tax Act, 1973 and Rules framed thereunder the assessing authority before granting a certificate of registration is required to satisfy himself after making an enquiry that applicant is a bonafide dealer and the particulars furnished by him are correct.

The dealer may also be required to furnish cash security or surely bond along with the application for registration where it appears to be necessary to do so by the assessing authority for the proper realisation of the tax payable. Securities furnished by the dealers are required to be maintained in full so long as his certificate of registration continues to be in force. The amount of security shall in no case exceed tax payable as estimated by the assessing authority on the turnover of the dealer for the year in which such security is required to be furnished before registering a dealer, after checking his financial position, the genuineness of person standing as surety is also to be verified. To curb evasion of tax the department also issued instructions in August, 1981 that the securities should be reviewed from time to time and additional security should be obtained whenever it is called for. Further, if the assessing authority is satisfied that the application is in order and the fee has been paid or deposited, he shall after satisfying himself regarding the continuation of the business and genuineness of the security, grant/renew the certificate of registration.

No procedure regarding safe custody of securities/registration certificates is laid down by the department.

(a)(i) In 155 cases test checked it was revealed that the system of review of genuineness/adequacy of the sureties/securities revalidation of bank guarantees was not operating effectively which resulted in non-recovery of tax amounting to Rs. 41.19 lakhs in 15 cases.

(ii) * * * *

(b) Test check of 29 cases out of 155 revealed laxity in monitoring controls in respect of sureties/securities resulting in non-recovery/under assessment of tax and non-levy of penalty as detailed below :

(i) * * * *

(ii) In the absence of proper record management and arrangement for safe custody of valuable documents surety bonds and registration certificates in 9 cases were either burnt or misplaced, thus resulting in tax amounting to Rs. 106.32 lakhs not being recovered from sureties.

(iii) In 7 cases where the dealers had closed down their business, no action was taken by the department to recover the amount from sureties in resulting non-recovery of tax amounting to Rs. 30.67 lakhs.

(iv) In 4 cases where the dealers had closed down the business establishments tax amounting to Rs. 10.16 lakhs could not be recovered on account of loss of surety bonds inadequate security and delay in finalising assessments ranging between 2 and 3 years.

(v) Though the Act provides for verification of genuineness of sureties in 8 cases the sureties were either found non-existent or were fictitious. This resulted in non-recovery of tax amounting to Rs. 33.57 lakhs from the sureties.

The department, in their written reply, explained the position as under :—

The Audit had raised the objection during the special Audit in 1993. As per the "Key" made available in this para there are only 12 assessment cases of four dealers instead of 15 cases, in whose cases an arrear of Rs. 41.19 lacs is unrecovered. The position in these cases is as under :—

(i) **M/s. Poiner Packs, Faridabad-AY 1983-84 to 1987-88 (5 cases)**

The firm in question had been filing nil returns during 1988-89 and its registration certificate was not renewed after 31-3-1988.

The registration certificate stood automatically cancelled, however, the Assessing Authority has canceled his registration certificate under both the Acts w.e.f. 31-3-1990 vide his orders dated 18-12-1995. As a result of finalisation of cases from 1983-84 to 1987-88 an arrear of Rs 1.11 lacs accrued and since the dealer was not traceable recovery proceedings were initiated against one surety, who has obtained stay from Civil Court Faridabad. The whereabouts of other surety too are not known. The case is fixed for 22-1-1996

(ii) **M/s. Associated Precision Equipment, Faridabad-AY. 1984-85 & 1985-86 (Two cases).**

The dealer in this case has since left Haryana and is residing at Delhi. accordingly, a recovery certificate was issued to Collector Delhi and a recovery of Rs 15,048/- out of the total arrears of Rs 0.65 lacs has since been effected. Recovery certificate for the balance has again been issued to Collector Delhi.

One of the sureties has since expired and the whereabouts of the other are not available to the Department.

(iii) M/s. B.S.F. Industries Faridabad-AY 1983-84 to 1986-87 (Four cases). —

The firm has since been closed and the action for recovery of arrears of Rs. 36.79 lacs from the sureties stand initiated, as the partners are not traceable. Recovery proceedings are in progress against both the sureties.

(iv) M/s. Standard Chemicals Sales Corporation, Gurgaon-A.Y. 1987-88.

An arrear of Rs. 2.64 lacs is involved in this case. Out of this Rs. 0.10 lacs stands recovered by encashing the bank guarantee on 31-3-1993 against one surety. The other surety is untraceable.

1. M/s. Kisan Trading Co. Bahadurgarh-AY. 1984-85 & 1985-86.
2. M/s. Bee Cee Steel Rolling Mills Bahadurgarh-A.Y.- 1983-84 to 1987-88.
3. M/s. Finchem Bahadurgarh-A.Y. 1983-84 to 1985-86.
4. M/s. National Gum & Chemicals Bahadurgarh-A.Y. 1981-82 & 1982-83.
5. M/s. Rawal Industries Bahadurgarh-AY. 1984-85 to 1987-88.
6. M/s. Bahadurgarh Central Co-operative Consumer Store B. Garh-AY. 1984-85 to 1987-88.
7. M/s. Ganesh Mfg. Ltd., Bahadurgarh-AY. 1984-85.
8. M/s. Pritam Trading Co., Hisar-A.Y. 1984-85. ✓
9. M/s. Shibru Metal Rolling Mills, Jagadhri-AY. 1985-86. ✓

The Audit had raised the objection during special review in 1993.

In this connection, it is pointed out that seven cases at Sr. Nos. 1 to 7 pertain to Rohtak district, where total record was destroyed in the Anti Mandal Agitation and in such unavoidable circumstances none can be held responsible for destruction of the record. However, a sum of Rs. 3.61 lacs in the case at Sr. No. 4 stands quashed and Rs. 40,145 in the cases at Sr. No. 3, 4 & 5 stands recovered from the dealers or their sureties.

In the other two cases (One each of Hisar and Jagadhri), the Deputy Excise and Taxation Commissioners have been directed to fix the responsibility of the concerned officers so as to initiate disciplinary action against them. However, Rs. 8700/- stands recovered from the surety in the case of a dealer of Jagadhri.

2.2.9(b) (iii)

In this para the Audit has pointed out seven cases in which the dealers have closed down their business and no recovery of arrears has been effected either from the dealers or their sureties.

The para was raised during special audit in 1993 and the same was received without "Key" on 20-7-93. The "Key" was made available only on 11-3-94 which was circulated among district officers on 21-6-94. The firmwise position of the cases is as under :—

(i) M/s. Madan Lal Mahavir Parshad, Tauru (Gurgaon)-A.Y. 1986-87.

The Audit has pointed out an arrear of Rs. 2.82 lacs in this case.

In this case the dealer had gone in appeal before the Joint Excise and Taxation Commissioner (Appeals) who dismissed the appeal in default vide orders dated 31-12-93. Thereafter, total arrears of Rs. 6,451 under the Haryana General Sales Tax Act and Rs. 10,000 under the Central Sales Tax Act have been recovered. As the sureties obtained were for Rs. 10,000 under each Act, no more recovery can be effected from the sureties. The dealer has filed appeal alongwith stay application before the Sales Tax Tribunal and the case is pending with the Tribunal.

(ii) M/s. Aesthetics Export (P) Ltd., Gurgaon-A.Y. 1988-89 & 1989-90.

The Audit has pointed out an arrear of Rs. 1.95 lacs against the dealer.

In this case the delay in recovery took place as the dealer in the first instance failed to comply with the orders dated 31-8-91 of Sales Tax Tribunal, regarding deposit of Rs. 5,000 under the Haryana General Sales Tax Act and Rs. 25,000 under the Central Sales Tax Act and submit surety bonds for the balance amount in view of which his appeal was dismissed in default by the Joint Excise and Taxation Commissioner (Appeals). Again on appeal, the Tribunal vide his orders dated 4-11-1992 reiterated his orders dated 31-8-91 and the dealer in part compliance of the orders deposited Rs. 5,000 under the Haryana General Sales Tax Act on 8-1-93. Due to non compliance of whole orders of Tribunal the arrears were declared as arrears under the Land Revenue Act and the rent of a building, payable to the dealer was attached and a recovery of Rs. 30,000 was effected. As the tenant stopped payment of rent, due to his own arrears due from the dealer, the machinery of the dealer was attached and put to auction on 5-7-94, but no bidder came forward. Further action is in progress.

(ii) M/s. Baba Steel Industries, Gurgaon-A.Y. 1988-89.

The Audit has pointed out an arrear of Rs. 0.66 lacs in this case. The amount has since been recovered.

(iv) M/s. Mukesh Metal Co. Rohtak-A.Y. 1989-90.

The Audit has pointed out an arrear of Rs. 22.85 lacs against the total demand of Rs. 23.01 lacs

In this case a recovery of Rs. 16,000 was effected from sureties leaving a balance of Rs. 22.85 lacs. One surety has since expired and the other surety is untraceable. Both partners were arrested and kept in judicial lock up for 40 days. The dealer has only one small residential house, which cannot be attached.

(v) M/s. Andsons and Bazil Medicaments (P) Ltd., Bahadurgarh A.Y. 1987-88.

The audit has pointed out an arrear of Rs. 0.28 lacs in this case.

The dealer had gone in appeal against the orders, and the case was remanded to the Assessing Authority, who decided the remand case on 24-1-95 and additional demands of Rs. 142 under H GST Act and Rs. 4412 under CST Act were created and recovered.

(vi) M/s. Kailash Appartments-Gurgaon-A.Y. 1985-86.

The Audit has pointed out an arrear of Rs. 1.75 lacs in this case.

The dealer had gone in appeal against the orders and the case was remanded by the Sales Tax Tribunal, to Appellate Authority with the directions to the dealer to deposit the amount of interest and furnish surety bond for the balance, vide orders dated 21-9-94.

The dealer accordingly deposited a sum of Rs. 9686 on 25-11-94 and has submitted the surety bond for the balance amount. The case is now pending with Jt. E.T.C.(A), who has been directed to decide the case at the earliest.

(vii) M/s. Jagminder Rai Lalit Kumar, Hisar-A.Y. 1986-87.

The Audit has pointed out an arrear of Rs. 0.36 lacs in this case.

An additional demand of Rs. 37,234 was created in this case vide orders dated 31-3-92. The dealer made the payment of Rs. 1234 and, thereafter, closed down his premises and left for Delhi. No recovery could be effected from the sureties, as one of the surety has himself to pay huge arrears and the whereabouts of the second surety are not known. Recovery certificate against the assessee was issued to Collector, Delhi, which was received back for want of complete address of the defaulter.

2.2.9 (b) (iv)

In this para Audit has pointed out four dealers in whose cases recovery could not be effected due to loss of surety bonds or inadequate sureties. The objection was raised during special audit in 1993. The firmwise position is as under : —

1. M/s. Hora Brothers, Gurgaon-A.Y. 1987-88 and 1988-89.

The Audit has pointed out an arrear of Rs. 1.41 lacs against this firm. In this case the dealer had filed a surety bond, duly signed by a dealer of Faridabad, for an amount of Rs. 1,41,080, on the directions of Hon'ble Punjab & Haryana High Court, issued vide orders 3-12-90. The Hon'ble High Court decided the writ vide orders dt. 25-5-95 and remanded the case to Jt. E.T.C.(A). The case is now pending with Jt. E.T.C.(A). Thus, no recovery can be effected till finalisation of the case by Appellate Authority.

2. M/s. Bhola Stone Crushing Co. Faridabad-A.Y. 1986-87 to 1988-89.

In this case the Audit has pointed out an arrear of Rs. 5.47 lacs, due to non obtaining of adequate surety from the dealer and non renewal of Registration Certificate after 31-3-88.

In this case, the arrear of Rs. 5.47 lacs, against the dealer, has accrued as a result of finalisation of his assessments for the period from 1986-87 to 1988-89, and penalties imposed u/s 48 for 1986-87 and 1987-88.

In the assessments, during above mentioned years, the dealer was not allowed any claim of being a registered dealer. Action against the officers, who did not demand fresh surety at the time of accepting the application for change in constitution is underway.

However, the land of business premises of the dealer has been attached.

3. M/s. Kay Ess Traders, Gurgaon-A.Y. 1987-88.

The Audit has pointed out an arrear of Rs. 2.39 lacs due against the dealer for the year 1987-88.

In this case the dealer had filed a Writ Petition in the Punjab and Haryana High Court and the Hon'ble Court remanded the case vide orders dt. 7-7-93 to Jt. E.T.C.(A) with the directions to pass fresh orders in accordance with the provisions of sections 39(5) of the HGST Act. The Appellate Authority

further quashed the orders of the Assessing Authority and remanded the case for fresh assessment vide orders dated 26-8-94. The remand case is still pending for which Assessing Authority has been directed to dispose of the same at the earliest.

4. M/s. S.K. Chauhan, Gurgaon-A.Y. 1986-87.

The audit has pointed out an arrear of Rs. 0.89 lacs for the year 1986-87 in this case.

In this connection, it is pointed out that recovery proceedings were started against the surety, who went in Civil Court, Gurgaon and obtained stay against the recovery proceedings. The Court, however, dismissed the case vide orders dated 30-11-94. In the meantime the surety shifted to Delhi. Accordingly a recovery certificate was issued to Collector, Delhi on 12-1-95. No recovery has yet been effected.

2.2.9 (b)(v)

In this para the Audit had pointed out eight cases in which the sureties were either found non existent or were fictitious, which resulted in non recovery of arrears of Rs. 33.57 lacs. The para was raised during special Audit in 1993.

The dealer-wise position of the cases are as under :—

(i) M/s. Associated Petro-Chem.(P) Ltd., Sampla-A.Y. 1986-87 and 1987-88,

The arrear of Rs. 6.13 lacs has been pointed out by the Audit in this case.

In this case fresh surety bonds have since been obtained and the dealer is making payment in monthly instalment of Rs. 10,000. The R.C. of the dealer stand renewed upto 31-3-2000. Rs. 2,08,440 stand recovered upto October, 1995.

(ii) M/s. Vikrant Electric Co., Hisar-A.Y. 1988-89 & 1989-90.

The Audit has pointed out an arrear of Rs. 0.36 lacs in this case.

In this case there was actual arrears of Rs. 0.47 lacs out of which Rs. 0.13 lacs have since been recovered. Steps are underway to recover the balance amount.

(iii) M/s. Anil Kumar Sunil Kumar, Hisar-A.Y. 1989-90 and 1990-91

The Audit has pointed out an arrear as Rs. 12.97 lacs in this case. Nothing has been recovered so far as the dealer as well as one surety is untraceable. The other surety has since expired. Disciplinary action is under process against the defaulting officers for non recovery of the arrear.

(iv) M/s. Goyal Karyana Merchant, Punhana (Gurgaon)-A.Y. 1987-88 & 1988-89.

...

The Audit has pointed out an arrear of Rs. 6.18 lacs in this case.

The demand was created in the inspection case. An amount of Rs. 800 which was due for refund to the dealer has been adjusted and an amount of Rs. 20000 (amount of surety) has also been recovered from sureties. For the balance recovery certificate stand issued to collector Delhi where the dealer is residing in a rented house. There is no property in the name of the dealer in Gurgaon District.

(v) M/s. Ravi Agencies, Faridabad-A.Y. 1982-83.

An amount of Rs. 1.29 lacs has been pointed out by the Audit in this case. Nothing has been recovered so far. Disciplinary action against the defaulting officers for delaying assessment and non recovery of amount is underway.

(vi) M/s. Globe Metal Industry, Jagadhri-A.Y. 1985-86.

An arrear of Rs. 0.44 lacs has been pointed out by the Audit in this case. Recovery proceedings were initiated against the partners of the firm, who filed Civil Suit in the Court at Jagadhri. The case is now fixed for 29-2-96.

(vii) M/s. Sushil Metal (P) Ltd. Jagadhri-A.Y. 1985-86.

6/2/10
Dropped
An arrear of Rs. 0.34 lacs has been pointed out by the audit in this case. Recovery proceedings were initiated against the defaulters who filed civil suit in the Court at Jagadhri. The case is now fixed for 29-2-96.

(viii) M/s. Trupati Balaji Sales Corporation, Jagadhri-A.Y. 1983-84, 1984-85, 1986-87 to 1989-90.

An arrear of Rs. 5.86 lacs has been pointed out by the Audit in this case. Recovery proceedings were initiated against the Prop. of the firm who filed Civil Suit in the Civil Court at Jagadhri against the recovery proceedings. The case is now fixed for 30-1-96.

2.2.9(a)(i) Grant of Certificates of registration without following proper procedure.

(i) M/s. Pioneer Packs, Faridabad-A.Y. 1983-84 to 1987-88 (5 cases).

The Committee desired that the final outcome of the cases be intimated to the Committee.

(ii) M/s. Associated Precision Equipment, Faridabad-A.Y. 1984-85 and 1985-86 (Two cases).

The Committee recommends that the balance recovery of arrears be effected within a period of three months under intimation to the Committee.

(iii) M/s. B.S.F. Industries, Faridabad-A.Y. 1983-84 to 1986-87 (4 cases).

After hearing the Departmental representatives, the Committee recommends that the final outcome of these cases alongwith position of recovery be intimated to the Committee.

2.2.9(b)(ii)

The Committee was informed that seven cases at Sr. No. 1 to 7 pertain to Rohtak District, where total record was destroyed in the anti-Mandal agitation and as such, it is not possible to pursue these cases availability of relevant record. The Committee further informed that these seven cases have been referred to the Government to waive off this amount. After hearing the Departmental representatives, the Committee desires that the decision taken by the Government in respect of above said firms be intimated to the Committee.

Sr. No. 8 M/s. Pritam Trading Co. Hisar-A.Y. 1984-85.

The Committee was informed that Rs. 0.10 lacs stands recovered from second surety, leaving a balance of Rs. 0.41 lacs. The Committee, therefore, recommends that the balance amount be also recovered within a period of three months under intimation to the Committee.

Sr. No. 9 M/s. Shibru Metal Rolling Mills, Jagadhri-A.Y. 1985-86.

The Committee recommends that disciplinary action against the concerned official be finalised within a period of three months under intimation to the Committee. The Committee further recommends that the balance amount be also recovered from the surety.

2.2.9(b)(iii)

(i) M/s. Madan Lal Mahavir Parshad, Tauru (Gurgaon)-A.Y. 1986-87.

The Committee recommends that the Joint Excise and Taxation Commissioner (Appeals), Rohtak be directed to finalise the case within a period of three months under intimation to the Committee.

(ii) M/s. Aestherics Export (P) Ltd. Gurgaon-A.Y. 1988-89 and 1989-90.

The Committee was informed that auction of the Machinery could not be done as the M.D. of the firm did not hand over possession of the same and as such the M.D. of the firm has been directed to hand over the plant and machinery. The Committee recommends that the intimation in this regard be sent to the Committee after the case was finalised.

(iii) M/s. Mukesh Metal Co. Rohtak-A.Y. 1989-90.

The Committee desires that intimation be sent to the Committee after recovering the balance amount.

(iv) M/s. Kailash Apartments-Gurgaon-A.Y. 1985-86.

The Committee recommends that the decision taken by the Appellate Authority be intimated to the Committee.

(v) M/s. Jagminder Rai Lalit Kumar, Hisar-A.Y. 1986-87.

The Committee, after hearing the Departmental representatives, recommends that efforts be made to recover the balance amount from the surety at the earliest under intimation to the Committee.

2.2.9(b)(iv)

(i) M/s. Hora Brothers, Gurgaon.

The Committee recommends that recovery be effected within a period of three months as the remand case has been decided by Joint E.T.C. (Appeals).

(ii) M/s. Bhola Stone Crushing Co. Faridabad.

The Committee desires that intimation be sent to the Committee after effecting the recovery from the dealer.

(iii) M/s. Kay Ess Traders, Gurgaon.

The Committee desires that intimation be sent to the Committee after deciding the remand case by the Appellate Authority within a period of three months.

(iv) M/s. S.K. Chauhan, Gurgaon.

The Committee recommends that the efforts be made by the department to pursue the matter with the Collector, Delhi so that the balance recovery be effected from the surety at the earliest.

2.2.9(b)(v)

The Committee recommends that strenuous efforts be made by the Department to effect the balance recovery from the concerned eight firms within a stipulated period under intimation to the Committee.

[97] 2.3.5 *Non-observance of departmental instructions regarding cross-verifications*

(a) * * *

(b) Under the Haryana General Sales Tax Act, 1973, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales, purchases or stock of goods or has concealed any particulars of his sales purchases or has furnished to or produced before any authority under the Act, 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 not more than five times (three times with effect from 1 January 1988) the amount of tax which would have been avoided if the turnover as returned by such dealer had been accepted as correct.

Cross verification of sales made against declaration forms revealed that in 16 cases relating to 15 dealers (4 of Jind, 3 each of Jagadhari and Faridabad, 2 of Karnal, 1 each of Gurgaon, Hisar and Sonapat) suppressed purchases/sales valued at Rs. 117.76 lakhs in the assessments finalised (between June 1988 and January 1993) for the years 1987-88 to 1990-91 as detailed below. This resulted in short levy of tax amounting to Rs. 8.75 lakhs besides minimum penalty amounting to Rs. 17.50 lakhs.

Assessment Year	No. of cases	Value of goods suppressed	Tax effect	Minimum Penalty leviable
(In rupees)				
1987-88	5	20,40,331	1,00,355	2,00,710
1988-89	3	55,41,870	4,81,415	9,62,830
1989-90	3	25,34,280	2,18,062	4,36,124
1990-91	5	16,59,466	75,288	1,50,576
Total	16	1,17,75,947	8,75,120	17,50,240

In one case of Karnal, the department stated (April 1993) that tax amounting to Rs. 59,888 (including penalty amounting to Rs. 40,000) has been levied (March, 1993). Report on Recovery has not been received (April 1993). In one case of Jind the department stated (March 1993) that the case has been referred (January 1993) to the Revisional Authority for *sou moto* action and in other case, also of Jind the department stated (July 1992) that the case was being sent to the Revisional Authority for *sou moto* action. In one case of Gurgaon the department stated (March 1993) that declaration forms used for the purchases were not issued to the dealer. But no action to investigate as to how the purchasing dealer procured the forms was taken.

The department, in their written reply, explained the position as under :—

The Audit had raised objections during the special Audit in Jan. to April, 1993. The key to paras circulated to Distt. offices in March 1994, being incomplete, the requisite information has been collected from the office of A.G. Haryana & conveyed to the Distts.

Casewise comments of the Deptt. are given as under :—

JIND

- (1) M/s Venkatesh Kumar Lalit Kumar Safidon (RC No. 4986) AY : 87-88 & 88-89.

All the transactions of sales and purchases have been verified by the Assessing Authority and no suppression detected.

- (2) M/s Vardhman Rice & General Mills Safidon (RC No. 4176) AY : 88-89.

All the transactions of Sales and purchases have been verified by the Assessing Authority and no suppression detected.

- (3) M/s Tara Chand Jai Bhagwan, Jind (RC No. 3129) AY: 87-88

The assessment was finalized ex-parte without obtaining Trading A/C and difference in purchase is due to closing stock. Ex-parte order of the A.A. was appealed against, which has been remanded by the Appellate Authority. The Remand case stands fixed for 10.1.96. The AA has already been advised to verify all the transactions of sales & purchases and take cognizance of the difference before finalization of the remand case.

- (4) M/s Bharat Trading Co. Jind (AY: 87-88)

Assessing authority has verified all the transactions of sales & purchases made by the dealer and no suppression has been detected.

JAGADHRI

- (1) M/s Shree Hanuman Metal Industries, Jagadhri-AY: 87-88

The purchases in question were made by M/s Shree Hanuman Rolling Mills, which is sister concern of this firm. Both the firms exist in the same premises, with same office and the same Accountant, and as a result thereof this mistake happened. Account Books of both the firms have been checked. Both the dealers have produced affidavits explaining therein the purchases made from M/s M.M.T.C. Yamunanagar alongwith detailed explanation. The said purchases have already been declared in the lists of purchases in form ST. 23-A and in the trading accounts submitted at the time of assessment for the year 1987-88 by M/s Shree Hanuman Rolling Mills. Since the above referred purchases have been accounted for by mistake in their sister concern and sale thereof has also been assessed, there is, thus, no suppression. However, for this technical mistake a penalty of Rs. 1,000/- was imposed vide order dated 5.5.93 and stands recovered on 31.5.93.

- (2) M/s Shree Hanuman Enterprises, Jagadhri, AY. 88-89 & 89-90

The reassessment in this case has since been framed on the basis of suppressed purchases worth Rs. 3,74,537/- and additional demand

of Rs. 33,616/- created vide order dated 23-11-95 and action u/s 48 is being taken separately. Assessment for the year 1990-91 has also been framed on 11.1.94.

(3) M/s R.H. Metal Industries, Jagadhri-A.Y. 88-89

On re-examination of account books on 9.3.93, the purchases worth Rs. 1,25,265/- made vide bill no. 312, dated 21.9.88 were found entered in the account books, but these could not be shown in the lists of purchases. As such, no suppression was detected.

FARIDABAD

(1) M/s Goel Mills, Ballabgarh-A.Y. 89-90

It has been verified from the account books of the dealer that purchases in question stand accounted for in the account books of 90-91 as the date of bill no. 1209 is 6-10-90 and not 6-1-90 thus no suppression of purchases exist.

(2) M/s S. K. Systems (P) Ltd. Faridabad-A.Y. 90-91

The second transaction of Rs. 1,20,380/- mentioned in "C" form pertains to Delhi office which is a separate concern having sales tax registration number of Delhi. Purchasing dealer of Indore M/s Ruchi Steel and Alloy Ltd. mentioned both the transactions in "C" form by mistake. There is not any suppression and assessment has rightly been framed.

(3) M/s Steel Agency, Faridabad-A.Y. 87-88

The case was sent to the Revisional Authority for taking *suo motu* action on 11-8-94, who has remanded the case vide order dated 16-1-95. Remand case has not been decided so far as the dealer has intimated that the sale was actually for Rs. 1,44,697/- but inadvertently the declaration was issued by the purchasing dealer of Rs. 49,968/-. The purchasing dealer himself had corrected the amount in figures. The dealer has further stated that he will bring the correct declaration and the remand case will be finalised.

KARNAL

(1) M/s Veena Enterprises, Karnal-A.Y. 90-91

Additional demand of Rs. 43,784/- has been created in re-assessment vide Assessing Authority's order dated 7-3-95. Due to the death of the husband of the Prop; who was running the business, she has left Karnal for unknown place, as such notice u/s 48 could not be served. Efforts to recover the amount from sureties are underway.

(2) M/s Sharma Trading Co, Ardhana-A.Y. 90-91

The firm has been closed and the whereabouts of the dealer are not known.

GURGAON**M/s Nand Lal Pran Nath, Punhana-A. Y. 87-88**

In this case the dealer has filed an affidavit to the extent that he never purchased masoor or any other items from M/s Hind Trading Co: Hodal and that he had no concern with the disputed declaration forms, as he neither issued these forms to the Hodal dealer nor got issued them from the office. Enquiries conducted in this regard also reveal that those forms were not issued by the Sales Tax Office.

HISSAR**M/s Chaudhary Machinery Stores, Barwala-A. Y. 90-91**

Action in this matter has already been taken in the case of M/s Veena Enterprises, Karnal (Who was the purchasing dealer and an Addl. demand of Rs. 43,784/- was created in re-assessment made vide order 7-3-95.)

SONIPAT**M/s Balsaal Traders Corpn. Sonipat-A. Y. 88-89**

The Registration Certificate was issued with effect from 21-5-88 to the dealer, who applied for cancellation of R.C. w.e.f. 11-1-90 and filed an affidavit stating therein that his declaration forms had been lost and he made no purchases against those forms. But in the meantime, as a result of cross verification of sales to registered dealers, it was observed that the selling dealer of Jagadhri had submitted those forms against his claim of deductions. In these circumstances, the factual position of Sonipat dealer was intimated to D.E.T.C. Jagadhri and R.C. was cancelled w.e.f. 11-1-90 by the Assessing Authority Sonipat. The forms issued to the dealer were declared obsolete. Further, the order of Jagadhri dealer was also revised disallowing the sales made to registered dealers.

2.3.5. (b)**(1) M/s Tara Chand Jai Bhagwan, Jind**

The Committee recommends that the Assessing Authority may be directed to decide the remand case within a period of three months under intimation to the Committee.

(ii) M/s Shree Hanuman Enterprises, Jagadhri

The Committee desires that the decision taken in the matter be informed to the Committee.

(iii) M/s Veena Enterprises, Karnal

The Committee recommends that strenuous efforts be made to recover the amount from the surities under intimation to the Committee.

[98]. 2.3.6. *Non-observance of prescribed procedures for receipt and issue of declaration forms.*

(a) As per instructions issued (July 1976) by the department and reiterated in June 1989, the declaration forms shall be kept under the charge of the store keeper after physically verifying their correctness as per despatch invoices issued by the printing presses. The stock of these forms has to be physically checked by the Superintendent/Head Assistant every Monday. The store keeper is required to keep an account of various categories of forms issued to the clerk(s) responsible for issuing these declaration forms to the assessee in separate registers which are required to be checked by Superintendent/Head Assistant at the close of each day. The Issue clerk has to issue these forms to the dealers after they deposit their cost in the treasury and make entries of their issue in the Issue Register and dealer's Ledger Account which are to be checked by the assessing authorities once a week to ensure that entries in the dealer's Ledger Account have been correctly made.

(i) & (ii) * * * * *

(iii) Two dealers of Hisar purchased paddy valued at Rs. 151.53 lakhs from Karnal and Kaithal against declaration forms during the years 1987-88 and 1988-89 as intimated (October 1989 and January 1992) by the assessing authority Karnal and Kaithal but these purchases were not accounted for in their quarterly returns which resulted in evasion of tax amounting to Rs. 6.06 lakhs. Besides, no penal action was taken. It was further noticed (March 1993) that though one of above two dealers had applied (2 May 1988) for cancellation of registration certificate with effect from 31st March 1988, yet, he was issued (9 May 1988) 50 declaration forms (ST-15) i.e. after applying for cancellation of registration certificate. Assessments of these dealers were not finalised (February 1993).

The department, in their written reply, explained the position as under :—

The Audit had raised the objection during special Audit in Jan. to April 1993. The key to para was circulated to Distt. office in March, 1994.

The position of both the cases is discussed as under:—

(i) M/s Radhey Sham Ram Avtar, Hisar (RC 20437) AY : 87-88.

In this case an addl. demand of Rs. 1,29,922/- was created exparte by the Assessing Authority vide order dt. 28-2-94. The firm has been closed w.e.f. 31-3-88 and the whereabouts of the partners are not known. The forms were issued before the cancellation of R.C. which were required by the dealer in respect of purchases already made in the previous years. Both the sureties have expired and no property stand in their names. As such recovery is not possible. The dealer had produced all the forms at a later stage. In order to reduce the paper arrears, the case was sent to DETC (1) for taking *suo motu* action on 13-3-95, which is pending.

(ii) M/s Radhey Sham Mukesh Kumar Hisar (RC 23042 (AY) 87-88.

An addl. demand of Rs. 45605/- was created exparte by the Assessing Authority vide order dt. 31-12-93. The Prop. of the firm has left for unknown place. One surety has closed its business and the second surety had filed appeal before the Appellate Authority against the assessment. The Appellate Authority vide order dt. 2-6-94 set aside the exparte order and remanded the case with the direction to allow the claim after verification of ST 15 forms produced. So far as purchase of paddy is concerned, notice showing the detail of paddy could not be served upon the dealer due to non-availability of the address. Directions have been issued to the Assessing Authority to Keep in mind the facts of purchase of paddy while finalizing the case.

2.3.6. (a) (iii)

(i) M/s Radhey Sham Ram Avtar, Hisar.

The Committee recommends that the Assessing Authority may be directed to decide the cases within a period of three months under intimation to the committee.

(ii) M/s Radhey Sham Mukesh Kumar, Hisar.

The Committee desires that the decision taken by the Assessing Authority be intimated to the Committee.

[99] 2.3.6. *Non-observance of prescribe procedures for receipt and issue of declaration forms*

(b) Under the Haryana General Sales Tax Rules, 1975, any dealer registered under the Act shall apply to the appropriate assessing authority for the supply of declaration forms stating clearly his reasonable demand for a period of not more than three months disclosing the stock and details of declaration forms already used and in hand. If the assessing authority is satisfied that the requisition of the dealer is genuine and reasonable, he may issue him the forms. Assessing Authority may order that declaration forms shall not be issued to the dealer or even order the cancellation of his registration certificate if he fails to give surety/additional surety as asked for by him. If any dealer closes down his business or his registration certificate is cancelled, he shall forthwith surrender all the declaration forms lying unused with him (to the appropriate assessing authority. If such dealer fails to surrender such forms, these shall be deemed to have been declared invalid from the date of closure of the business and Government shall notify it in the official gazette.

(i) A dealer of Jagadhari was granted certificate of registration in May 1988 on furnishing of surety bonds for the amount of Rs. 25,000 each under the State and Central Acts. The dealer indulged in bogus sales which was confirmed from the letter from assessing authority

Sonipat to assessing authority Jagadhari issued in March 1990 that the dealer had shown sales to registered dealers of Sonipat which were never made and additional demand of Rs. 8.87 lakhs was created against the dealer and an additional security was demanded by the assessing authority in March 1990 which was never given. Even then the declaration forms were issued to the dealer in January 1991 and February 1991. Total evasion of tax during 1988-89 and 1989-90 was assessed to Rs. 20.04 lakhs which remained un-realised as the dealer closed down the business and the dealers who had given sureties withdrew them in March 1991.

(ii) Registration certificates of four dealers of Jagadhari were renewed between April 1987 and May 1987 subject to furnishing of fresh securities which were not submitted in three cases and the securities in the fourth case were misplaced by the department. The dealers evaded tax and additional demands of Rs. 36.55 lakhs relating to the years 1986-87 to 1988-89 were created between March 1990 and January 1991 which could not be recovered as the dealers closed their business activities. Though the dealers did not furnish the securities as demanded by the department, yet they were issued declaration forms between April 1988 and May 1991.

(iii) Additional demands of Rs. 10.83 lakhs were created between December 1988 and September 1991 against two dealers (one each of Jagadhari and Faridabad for the years 1983-84 to 1987-88. In the case of the dealer of Jagadhari, though his registration certificate was not renewed after March 1987 he was issued declaration forms in March 1989. In case of the dealer of Faridabad, it came to notice of the department in January 1985 that the dealer had suppressed the sales and was not co-operating in finalising the assessments; still, he was issued forms in February 1986 and December 1986. Additional demands of Rs. 10.83 lakhs remained un-realised due to closure of their business.

(iv) A dealer of Guurgaon was granted new certificate of registration in May 1986. The dealer had been filing nil returns for years 1986-87 and 1987-88. He did not co-operate in framing the assessments which were finalised *ex parte* and additional demand of Rs. 1.03 lakhs was created in November 1991 which could not be recovered. Both the sureties also closed down the business and no recovery could be effected from them. While the proceedings of assessment were going on in June 1988 to August 1988 the dealer was not presenting himself before the assessing authority and had filed nil returns, still, he was issued C forms in September 1988 and November 1988 for which the dealer never gave any account and filed nil returns for the year 1988-89 and 1989-90 and no further returns were forthcoming.

Though procedure for issue/cancellation of declaration forms was prescribed, this was not followed resulting in non-recovery/evasion of tax amounting to Rs. 68.45 lakhs in 8 cases as brought out above.

The department, in their written reply, explained the position as

under :—

M/s Aggarwal Trading Co. Jagadhri (RC No. 5890)/AY : 88-89 & 89-90

The Audit had raised the objection during special Audit in Jan. to April 1993. The key to para was incomplete, which has been made available on 5-1-96.

In consequence of rejection of claim to a dealer of Sonapat, addl. demand was created for the year 1988-89 by Smt. S. R. Madhia Assessing Authority vide order dated 29-3-91 and for the year 1989-90 by Sh. B. L. Atris Assessing Authority vide order dated 28-10-92 and the declaration forms were issued in Jan./Feb. 1991, which were required by the dealer. Efforts to recover the addl. demand were initiated, immediately but in the meantime the dealer had left the place after closing down the business. On enquiry, it came to the notice that the dealer was residing at Lucknow, accordingly recovery certificate was issued at the address of Lucknow. Last remainder has been issued on 2-1-96. Simultaneously recovery proceedings were initiated against the sureties who have filed civil suits in the civil court Jagadhri and the cases stand fixed for 28-5-96.

The Audit had raised the objection during special Audit in Jan. to April 1993 and the key to the para circulated to Distt. offices in March 94 was incomplete. After collecting complete information, replies have been obtained, which are discussed as under :—

(i) **M/s Sandeep Enterprises Jagadhri—AY : 87-88, 88-89 (Rs. 17.23 lacs)**

Registration Certificate of the dealer was renewed in May 1987 subject to furnishing of fresh surety bonds, which were not submitted despite issue of notices. However, efforts to recover the amount from the dealer have been made and Rs. 5732/- were recovered. Thereafter, he left for Delhi, where recovery certificate was issued, which was received back, being incomplete address. Recovery proceedings were also started against the sureties and an amount of Rs. 500/- was recovered, but they filed civil suit in the Court at Jagadhri, which is fixed for 26-8-96.

(ii) **M/s Puran Enterprises, Jagadhri AY : 87-88, 88-89. (Rs. 809 lacs)**

Registration Certificate of the dealer was renewed in April 1987 subject to furnishing of surety bonds, but the dealer failed to furnish the same. Registration Certificate was cancelled w.e.f. 1-4-90 vide order dt. 22-2-94. The form were issued to the dealer for the purchase made in the pass period. Issuance of form can't be refused merely on the ground that the dealer had not furnished surety bonds. Proceedings to recover the arrears under the Land Revenue Act have since been initiated

- (iii) **M/s Ashoka Bridge Enterprises, Jagadhri Ay : 88-89 & 89-90 (Rs. 10.36 lacs)**

Registration Certificate of the dealer was renewed in May 1987 subject to furnishing of fresh surety bonds, which were not submitted. However, surety Bonds worth Rs. 30,000/- executed previously were already in existence at the time of finalization of assessment cases during 1990-91. The dealer applied for cancellation of Registration Certificate in May 1990. The partner of the firm Sh. Ravi Jetli was sent to Central Jail Ambala for 40 days in the year 1993. In the meantime, both the sureties had expired and nothing could be recovered.

- (iv) **M/s Tirupati Balaji Udyog, Jagadhri AY : 86-87 (Rs. 0.87 lacs)**

Registration Certificate of the dealer was renewed in May 1987, subject to verification of surety bonds worth Rs. 10,000/- place on the record. Assessment for the year 86-87 was framed in Jan. 91. As a result of recovery proceedings initiated against the Prop. an amount of Rs. 376/- under HGST Act and Rs. 372/- under CST was recovered. Thereafter the dealer filed a civil suit in the court at Jagadhri. The case is fixed for 30-1-96.

The Audit had raised the objection during special Audit in Jan. to April 1993, but key to this para was not supplied despite the repeated visits and issue of D.O. Letter on 2-1-96. The information regarding both the firms was made available on 3-1-96. The position of both cases is discussed as under :—

- (i) **M/s Shree Ram Products, Jagadhri A Y 83-84 to 86-87**

The declarations in form ST 15 issued in Feb. 88 & March 89 were required by the dealer for the purchases made previously in the year 86-87. In fact, the said declarations were wrongly issued as the Registration Certificate was not renewed. The officer/official at fault are being proceeded against departmentally. Since, the dealer had closed down his business and left for Ahmedabad, recovery certificate was issued to the collector Ahmedabad in Nov. 94, but nothing has been recovered so far. Proceedings against the sureties could not be initiated as Registration Certificate part of the file is stated to be missing. D.E.T.C. Jagadhri has been directed to fix the responsibility in this regard.

- (ii) **M/s Silver Flame Appliance Faridabad AY : 83-84 to 87-88**

The declaration forms were wrongly issued in Feb./Dec. 86 for the past period as the dealer had suppressed his sales and was not co-operating in assessment. The officer at fault is being proceeded against departmentally. The Registration Certificate was cancelled with effect from 1-4-88. The recovery certificate has been issued to the collector Delhi, but nothing could be recovered so far.

- (iii) M/s Daido Indo Metal Fabricatos, Gurgaon (RC No. 13709)—
A.Y. 86-87 to 89-90

The Audit had raised the objection during special Audit in Jan. to April, 1993. The key to paras was circulated to Distt. Office in March, 1994.

While issuing 'C' forms on 20-11-88, Taxation Inspector/Assessing Authority had seen that previous stock of 'C' forms had been exhausted, that might to be used for the purchase of machinery. The factory was closed due to financial crises, perhaps it could not start production and was sealed by the H.F.C. in the year 1989-90 and was auctioned. The dealer filed Nil returns upto 89-90 and since the firm had been closed, no return was filed thereafter. Whereabouts of the proprietor are not known. Recovery proceedings were initiated against the sureties, and they filed Civil Suit which is fixed for hearing.

2.3.6. (b)(i)

M/s Aggarwal Trading Co., Jagadhri

The Committee recommends that suitable steps be taken by the department to effect the recovery from the dealer. The Committee further desires that decision taken by the Civil Court, Jagadhri, in respect of recovery proceedings against the sureties, be intimated to the Committee.

2.3.6. (b)(ii)

(i) M/s Sandeep Enterprises, Jagadhri

The Committee desires that the decision of the cases be intimated to the Committee.

(ii) M/s Pūran Enterprises, Jagadhri.

The Committee recommends that the proceedings under Land Revenue Act be finalised within a period of three months so that recovery be effected from the dealer under intimation to the Committee.

(iii) M/s Ashoka Bridge Enterprises, Jagadhri.

The Committee recommends that suitable steps be taken to effect the recovery from the partner of the firm.

(iv) M/s Tirupati Balaji Udyog, Jagadhri.

The Committee desires that the decision taken by the Court in this case be intimated to the Committee.

2.3.6. (b)(iii)

(i) M/s Shree Ram Products, Jagadhri.

The Committee recommends that action be initiated against the concerned officials who were responsible for missing of the concerned file alongwith the recovery of the amount be intimated to the Committee.

(ii) M/s Silver Flame Appliances, Faridabad.

The Committee recommends that recovery be effected from the sureties under intimation to the Committee.

2.3.6. (b) (iv)

M/s Daido Indo Metal Fabricators, Gurgaon.

The Committee recommends that recovery be effected from the sureties within a period of three months under intimation to the Committee.

[100] 2.3.7. *Irregular deduction allowed against stolen forms*

Under the Haryana General Sales Tax Act, 1973, the assessing authority is required to examine the genuineness or otherwise of any such sale or declaration before allowing deduction. Lost or stolen declaration forms are declared invalid by the concerned district office and the fact is circulated to all the assessing authorities in the State to prevent deductions against such invalid declaration forms being allowed. The department also issued (December 1991) instructions for checking of invalid declaration forms while framing assessment.

2,000 declaration forms (ST-15) were stolen from the store of Deputy Excise and Taxation Commissioner, Faridabad (East) for which First Information Report (FIR) was lodged with the police and declaration forms declared invalid (January 1991). Cross verification in audit, however, revealed (February 1993 and March 1993) that one dealer of Hisar and three dealers of Jind were allowed deduction of Rs. 5.90 lakh involving tax effect of Rs. 0.24 lakh on account of sales to registered dealers against 10 stolen forms (out of 2,000) during the years 1989-90 and 1990-91 (assessments framed from August 1991 to March, 1992). No action to investigate as to how the dealers procured these stolen forms and why the deduction was allowed against these forms when forms were already declared invalid, was taken by the department (March 1993). Thus, failure of the department to ascertain the veracity of these declaration forms resulted in loss of revenue amounting to Rs. 0.24 lakh to the Government.

The department, in their written reply, explained the position as under :—

The Audit had raised the objection during special Audit in the month of February/March, 1993 and the key was circulated in March, 1994, but the names of the firms were not mentioned therein. After obtaining the required information from the A.G.'s office, it was conveyed to the concerned districts and the position of the cases is discussed as under :—

1. M/s. Ramesh Dall Mills, Hisar, A.Y. 1990-91.
2. M/s. Shiv Oil Mills, Kishanpura, Jind, A.Y. 1989-90.
3. M/s. Mauji Ram Arjun Lal, Jullana A.Y. 1989-90.
4. M/s. Ganesh Dall Mills, Jullana, A.Y. 1990-91.

All these cases stand referred to the Revisional Authorities for examining the legality and propriety of the assessment order orders allowing deductions against the stolen declarations.

2.3.7

(i) M/s. Shiv Oil Mills, Kishanpura, Jind.

(ii) M/s. Mauji Ram Arjun Lal, Jullana.

The Committee recommends that the Revisional Authority be directed to decide the case within a period of three months under intimation to the Committee.

(iii) M/s. Ganesh Dall Mills, Jullana.

The Committee recommends that the Revisional Authority may be directed to recover the amount within a period of three months under intimation to the Committee.

101] 2.3.8. *Incorrect deduction from turnover.*

Under the Haryana General Sales Tax Act, 1973, deduction is allowed from gross turnover of a dealer, if he makes sales or purchases to a registered dealer of goods other than those liable to tax at first stage of sale or purchase provided prescribed declaration forms are produced. Sales made to exempted units are also exempt on the production of exemption certificate.

(i) * * * * *

(ii) 17 dealers (one of Rohtak, eight of Karnal, two of Gurgaon and six of Jind) were allowed (between December 1990 and August 1992) deductions of Rs. 601.37 lakhs on account of sales to registered dealers and indirect export during the years 1985-86 to 1990-91. Scrutiny in audit revealed (between May 1992 and March 1993) that deductions of Rs. 42.36 lakhs was not admissible either due to non-furnishing of prescribed declaration forms, cancellation of registration certificate of a purchasing dealer prior to the dates of sales, non-renewal of exemption certificate or invalid declarations. Allowing incorrect deductions resulted in non-levy of tax amounting to Rs. 10.41 lakhs.

In one case of Rohtak, the department stated (February 1993) that notice had been issued to the dealer. In another case of Gurgaon, the department stated (March 1993) that the dealer received incentive from the Government but the reply is not tenable as there is no provision in the Act for allowing deduction of indirect export without prescribed declaration forms 'H'. No reply in respect of remaining cases has been received from the department (July 1993).

The department in their written reply, explained the position as under :—

The Audit had raised the objection during May 92 to March

1993. The key to the para circulated in March, 1994 was incomplete, and the required information was collected during Nov./Dec. 1995.

The Audit has quoted 17 cases in which incorrect deductions have been pointed out. The position of each case is discussed as under :—

1. M/s. Girdhar Enterprises Karnal-A.Y. 1989-90, 1990-91.

The point involved in this objection is that the dealer made sales to M/s. Samrat Gram Udyog whose RC No. RC 67/125-81 was not renewed by the Deptt. as such the deductions against sales made to this firm were not admissible. In this connection it is intimated that the exemption limit u/s 13 was restricted to 5 lacs in a year w.e.f. 1-1-88, as such the exemption case of the purchasing dealer was kept pending, who had filed a civil writ petition in the High Court and obtained stay order for the recovery of any tax/penalty from 1-1-88 to 15-11-92 vide CWP No. 3523 of 1995. Since, the matter is subjudice, no action is possible against the dealer at this stage.

2. M/s Sita Ram Mangat Ram, Karnal—AY : 1986-87 & 1987-88

3. M/s Prem Chand Jai Narain, Karnal—AY : 1986-87.

The Audit had pointed out that declarations in form ST15 were short. In this connection it is intimated that the firm was closed and the whereabouts of the dealer were not known. Cross verification of transaction was got made through enquiry agency from the files of purchasing dealer and the verifications were made in the sale lists in form ST 23 placed on the file.

4. M/s Dhanpat Rai and Sons, Karnal—AY : 1990-91.

Declarations in form ST-15A worth Rs. 1,79,524 have been traced out from the record and for the remaining forms efforts are being made to trace them out to complete the file.

5. M/s Dhanpat Rai Mohinder Paul, Karnal—AY : 1990-91

Declarations in form ST-15A worth Rs. 5,17,222 have been traced out from the record and placed on the file. The balance forms for Rs. 1.39 lacs are being traced out.

6. M/s Haryana Petro Chemical Karnal—AY : 1990-91

In view of the objection the case has been referred to Revisional Authority for taking suo motu action vide Memo No. 2659-SSS, dated 12-10-95.

7. M/s Dharam Paul & Sons, Karnal—AY : 1988-89

In reply to this objection, it is clarified that the dealer has fur-

nished exemption certificate for Rs. 975/- and Rs. 996/- (Sr. No. 3 & 5) ST-15A for Rs. 1992.22 (Sr. no. 11) and J. form for Rs. 50,963.18 which are placed on the file and the remaining transactions were cross verified & found duly accounted for by the purchasing dealer.

8. M/s Delhi Trading Co., Karnal—AY : 1989-90

The case was referred to the Revisional Authority for taking *suo motu* action, who has decided the case vide orders dated 27-9-94 creating an additional demand of Rs. 173 03/-. The firm has since been closed and whereabouts of the partners and sureties are not traceable.

9. M/s Swastik Household and Industrial Products, Rohtak-A Y : 1985-86

In this case the Assessing Authority allowed the claim of RD Sales not supported by declarations in form ST-15 on the basis of verification made from the files of the different purchasing dealers as mentioned in the assessment order. The declarations could not be procured from the purchasing dealers as their firms had been closed. This point had also been confirmed by the Hon'ble Sales Tax Tribunal in various decisions.

10. M/s Maruti Oil & General Mills, Jind-AY : 1989-90

11. M/s Moti Oil Mills, Gobindpura, Jind-A Y : 1989-90

Both the cases were referred to the Revisional Authority for taking *suo motu* action, who has examined the legality and propriety of the assessment orders, but his orders are awaited.

12. M/s Shiv Oil Mills, Jind-AY : 1989-90

13. M/s Gard Oil & Genl. Mills, Pilukhera-AY : 1989-90

14. M/s Garg Oil & Genl. Mills, Pilukhera-AY : 1988-99

15. M/s Jawala Parshad Banwari Lal, Pilukhera-AY : 1990-91

All the four cases are being referred to the Revisional Authority for examination of the legality and propriety of the assessment orders. However, in all these cases deductions stand allowed against the declaration forms issued by the Deptt. and in view of the various judgements of Superior Courts it would not be legal to reject the claim of selling dealers.

16. M/s Mark Auto Industries Ltd., Gurgaon-AY : 1990-91

The dealer had submitted declaration forms ST-15A for Rs. 1,10,78,044 with one list and forms ST-15A for Rs. 1,22,215 of M/s Bharat Seats Ltd. were received after the preparation of list. The difference of Rs. 2,68,479 is on account of job

work done for M/s Hero Honda Ltd. for which no form was required as it did not involve any transfer of material. The objection has been settled vide AG Haryana letter No. RAW/ST/94-95/212-13 dated 12-5-94.

17. M/s A.A. Fashions Industries, Gurgaon-AY : 1989-90

Before allowing the deductions on account of export out of India without H forms for Rs. 44.37 lacs, the Assessing Authority is stated to have verified the evidences of proof of export without obtaining prescribed H forms. The Assessing Authority, who framed the assessment is at fault and disciplinary action against him is underway.

2.3.8 (ii)

(i) M/s Girdhar Enterprises, Karnal

The Committee desires that the decision taken in the matter be intimated to the Committee.

(ii) M/s Dhanpat Rai and Sons, Karnal

(iii) M/s Dhanpat Rai Mohinder Paul, Karnal

The Committee recommends that the file be completed without any further delay to that recovery be effected within a stipulated period.

(iv) M/s Haryana Petro Chemical, Karnal

The Committee recommends that Assessing Authority be directed to recover the additional demand created by the Revisional Authority within a period of three months from the concerned firm.

(v) M/s Delhi Trading Co., Karnal

The Committee desires that the decision given by the Tribunal be intimated to the Committee.

(vi) M/s Maruti Oil & General Mills, Jind

The Committee recommends that the Assessing Authority be directed to dispose of the case within a period of three months.

(vii) M/s Shiv Oil Mills, Jind

The Committee recommends that the Revisional Authority may be directed to decide the cases within a period of three months.

(viii) M/s Garg Oil & General Mills, Pilukhera

The Committee recommends that the recovery be effected within a period of three months under intimation to the Committee.

(ix) **M/s Jawala Parshad Banwari Lal, Pilukhera**

The Committee recommends that the Revisional Authority be directed to decide the case within a period of three months under intimation to the Committee.

[102] 2.3.9. *Incorrect levy of Concessional rate of Tax*

Under Central Sales Tax Act, 1956, on inter-State sales of goods not supported by valid declarations in Form C from the purchasing dealers, tax is leviable at the rate of eight per cent on declared goods and at ten per cent or at the rate applicable to the sale of such goods inside the State, whichever is higher in respect of other goods.

(i) Two dealers of Jind made inter-State sales of 'Sarson oil' valued at Rs. 10.36 lakhs during the year 1990-91 to a dealer of Delhi and were assessed to tax (May 1991 and July 1991) at the concessional rate of one per cent against declaration forms. Cross verification made (October 1992) in audit revealed that declaration forms produced in support of inter-State sales were not issued to the purchasing dealer by Sales Tax Department, Delhi and thus sales were liable to tax at the rate of ten per cent. Incorrect levy of concessional rate of tax resulted in short levy of tax amounting to Rs. 0.93 lakh.

(ii) In four cases of Karnal and Gurgaon the assessing authorities allowed (between April and December 1991) concessional rate of tax at four per cent on inter-State sales valued at Rs. 49.30 lakhs during the years 1987-88 to 1990-91. Scrutiny of the assessment cases revealed (December 1992 and January 1993) in audit that declaration forms 'C' for Rs. 7.40 lakhs were not available in the assessment files of the dealers. Allowing concessional rate of tax without prescribed declaration forms resulted in short levy of tax amounting to Rs. 0.44 lakh.

The department created (January 1993 and March 1993) additional demand of tax of Rs. 10,144 in two cases out of which an amount of Rs. 4,587 in one case was recovered (February 1993). In one case of Gurgaon the department stated (March 1993) that the C forms have now been obtained. On verification (March 1993) it was observed that the reply of the department was not factually correct as the declaration forms stated to have been obtained were still not on record.

The department, in their written reply, explained the position as under :—

The Audit had raised the objection during special Audit in 1993, and key to the para was circulated to the Distt. Offices in March, 1994. —

The present position of both the cases is discussed as under :—

1. **M/s Maruti Oil & General Mills, Jind-AY : 1989-90**

The case has been referred for *suo motu* action to the Revisional Authority, Bhiwani, which is still pending.

2. M/s Moti Oil Mills, Jind—AY : 1990-91

The case has been re-erred to the Revisional Authority, Bhiwani, or *suo motu* action and the case is still pending.

The Revisional Authority has been directed to dispose of these cases early.

The Audit had raised the objection during special Audit in 1993 but key was circulated to the Distt. Offices in March, 1994.

The present position of the cases is discussed as under :—

(1) M/s Sanjay Trading Co., Tauru—AY : 1987-88

The purchasing dealer namely M/s Jagdamba Industries, Noida has stated that "C" form No. 22-M/465243 for Rs. 1,44,471.80 (including tax) had been issued and photocopy of the same was furnished, even then demand of Rs. 5,557 was created by the Assessing Authority vide order dated 9-3-93 and the same has been recovered vide T.R.No. 13 dated 14-1-94 and the para stands settled vide Accountant General, Haryana's letter No. RAW/ST/93-94/64, dated 8-4-93.

(2) M/s Welcon Engineering Pvt. Ltd., Gurgaon—AY : 1988-89

The case has been referred to the Revisional Authority, Gurgaon, for taking *suo motu* action. He has been directed to decide the case early.

(3) M/s Pithy Pharma, Karnal—AY : 1988-89

An additional demand of Rs. 4,587 was created by the Assessing Authority, which has been recovered vide T.R.No. 12 dated 13-3-93 and the para stands settled vide Accountant General, Haryana's letter No. RAW/ST/2345-46, dated 22-11-1994.

(4) Haryana Petro Chemicals, Karnal—AY : 1990-91

The case has been referred to the Revisional Authority, Karnal, for taking *suo motu* action. She has been directed to decide the case early.

2.3.9 (i)

(i) M/s Maruti Oil & General Mills, Jind

(ii) M/s Moti Oil Mills, Jind

The Committee recommends that the Revisional Authority/Assessing Authority be directed to decide the case within a period of three months.

2.3.9 (ii)

(i) M/s Welcon Engineering Private Ltd., Gurgaon

The Committee recommends that the recovery be effected within a period of three months under intimation to the Committee.

(ii) M/s Haryana Petro Chemicals, Karnal

The Committee recommends that the Assessing Authority be directed to dispose off the case within a period of three months.

[103] 2.3.10. *Other points of interest*

(a) Under the Central Sales Tax Act, 1956, inter-State sales to Government departments are taxable at the concessional rate of four per cent when such sales are supported by valid declaration Form D given by a duly authorised officer of the department. But tax on sale of goods, other than declared goods, to unregistered dealers shall be calculated at the rate of ten per cent or at the rate applicable to the sale or purchase of such goods inside the appropriate state, whichever is higher. In Haryana, refrigerators and airconditioning plants are taxable at ten per cent. Further, for any short payment of tax the dealer is also liable to pay interest and penalty.

A dealer of Faridabad made inter-State sales valued at Rs. 4.08 lakhs during the year 1987-88 to organisations which were not Government departments and were not authorised to issue Form D. The assessing authority while finalising assessment (February 1992) incorrectly levied tax on these sales at the rate of four per cent instead of at correct rate of ten per cent treating the buyer as a Government department. The mistake resulted in under assessment of tax amounting Rs. 44,427 (tax Rs. 25,052, interest Rs. 19,375).

The department referred (December 1992) the case to the Revisional Authority for taking *suo moto* action.

The department, in their written reply, explained the position as under :—

M/s Blue Star Ltd., Faridabad-AY : 1987-88

The Audit had point out during special Audit in 1993 that the case was referred to Revisional Authority Faridabad for taking *suo motu* action in Dec., 1992. The Revisional Authority vide order dated 19-4-93 created an additional demand of Rs. 50,408 (tax Rs. 25,389 and interest Rs. 25,019). The netire amount stands recovered on 26-6-93. Action to initiate disciplinary proceedings against the defaulting Assessing Authority is underway.

2.3.10 (a)

M/s Blue Star Ltd., Faridabad

The Committee desires that intimation be sent to the Committee after finalising the disciplinary action against the Assessing Authority.

104] 2.6. Non/short levy of purchase tax

(a) & (b) * * * * *

(c) Under the Haryana General Sales Tax Act, 1973, tax on oilseeds (other than cotton seeds) when purchased within the State, is leviable at the point of last purchase by a dealer liable to pay tax under the Act. Besides penalty, interest is also chargeable at one per cent per month for the first month and at one and a half per cent per month thereafter for non/short payment of tax due alongwith the returns.

A dealer of Panipat purchased without payment of tax 'sarson' valued at Rs. 29.32 lakhs (including Rs. 1.16 lakhs on account of market fee and freight charges) from within Haryana during the year 1988-89 and whole quantity was crushed. While finalising assesment in March 1990, the assessing authority erroneously levied purchase tax short by Rs. 18,906 and interest of Rs. 4,442.

On this being pointed out (May 1990) in audit, the department referred (March 1991) the case to Revisional Authority for taking *suo motu* action who after verification determined the purchases as made within Haryana State at Rs. 28.99 lakhs and remanded the case for *de-novo* assessment. The assessing authority decided the remand case in March 1993 and created an additional demand of Rs. 21,977 (tax : 17,591, interest : Rs. 4,136, penalty : Rs. 250).

The case was reported to Government in October 1991; their reply has not been received (May 1993).

The department, in their written reply, explained the position as under :—

M/s Dhawan Oil and General Mills, Village Patti Kaliyana (Samalkha)-AY : 1988-89

20/3/10
The Audit had raised the objection in this case in May, 1990 and the Advance para was received in August, 1990. In view of the Audit objection, the case was referred for *suo motu* action in March, 1991 and the Revisional Authority remanded the case for *de-novo* assessment after fixing the purchases from within Haryana State. The Assessing Authority accordingly decided the case in March, 1993 and created additional demand of Rs. 21,977. The dealer has since closed down his business and as per the information collected he is residing at Amritsar. Recovery Certificate stand issued to the Collector, Amritsar but nothing has yet been recovered. No action against the sureties has been taken at the Registration Certificate file of the dealer is missing. Dy. Excise and Taxation Commissioner, Panipat has been directed to hold an enquiry regarding loss of the R.C. file of the dealer. The outcome of the case shall be intimated after receipt of enquiry report.

2.6. (c)

M/s Dhawan Oil and General Mills, Village Patti Kaliyana (Samalkha)

The Committee desires that intimation be sent to the Committee after effecting the balance recovery from the concerned firm.

[105] 2.7. *Evasion of tax due to suppression of purchase*

Under the Haryana General Sales Tax Act, 1973, if a dealer has maintained false or incorrect accounts or documents with a view to suppressing his sales, purchases or stocks of goods or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act, any account, return, document 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 not more than three times the amount of tax which would have been avoided, if the turnover as returned by such dealer had been accepted as correct. Besides, interest is also chargeable from the dealer for non/short payment of tax alongwith returns at the rate of one per cent per month for the first month and at one and a half per cent per month thereafter over the period of default.

(i) A dealer of Karnal had an opening stock of paddy valued at Rs. 2.25 lakhs at the beginning of the year 1988-89. According to the returns filed by the dealer, he purchased paddy valued at Rs. 41.70 lakhs during the year and no balance of paddy was left in the stock at the end of that year. He had thus husked paddy valued at Rs. 43.95 lakhs during the year on which he was liable to pay purchase tax of Rs. 1,75,804. While finalising assessment (May 1991), the assessing authority relying on the figures of purchase of paddy falsely valued at Rs. 22.30 lakhs and exhibited by the dealer in his trading account, levied tax on the turnover of Rs. 24.55 lakhs only instead of on Rs. 43.95 lakhs. This resulted in short assessment of tax amounting to Rs. 77,594. Besides, a minimum penalty of Rs. 1,55,188 was also leviable. Further interest amounting to Rs. 35,080 was short levied for non/short payment of tax along with returns.

On this being pointed out (September 1992) in audit, the department admitted (December 1992) the objection and referred (February 1993) the case to the Revisional Authority for taking *suo motu* action. Further report has not been received (July 1993).

The case was reported to Government in October 1992; their reply has not been received (July 1993).

The department, in their written reply, explained the position as under :—

M/s Mahabir Rice Mills, Indri-AY : 1988-89

The Audit had raised the objection in this case in September, 1992 and in view of the audit objection, the case was referred

to the Revisional Authority for suo motu action on 20-1-1993. The Revisional Authority returned the case to the Assessing Authority with the observation that there being additional information on the file, the case may be reopened by the Assessing Authority u/s 31 of the Haryana General Sales Tax Act, 1973. However, on verification of the record, has been found that there is no additional information on the file. Accordingly, the Revisional Authority has been directed to take up the case in *suo motu* Sh. V.K. Rohilla, Excise and Taxation Officer, Karnal is responsible for under assessment and disciplinary action against him is underway.

2.7. (i) M/s Mahabir Rice Mills, Indri

The Committee recommends that efforts be made by the department to effect the recovery within a period of three months and also complete the disciplinary action against the concerned E.T.O. under intimation to the Committee.

[106] 4.1. Results of Audit

Test check of records in departmental offices, conducted in audit during the year 1992-93, revealed short/non-recovery of excise duty, taxes on vehicles and entertainment duty amounting to Rs. 543.29 lakhs in 7,216 cases which broadly fall under the following categories :

	Number of cases	Amount (In lakhs of rupees)
A. State Excise	114	491.65
B. —	—	—
C. Entertainment duty and show tax During the year 1992-93 :	16	5.65

(a) In the case of state excise, Excise Department accepted under-assessment of Rs. 99.52 lakhs involved in 21 cases of which 10 cases involving Rs. 98.59 lakhs had been pointed out during 1992-93 and the rest in earlier years, out of which an amount of Rs. 26,283 in 8 cases had been recovered.

(b) In the case of entertainment duty and show tax, the department accepted under-assessment of Rs. 5.75 lakhs involved in 15 cases of which 13 cases involving Rs. 4.05 lakhs had been pointed out in audit during 1992-93 and the rest in earlier years.

The department, in their written reply, explained the position as under :—

Excise

The Audit had raised objections in certain cases during the Audit of 1991-92 and the Inspection Reports were received during the period from Oct. 92 to March 93.

Out of 114 cases, 60 cases have been reviewed with the following results:—

No. of Cases	Amount pointed out by the Audit (In Lacs of Rs.)	Results of review
49	61.89	Settled with Addl. demand
11	31.74	Not admitted by the Deptt.

54 cases involving an amount of Rs. 398.02 lacs are under active consideration of the Deptt.

Entertainment Duty

The Audit had raised objections in certain cases during the Audit of 1991-92 and the Inspection Reports were received during the period from October 1992 to March, 1993.

Out of 16 cases, 14 cases have been reviewed with the following results:—

No. of cases	Amount pointed out by the Audit (In lacs of Rs.)	Results of review
14	5.15	Settled with additional demand

2 cases involving an amount of Rs. 0.50 lacs are under active consideration of the Deptt.

4.1. (a) Result of Audit

Excise

The Committee recommends that the balance 54 cases be decided within a period of three months under intimation to the Committee.
Entertainment Duty.

The Committee recommends that the remaining two cases be also decided at the earliest under intimation to the Committee.

[107] 4.3 Interest not charged

The Haryana Liquor Licence Rules, 1970 provide for payment of monthly instalment of licence fee by the 20th of each month by a licensee holding licence for vending country liquor or Indian made foreign liquor. Failure to do so renders him liable to pay interest at the rate of 15 per cent per annum from the first day of the relevant month upto the date of payment of instalment or any part thereof deposited after due date.

A licence in Bhiwani district failed to pay the monthly instalments of licence fee by the prescribed dates during 1991-92. On belated payments of licence fee, interest of Rs. 56,864 was chargeable but was not demanded.

On this being pointed out (October 1992) in audit, the department recovered an amount of Rs. 21,541 between December 1992 and May 1993.

Report on recovery of the balance amount has not been received (July 1993).

The case was reported to Government in October 1992; their reply has not been received (July 1993).

The department, in their written reply, explained the position as under:—

M/s R. K. & Co. L-14-A, Bond Kalan, District Bhiwani

The Audit had pointed out in Oct. 1992 that an amount of Rs. 56854 was chargeable as interest on license fee. Keeping in view the weak financial position, the licensee was allowed to make the payment in instalments @ Rs. 300/- per month. An amount of Rs. 21,541/- was deposited during Dec. 1992 to May, 1993. Thereafter the dealer failed to pay the instalments and proceedings under Land Revenue Act were initiated. However, disciplinary proceedings against the defaulting officials/officers are under way.

4.3 Interest not charged

The Committee recommends that balance recovery be effected at the earliest and also disciplinary action be completed against the defaulting Officer under intimation to the Committee.

AGRICULTURE DEPARTMENT

1990-91

[108] 5.8 *Non-recovery of purchase tax and interest*

The Punjab Sugarcane (Regulation of Purchase and Supply) Act, 1953 and the Rules made thereunder, as applicable to Haryana, require the occupier or agent of a factory to pay tax not exceeding Rs. one and fifty paise per quintal, on sugarcane purchased by him by the prescribed date. In the event of default, interest at the rate of fifteen per cent per annum shall be chargeable for the period of default.

In Rohtak, a sugar mill purchased 16092.20 quintals of sugarcane in April, 1990 from Uttar Pradesh but did not deposit purchase tax of Rs. 24,138 which was due to be paid by 14th May 1990. Besides, interest amounting to Rs. 3789 (upto May 1991) was also chargeable for non-payment of tax.

On the omission being pointed out (April 1991) in audit, the Department intimated (June 1991) that sugar mill was being asked to deposit the purchase tax alongwith interest.

The case was reported to Government in April, 1991; their reply has not been received (January, 1992).

1992-93

5.7 *Non-recovery of purchase tax and interest*

The Punjab Sugarcane (Regulations of Purchase and Supply) Act, 1953 and the Rules made thereunder as applicable to Haryana, require the occupier or agent of a factory to pay tax not exceeding Rs. 1.50 per quintal, on sugarcane purchased by him by the prescribed date. In the event of default, interest at the rate of fifteen per cent per annum shall be chargeable for the period of default.

In Rohtak, a sugar mill purchased 38,16,422.30 quintals of sugarcane valued at Rs. 16.99 crores between October 1991 to June 1992 but did not deposit purchase tax amounting to Rs. 47.48 lakhs which was due to be paid on 14th of the month following purchase. Interest amounting to Rs. 7.21 lakhs (upto March 1993) was also chargeable thereon for non-payment of the tax.

On this being pointed out (July 1992) in audit, the department intimated (October 1992) that sugar mill was being asked to deposit the purchase tax alongwith interest. Further, report has not been received (July 1993).

The case was reported to Government in August 1992; their reply has not been received (July 1993).

The department, in their written reply, explained the position as under :—

5.8 (1990-91)

So far the recovery of purchase tax/interest is concerned this office has written to Managing Director, Coop. Sugar Mills, Rohtak to deposit the purchase tax/interest vide this office D.O No 3029 dated 17-5-91 letter No. 4395 dated 7-6-91, No 4687 dated 1-7-91, D.O. No. 5212 dated 7-8-91, letter No. 5309 dated 16-8-91, No. 5367 dated 20-9-91, No. 8072 dated 12-12-91, No. 512 dated 14-1-92, No. 1365 dated 21-2-92 No. 2457 dated 13-5-92, No. 3418 dated 6-7-92, No. 661 dated 9-2-94 and No. 4815 dated 6-9-94, D.O. letter No. 4206 dt. 20-8-92 from cane commissioner to the Deputy Commissioner, Rohtak and office letter No. 4871 dated 10-3-93 and No. 2573 dated 4-5-93 to DePuty Commissioner/Chairman, Coop. Sugar Mill Ltd. Rohtak.

No official is responsible for any lapse as the letters were written to continuously and mill authorities are not depositing the purchase tax and interest.

As explained above, this office has made repeated request to Managing Director, Coop. Sugar Mill, Rohtak, but he has not deposited the amount so far.

5.7 (1992-93)

As pointed by the audit amount of purchase tax of Rs. 47.48 lakhs was due to be recovered from the Coop. Sugar Mills, Rohtak. As this amount has to be deposited into the Govt. treasury within 14 days otherwise a panel interest 15% per annum has to be paid by the sugar mill. In this way the amount of panel interest Rs. 7.21 lakh were also due against the mills. Department is persuing to the mills regarding the payment of purchase tax and interest. The mill has deposited Rs. 22 lakhs. For the rest of amount department has written to the Cooperative Sugar Mills to deposit the balance amount. The detail of the letters are given below :—

A.C.D. O's Rohtak lettes No. dated

1. 380/21-4-92	14. 277/29-3-93
2. 409/30-4-92	15. 321/20-4-93
3. 496/2-5-92	16. 379/8-5-93
4. 503/23-5-92	17. 437/22-5-93
5. 625/5-8-92	18. 467/1-6-93
6. 936/4-11-92	19. 492/10-6-93
7. 1016/24-11-92	20. 613/10-7-93
8. 1144/17-12-92	21. 49/17-1-94
9. 82/22-1-93	22. 97/1-2-94
10. 97/5-2-93	23. 388/11-4-94
11. 141/11-2-93	24. 426/18-4-94
12. 165/18-2-93	25. 163/17-5-94
13. 210/10-3-93	26. 597/27-6-94

Moreover the department has requested to the Deputy Commissioner, (Rohtak) vide A.C.D.O's Rohtak letter No. 1675 dated 25-7-94 to collect the arrears land revenue.

As pointed out by the Accountant General (Audit) that department has taken initiative regarding the recovery of purchase tax and interest, it is brought to the notice of Committee that Department was persuing the matter with the sugar mill before audit as it is clear from the letter written by A.C.D.O. Rohtak to the Sugar Mill.

Para No. 5, 8 (1990-91) and.

Para No. 5, 7 (1992-93)

Non-recovery of purchase tax and interest.

After going through the written reply submitted by the Department, the Committee asked for the interest details of cane purchase tax and interest on cane purchase tax due to the Government from Haryana State Cooperative Mills, Rohtak. Accordingly, the figures as supplied to the Committee are re-produced as under :—

THE HARYANA COOPERATIVE SUGAR MILLS LTD. ROHTAK

THE LIST OF CANE PURCHASE TAX & INTEREST ON CANE PURCHASE TAX DUE TO THE GOVT. AS ON 28-1-1997

S. No.	Season.	Amount of tax (Rs.)
1.	1991-92	46,82,988.13
2.	1992-93	32,60,958.66
3.	1993-94	34,38,249.51
4.	1994-95	8,59,877.17
5.	1995-96	43,22,897.38
6.	April to June, 1996	18,44,194.71
		<hr/> 1,84,09,165.56 <hr/>
	Less paid/adjusted (—)	<hr/> 40,47,534.00 <hr/>
	Cane cess payable	<hr/> 1,43,61,631.56 <hr/>
	Add : interest	<hr/> 55,37,177.27 <hr/>
	GRAND TOTAL	<hr/> 1,98,98,808.83 <hr/>

From the perusal of the above stated figures of outstanding purchase tax and interest there on for the year from 1991-92 to 1995-96, the Committee observed that total amount payable towards purchase tax on cane by the Rohtak Cooperative Sugar Mills worked out to Rs. 184.09 lacs, out of which the Mills has already paid Rs. 40.48 lacs, leaving a balance of Rs. 143.62 lacs. In addition to the cane purchase tax, the Mill was also required to pay the interest on purchase tax to the tune of Rs. 55.37 lacs. The Committee was further informed that the Mill has not been able to pay the purchase tax and interest there on due to its poor financial position. The profit and loss of the Rohtak Sugar Mills for the last 5 years is as follows:—

Year	Profit/loss	
	(+)	(—) (Rs. in lacs)
*((
1991-92	(—)	112.67
1992-93	(+)	15.69
1993-94	(+)	51.12
1994-95	(—)	106.05
1995-96	(—)	167.32
Accumulated Loss (Upto 1995-96).	(—)	210.26

From the perusal of the above stated figures, the Committee observed that the said Mill is running in loss for the last three years continuously. Keeping in view the poor financial position of the Mills, the Committee recommends that some suitable steps be taken by the Management of the Mill so that the payment of arrears be paid in instalments.

The Committee further recommends that if it is not possible to recover the purchase tax and interest thereon from the Mills, the Government should initiate the process to waive off the purchase tax and interest thereon keeping in view the poor financial position of the Mills. The steps taken by the Government in this regard be intimated to the Committee.

1991-92

[109] 5.6 Non-recovery of purchase tax and interest

The Punjab Sugarcane (Regulation of purchase and supply) Act, 1953 and the rules made thereunder as applicable to Haryana require the occupier or agent of a factory to pay tax not exceeding Rs. one and fifty paise per quintal on sugarcane purchased by him by the 14th of the following month. In the event of default, interest at the rate of fifteen per cent per annum shall be chargeable for the period of default.

In panipat, a sugar mill purchased 493342.66 quintals and 580017.26 quintals of sugarcane in February and March 1991, respectively. Accordingly, the purchase tax of Rs. 7.40 lakhs and Rs. 8.70 lakhs was to be paid by the 14th March and April, 1991. The same was neither paid nor was it demanded. Further, for defaults in payment, interest amounting to Rs. 2.83 lakhs (up to May, 1992) was also chargeable. In addition, interest of Rs. 9108 was also recoverable for late payment of purchase tax for November, 1990 and January, 1991.

On the omission being pointed out in audit in April, 1992, the department stated (May 1992) that sugar mill was being asked to deposit the purchase tax along with interest. Report on recovery has not been received (August, 1992).

The department, in their written reply, explained the position as under :—

In this connection it is requested that A.C.D.O, panipat has written many letters time to time to deposit the purchase tax and interest to the Managing Director, Coop. Sugar Mills, Panipat. The details of letters written to Managing Director, Coop.

Sugar Mills are as under:—

Letter No.	Date	Letter No.	Date
355	25-4-92	305	7-12-94
504	25-6-92	367	9-3-94
514	29-6-92	449	4-4-94
735	18-9-92	540	9-5-94
58	17-1-94	705	14-6-94

In addition to above the case was also referred to the Collector, milk A.C.D.O. Panipat letter No. 514 dated 29-6-92 for effecting recovery and Land Revenue. After this Managing Director Sugar Mills Ltd.

Panipat has deposited Rs. 150000/-out of Rs. 1610040/-as per detail given below:—

Sr. No.	Challan No./Date	Amount
1.	16/29-7-92	50000
2.	9/31-8-92	50000
3.	9/30-11-92	50000

The recovery balance Rs. 14,60,040/-has not so far been deposited till today inspite of writting letters and reminders to Managing Director, Sugar Mills Ltd. Panipat. Similary the interest of Rs. 282623/-and Rs. 9108/-has a'iso not been deposited by Managing Director, Sugar Mills, Panipat.

The sugar mill, Panipat has shown inability to deposit the purchase tax and interest thereon due to financial crises.

5.6. (1991-92)

The Position regarding payment of purchase tax on cane in respect of Panipat Sugar Mills from 1974-75 onwards is given as under :—

THE PANIPAT COOPERATIVE SUGAR MILLS LTD., PANIPAT

Details of cane purchase Tax From 1974-75 to 1995-96 payable;

Year	paid and Balance. Total amount of cane purchase tax.	Amount deposited (paid)	Balance payable
1974-75	26,27,167.39	—	26,27,167.39
1975-76	24,24,049.45	10,00,000.00	14,24,042.45
1976-77	22,00,557.37	14,62,262.50	7,38,294.87
1977-78	39,32,602.34	—	39,32,602.34
1978-79	30,33,818.08	2,00,000.00	28,33,818.08
1979-80	12,70,781.32	14,50,000.00	1,79,218.68
1980-81	20,89,608.80	12,00,000.00	8,89,608.80
1981-82	33,75,618.27	—	33,75,618.27
1992-83	21,26,787.56	—	21,26,787.56
1983-84	Exempted by the State Govt.	—	—
1984-85	16,35,654.37	16,35,654.37	—
1985-86	19,66,848.97	19,66,848.97	—
1986-87	37,17,905.55	37,17,905.55	—

Sub Total	3,04,01,399.47	1,26,32,671.39	1,77,68,728.08
*** An amount of Rs. 1,77,68,728.08 was deposited from Dec., 87 to Jan., 90 by way of instalments of Rs. 30,80,920/-each.			
1987-88	35,57,118.86	35,57,118.86	—
1988-89	34,39,358.60	34,39,358.63	—
1989-90	39,61,001.25	39,51,001.25	—
1990-91	47,96,967.12	21,40,100.60	26,56,866.52
1991-92	51,40,275.60	1,50,000.00	49,90,275.60
1992-93	24,20,596.40	—	24,20,596.40
1993-94	24,28,770.87	—	24,28,770.87
1994-95	24,71,411.96	—	24,71,411.96
1995-96	—	—	—
(F. year)	22,91,448.51	—	—
April/May 1996	5,88,461.87	—	28,79,910.38
Total	3,10,95,411.04	1,32,47,579.31	1,78,47,831.73

From the perusal of the above stated figures, the Committee observed that from 1974-75 to 1986-87, the total amount due was Rs. 304.01 lacs out of which the Mill had deposited Rs. 126.33 lacs upto 1986-87 leaving a balance of Rs. 177.69 lacs. The Committee was further informed that the Mill made efforts to clear the arrears on account of cane purchase tax and made the payment of these arrears from December, 1987 to June, 1990, by way of instalments of Rs. 30.81 lacs each. The Mill has also been paying its cane purchase tax for the season 1987-88 upto 1989-90 period. For the season 1990-91 and 1991-92, the Mill has paid Rs. 21.40 lacs and Rs. 1.50 lacs against the due amount of Rs. 47.97 lacs and Rs. 50.40 lacs, respectively, thus leaving balance of Rs. 26.57 lacs for 1990-91 and Rs. 49.90 lacs for 1991-92. Thereafter, the Mill has not been also to pay the purchase tax on cane due to his poor financial position resulting into acute shortage of funds. The Committee was further informed that upto the last season 1995-96, the Mill had defaulted to pay a total amount of Rs. 178.48 lacs towards the principal amount of cane purchase tax. The interest on principal amount of purchase tax works out to approximately Rs. 275.09 lacs upto May, 1996.

The profit and loss of the Panipat Cooperative Sugar Mills during the last 5 years is as under :—

Year	Profit & Loss (Rs. in lacs)
1991-92	[(—) 211.06
1992-93	(—) 183.47
1993-94	(—) 123.81
1994-95	(—) 350.64
1995-96	(—) 974.06
Accumulated loss upto 95-96 (Tent)	(—) 2894.09

From the perusal of the above stated position, it reveals that the said Mill remained in loss from 1991-92 onwards till to-date.

It is also a matter of concern that the Mill has not been able to clear the outstanding cane price for the last season i.e. 1995-96 to the cane growers and a sum of Rs. 9.95 crores is still payable by the Mill to the cane growers for the last crushing season. The Committee, therefore, observed that keeping in view the poor financial position of the Mill, it will not be possible for the Mill to pay the purchase tax to the Government in near future. The Committee, therefore, recommends that efforts be made to clear the farmer's cane price overdue of 1995-96 by the Government within a stipulated period. The Committee further recommends that some suitable steps be taken by the Management of the Mill so that the payment of arrears on purchase tax and interest thereon be paid in instalments.

[110] 5.7 Interest not charged on belated payments

Under the Punjab Sugarcane (Regulation of purchase and supply) Act, 1953 and the Rules made thereunder, as applicable to Haryana, the occupier or agent of a factory has to pay tax on sugarcane purchased by him by the prescribed date. In the event of default, interest at the rate of fifteen per cent per annum shall be chargeable for the period of default.

In Karnal, during crushing season 1990-91, purchase tax on sugarcane amounting to Rs. 17.09 lakhs was paid by the co-operative, sugar mill after the due dates. On belated payments of tax, interest amounting to Rs. 1.50 lakhs was chargeable but was not demanded.

On the omission being pointed out (November 1991) in audit, the department raised (December 1991) the demand. Report on recovery has not been received (August 1992).

The case was reported to Government in December 1991; their reply has not been received (August 1992).

The department, in their written reply, explained the position as under :—

In this connection it is requested that A.C.D.O. Karnal has written so many letters from time to time to deposit the purchase tax interest to the Managing Director, Sugar Mills Ltd. Karnal. The letter No. and date of which is given as under :—

Letter No./Dated		Letter No./Dated	
1148	27-9-91	196	5-2-92
381	6-7-91	243	14-2-92
676	6-11-91	256	17-2-92
1564	12-11-91	506	16-5-92
1673	26-11-91	614	20-5-92
1820	16-12-91	294	22-5-92
1825	17-12-91	258—259	2-6-92
1861	27-12-91		
28	2-1-92	6872	3-6-92
108	16-1-92	781	24-6-92

In addition to above the case has also been referred to the Collector, Karnal vide this office letter No. 1992 dated 25-8-92 for effecting recovery as land revenue. After this Managing Director, Sugar Mills Ltd. Karnal has deposited Rs. 1708887.80 paise of cane purchase tax challan Nos./dated given below :—

Sr. No.	Challan No./Dated		Amount
1.	48	28-10-91	8,41,297.60
2.	50	28-10-91	8,67,590.20
			<u>17,08,887.80</u>

The recovery of Rs. 16192.00 an amount of interest has been deposited by the Managing Director, Sugar Mills Ltd. Karnal under Challan No. 35 dated 18-10-94

5.7 Interest not charged on belated payments.

The department in its written reply informed the Committee that no amount of purchase tax as well as interest relating to the year 1990-91 is to be deposited by the Karnal Cooperative Sugar Mills. The Karnal Cooperative Sugar Mill is making the payment of purchase tax regularly. However, an interest of amount about Rs. 36.97 lakhs is balance for the year 1981-82 and 1982-83. The Mill has ensured that the same will be paid by July, 1997. The Mill has intimated that earlier the said payment could not be made due to the interest of State Government loan of Rs. 169.51 lakhs and the interest of Rs. 55.00 lakhs. The Committee, therefore, desires that intimation be sent to the Committee after the payment of interest is made by the Karnal Cooperative Sugar Mills.

**POWER DEPARTMENT
1990-91**

[111] 1.4 Uncollected Revenue

As on 31st March 1991, 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	3	3
(In crores of rupees)		
1. Taxes and Duties on Electricity	20.63	6.35

The department, in their written reply, explained the position as under :—

As per the provisions of Section 4 of Punjab Electricity (Duty) Act, 1958 as applicable to the State of Haryana, the electricity duty is charged and collected by HSEB on the consumption of Electricity by the consumer. Thus the collection of charges for supply of Power (SOP) and ED takes place simultaneously as per the bill preferred by HSEB to the consumers. Therefore any default in collection of SOP charges shall also cause default in the realization of Electricity Duty. The accumulation of arrears can be attributed mainly to :—

- (a) Delay or defaulting of consumers in the payment of Electricity Bill preferred by HSEB for one reason or the other. Further challenging of the Electricity Bill by the consumer and referring the case to the arbitration or falling under dispute in the courts cause further delay in realization.
- (b) Misclassification of the account i.e. crediting of E.D. realization to the account of SOP charges thereby showing as Revenue of the Board.
- (c) Non Reconciliation of accounts in the ledgers, being maintained by HSEB sub divisions particularly with regard to the closing and opening balances of the month.

This Deptt. i.e. Electrical Inspectorate has been persueing with HSEB and HSEB its own is taking steps including disconnection of power connection of the consumers so as to make recovery and reduce the arrears. Persuance has resulted in reduction of arrears. CAD HSEB vide his No. CAD/CAC/B-32/3423

dated 14-8-95 has intimated that the arrears of electricity duty has been reduced to Rs. 10.37 crores as on 31-3-95 as under :—

- | | | |
|-------|--|-----------------------------|
| (i) | Balance outstanding E.D. | —Rs. 6.22 crores |
| (ii) | E. D. arrears due to disputed cases/
stay given by courts/arbitration
where the amount involved in more
than Rs. 50,000/- in each case. | —Rs. 2.15 crores
approx. |
| (iii) | But where amount involved is
less. than Rs. 50,000/- in each
case. | —Rs. 2.00 crores
approx. |

Total Rs. 10.37 crores

- (i) The details of cases where the amount on account of E.D. is more than Rs. 50,000/- in each case is attached at Annexure A. The above arrears includes Rs. 0.56 crores outstanding against various Govt. departments.
- (ii) (a) Deferment of payment of Electricity Duty of Rs. 3.44 crores from M/S Haryana Concast Ltd. Hisar and Rs. 38.35 lacs from M/S Rama Fibres, Bhiwani, allowed by the Govt. was due to the weak financial position of the firms being sick units and out of Rs. 3.44 crores due from Haryana Concast Rs. 2.40 crores have been adjusted towards equity shares of the State Govt. For the balance amount of Rs. 1.04 crores, matter is under the consideration of the High Powered Committee of State Govt.

However efforts are in progress to recover the deferred payment from M/S Rama Fibres to whom notice has been issued on the advice of the Industries Department (IAG).

- (b) Duty of Rs. 30.03 lacs due from M/s Dadri Cement Factory, Dadri is likely to be written off as the commissioner of Payments appointed by Govt. of India on the liquidation of the company has not accepted the claim of the department for payment as this item did not fall under Category I whereas payment of Electricity bills was specified in the Category III.
- (c) Misclassified amount of Electricity Duty credited by HSEB to Boards account towards sop charges is being detected by the deptt. during the Test Audit of E.D. Accounts in HSEB sub division ledger, every year. Accordingly, T.E.U. is initiated by the department for adjustment by HSEB. Efforts are made and pursued with HSEB for earliest adjustment.
- (iii) Against the arrears of Rs. 20.63 crores as on 31-3-91 an amount of Rs. 2.40 crores has been converted into equity share capital of M/s Haryana Concast Ltd., Hisar vide Haryana Govt. Industries Deptt. sanction No. 30/62/88-4181 dated 31-3-94 and Rs. 3.74 crores on account of misclassified amount have been adjusted/credited into Govt. account by the Board. Efforts are being made to expedite the recovery of balance amount. This department is having full coordination with HSEB and makes all out efforts to recover the arrears on account of electricity duty.

Annexure-A

Defaulter more than Rs. 50,000/-

S. No.	Name of Circle.	Name of Cosumer	Defaulting amount (in lacs).	
1	2	3	4	5
1.	Ambala	Rama Cold Storage.	1.26	Court case
2.	Yamuna Nagar	R. D. Alloys.	1.56	—do—
3.	Kurukshetra	Sh. Gurbux Singh	0.50	—do—
		Bansal Cold Storage	0.57	—do—
		Indian Sulphasit, Shahbad.	1.11	—do—
4.	Karnal			
5.	Sonepat.	Haryana Steel Alloys, Murthal	16.20	—do—
		Haryana Electro Steel	19.95	—do—
		Bharat Steel Tubes, Ganour	1.79	—do—
		Parkash Steel Bahalgarh	2.51	—do—
		Top Steel, Sonapat	4.23	—do—
		RRI, Sonapat	1.57	—do—
		Navchetan, Kundli.	2.24	—do—
		Suraj Steel, Sonapat	1.68	—do—
		Bansal Forrous, Bahalgarh	0.75	—do—
		Single Steel, Bahalgarh	2.67	—do—
6.	Gurgaon	Septu India	0.77	—do—
		Avinash Ceramics	0.70	—do—
		Anand Flour Mill	0.58	—do—
		Chaudhary Stone Crusher, Vill. Alipur.	0.70	—do—
7.	Faridabad	Om Parkash Ballabgarh	1.07	—do—
		Orient Steel.	2.15	—do—
		B. D. Ghai & Sons.	1.84	—do—
		Competative Alloys	16.01	
		P. Steel	4.26	—do—
		S. G. Steel	5.25	—do—
		Universal Steel & Alloys	9.84	—do—
8.	Narnaul	Sehgal Paper Mills, D/hera	21.22	—do—

1	2	3	4	5
9.	Bhiwani	BTM Bhiwani	0.64	—do—
		M. S. Mehta Electro Steel	3.12	—do—
		Ramā Fibers	36.91	—do—
		Dalmia Cement Factory	30.03	—do—
		Cement Corporation of India	21.63	—do—
		B.S.L. Bhiwani	0.67	—do—
		Hindustan Gum Chemicals.	0.68	—do—
		Grasim Industries	0.65	—do—
10.	Hissar	K. L. Munjal Hansi	0.68	—do—
		Haryana Oxegen.	0.58	—do—
		Minakshi Cotton Mill	0.61	—do—
		Nalwa Steel Hissar	2.21	—do—
		Jindal Strips	8.65	—do—
		S. S. Industies	2.38	—do—
11.	Sirsa	Diwakar Chemicals Factory	1.91	—do—
		GTM. Sirsa.	0.87	—do—
Total			215.13	

1.4 Un-collected Revenue.

After hearing the departmental representatives, the Committee observed that no action has been initiated either by H.S.E.B. or Chief Electrical Inspector to effect the recovery. The Departmental representatives failed to convene the Committee and also failed to reply the certain queries of the Committee. The Committee, therefore, recommends that action should be initiated to recover the total amount as per provisions of the Electricity Supply Act or as the arrears of land revenue within a period of six months and a complete report be sent to the Committee for its consideration.

The Committee also feels that due to lack of co-ordination between the H.S.E.B. and Chief Electrical Inspector the outstanding amount is not recovered till today. The Committee, therefore, recommends that in all the cases where Electricity Duty is to be recovered, the Chief Electrical Inspector should initiate action for the recovery of the money as arrears of land revenue by writing to the concerned Collector instead of writing to the H.S.E.B. The Committee further desires that the break-up of the outstanding arrear of Electricity Duty i.e. of Rs. 6.22 crores be supplied to the Committee immediately for its consideration.

The Committee also feels that it is the duty of the Chief Electrical Inspector to conduct the periodical inspection, and also submit to the State Government a monthly statement in the prescribed form along with his comments. The Committee, therefore, desires that the reports each of periodical

inspection, and testing of consumers' installations for the last three years, be supplied to the Committee for its consideration.

[112] 4.6.6. *Irregular grant of exemption*

(a) Under the Punjab Electricity (Duty) Act, 1958, on electricity duty is leviable on the sale or consumption of energy which is consumed or sold to the Government of India for consumption by the Government or consumed in the construction, maintenance or operation of any Railway by the Government of India or a Railway Company operating that Railway or sold to that Government or any such Railway company for consumption in the construction, maintenance or operation of any Railway. Electricity duty is, however, leviable on the consumption of energy by Military Engineering Services in respect of commercial and industrial undertakings and shops, street lighting, cinemas etc, for the entertainment of defence personnel and other than bonafide supply to departmental colonies.

(i) Audit Scrutiny of Panchkula sub-division of the Board, revealed (April, 1991) incorrect allowance of exemption from levy of duty to a commercial and industrial undertaking resulting in non-realisation of electricity duty to the extent of Rs. 20.51 lakhs on 120.62 lakhs units consumed during the period November, 1986 (date of grant of electric connection) to March, 1991, by treating the same as a Government connection.

On the omission being pointed out (April 1991) in audit, the Board recovered (July 1991 and August, 1991) Rs 10.60 lakhs and stated (August 1991) that balance amount of Rs. 9.91 lakhs is being recovered in monthly instalments.

(ii) While releasing electric connection to MES (Garrison Engineer), Hisar (connected load 250 KW) on 17th June, 1982, duty on consumption of energy for street lighting (connected load 24 KW as per test report) was not levied although street lighting was not exempt from the levy of electricity duty. This resulted in non-levy of duty amounting to Rs. 1.14 lakhs (worked out on monthly average basis as prescribed by the Board) for the period June, 1982 to November, 1990.

On the omission being pointed out (December, 1990) in audit, the Board asked (March, 1991) the consumer to intimate the break up of connected load separately for street lighting, cinema, shops, staff quarters etc. Further report has not been received (January, 1992).

The department, in their written reply, explained the position as under :—

4.6.6. (a)(i)(ii)

Electricity duty is levied and collected by the Board i.e. H.S.E.B. on behalf of Govt. Electricity Duty is levied on consumption of electricity depending upon numbers of quarters, shops, commercial points, street light, cinema etc as per the supply given by M.E.S. Non supply of these details, Board is unable to levy electricity duty. The matter had been taken up with the Higher Authorities of MES consumers.

Recovery of balance amount of Rs 9 91 lakhs relating to Panchkula Sub division and Rs. 1.14 lakhs pertaining to M E S. Hisar have been affected by the Board during the month of 9/91 & 5/93 respectively.

No any other such case has come to the notice of this department.

4.6.6 *Irregular grant or exemption*

During the course of oral examination, the Committee observed that the figures as pointed out by A G, relates to only 19 Sub-divisions where test check was conducted by the Audit Party and found that amount is yet to be recovered. The Committee therefore feels that since there are 166 Sub-Division in the State and if the checking in all the Sub Divisions is made that the figures would be much more. The Committee, therefore, recommends to the Board that where there are commercial installation in these Sub-divisions, the Electricity Board should deploy more internal auditors so that there may not be such a bad situation in the sub-divisions also. The Committee further recommends to the Board that where there is bulk supply either to the military authorities anywhere else where the electricity is being supplied for domestic use or commercial use or for any other purposes, they should ensure that electricity duty is to be charged from them and no, one is exempted from the non-payment of Electricity Duty. The action taken in this regard be intimated to the Committee.

4.6.6 (a) (i) *Panchkula Sub-Division*

After hearing the departmental representatives, the Committee is constrained to observe that how the firm was given exemption for five years and no action was initiated against the erring officials of the Board. The Committee therefore, recommends that the Secretary, H. S. E. B. should personally initiate action against those guilty Officers/officials of Panchkula Sub-division, who granted wrong exemption to that firm and action should be taken against officers/officials of the Board. The Committee further desires that the responsibility may be fixed and disciplinary action against the guilty Officers/officials be finalised within a period of four months under intimation to be Committee.

4.6.6. (ii) The Committee, after going through the audit para and the reply given by the departmental representatives, observed that full facts were not brought to the notice of L. R. who advised to allow the exemption from the payment of Electricity Duty. In any case, the unit was not to be allowed exemption for a period of more than seven years but in the instant case the department has given exemption in piece-meal manner for 16½ years. Since it is a case where exemption for payment of Electricity Duty was granted for 16½ years, the Committee recommends that matter required to be examined afresh by the appropriate authority of Electricity Board. The Committee further recommends that if need be, advice from the Advocate General be also obtained in the matter and a copy of the decision taken by the Secretary of the Board on the advice of the technical experts as also the Advocate General may be sent to the Committee.

23/5/91 [113] 4.6.13. Shortfall in statutory inspection of electrical installations

The State Government by a notification issued in July 1981, directed that all extra high, high voltage and medium voltage installations (other than agricultural/low voltage installations) already connected to the supply system shall be inspected and tested by the Electrical Inspector once in a year and in three years respectively. The inspection fee for periodical inspections for low medium, high tension and extra high tension installations ranged between Rs. 50 and Rs. 1000. The consumer is required to deposit the inspection fee in advance to the chief Electrical Inspector.

It was noticed (April 1991) in audit that there was shortfall in the number of statutory inspections in the case of medium/small power installations during the years 1986-87 to 1990-91 as per table below :

Year	Number of installations	Number due for inspection	Number actually inspected	Short fall in inspection	Percentage of shortfall
1986-87	49,647	16,549	1,000	15,549	94
1987-88	54,298	18,099	500	17,599	97
1988-89	56,536	18,845	1,400	17,445	93
1989-90	59,000	19,666	1,000	18,666	95
1990-91	60,825	20,275	700	19,575	97
	2,80,306	93,434	4,600	88,834	95

The shortfall in the prescribed number of inspections involving revenue loss of inspection fees at the rate of Rs. 50 per installation amounted to Rs. 44.42 lakhs, could also jeopardise public safety and increase the chances of electrical hazards. On this being pointed out (April 1991) in audit, the Department attributed the shortfall to inadequacy of staff and to the restriction of the duration of tours to ten days in a month.

The department, in their written reply, explained the position as under:-

The register have been maintained for keeping the account of Treasury receipts. Also the receipted figures (amount) is being reconciled with that of the concerned Treasury. In case any figures does not tally, matter is taken up with the paying party.

- (i) Efforts are made by the department to carry out the max. inspections of all categories i.e. HTI, MPI, SP and Gen. Sets during a month/year. But due to limitations of adequate staff strength coupled with limited no. of touring days (10 days) in a month to perform through out the state, the statutory position could not be coped. On an average about 25,000 No.

electrical installations are required to be inspected every year whereas about 6000-8000 inspection are being carried out. However, priority is being given to the new cases of installation for giving clearance for energisation as the State is growing/developing fast in industrial/agricultural sectors.

4.6.13 Shortfall in statutory inspection of electrical installations.

After going through the figures given by the department, the Committee observed that there is a big shortfall in the number of statutory inspections. During the year 1986-87, the percentage of shortfall is 94. In all these years, the shortfall ranges between 93% to 97%. The department failed to convince the Committee on the account. The Committee further desires to supply the figures of inspections conducting during the last four years together with the percentage of shortfall, if any.

The Committee further recommends that the H.S.E.B. should send the surplus staff on deputation to the Chief Electrical Inspector so that the Chief Electrical Inspector should do the exercise of inspections conveniently and regularly so that there should be no shortfall of inspections in future and the revenue of the Board be enhanced.

[114] 4.6.14. Non-Reconciliation of treasury receipts

In accordance with the provisions of the Punjab Subsidiary Treasury Rules, as applicable to Haryana and the instructions issued by the Finance Department, the heads of offices are required to maintain a remittance book in which particulars of challans rendered by the depositors in proof of payments of electricity duty, inspection fee are to be recorded. The figures noted in the books are to be reconciled with the treasury at the end of each month.

In the course of audit of accounts of the Chief Electrical Inspector, it was noticed between october 1990 and April 1991 that challans in proof of payments of inspection fee and licence fee into different treasuries of the State were received by the Electrical Inspectorate but monthly reconciliation with treasury records was not done.

The table below indicates the figures of receipts of inspection fees and other receipts for the years 1986-87 to 1990-91 as shown in the Finance Accounts of the State Government.

Year	Inspection fee	Other receipts
	(In lakhs of rupees)	
1986-87	91.74	5.57
1987-88	27.91	0.95
1988-89	31.49	1.37
1989-90	39.65	3.37
1990-91	34.56	1.38

On being pointed out (October 1990 and April 1991) in audit, the Department stated (May 1991) that the confirmation regarding depositing of the amount into the treasuries was being obtained from the concerned treasury and reconciliation could not be carried out due to shortage of staff.

The foregoing points were reported to the Government (July 1991), followed by reminder (September 1991).

The department, in their written reply, explained the position as under :—

4.6.14

Registers have been maintained to keep record of the Treasury Receipts and to reconcile the amount of the receipts with that of the concerned Treasuries. This is being done regularly. In case of any discrepancy, matter is taken up with the party on whose behalf the amount is deposited.

Reconciliation work is being done regularly. Mostly the receipts figures tally with the deposit with the Treasury.

4.6.14 Non-reconciliation of treasury receipts

The Committee recommends to furnish the details about the treasury receipts which has been reconciled with the A.G.

IRRIGATION DEPARTMENT

[115] 5.2.5. Trend of revenue

The table below indicates budget estimates, revenue realised and shortfall, separately for water rates and water charges during the last 5 years ending 1991-92 .—

Year	Budget estimates	Water rates Actuals	Short excess fall(—) (+)	Budget estimates	Water charges Actual	Short-fall(—) excess (+)	Other Miscellaneous Budget estimates	Short-fall(—) excess (+)	Total short-fall(—) excess (+)	Percentage
(In crores of rupees)										
1987-88	12.94	3.60	(—)9.34	0.72	—	(—)0.72	1.50	4.24	(+)2.74	(—)7.32 (—)48
1988-89	11.67	10.98	(—)0.69	1.20	1.14	(—)0.06	1.64	3.43	(+)1.79	(+)1.04 (+)7
1989-90	14.30	9.92	(—)4.38	0.67	0.54	(—)0.13	2.04	3.11	(+)1.07	(—)3.44 (—)20
1990-91	14.60	13.85	(—)0.75	0.58	—	(—)0.58	2.18	3.46	(+)1.28	(—)0.05 Negligible
1991-92	10.52	12.34	(+)1.82	3.07	—	(—)3.07	1.41	3.46	(+)2.05	(+)0.80 (+)5

Overall shortfall in revenue was attributed by the Irrigation Department to (i) postponment of abiana recoveries because of draught during 1987-88 and (ii) less recoveries of abiana made by revenue Department.

5.2.6. Financial results

The table below indicates the capital investment, targets for bringing additional land under irrigation, achievements, revenue collections and working expenses etc., for the last five years ending 1991-92 :—

Year	Capital Budget Estimates	Capital Expenditure	Targets for bringing additional land under irrigation	Achieved	Land already under irrigation	Total	Area actually covered	Revenue collection	Working expenses
	(In crores of rupees)			(In lakhs of hectares)			(In crores of rupees)		
1987-88	110.00	110.00	0.28	0.21	19.23	19.44	18.81	7.84	27.39
1988-89	78.00	78.35	0.28	0.15	19.44	19.59	19.58	15.55	32.12
1989-90	54.00	54.35	0.20	0.03	19.58	19.61	20.23	13.57	38.15
1990-91	72.75	76.21	0.08	0.06	19.61	19.67	19.72	17.31	41.78
1991-92	98.18	97.45	0.37	0.08	19.67	19.75	20.00	15.80	64.95

It would be seen that inspite of expending to entire capital budget estimate from year to year, the actual achievements of targets were much below the targets fixed by the department for itself. Though there has been progressive increase in the working expenses, yet there has been no corresponding increase in the revenue collections.

The department, in their written reply, explained the position as unde :—

5.2.5. Trend of Revenue

The Irrigation Department only prepare the Khataunis on the maturity of each crop and send the same to the Revenue Department, Haryana for realisation. Further recovery of the Abiana is made by the Civil Authorities through Tehsildars.

5.2.6. Financial results

The reasons of losses are mainly attributed to Lift Canal System which costs very much higher than that of Bhakra/WJC Canal Systems. Secondly the rise in the cost of maetrial contributes a big part in the increase of the working expenses. The water rates applicable to Haryana are much on lower side ns compared to adjoining state of Uttar Pradesh. The world Bank in its agreement has also laid special emphasis to increase this Revenue aspect to match with the Operational & maintenance expenditure. Accordingly the water rates for Irrigation purposes are being increased at the rate of 10% annually but the water rates for other purposes have been increased manifolds besides incremental increase. Two such increases have been approved i.e. from 12/94 and 5/96. The case for third increase is already under proces other sources such as Marketing Board, Fisheries, Mines, Tourism and Forest etc. are being tapped to increase cost recovery to minimise gap between expenditure and Revenue Receipts.

5.2.5

Trend of revenue

5.2.6

After hearing the departmental representatives, the Commilttee observed that the realisation of Abiana is not being done properly and that is way there is a shortfall of 50%. The Committee was also informed that other commercial organisations like H.S.E.B. and Public Health Department, to whom the bulk supply of water is being made by the department, are not making a regular payment of water charges. The Committee, therefore, desires that a list of those departments of commercial units/industrial units, which are not making payment to the department, be supplied to the Committee for its consideration.

After considering the matter with the departmental representatives, the Committee recommends that the department should initiate some concrete steps for the recovery of water charges from the farmers as well as from the commercial units/Government departments to whom the bulk supply of water is given. The Committee further recommends that if it is not possible to recover the amount from the small farmers and from the non-bulk user, the department should take up the matter with the Government for

waiving of the Abiana charges from them. The Committee further desires that the details of recovery made by the Revenue Department be also supplied to the Committee as well as the A.G. for its information.

The Committee noted with the concern that water rates have been increased by the department by 10% in December, 1994 and again in May, 1996. It has further been informed that another increase in water rates is being proposed. The Committee was further informed that the increase in water rates is in accordance with the conditionalities of World Bank assistance of Rs. 1454 crores for augmentation and modernisation of the existing irrigation system, besides operational and maintenance of the system. Therefore, the department proposes in accordance with the World Bank assisted conditionalities, to bring the recovery of water charges at par with the operational and maintenance of the system by the year 2000.

The Committee is alive to the need for improvement and modernisation of the irrigation system. However, it is a matter of concern that the non-bulk supply consumers, i.e. small farmers in the State of Haryana would be asked to pay the cost of increase in water charges. The Committee, after a detailed discussion with the Officers of the Irrigation Department, Revenue Department and Finance Department, besides the A.G., reached at firm opinion that agriculture produce and consequent realisation of market fee by the Haryana State Agricultural Marketing Board, is a direct consequence of enhanced irrigation and better water management. The Committee, therefore, strongly recommends to the Government that the Government should come out with a policy of sharing a major chunk of market fee recovered by the Haryana State Agricultural Marketing Board with the Department of Irrigation. This seems to be the only logical manner in which the cost of augmentation and modernisation of system should be shared and distributed.

Besides, the Department of Forests has also direct stake in the canal system where huge plantation is done on the banks and particularly in the area where through which the canal is flowing. The Committee, therefore recommends to the Government that the Department of Forests should also share the revenue generated on account of plantation with the Department of Irrigation.

The Committee also noticed that the Department of Irrigation has a valuable property of commercial nature situated in Delhi and also at various places in the State of Haryana which is lying unutilised. The Committee, therefore, recommends that the Government, in consultation with the Department, should seriously consider commercial viability of such property so that monthly and yearly return is generated to the Department.

The Committee also appreciate the steps already initiated by the Department to ensure the better water management during the current year and brought an additional 1.10 lakh hectare land on the flow system and has increased the supply of irrigation water in the Kharif Crop and has also made substantial improvement in the lift system.

[116] 5.2.9 Under-assessment of water charges

As per provisions of the Act and Rules framed thereunder charges for canal water supplied to Fisheries Department and Tourism Corporation Haryana for the purpose of development of pisciculture and filling of lakes respectively are chargeable at the rate of Rs. 5 per 2500 cubic feet.

(i) In Rohtak W. J. C. Division, Rohtak, water charges for the supply of water to Fisheries Department during the period from March 1981 to January 1991 were charged at lower rates of Rs. 3 per 6000 cubic feet instead of Rs. 5 per 2500 cubic feet. This resulted in under-assessment of water charges amounting to Rs. 0.93 lakh. The department informed (September 1991) that revised bills were being issued.

(ii) The Irrigation and Power Department in their memo. dated August 1984 conveyed the Government's approval of water charges at the rate of Rs. 3 per 6000 cubic feet for filling of lakes of the Tourism Department. As no Government notification was issued in this regard, the department could not reduce the statutory water charges. However, in Rohtak W.J.C. Division, Rohtak it was noticed that water charges at the rate of Rs. 3 per 6000 cubic feet instead of Rs. 5 of per 2500 cubic feet were charged from September 1984 to March 1991 from Haryana Tourism Corporation. This resulted in short demand of Rs. 1.29 lakhs.

The department, in their written reply, explained the position as under :—

5.2.9 Under-assessment of water charges.

In both the cases the supplies have been made to the Government Departments and as such there is no loss to the State exchequer. However, the revised bills @ Rs. 5 per 2500 cubic feet have been raised against Fisheries Department and Haryana Tourism Department.

5.2.9 Under-assessment of water charges

After hearing the departmental representatives, the Committee recommends that the recovery be effected from the concerned department within a period of three months under intimation to the Committee.

[117.] 5.2.10 Irregular remission of special charges.

Divisional Canal Officer Kurukshetra I.B. division Kurukshetra imposed (May—September 1988) penalty of Rs. 3.40 lakhs in seven cases of cuts in Rajanud distributory against the cultivators for irrigating their fields unauthorisedly (between August 1979 and May 1986). On appeal, the Superintending Canal Officer remanded back (May 1989) the cases to the Divisional Canal Officer for de-novo hearing. The Divisional Canal Officer decided (December 1989) the remanded cases by reducing the penalty to Rs 86,378 in all the seven cases with the observation that on site inspection (August 1989) the banks of the channel on cut site were found to be weak. The very fact that the penalty has been imposed proves that cultivators had deliberately made cut(s) on the distributory. Moreover, it did not look plausible that the bank could be observed weak after a lapse of 3—10 years of the occurrence of event. Thus, the reduction in penalty resulting in loss of revenue amounting to Rs. 2.54 lakhs is not justified.

No reply has been received from the department (August 1992).

The department, in their written reply, explained the position as under :—

5.2.10 Irregular remission of special charges

Admitted to the extent that the then Divisional canal Officer, on remand of the Tawan, eases by the Superintending Canal Officer had reheard all the

cases and imposed penalty of Rs. 86378/- only as Tawan charges, being competent authority. This decision of the Divisional Canal Officer was not acceptable to the cultivators and as such they had made an appeal in the Civil Court, Kaithal. The Hon'ble Courts have dismissed the appeal on 3/8/96 and as such the recovery will be made as land revenue.

5.2.10 Irregular remission of special charges.

The Committee recommends that intimation be sent after effecting the recovery within a period of three months.

[118] 5.2.12 Non-plantation and improper maintenance of gardens non-levy of penalty.

As per provisions of the Punjab Government Rules, 1946, as applicable to the State of Haryana as amended from time to time, for extra supply of canal water for gardens and orchards, an agreement is required to be entered into between the Government and the owner receiving extra supply for orchard in the prescribed form (stereo I.B. 463). The clause 5(C) of the agreement provides that penalty at 20 times of the water rates for garden in addition to water rates for such crops that may be cultivated in infringement of the rules is leviable in all cases where garden is not planted or maintained according to specification.

In five irrigation divisions, it was noticed in audit (between March and May 1992) that in 49 cases, gardens were either not planted or not maintained according to specification for 2 and 4 consecutive years. Though as per the recommendations made in the annual inspection reports submitted by the garden inspecting committee(s) notices for withdrawal of extra water were issued to the defaulting garden owners. Extra supply of water was withdrawn in only 14 cases. The penalty amounting to Rs. 12.20 lakhs was neither levied nor demanded by the department. Action taken against 35 cases has not been reported (August 1992).

The department confirmed (June 1992) that all such cases would be reviewed and penalty imposed for which instructions had been issued to field offices.

The department, in their written reply, explained the position as under :—

There are no gardens rules as applicable to Haryana State since framing of Haryana Canal and Drainage Act, 1974 and Canal and Drainage Rules, 1976. The provision of gardens rules were omitted. Fresh rules have already been prepared and stand submitted to Govt., which are yet to be published. But the old case of gardens getting water prior to Haryana Canals & Drainage Act, 1974 are being taken as per Punjab Govt. Rules of 1946.

In all the 49 cases, it has been found that there was no inter-cropping in the sanctioned gardens. However, in some cases where the gardens were not maintained according to specifications or not in existence, the enhanced

supplies has been withdrawn or under process of its withdrawal. Field officers have been instructed suitably. Thus there is no loss to the State exchequer.

5.2.12 Non-plantation and improper maintenance of gardens non-levy of penalty.

After hearing the departmental representatives, the Committee observed that the Officers/officials of the department have flouted the instructions issued by the department. The Committee recommends that the afresh instructions be issued for the proper maintenance of gardens and also impose a penalty of charging 20 times water rates. The action taken in the matter be intimated to the Committee.

APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decision

Sr. No.	Name of Department	Paragraph	Brief Subject
1	2	3	4
6th report			
1.	Industries	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.	Controller of Stores	16	Purchase of Cotton Yarn.
15th report			
6.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
16th report			
7.	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).
18th report			
8.	Co-operation	39	Co-operative Consumer Stores.
9.	Revenue	44	Under-valuation of immovable property.
19th report			
10.	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).
11.	Co operation	25 (ii)	Co-opertive Consumers stores.

1	2	3	4
12.	Agriculture	28	Social conservation and water management works.
13.	Excise and Taxation	40	Loss of duty on excess wastage.
14.	Transport	45 (a)	Short levy of token tax due to incorrect classification of vehicle.
21st report			
15.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor.
16.	Irrigation	14	Excess payment to contractor.
17.	Irrigation	15	Outstanding Recoveries against contractor.
18.	Irrigation	23	Arrears of water rates for supply of water for Irrigation /non irrigation purpose.
19.	Revenue	25	Result of Audit.
20.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
21.	Excise and Taxation	28	Result of test Audit in General.
22.	Excise and Taxation	29	Incorrect deductions.
23.	Excise and Taxation	30	Short levy of purchase Tax.
22nd report			
24.	Industries	10 (ii)	Industrial Estate.
25.	Electronics	13 (iii)	Excess grants.
26.	Co-operation	16	Co-operative Consumer stores.
27.	Food & Supply	17	Haryana State Federation of Consumers Co operative Wholesale Store Limited, Chandigarh.
28.	Irrigation	18	Remodelling & Linning of the Hansi branch.
29.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement.
30.	Agriculture	29 (5&6)	Alleged mis-appropriation of cost and stores.
31.	Revenue	39 (6 ii), 8)	Land holding tax.
32.	Revenue	40	Non-levy of registration fee.
33.	Excise and taxation	52	Loss of duty on excess wastage in bottling operation.

1	2	3	4
34.	Excise and Taxation	53	Loss of duty on excess storage wastage.
35.	Excise and Taxation	54	Shortfall in duty.
36.	Excise and Taxation	56	Recovery due from contractor.
23rd report			
37.	Irrigation	29	Avoidable loss.
38.	Irrigation	31	Shortages.
39.	Co-operation	34	Co-operative Consumer Stores.
40.	Food & Supplies	35	Haryana State Federation of Consumer, Co-operative wholesale Stores Limited Chandigarh.
41.	Revenue	40	Undervaluation of immovable property.
42.	Excise and Taxation	47	Uncollected Revenue.
43.	Excise and Taxation	55	Result of test audit in general.
44.	Excise and Taxation	57	Failure to initiate section to recover the licence fee.
45.	Excise and Taxation.	58	Loss of duty on excess storage wastage.
46.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.
25th report			
47.	Co-operation	5	Co-operative Consumer Stores.
48.	Colonization	9	Encroachment of Land.
49.	Colonization	11	Recoveries from plot holders.
50.	Food and Supplies	15	Abnormal shortage /quality cuts on damaged wheat stocks.
51.	Transport	18	Theft of cash.
52.	Education	30	Embezzlement.
53.	Fisheries	31	Development of Fisheries.
54.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme.
55.	Irrigation	36	New Tajewala Barrage at Hathnikund.
56.	Excise and Taxation	54	Un-collected revenue.
57.	Excise and Taxation	58	Incorrect computation of tax on interstate sales.

1	2	3	4
58.	Excise and Taxation	65	Result of Audit.
59.	Excise and Taxation	66	Internal audit of tax assessment and collection.
60.	Excise and Taxation	67	Irregular allowance for wastage.
61.	Excise and Taxation	68	Interest not recovered.
62.	Excise and Taxation	69	Failure to enforce licence conditions.
26th report			
63.	Printing and Stationery	3	Loss due to fire.
64.	Revenue	10	Gratuations relief for crops/houses damaged.
65.	Irrigation	21	Defective Execution of earth work.
66.	Irrigation	22	Faulty measurement of work resulting in over payments.
67.	Transport	33 Sub Para (5&6)	Fabrication of Bus bodies.
68.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax.
69.	Revenue	40	Short recovery of stamps duty and registration fees due under valuation of immovable property.
70.	Revenue	41	Short levy due to mistake in computation.
71.	Excise and Taxation	49	Uncollected revenue.
72.	Excise and Taxation	55 (Food corp., Karnal)	Interest not charged.
73.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
74.	Excise and Taxation	63	Non-recovery of licence fee and interest.
28th report			
75.	Education	5	Irregularities on release/utilisation of grant.
76.	Irrigation	10	Masani Barrage Project.
77.	Irrigation	11	Excess payment.
78.	PWD (B&R)	14	Shortage of Steel.
79.	Printing and Stationery	22	Stationery Branch.

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80.	Printing and Stationery	23	Printing and issue of forms (Form Branch).
81.	Police	26	Over-payment of daily allowance.
82.	Industrial Training	28	Avoidable expenditure.
83.	Development	29	National Rural Employment Programme.
84.	Development	30	Selection of works.
85.	Development	32	Irregular release of subsidy.
86.	Excise and Taxation	41	Registration of dealers under Sale Tax Act.
87.	Excise and Taxation	44	Non-recovery of licence fee and interest.
88.	Excise and Taxation	45	Interest not charged.
89.	Transport	49	Irregular grant of exemption or rebate.
90.	Revenue	52	Non-recovery of stamp duty.
29th report			
91.	Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.
92.	Irrigation	13	Major and medium irrigation projects.
93.	Irrigation	14	Financial results of Irrigation projects.
94.	Irrigation	15	Modernisation of existing channel.
95.	Irrigation	16	Water logging.
96.	Irrigation	17	Excess issue of coal.
97.	Irrigation	18	Injudicious purchase.
98.	Irrigation	21	Misappropriation.
99.	Irrigation	22	Miscellaneous Public Works Advances.
100.	Development	32	Forestry sector.
101.	Excise and Taxation	46	Application of incorrect rate of tax.
102.	Excise and Taxation	47	Non-levy of penalty.
103.	Excise and Taxation.	50	Non-levy of penalty.
104.	Excise and Taxation	51	Non-levy of penalty.
105.	Excise and Taxation	52	Short levy of surcharge.
106.	Excise and Taxation	53	Interest not charged.

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107.	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion.
108.	Transport	58	Result of Audit.
109.	Revenue	62	Results of Audit.
110.	Revenue	63	Under valuation of Immovable property
111.	Revenue	64	Under valuation of immovable property.
112.	Revenue	65	Non-levy of stamp duty.
113.	Revenue	66	Mistake in calculations.
114.	Revenue	67	Misclassification of instruments.
115.	Revenue	68	Short levy of line on late Presentation of documents for registration.
116.	Revenue	69	Other topics of interest.
117.	Revenue	70	Arrears of stamp duty and registration fee.
118.	Mines & Geology	71	Result of Audit.
32nd report			
119.	Industries	4	Development of Small Scale Industries.
120.	Industries	6	Outstanding recovery of loan.
121.	Industries	7	Shortages of power connection.
122.	Industries	8	Alleged Misappropriation.
123.	Irrigation	9	Un-authorized purchases.
124.	Irrigation	10	Excess measurements.
125.	Irrigation	11	Injudicious purchase of machinery.
126.	Irrigation	12	Misappropriation.
127.	Irrigation	13	Wasteful expenditure on purchase of tractors.
128.	Irrigation	14	Recovery due from contractors.
129.	Irrigation	15	Remodelling of Chandeni Drain.
130.	Irrigation	16	Wasteful expenditure.
131.	Irrigation	18	Shortage of material.
132.	Irrigation	19	Misappopriation of lime.
133.	Irrigation	20	Shortage of stores.

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134.	Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP).
135.	Revenue	25	Inadmissible payment.
136.	P.W.D.(B&R)	30	Avoidable extra expenditure.
137.	Town & Country Planning (HUDA)	34	Non-Completion of reservoir.
138.	Town & Country Planning (HUDA)	35	Alleged embezzlement.
139.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement.
140.	Public Health	41	Urban water supply and sewerage scheme.
141.	Public Health.	42	Commencement of work without sanction.
142.	Public Health	43	Extra expenditure due to defective work.
143.	Public Health	44	Inflated measurements.
144.	Mines & Geology	47	Uncollected revenue.
145.	Mines & Geology	48	Result of Audit.
146.	Mines & Geology	49	Short recovery or non-recovery of royalty on bricks.
147.	Irrigation	54	Non-recovery of lease money.
148.	Agriculture	56	Embezzlement of licence fee money
149.	Revenue	59	Result of Audit.
150.	Revenue	60	Incorrect application of rates.
151.	Excise and Taxation	61	Uncollected revenue.
152.	Excise and Taxation	69	Irregular levy of tax at concessional rate.
153.	Excise and Taxation	71	Interest, penalty not charged.
154.	Excise and Taxation	74	Non-levy or short levy on duty on excess wastage.
155.	Excise and Taxation.	76	Non-pursuance of demand drafts.
34th report			
156.	Animal Husbandry	3	Special employment to educated Youngmen/Women in rural area through Dairy Development.
157.	Animal Husbandry	4	Non-recovery of dues.

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158.	Development and Panchayats	6	Overdue recoveries.
159.	Development and Panchayats	7	Loss of plants.
160.	Development and Panchayats	8	Irregular and wasteful expenditure on books.
161.	Industries	11	Misutilisation and excise release blockage of funds
162.	Industries	12	Review of the functioning of a few Industries.
163.	Transport	21	Record of old spring leaves.
164.	Home	25	Absence of area/Project approach.
165.	Home	26	Police station without vehicles.
166.	Revenue	29	Land reforms.
167.	Revenue	30	Compensation to landowners.
168.	Revenue	31	Consolidation of holdings.
169.	Irrigation	32	Payment for work not measured.
170.	Irrigation	33	Substandard Work.
171.	Irrigation	34	Injudicious purchase.
172.	Irrigation	35	Idle/Under utilised draglines.
173.	Irrigation	36	Defective lining.
174.	Irrigation	37	Extra liability due to retendering.
175.	Irrigation	39	Recovery due from contractor.
176.	Irrigation	41	Defective/fictitious-earth work.
177.	Irrigation	42	Shortages.
178.	Irrigation	43	Shortage of material.
179.	Food & Supplies	45	Avoidable payment of interest.
180.	Food & Supplies	47	Under Storage of wheat.
181.	Local Government	49	Slum clearances and economically weaker sections housing programme.
182.	Social Welfare	51	Haryana State Social Welfare Advisory Board.
183.	Medical and Health	52	Uncollected revenue.
184.	Medical and Health	53	Embezzlement of fees and other dues.
185.	Industries.	54	Interest not charged.
186.	Mines and Geology	55	Uncollected revenue.

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187.	Mines and Geology	56	Non-recovery/short recovery of royalty.
188.	Mines and Geology	58	Short assessment of royalty.
189.	Excise and Taxation	62	Assessment in arrears.
190.	Excise and Taxation	63	Uncollected revenue.
191.	Excise and Taxation	64	Internal control and internal audit.
192.	Excise and Taxation	66	Short/levy/non-levy of purchase tax.
193.	Excise and Taxation	67	Irregular grant of exemption.
194.	Excise and Taxation	68	Incorrect computation of taxable turnover.
195.	Excise and Taxation.	69	Non-levy of penalty.
196.	Excise and Taxation.	70	Non-filing the quarterly returns.
197.	Irrigation	71	Receipts from Canal waters.
198.	Irrigation	72	Arrears of Revenue.
199.	Irrigation	73	Short recovery of water charges.
200.	Irrigation	74	Non-raising of demand.
201.	Irrigation	75	Revenue forgone due to non - levy of special rate.
202.	Chief Electrical Inspector	78	Uncollected revenue.
203.	Chief Electrical Inspector	80	Arrears of electricity duty.
204.	Chief Electrical Inspector	81	Reconciliation of treasury receipts.
205.	Public Health	82	Results of Audit.
206.	Revenue	83	Results of Audit.
207.	Revenue	84	Under valuation of immovable property.
208.	Revenue	85	Incorrect exemption.
209.	Revenue	86	Short recovery of stamp duty on exchange deeds.
36th report			
210.	Local Self Government	3	Non - recovery of Government dues.
211.	Printing and Stationery.	5	Idle printing machine.
212.	Printing and Stationery.	6	Infructuous expenditure.
213.	Food and Supplies	7	Loss due to storage of wheat.
214.	Food and Supplies	8	Avoidable incidence of interest.

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215.	Transport	9	Irregular payment of overtime allowance.
216.	Social Welfare	10	Integrated child development services.
217.	Social Welfare	11	Rescue Homes, rehabilitation Centres and other similar Institutions.
218.	Industries	13	Non-utilization of loan.
219.	Town and Country planning	15	Implementation of Projects.
220.	Town and Country Planning	16	Loss on auction of a shop-cum-flat.
221.	Industrial Training.	17	Implementation of the Apprentice Act, 1961.
222.	Revenue	18	Inadmissible gratuitous relief.
223.	Civil Aviation	19	Procurement operation and maintenance of aircraft.
224.	Public Health	20	Acceptance of sub-standard material.
225.	Public Health	21	Recovery due from a contractor.
226.	Public Health	23	Construction of a water tank.
227.	Public Health	24	Misappropriation of stores.
228.	Haryana State Lotteries	25	Suspended misappropriation of Government money.
229.	P.W.D.(B&R)	26	Defective work.
230.	P.W.D.(B&R)	27	Extra liability due to retendering.
231.	P.W.D.(B&R)	29	Excess measurement.
232.	P.W.D.(B&R)	31	Mis-appropriation of stores.
233.	Agriculture	33	Assistance to small and marginal farmers for increasing agricultural production.
234.	Agriculture	34	Evaluation.
235.	Irrigation	35	Western Jamuna Canal Augmentation Project.
236.	Irrigation	36	Non recovery of Government dues of Rs. 0.70 lakh.
237.	Irrigation	37	Shortage of stores.
238.	Irrigation	38	Unfruitful expenditure.
239.	Irrigation	39	Outstanding Audit observations.
240.	Power(HSEB)	41	Acquisition of land.
241.	Revenue	42	Outstanding Inspection report.

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242.	Revenue	43	Results of Audit.
243.	Revenue	44	Under-valuation of immovable property.
244.	Revenue	45	Irregular grant of exemption.
245.	Revenue	46	Misclassification of Instruments.
246.	Revenue	47	Mistakes in calculation.
247.	Revenue	48	Uncollected Revenue.
248.	Mines and Geology	50	Non-recovery/Short-recovery of royalty.
249.	P.W.D.(B&R)	51	Results of Audit.
250.	Excise and Taxation	52	Assessments in arrears.
251.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
252.	Excise and Taxation	54	Uncollected Revenue (State-Excise).
253.	Excise and Taxation	55	Uncollected Revenue (Sales Tax).
254.	Excise and Taxation	57	Outstanding inspection reports.
255.	Excise and Taxation	58	Result of Audit (Sales Tax)
256.	Excise and Taxation	59	Short levy/Non levy of purchase tax.
257.	Excise and Taxation	62	Incorrect computation of taxable turnover.
258.	Excise and Taxation	63	Incorrect grant of exemption.
259.	Excise and Taxation	65	Exemptions allowed in assessment.
260.	Excise and Taxation	67	Results of Audit.
38th report			
261.	Social Welfare	1	Education and Welfare of the Handicapped.
262.	Social Welfare	2	Scholarships (Centre) to Physically handicapped.
263.	Social Welfare	3	Un-employment allowance to Physically handicapped student.
264.	Social Welfare	4	Handicapped persons pension scheme.
265.	Social Welfare	5	Monitoring and Evaluation.
266.	Public Relations	7	Field Publicity.
267.	Public Relations	8	Publicity campaign regarding Welfare of Scheduled Castes (SC).
268.	Public Relations	9	Rural Community Theatre Unit (RCTT).

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269.	Public Relations	10	Promotion of Cultural Activities.
270.	Public Relations	11	Monitoring and evaluation.
271.	Science and Technology	12	Integrated Rural Energy Programme.
272.	Science and Technology	13	Physical Progress.
273	Science and Technology	14	Distribution/accountal of solar cookers.
274.	Science and Technology	15	Infructuous expenditure in installation of wind mills.
275.	Science and Technology	16	Evaluation and monitoring.
276.	Medical and Health	18	Stores and Stock.
277.	Labour and Employment	19	Inadmissible payments.
278.	Home	20	Injudicious purchase of cloth.
279.	Revenue	21	Irregular drawal of Grautitious relief.
280.	Revenue	22	Embezzlement.
281.	Agriculture	25	Outstanding Inspection reports and paragraphs.
282.	Irrigation	26	Sub standard execution of work.
283.	Irrigation	27	Under utilisation of Crawler Tractors.
284.	Irrigation	28	Excess payment of Earth Work.
285.	Irrigation	29	Misappropriation of cement.
286.	Irrigation	30	Introductory.
287.	Irrigation	31	Reserve stock limit.
288.	Irrigation	32	Surplus material.
289.	Irrigation	33	Tools and Plants/T & P returns.
290.	Irrigation	34	Other point of interest.
291.	Irrigation	35	Shortage/Misappropriation of material
292.	Irrigation	36	Shortage of tiles.
293.	P.W.D.(B&R)	38	Outstanding Inspection reports and paragraphs.
294.	Public Health	39	Rural Water Supply Scheme.
295.	Public Health	40	Extra expenditure due to defective execution of work.
296.	Public Health	41	Excess payment to the contractor.
297.	Public Health	42	Excess Payment.

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298.	Public Health.	43	Shortage of material.
299.	Town & Country Planning (HUDA)	44	Allotment of work without tenders.
300.	Town and Country Planning (HUDA)	45	Acceptance of tender at higher rate.
301.	Sports	46	Excess payment of grants.
302.	Food and Supplies	47	Extra Expenditure.
303.	Mines and Geology	49	Outstanding inspection reports.
304.	Mines and Geology	50	Results of Audit.
305.	Mines and Geology	51	Receipts from Mines and Minerals.
306.	Mines and Geology	52	Non-realisation / Short realisation of royalty.
307.	Mines and Geology	53	Non-realisation/Short realisation of contract money.
308.	Mines and Geology	54	Non-recovery of price on mineral illegally extracted.
309.	Agriculture	55	Results of Audit.
310.	Agriculture	56	Interest not charged on Belated pay- ments.
311.	P.W.D. (B&R)	57	Outstanding inspection reports.
312.	P.W.D.(B&R)	58	Recovery of rent in respect of Govern- ment residential buildings.
313.	P.W.D.(B&R)	59	Irregular allotment of accommodation to private persons and non-recovery of rent at market rates.
314.	P.W.D. (B&R)	60	Short recovery of rent.
315.	P. W.D.(B&R)	61	Arrers of rent.
316.	P.W.D.(B&R)	62	Sale of empty bitumens drums.
317.	Revenue	63	Outstanding inspection reports.
318.	Revenue	64	Results of Audit.
319.	Revenue	65	Under-valuation of immovable proper- perty.
320.	Revenue	66	Evasion of stamp duty and registration fee as a result of mis-classification of Instruments.
321.	Revenue	67	Evasion of stamp duty and registra- tion fee through power of attorney.
322.	Revenue	68	Misclassification of Instruments.

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323. Revenue	69	Recovery at the instance of audit.	
324. Excise and Taxation	70	Assessments in arrears.	
325. Excise and Taxation	71	Uncollected revenue.	
326. Excise and Taxation	72	Outstanding inspection reports.	
327. Excise and Taxation	73	Results of Audit.	
328. Excise and Taxation	74	Registration of dealers under the Sales Tax Act.	
329. Excise and Taxation	75	Delay in disposal of applications for registration.	
330. Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court.	
331. Excise and Taxation	77	Non-levy/Short levy of purchase tax.	
332. Excise and Taxation	78	Evasion of tax.	
333. Excise and Taxation	79	Suppression of purchases.	
334. Excise and Taxation	80	Incorrect deduction from turnover.	
335. Excise and Taxation	81	Irregular stay of tax and interest.	
336. Excise and Taxation	82	Non-levy of penalty.	
337. Excise and Taxation	83	Non-production of assessment/files.	
338. Excise and Taxation	84	Results of Audit.	
339. Excise and Taxation	85	Non-recovery of loss on re-auction of Vend.	
340. Excise and Taxation	86	Loss of Excise duty due to issue of forged permit.	
341. Excise and Taxation	87	Recovery at the instance of Audit.	
342. Excise and Taxation	88	Non-levy of goods tax on vehicles belonging to State Govt. Undertakings.	
40th report			
343. Agriculture	3	Monitoring and evaluation.	
344. Agriculture	4	General.	
345. Industrial Training	5	Employment of Successful trainees.	
346. Industrial Training	6	Injudicious purchases.	
347. Industrial Training	7	Inventory.	
348. Industrial Training	8	Insufficient Funds for Training Expenses.	
349. Industrial Training	9	Monitoring.	

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350. Fisheries	10	Introduction.
351. Fisheries	11	Loan accounts.
352. Fisheries	12	Remodelling of fish seed farm.
353. Fisheries	13	Other points of interest.
354. Fisheries	14	Intensive Fisheries Development Programme.
355. Home	15	Non-recovery of telephone calls.
356. Home	16	Outstanding Inspection Reports.
357. Tourism	17	Loss due to short realisation.
358. Town and Country Planning	18	Non-realization of service chargers.
359. Town and Country Planning	19	Delay in land acquisition cases.
360. Town and Country Planning	20	Extra)contractual payment.
361. Hospitality	21	Government dues on account of credit sales.
362. Irrigation	22	Modernisation of Existing Channels Phase II.
363. Irrigation	23	Extra expenditure.
364. Irrigation	24	Avoidable expenditure on cartage and transportation.
365. Irrigation	25	Injudicious purchases.
366. Irrigation	26	Idle operational staff.
367. Irrigation	27	Avoidable expenditure on Sirsa Branch.
368. Irrigation	28	Extra expenditure due to delay in finalisation of drawings/tenders.
369. Irrigation	29	Outstanding Inspection Reports and Paragraphs.
370. Irrigation	30	Shortage of material.
371. Public Health	32	Irregular expenditure.
372. Public Health	33	Stores and stock.
373. Public Health	34	Injudicious purchases.
374. Public Health	35	Shortage of material.
375. P.W.D.(B&R)	37	Extra payment due to incorrect entries in Measurement Books.
376. P.W.D.(B&R)	38	Avoidable extra expenditure due to retendering.
377. P.W.D.(B&R)	39	Extra expenditure due to splitting up of work.

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378.	Co-operation	41	Embezzlement.
379.	Printing and Stationery	42	Loss on purchase of paper.
380.	Transport	44	Avoidable payment of Wages.
381.	Food and Supplies	46	Avoidable shifting of foodgrains.
382.	Food and Supplies	47	Damage caused to wheat in Storage.
383.	Supplies and Disposals.	48	Extra expenditure.
384.	Supplies and Disposals	49	Extra expenditure due to retendering.
385.	Excise and Taxation	50	Assessment in arrears.
386.	Excise and Taxation	51	Uncollected Revenue (SALES TAX).
387.	Excise and Taxation	52	Uncollected Revenue (State Excise).
388.	Excise and Taxation	53	Outstanding Inspection Reports.
389.	Excise and Taxation	54	Results of Audit.
390.	Excise and Taxation	55	Delay in re-assessment of rem and cases.
391.	Excise and Taxation	56	Cases not initiated/initiated late.
392.	Excise and Taxation	57	Appeals entertained without deposit of tax.
393.	Excise and Taxation	58	Refund allowed prior to decision to remand cases.
394.	Excise and Taxation	59	Other interesting cases.
395.	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax.
396.	Excise and Taxation	61	Application of incorrect rate of tax.
397.	Excise and Taxation	62	Non-levy of tax.
398.	Excise and Taxation	63	Incorrect computation of taxable turnover.
399.	Excise and Taxation	64	Irregular grant of exemption.
400.	Excise and Taxation	65	Loss of revenue due to deficiency in Sales Tax Law.
401.	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers.
402.	Excise and Taxation	67	Suppression of purchases.
403.	Excise and Taxation	68	Non-levy of penalty.
404.	Excise and Taxation	69	Interest not charged.
405.	Excise and Taxation	70	Results of Audit (State Excise).

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406. Excise and Taxation	71	Result of Audit (Entertainment duty of show tax).
407. Excise and Taxation	72	Working of distilleries and Breweries.
408. Excise and Taxation	73	Loss of excise duty due to redistillation.
409. Excise and Taxation	74	Non-recovery of duty on Wastage in excess of norms.
410. Excise and Taxation	75	Interest not charged.
411. Excise and Taxation	76	Non-Short recovery of entertainment duty.
412. Transport	77	Outstanding Inspection Reports.
413. Transport	78	Results of Audit.
414. Revenue	79	Outstanding Inspection Reports.
415. Revenue	80	Results of Audit.
416. Revenue	81	Under valuation of immovable property.
417. Revenue	82	Misclassification of instruments
418. Revenue	83	Irregular grant of exemption.
419. Revenue	84	Non/Short levy of stamp duty.
420. Revenue	85	Irregular registration of supplementary deeds.
421. Revenue	86	Short levy of stamp duty on lease deeds.
422. Revenue	87	Evasion of stamp duty and registration fee through power of attorney.
423. Revenue	88	Arrears of stamp duty and Registration fee.
424. Revenue	89	Embezzlement of Government revenue.
425. Revenue	90	Results of Audit.
426. Revenue	91	Non-recovery of departmental charges.
427. Revenue	92	Non-recovery of rent of Nazool Land.
428. Mines and Beology	93	Outstanding Inspection Reports.
429. Mines and Geology	94	Results of Audit.
430. Cooperaton	95	Results of Audit.
42nd Report		
431. Irrigation	3	Command Area Development Programme.

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432.	Irrigation	4	Utilisation of created irrigation potential.
433.	Irrigation	5	Land levelling and shaping.
434.	Irrigation	6	Activities not implemented.
435.	Irrigation	7	Purchase of bricks at higher rates
436.	Irrigation	8	Extra expenditure due to injudicious decision.
437.	Irrigation	9	Excess payment of earthwork.
438.	Irrigation	10	Extra expenditure due to defective living.
439.	Irrigation	11	Excess payment due to inflated/fictitious measurements.
440.	Irrigation	12	Loss due to sub-standard material.
441.	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme.
442.	Irrigation	14	Development of Irrigation.
443.	Irrigation	15	Arrears of revenue.
444.	Irrigation	16	Unfruitful expenditure due to non-energisation of pumps.
445.	Irrigation	17	Defective execution of work.
446.	Irrigation	18	Avoidable payment of interest.
447.	Irrigation	19	Unfruitful expenditure on a incomplete work.
448.	Transport	20	General.
449.	Transport	21	Avoidable payment of wages.
450.	Transport	22	Non-operation of machines for want of trained operators.
451.	Transport	23	General.
452.	Transport	24	Loss due to non-recovery of sales tax.
453.	Transport	25	General.
454.	Transport	26	Performance of minibuses.
455.	Printing and Stationery	27	General.
456.	Printing and Stationery	28	Short recovery due to defective tender condition.
457.	Local Bodies	29	Utilisation Certificates.
458.	Local Bodies	30	Unspent balances of grants paid to Local Bodies.

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459.	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans.
460.	Local Bodies	32	Financial Assistance to Local Bodies and Others. 84
461.	Local Bodies	33	Unspent balances of grants paid to Local Bodies. 34
462.	Local Bodies	34	Financial Assistance to Local Bodies and Others. 34
463.	Agriculture	35	General.
464.	Agriculture	36	Strengthening of Agricultural Extension and Administration in Haryana.
465.	Agriculture	37	Training.
466.	Agriculture	38	Unfruitful expenditure on idle equipment.
467.	Agriculture	39	General.
468.	Agriculture	40	Proforma Accounts.
469.	Labour and Employment	41	Outstanding Inspection Reports/ Paragraphs.
470.	Food and Supplies	42	Loss due to negligence.
471.	Animal Husbandry	43	Special Livestock Breeding Programme.
472.	Animal Husbandry	44	Inputs and Services.
473.	Animal Husbandry	45	Other points.
474.	Home	46	Idle sawing machines.
475.	Home	47	Injudicious manufacture of Tatpatti. 02
476.	Home	48	Nugatory expenditure due to non-working of computers. 22
477.	Home	49	Unfruitful expenditure.
478.	Home	50	Non-disposal of condemned vehicles.
479.	Home	51	Manufacture of surplus goods.
480.	Public Health	52	Funding Pattern. 12
481.	Public Health	53	Targets and achievements. 02
482.	Public Health	54	Arrears due from municipalities. 12
483.	Public Health	55	Other points.
484.	Public Health	57	Unfruitful expenditure.

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485.	Public Health	60	Inflated/fictitious measurements.
486.	Public Health	61	Outstanding Inspection Reports and Paragraphs.
487.	Public Health	62	Wasteful expenditure on purchase and repair of rig.
488.	Public Health	63	Infructuous expenditure on abandoned work.
489.	P.W.D.(B&R)	64	Extra liability/expenditure due to defective allotment of work.
490.	P.W.D.(B&R)	66	Stores and Stock.
491.	P.W.D.(B&R)	67	Priced Stores Ledger.
492.	P.W.D.(B&R)	68	Reserve Stock Limit.
493.	P.W.D.(B&R)	69	Storage Charges.
493.	P.W.D.(B&R)	70	Pilferage of material.
494.	P.W.D.(B&R)	71	Shortage of Tools and Plant.
496.	P.W.D.(B&R)	72	Fictitious stock adjustments.
497.	P.W.D.(B&R)	73	Irregular purchase of material at higher rates.
498.	P.W.D.(B&R)	74	Sub-standard execution of work.
499.	P.W.D.(B&R)	76	Outstanding Inspection Reports.
500.	P.W.D.(B&R)	77	Working of Mechanical Wing.
501.	P.W.D.(B&R)	79	Unfruitful Expenditure.
502.	P.W.D.(B&R)	80	Extra expenditure.
503.	P.W.D.(B&R)	81	Outstanding audit observations.
504.	Education	82	Fraudulent drawal of Leave Travel Concession.
505.	Education	83	Excess payment of leave travel concession claims.
506.	Education	84	Operation Blackboard.
507.	Education	85	Loss due to failure to enforce tender conditions.
508.	Education	86	Non-return of material.
509.	Social Welfare	87	Loss of interest.
510.	Social Welfare	88	Outstanding Inspection Reports.
511.	Medical and Health	89	Provision of Infrastructures.
512.	Medical and Health	90	Use of vaccines and vaccine wastage.

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513.	Medical and Health	91	Conversion of existing rural dispensaries into PHCs.	
514.	Medical and Health	92	Short supply of Medicines.	
515.	Medical and Health	93	Misappropriation of stores.	
516.	Cooperation	94	Irregular release of subsidy.	
517.	Cooperation	95	Outstanding Inspection Reports/ Paragraphs.	
518.	Medical and Health	96	Frauds and evasions of taxes.	
519.	Medical and Health	97	Misappropriation of Government revenue.	
520.	Cooperation	98	Outstanding Inspection Reportx.	
521.	Cooperation	99	Results of Audit.	
522.	Cooperation	100	Short recovery of audit fee.	
523.	Revenue	101	Outstanding Inspection Reports.	
524.	Revenue	102	Land Revenue.	
525.	Revenue	103	Results of Audit.	
526.	Revenue	104	Irregular exemption of stamp duty.	
527.	Revenue	105	Short levy of ttamp duty on lease deed.	
528.	Revenue	106	Recovery at the instance of Audit.	
529.	Excise and Taxation	107	Assessments in arrears.	
530.	Excise and Taxation	108	Uncollected Revenue.	
531.	Excise and Taxation	109	Frauds and evasions of taxes.	
532.	Excise and Taxation	110	Outstanding Inspection Reports.	
533.	Excise and Taxation	111	Results of Audit.	
534.	Excise and Taxation	112	Details of appeals pending on 31-3-90.	
535.	Excise and Taxation	113	Delay in taking up of appeal cases.	
536.	Excise and Taxation	114	Delay in finalisation of follow up action on cases remanded by the Appellate Authorities.	
537.	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities.	
538.	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax.	
539.	Excise and Taxation	117	Cancellation of registration certificate.	

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540.	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment.
541.	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties.
542.	Excise and Taxation	120	Irregular grant of exemption certificate.
543.	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings.
544.	Excise and Taxation	122	Other interesting cases.
545.	Excise and Taxation	123	Evasion of tax.
546.	Excise and Taxation	124	Non-levy of tax on incidental charges.
547.	Excise and Taxation	125	Application of incorrect rate of <u>tax</u> .
548.	Excise and Taxation	126	Non-short levy of interest.
549.	Excise and Taxation	127	Results of Audit.
550.	Excise and Taxation	128	State Excise Duty.
551.	Excise and Taxation	129	Loss of revenue due to re-auction vends.
552.	Excise and Taxation	130	Short recovery of composite fee.
553.	Excise and Taxation	131	Non-recovery of license fee and interest.
554.	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends.
555.	Excise and Taxation	133	Interest not recovered.
556.	Excise and Taxation	134	Non-recovery of penalties.
557.	Excise and Taxation	135	Assessments in arrears.
558.	Excise and Taxation	136	Uncollected Revenue.
559.	Excise and Taxation	137	Frauds and evasions of taxes.
560.	Excise and Taxation	138	Results of Audit.
561.	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers.
562.	Excise and Taxation	140	Under assessment due to short-/non-levy of purchase tax.
563.	Excise and Taxation	141	Under assessment due to excess rebate.
564.	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction.

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565.	Excise and Taxation	143	Interest not charged.
566.	Excise and Taxation	144	Short levy of penalty.
567.	Excise and Taxation	145	Results of Audit.

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