

HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(2001-2002)

(FIFTY SECOND REPORT)

REPORT

ON THE
REPORT OF THE
Comptroller and Auditor General
of India for the year ended
31st March, 1997
(CIVIL AND REVENUE RECEIPTS)



Presented to the House on 18th March, 2002

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
2002

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRPERSON

1 Shri Bhagi Ram

MEMBERS

- 2 Shri Chander Bhatia
- 3 Shri Lachhman Dass Arora
- 4 Shri Anil Vij
- 5 Rao Narender Singh
- 6 Shri Suraj Mal
- 7 Shri Banta Ram
- 8 Shri Nafe Singh Rath
- 9 Shri Ram Bhagat

SECRETARIAT

- 1 Shri Sumit Kumar
- 2 Shri Kuldip Singh

Secretary

Joint Secretary

INTRODUCTION

1 The Chairperson of the Public Accounts Committee having been authorised by the Committee in this behalf present this Fifty Second Report on the Report of the Comptroller and Auditor General of India for the year ended 31st March 1997 (Civil and Revenue Receipts)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 1997 Civil was laid on the Table of the House on 21st July 1998 and Revenue Receipts on 19th January 1998

3 The Committee during its tenure examined the Report of the Comptroller and Auditor General of India for the year ended 31st March 1997 Civil and Revenue Receipts and also conducted the oral examination of the representatives of the concerned departments. The Committee made on the spot study in order to make an assessment of the actual working of various schemes/projects of Environment Department

4 The Committee considered and approved this Report at their sittings held on 6th 19th 25th and 26th February 2002

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 Financial Commissioner and Principal Secretary to Government Haryana Finance Department and other officers of Finance Department and the representatives of the various departments who appeared for oral evidence before them for the co-operation in giving information to the Committee

7 The Committee is also thankful to the Secretary Joint Secretary and officials of the Haryana Vidhan Sabha for the whole hearted co operation and assistance given by them to the Committee

Chandigarh
The 26th February 2002

BHAGI RAM
CHAIRPERSON

REPORT
GENERAL

1 The present Committee consisting of nine Members including the Chairperson was nominated by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 14th March 2001 to nominate the Memebbers of the Committee on Public Accounts for the year 2001 2002 on 3rd April 2001

2 The Committee held 91 meetings in all at Chandigarh and other places upto 26th February 2002

Part - I (Civil)

RURAL DEVELOPMENT

[3] 3 1 MP Local Area Development Scheme

3 1 1 Introduction

To enable the Members of Parliament (MPs) to recommend small works of capital nature to be done in their constituencies the Members of Parliament Local Area Development Scheme (MPLADS) was announced in the Parliament on 23 December 1993. The first release of funds for Haryana State was made by Government of India in February 1994.

Under the scheme each MP had a choice to suggest to the concerned District Collector works to the tune of Rs. 1 crore per year to be taken up in his/her constituency. The members of the Rajya Sabha could select any district from the State from which he/she had been elected whereas nominated members of Parliament could select any one district from any State/Union Territory for execution of works of their choice. Funds released were non-lapsable. Under the scheme individual works of developmental nature based on locally felt needs costing upto Rs. 10 lakh which could lead to creation of durable assets and could be completed in one or two working seasons were to be taken up through the Government agencies in the district. Repair and maintenance works, completion of other incomplete works, sharing of MPLADS funds with other projects, purchase of inventory or equipment etc. were not permitted under the scheme. There were 10 Lok Sabha and 5 Rajya Sabha constituencies in Haryana.

3 1 9 Works executed without technical sanction

Rules provide that the works should be taken up after obtaining technical sanction to the detailed cost estimates from the competent authority. In the constituencies test checked 750 works on which Rs. 6.18 crore were spent during 1994-95 and 1995-96 had been executed without obtaining technical sanction to the cost estimates.

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

Instructions have been issued by ADCs to all the departments to get the detail cost estimates technically sanctioned by the competent authority and execute the works as per procedure laid down by the department concerned.

The Committee observed that 750 works had been executed without obtaining technical sanction to the cost estimates from the competent authority. The Committee recommends that the technical sanctions of these works be obtained and report be sent to the Committee within a period of three months.

The Committee also recommends that necessary instructions be issued that no work should be started without prior sanction.

EDUCATION DEPARTMENT

[4] 3 2 Total Literacy Campaign

3 2 1 Introduction

The Total Literacy Campaign (TLC)* Project was launched as a Central plan scheme in 1988 with the objective of the National Literacy Mission (NLM) to impart functional literacy to adults in the age group of 15–35. Considering that adult literacy was not total literacy, the NLM also decided to cover the age group of 6–14 under TLC. After this, TLC became the principal strategy of the National Literacy Mission (NLM) with the following major objectives –

- (i) total eradication of illiteracy in the age group of 6–35 years and
- (ii) achievement of 80–85 per cent literacy in each of the target/focus groups

The focus of the literacy programme was on the 15–35 years age group. Women and girls, scheduled castes (SCs) and schedule tribes (STs) were the special target groups in this campaign. In Haryana, TLC introduced in April 1991 had a target of turning 31 lakh citizens literate in the age group of 6–35 years. The scheme was in operation in 15 out of 17 districts.

The Post Literacy Campaign (PLC) project, a sequel to TLC and a part of the same Central plan scheme, was to be implemented immediately after the completion of TLC to maintain continuity in the programme and ensure that neo-literates did not relapse into illiteracy as a result of the break in the learning process.

In order to launch TLC in the State, the respective Deputy Commissioners (DCs) were to prepare time-bound calendars of activities in the form of project reports of their districts through Zila Saksharata Samitis (ZSSs) which were to be formally approved by NLM. The actual launching of the campaign was, however, to be done only after approval of the Executive Committee and sanctioning of the first instalment of funds from the Government of India (GOI).

3 2 2 Organisational set up

At the Apex National level, TLC was implemented by NLM in partnership with State Governments. At the State level, the Director Secondary Education, Haryana, was to monitor the progress of TLC and PLC campaigns through the Deputy Director (Co-ordination) at headquarters. The schemes were implemented through Zila Saksharata Samitis (ZSSs) or District Literacy Samitis specially registered for the purpose and headed by the District Collectors.

3 2 3 Audit coverage

The review study covered VIIIth Five Year Plan period from 1992–93 to 1996–97 (in case of Panipat District from 1991–92 to 1996–97) and included result of test-check of records of Zila Saksharata Samitis (ZSS) located in 7 of the 15 districts where the scheme was in operation in the State. The results of the review are discussed below.

3 2 4 Highlights

- * Against outlay of Rs. 10.07 crore during 1991–92 to 1996–97 for TLC in 7 districts test-checked, Rs. 5.76 crore were released and Rs. 4.27 crore only were spent.

(Paragraph 3 2 6)

- * Survey to identify illiterates according to prescribed categories was not conducted in the districts test-checked
(Paragraph 3 2 7)
- * The scheme targeted covering 14 81 lakh illiterates in 7 districts test checked in the age group of 15-45 years, but could make only 0 95 lakh literate
(Paragraph 3 2 8)
- * Per learner cost in TLC as per norms was Rs 65 whereas actual per learner cost worked out of Rs 142 to Rs 5,206 in 5 districts resulting in extra expenditure of Rs 3 01 crore
(Paragraph 3 2 9)
- * TLC projects were completed at a delay of 6 months to about 4 years as against the norm in 6 districts. In Bhiwani the project could convert only 1,050 illiterates to literates at a cost of Rs 54 66 lakh even though there was a delay of about 4 years
(Paragraph 3 2 10 and 3 2 14(i) (a))
- * Four Samitis purchased excess teaching and learning material worth Rs 35 35 lakh under TLC. Out of this, Samitis in Rewari and Hisar accounted for Rs 14 32 lakh and Rs 11 32 lakh of excess purchase
(Paragraph 3 2 12(i))
- * Samiti in Kurukshetra purchased sub standard diaries and primers worth Rs 10 82 lakh
(Paragraph 3 2 12(iii))
- * Sub Project coordinators in Gurgaon were paid honorarium of Rs 14 42 lakh during July 1995 to March 1997 though no teaching work was started till June 1997
(Paragraph 3 2 14(i))
- * Samitis in Hisar Panipat and Gurgaon spent Rs 24 31 lakh on purchase and hiring of vehicles, etc though TLC did not provide for such expenditure
(Paragraph 3 2 14(ii))
- * Funds received by three Samitis were unjustifiably kept in saving bank accounts instead of investing in short term deposits resulting in loss of interest of Rs 14 10 lakh
(Paragraph 3 2 14(vi))
- * In Panipat, Rs 3 16 lakh were spent during 2½ years after the projects were completed
(Paragraph 3 2 14(vii))

3.2.5 Funding of the scheme

The cost of project was to be borne by the Central and State Government in the ratio of 2:1. The Central grant and State Government's share were released direct to ZSSs the implementing agencies of the scheme after projects were approved by NLM. The funds released were to be spent within one year to one and a half year of their release.

3.2.6 Financial outlay and expenditure

(a) The information regarding funds released, expenditure incurred and unspent balances if any for the State as a whole was not intimated by the Director, Secondary Education, Haryana. The approved outlay for TLC in 7 districts test checked during 1991-92 to 1996-97 was Rs. 10.07 crore against which Rs. 5.76 crore (GOI Rs. 4.40 crore and State Government Rs. 1.36 crore) were released. However, actual expenditure incurred was Rs. 4.27 crore which was less than the funds released by GOI. Yearwise and district wise details are indicated in Appendix VIII. It would be seen that Rs. 1.49 crore remained unspent at the end of March 1997. The Samitis attributed the unspent balance to low achievement of physical targets. Of Rs. 1.49 crore, Rs. 20.34 lakh remained unspent in Bhiwani district as the chairman of the Samiti suspended the scheme in September 1996 in view of its poor performance. In Mohindergarh district, the activities under scheme were deferred by Samiti by over one year (April 1995 to July 1996) due to floods, elections and crop harvesting which resulted in non-utilisation of Rs. 44.65 lakh. Unspent balance of Rs. 50.90 lakh in Panipat district was attributable to discontinuance of the TLC in December 1992 and were utilised for PLC.

(b) Irregular release of grants

As per guidelines issued by NLM for release of grant to Saksharta Samitis for literacy work, the grants were to be disbursed in three instalments. First instalment of 50 per cent of the total amount was to be released at the time of signing the contract by the Samiti with the GOI, second instalment of 35 per cent was to be released when the field work was completed and tables of data received by ZSS and third instalment was to be released only when the final report was received by the ZSS. In 5 districts test checked, funds were released by GOI in excess without adhering to the guidelines and without considering the progress of work by the ZSSs. This resulted in huge unspent balances with ZSS as indicated below:-

Sr No	District	Total cost of project	GOI share	1st Instalment required to be released	Year of release	1st Instalment actually released	Excess released	Unspent balance as on 31 March 1997
(Rupees in lakh)								
1	Panipat	122.25	81.50	40.75	1991-92	81.50	40.75	30.90
2	Hisar	272.12	181.41	90.70	1994-95	136.05	45.35	14.05
3	Kurukshetra	64.00	42.66	21.33	1994-95	31.99	10.66	3.68
4	Mohindergarh	119.00	79.34	39.67	1995-96	59.48	19.81	44.65
5	Rewari	92.16	61.44	30.72	1994-95	46.00	15.28	1.29
Total							131.85	94.57

3 2 7 Survey and identification of learners not done properly

For TLC scheme survey to identify the illiterates was to be conducted categorywise i.e. age group 6-14, 15-35 and 36 years and above of each category viz. men, women, SCs and STs. In 7 districts test checked, the survey was not conducted categorywise and age group wise. Survey in Kurukshetra district was still incomplete (October 1997). Reasons for not conducting survey according to prescribed procedure were not furnished (November 1997).

3 2 8 Physical target and achievements

(a) Against the target of covering 22.22 lakh illiterates in the age group of 9-45 years for the State, information of actual coverage was not furnished by the Department.

Against the target of covering 14.81 lakh illiterates in the age group of 15-45 years in the 7 districts test checked, the achievement was 0.95 lakh as shown below.

Number of illiterates

District	Targetted	identified	enrolled	Dropped out	Number of persons declared successful	Shortfall Percentage with reference to enrolment
(In lakh)						
Panipat	1.60	1.60	1.54	1.11	0.43	72
Kurukshetra	1.00	0.82	0.54	0.48	0.06	89
Hisar	4.50	3.50	1.82	1.50	0.32	82
Bhiwani	2.13	2.13	0.96	0.95	0.01	99
Mohindergharh	1.70	0.60	—	—	Nil	—
Gurgaon	2.60	2.60	—	—	Nil	—
Rewari	1.28	0.90	0.90	0.77	0.13	86
Total	14.81	12.15	5.76	4.81	0.95	

The shortfall in achievements was attributed by the Samitis to floods, panchayat/general elections, non-availability of committed volunteers, harvesting seasons and delay in sanctioning the project by NLM in Gurgaon district. Thus the literacy campaign did not take the form of mass movement.

(b) Coverage of ineligible illiterates

(i) In Hisar District, Hisar Saksharta Samiti (HSS) submitted the TLC project to NLM for Rs. 3.19 crore for covering 5.34 lakh illiterates in the age group of 9-44 years. The NLM approved the project for Rs. 2.72 crore for 4.50 lakh illiterates at Rs. 60.47 per learner. Subsequently, the HSS, Hisar reduced the number of targetted illiterates to 3.50 lakh by deleting one lakh illiterates in the age group of 9-14 years after conducting survey. The revised survey/budget was not got approved from NLM by HSS. Further, out of 542 Akshar Sainik Reports covering 4,514 learners, 1,154 learners (26 per cent) were of the age group of 6-14 years and above 44 years which were not to be covered under the project formulated by HSS.

(ii) Similarly records of Bharat Gyan Vigyan Samiti (BGVS) Panipat revealed that out of 3 990 cases test-checked 431 learners ranging between age group of 6 14 years and 46 85 years were also covered under the TLC scheme though this age group was not included in the project sanctioned by NLM

3 2 9 Per learner cost

The project of TLC was assumed to be for one year at the rate Rs 65 per learner cost In the districts test-checked per learner cost norms adopted for preparation of budget estimates worked out to Rs 56 76 to Rs 83 35 whereas actual expenditure ranged between Rs 142 to Rs 5 206 per learner resulting in an extra expenditure of Rs 3 01 crore as indicated below

Distrcit	Date of sanction	Total amount of the project	No of illiterates targetted	Cost per learner as per project	Total expendi ture incurred	No of learners cleared	Rate per learner	Extra cost per learner	Total extra expendi ture
		(Rupees in lakh)	(in lakh)	(Rupees)	(Rupees in lakh)		(Rupees)	(Rupees)	(Rupees in lakh)
Bhiwani	January 1993	120 90	2 13	56 76	54 66	1050	5 205 71	5 148 95	54 06
Gurgaon	March 1997	216 72	2 60	83 35	38 24	Nil	No learner became literate upto March 1997		
Hisar	March 1994	272 12	4 50	60 47	148 00	32 236	459 11	398 64	128 50
Kuruk shetra	March 1994	64 00	1 00	64 00	51 31	5 618	913 31	849 31	47 71
Mohin dergarh	June 1995	119 00	1 70	70 00	21 83	Nil	No learner became literate upto March 1997		
Panipat	March 1991	122 25	1 60	76 40	60 60	42 587	142 30	65 90	28 06
Rewari	March 1995	92 16	1 28	72 00	52 21	12 680	411 75	339 75	43 08
Total									301 41

In Bhiwani District the Executive Committee BSS resolved in September 1996 to suspend the work till further orders as the work of the Samiti was unsatisfactory As a result all the learners attending classes in Primer I II and III dropped out In Kurukshetra District due to lack of interest taken in the literacy work by the cluster co ordinators there was heavy drop out which resulted in higher per learner cost

3 2 10 Delay in commencement/completion of projects

While approving the projects of TLC GOI specified the time span for commencement and completion of each project The projects were to commence from February 1992 in Bhiwani district and from November 1993 in Hisar District but were delayed by 11 months and 5 months respectively There were however delays in completion of projects in 7 districts test checked as under –

District	Completion of the project		Period of delay (In months) as of March 1997
	Due in month	Actually completed	
Bhiwani	May 1993	Suspended in September 1996	46
Gurgaon	December 1998	In progress	Nil
Hisar	April 1995	In progress	24
Kurukshetra	April 1995	In progress	24
Mohinder- garh	June 1996	In progress	9
Panipat	June 1992	Discontinued in December 1992	6
Rewari	June 1996	In progress	9

In Panipat district the TLC project was discontinued in December 1992. The Bharat Gyan Vigyan Samiti (BGVS) Panipat did not seek extension beyond December 1992 for which reasons were not on record. In Bhiwani district the achievement was less than 1 per cent (only 1 050 illiterates could be turned literates against the target of 2.13 lakh learners) upto September 1996. In view of such poor performance the chairman of Samiti suspended the scheme.

Approval for extension of the project for Bhiwani, Mohindergarh and Rewari districts were awaited as of March 1997.

Shortage of manpower, elections, transfer of District Collector, dissolution of Bhiwani Saksharta Samiti and crop harvesting etc. were stated by the concerned ZSSs to be the main reasons for delay in completion of the projects. However, the replies were not tenable as these events should have been taken into account/consideration while formulating the projects and fixing time span for their completion.

3.2.11 Training

To ensure success of the TLC, training was required to be imparted to master-trainers, resource persons and volunteers. On an average, the number of persons required at each level was to be calculated in the following manner:

- One volunteer for every 10 learners
- One master trainer for 25–30 volunteers
- One resource person for 25–30 master trainers

The training was to be managed in a phased manner of 9 days duration (4+2+2+1) in the manner indicated below:

- (i) The initial training of 4 days was on overall objectives of the TLC and transaction of primer-1.

- (ii) The 2nd and 3rd rounds of two day training each was to coincide with the start and actual transaction of primer-II and III respectively
- (iii) The final round of 1 day training was to lay emphasis on the final learner evaluation and organisation of post literac programme

There was shortfall in imparting training as indicated below

	Days as per norms	Actual days of training	Shortfall (days)
Mohindergarh District			
RP's	9	1	8
MTs	9	4	5
Volunteers	9	4	5
Rewari District			
RP's	9	6	3
MTs	9	2	7
Volunteers	9	4	5

Due to shortfall in imparting training the campaign could not achieve desired results

Number of volunteers actually rendering service vis a vis required to be trained as per project norms in the districts test checked during 1992-93 to 1996-97 was as under

Year	Volunteers required to be identified/ trained as per project norms	Volunteers actually rendering service	Shortfall	Number of learners enrolled
1992-93	46 000	18 915	27 085	48 000
1993-94	35 000	12 500	22 500	66 000
1994-95	23 300	9 841	13 459	1 44 000
1995-96	Nil	Nil	—	2 25 000
1996-97	43 000	2 580	40 420	28 000

The concerned Saksharta Samitis attributed the shortfall to non availability of volunteers/ committed workers. The reply was not tenable as even the trained volunteers did not teach the required number of illiterates. Each volunteer was expected to teach at least 10 illiterate persons. During 1992-93 and 1993-94 average enrolment per volunteer worked out to 3 and 5 respectively which was far less than the prescribed norms. The Department failed to motivate and mobilize enough volunteers as well as learners and therefore TLC could not become a mass movement.

3 2 12 Learning material

As per guidelines issued by the NLM/GOI each learner was to be provided a complete set of learning material. Printing of learning material was to be undertaken at district level. The cases of issue of material to ineligible learners and procurement of excess material noticed in audit were as under

(i) Procurement of excessive material

The Saksharta Samitis of the districts of Hisar, Kurukshetra, Bhiwani and Rewari purchased excess material worth Rs. 35.35 lakh as indicated below

Sr No	Name of Samiti	Item	Quantity purchased	Quantity utilised	Quantity unutilised	Rate	Amount (In rupees)
1	BSS Bhiwani	Primer I	2 04 154	1 37 353	66 801	2 87	1 91 718 87
		Primer II	62 000	28 307	33 693	3 53	1 18 936 29
2	HSS Hisar	Primer I	2 33 400	2 15 870	17 530	3 29	57 673 70
		Primer II	2 00 000	66 500	1 33 500	4 25	5 67 375 00
		Primer III	1 13 000	44 372	68 628	4 89	3 35 590 92
		Slate	2 00 000	1 80 527	19 473	3 95	76 918 35
		Copies	2 16 230	1 74 070	42 160	2 25	94 860 00
3	GJLS Kurukshetra	Primer I	1 20 000	61 348	58 652	3 47	2 03 522 44
		Primer II	1 05 000	61 348	43 652	3 47	1 51 472 44
		Primer III	1 05 000	61 348	43 652	3 47	1 51 472 44
		Exercise book	1 25 000	77 988	47 012	3 27	1 53 729 24
4	Gyan Uday Saksharta Samiti Rewari	Primer I	1 26 870	45 089	81 781	5 00	4 08 905 00
		Primer II	49 400	20 278	29 122	5 20	1 51 434 40
		Primer III	49 500	12 880	36 620	5 20	1 90 424 00
		Vol. Diary	30 000	2 220	27 780	5 50	1 52 790 00
		Posters	2 75 000	10 872	2 64 128	2 00	5 28 256 00
Total							35 35 079 09

GJLS Gyan Jyoti Literacy Society

Reasons for excess purchases were not intimated by the concerned ZSSs. Scrutiny of records revealed that the targets for learners were fixed without conducting proper survey. These were unrealistic and procurement of primers etc. were very much on the higher side.

In Rewari District, Primer I was issued to 0.45 lakh illiterates against enrolment of 0.90 lakh shown, which was indicative of inflated figures of enrolment.

For creation of conducive environment for TLC campaign Gyan Uday Saksharta Samiti Rewari got printed 2.75 lakh posters at a cost of Rs. 5.50 lakh during April 1995. Of these only 0.11 lakh posters were utilised leaving 2.64 lakh posters valuing Rs. 5.28 lakh unutilised.

The TLC project of Rewari District was prepared and got approved from NLM during March 1995. As per the project 1.28 lakh learners/illiterates were to be made literate by the Gyan Uday Saksharta Samiti Rewari. But after conducting survey the number of illiterates targetted to be covered in the age group of 15–35 years was reduced to 90 thousand. Against these illiterates the Samiti got published 1.27 lakh Primer I i.e. 37 thousand more books than the total number of illiterates.

(ii) Issue of learning material to ineligible learners

As per provisions contained in the scheme three primers viz. I, II and III were prescribed for illiterates. Initially Primer I only alongwith slate, pencil and copy etc. were to be issued to the learners. Thereafter primer II and III were to be issued to learners who had cleared primer I and II respectively.

The Gyan Jyoti Literacy Society Kurukshetra distributed primer II and III to all the learners along with primer I as per details given below:

	Total No of learners	No. of learners enrolled in II & III	Excess issued	Rate	Amount (in rupees)
Primer II	53,748	20,193	33,555	3.47	1,16,435.85
Primer III	53,748	10,584	43,164	3.47	1,49,779.08
Total			76,719		2,66,214.93

Thus 76,719 primers (33,555 primer II and 43,164 primer III) were issued to ineligible learners. This resulted in a loss of Rs. 2.66 lakh.

(iii) Procurement of material below specification

The Gyan Jyoti Literacy Society Kurukshetra purchased (June–August 1994) teaching/learning material viz. diaries/primers worth Rs. 10.82 lakh. The firms supplied sub-standard material. Recovery of 1 to 2 per cent as penalty was made from the payments to the firms as per orders of the Chairman ZSS Kurukshetra but the basis on which the rate of penalty was considered appropriate for the low quality material was not explained to audit. In similar case of supply of substandard material the Nutan Jyoti Saksharta Samiti Narnaul effected recovery at the rate of 20 per cent from the suppliers. Thus the possibility of substantially less recovery in Kurukshetra can not be ruled out.

3.2.13 Post Literacy Campaign

The Post Literacy Campaign (PLC) was launched in Yamunanagar and Panipat districts in Haryana. Of these two districts Panipat district was testchecked during review.

(i) In BGVS Panipat a target of 0.80 lakh neo-literates in the age group of 15–45 years was fixed under PLC programme. The PLC programme was started in the district during January 1993. Against the target of 0.80 lakh neo-literates 0.24 lakh neo-literates were covered under PLC (30 per cent of the target).

(ii) PLC Project for Panipat district was approved for Rs 63.97 lakh by NLM in November 1992. For this purpose the unspent balance of Rs 50.90 lakh from TLC and Rs 18.90 lakh on account of interest against bank deposits was available upto 31 March 1996. Out of total Rs 69.80 lakh Rs 38.76 lakh were spent upto 31 March 1997 leaving a balance of Rs 31.04 lakh unutilised. The scheme was abandoned after December 1994. Reasons for the shortfall were attributed to shortage of volunteers and poor response of neo literates.

(iii) As per guidelines learning material was to be supplied to neo literates. Fifty thousand copies of Parakh were got printed by the BGVs Panipat in November 1993 at Rs 5.80 per copy. Of this 24,300 copies of Parakh were distributed to neo literates and remaining copies worth Rs 1.49 lakh were still lying unutilised (May 1997).

3.2.14 Other points of interest

(i) Injudicious expenditure

(a) *Saksharta Samiti* Bhiwani came into existence from October 1991. The *Samiti* was responsible for making literate 2.13 lakh illiterates of Bhiwani District in the age group of 15-45 years (as per project). The work of actual teaching was started from July 1993. During 1992-93 975 trainers were trained. Upto October 1994 1,000 learners were reported to have completed the primer III and were therefore considered literate for which Rs 38.55 lakh were spent.

As per monthly progress report for October 1994 33,905 learners (16 per cent) had completed Primer I, 12,772 (6 per cent) Primer II and only 1,000 (0.47 per cent) Primer III. Apart from this 10,806 learners were attending classes at that time.

Thereafter the work of *Saksharta Abiyan* was by and large given (December 1994) to ex servicemen on experimental basis and 115 functionaries were employed for this purpose on honorarium basis. This experiment however failed as no progress was achieved. From August 1995 this work was assigned to the Education Department. Both these experiments were largely a failure as only 50 learners could be made literate between December 1994 and August 1996 at a cost of Rs 16.11 lakh. Thus for converting 1,050 illiterates to literate Rs 54.66 lakh were spent (cost Rs 5,205.71 per learner) on the following components:

	Expenditure (Rupees in lakh)
Administration	33.93
Contingency	3.00
Environment building	7.47
Training	1.14
Teaching/learning material	9.08
Machinery and equipment	0.04
Total	54.66

The Executive Committee BSS Bhiwani resolved in September 1996 to suspend the work till further orders as the work of the *Samiti* was unsatisfactory. By that time all the

learners attending classes in Primer I II and III dropped out. The matter was referred to the Samiti. reply was awaited (November 1997)

(b) The TLC project of Gurgaon for Rs 2.16 crore envisaging coverage of 2.60 lakh learners (at Rs 83.35 per learner cost) was approved by the NLM in March 1997. NLM/GOI released Rs 40 lakh as adhoc grant to the Samiti during July 1995 on the basis of earlier project proposals for meeting expenditure on works of immediate nature.

During July 1995 to March 1997 the Samiti had undertaken training of volunteers master trainers environment building etc apart from making payment of honorarium to sub project co ordinators. Though no teaching work had been started till June 1997 Rs 14.42 lakh were spent on payment of honorarium to sub project co ordinators.

(c) Irregular appointment of cluster co-ordinators

The Executive Committee of the Gyan Uday Saksharta Samiti Rewari resolved (October 1995) to appoint cluster co-ordinators (CC) one each for every 5-6 villages for effective supervision of literacy classes. The Chairman of the Samiti ordered to employ them for one month in January 1996 though there was no provision for appointment of cluster co ordinators in the project approved by NLM. The Samiti appointed 48 CCs for three months from February to April 1996 and 26 CCs for May and June 1996. Payment of Rs 1.96 lakh made to these CCs as honorarium was irregular as the appointments were not envisaged in the project. These co ordinators were removed after June 1996.

(ii) Inadmissible purchase and hiring of vehicles and computers

(a) TLC did not provide for purchase of capital items such as scooters jeeps computers etc. Hisar Saksharta Samiti and BGVS Panipat purchased vehicles valued at Rs 4.80 lakh during 1991-92 and 1993-94 in contravention of GOI's instructions.

(b) Hisar Saksharta Samiti and Jan Saksharta Samiti Gurgaon paid Rs 16.25 lakh (Hisar Rs 14 lakh and Gurgaon paid Rs 16.25 lakh during July to December 1994) to the District Red Cross Societies Hisar and Gurgaon as advance against hire charges for one jeep 18 motorcycles (Rajdoot) 2 motorcycles (Bullet) one gypsy two electronic typewriters one computer and one jeep. The District Red Cross Societies purchased the above mentioned vehicles and handed over the same to the Samitis on rent/hire basis up to March 1997 and the amount was not adjusted against the District Red Cross Societies. The HSS incurred expenditure on petrol and lubricants as well as on driver of jeep and also spent Rs 2.45 lakh on maintenance of the vehicles.

The HSS Hisar stated (March 1997) that the decision for payment of hire charges of vehicles were known to the then Chairman of the Samiti. The Jan Saksharta Samiti Gurgaon stated that literacy work was very typical and to carry on this work without vehicles was not possible. These were not tenable as TLC did not provide for expenditure on hire/purchase of vehicles and other capital goods.

(c) Though the scheme did not provide for purchase of vehicle the Samiti paid advance of Rs 1.26 lakh to District Bal Kalyan Officer Narnaul. Later on the same vehicle was taken on hire/rent basis on the ground that the scheme did not provide for purchase of vehicle. Hire charges of Rs 0.13 lakh were adjusted against the advances of Rs 1.26 lakh. This was undue benefit to the Samiti.

(d) Jan Saksharta Samiti Gurgaon paid Rs 2 lakh to District Red Cross Society Gurgaon as loan in November 1995 for the purchase of computer for NLM project. Expenses for the work to be done for NLM project were to be adjusted against the said loan. Scrutiny of records revealed that no work was got done from Red Cross Society and the loan amount along with interest was not refunded from Red Cross Society till date (June 1997).

(iii) Drawal of funds without requirement

In May 1995 the Chairman Bharat Gyan Vigyan Samiti Panipat withdrew Rs 1.60 lakh from Punjab National Bank Panipat and got a bank draft prepared in favour of a firm of New Delhi for purchase of computers though TLC/PLC were discontinued in December 1992 and December 1994 respectively. There was nothing on record to prove that the bank draft was delivered to the firm. The Executive of the Samiti did not resolve for the purchase of computers and the scheme did not provide for its purchase. The Samiti did not receive computers upto March 1997. On this being pointed out in audit the Samiti stated (January 1997) that the consent of the Samiti for purchase of computers was not obtained by the Chairman and the matter stood referred to NLM/Director Secondary Education Haryana Chandigarh.

(iv) Unjustified procurement of poly bags and guide books

Gyan Jyoti Literacy Society Kurukshetra and Hisar Saksharta Samiti Hisar purchased poly bags and guide books for Rs 4.18 lakh in June 1994 (Kurukshetra Rs 3.71 lakh and Hisar Rs 0.47 lakh) and supplied the material to learners/volunteers though there was no provision/requirement for supply/purchase of the material in the scheme. The procurement was therefore unjustified.

(v) Inadmissible expenditure on publication

Though the schemes did not provide for expenditure on publication of periodicals HSS Hisar published a fortnightly paper Chopal and spent Rs 4.60 lakh on printing/publishing of paper during July 1994 to October 1995.

(vi) Injudicious investment

The Saksharta Samitis Hisar Panipat and Mohindergarh instead of keeping in saving bank account could have invested the surplus amounts in short term fixed deposits which had led to loss of interest to the tune of Rs 14.10 lakh* considering 8.5 to 10 per cent per annum as rate of interest for term deposits.

(vii) Available expenditure after termination of schemes

The projects of TLC and PLC in Panipat district were discontinued/terminated in December 1992 and December 1994 respectively. However Rs 3.16 lakh were spent by the Secretary of the Samiti on office maintenance, payment of honorarium and travelling expenses etc. for the period from January 1995 to March 1997 even after termination of the scheme.

(viii) Absence of physical verification of store

As per State Government Financial rules the physical verification of store and stock had to be got conducted annually from an officer than the holder of the stores. No verification of stores was done by any ZSS as of March 1997.

* HSS Hisar Rs 8.56 lakh, Nutan Jyoti Saksharta Samiti Mohindergarh Rs 2.33 lakh and BGVS Panipat Rs 3.21 lakh.

(ix) Wrong adjustment of advances

Gyan Uday Saksharta Samiti Rewari paid advances of Rs 5.87 lakh to two firms during 1995-96 for supply of primers. Against these advances material worth Rs 4.81 lakh was received during May-June 1995 and the balance amount was neither refunded by the firm nor the material for that amount was supplied. Scrutiny of records revealed that against the receipt of material of Rs 4.81 lakh the full amount of advance of Rs 5.87 lakh was adjusted in the books in April 1996. Thus Rs 1.06 lakh was recoverable from the suppliers.

3.2.15 Absence of monitoring

At the State Level Director Secondary Education Haryana was to monitor the progress of campaign through a Deputy Director (Co-ordination) but no such monitoring was done.

3.2.16 Evaluation

NLM had suggested ZSSs for assigning evaluation of the campaigns to the external agencies. Besides the external evaluations NLM had also issued guidelines to ZSSs for undertaking concurrent evaluation of the campaigns. No external evaluation or concurrent evaluation of campaigns was conducted in any of the districts test checked.

The matter was referred to the Government in July 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

The information regarding funds released, expenditure incurred and unspent balances is enclosed at Annexure "A". The main reasons for non-utilization of funds were as under:

- (i) Activity such as identification of beneficiaries, target groups, surveys and environment buildings were done with the help of various Govt. Agencies such as Education Department, ICDS, Sanjivini, DPEP etc. which resulted in major saving in these Heads of expenditure.
- (ii) The target group of 6–14 years was covered under DPEP and was thus dropped from this project by the District which also resulted in less expenditure.
- (iii) Due to less number of beneficiaries than originally expected.
- (iv) Panchayat Elections in December '94 which had resulted in disruption and delays.
- (v) Floods throughout the State in September 1995.
- (vi) Parliament Election in March 1996.

Central Govt. has been releasing funds of their own and these are released directly to ZSS but the State Govt. did not release funds in excess.

Generally the projects have been prepared on the basis of rough survey reports available before the actual work; however, fresh detailed surveys have been conducted.

As indicated in Annexure B, survey was done in every district even though Saksharta Samitis might not have followed strictly the instructions for grouping of age as 6–14, 15–35 and 36–45 etc. The target group 6–14 years was dropped from the

project on account of start of DPEP in 4 Districts out of 7 Districts. The District wise position is given below –

In Bhiwani District the project was prepared for the illiterates of age group 15–45 years. Accordingly the survey was conducted and 2.13 lakh illiterates between the age group 15–45 years were surveyed showing men, women and SCs & STs.

In Kurukshetra District survey for identification of learners was completed but consolidation of the result was in process during Oct. 1997. However, the process had been completed in December 97 and according to the survey there were 97471 illiterates i.e. Male Female SC

35297 62174 27061 in the age group of 15–35 years

The total literacy campaign of Mahendergarh District for covering 1.70 lakhs illiterate in the age group of 15–45 was prepared, whereas on actual survey conducted in October 1996, only 87,284 non-literates were identified. Category wise distribution was Male 14223, Female 73061, SC 23694, ST–Nil.

In October 1997, revised survey was conducted for age group 15–35 and the target was revised to 60,219 with break up as Male 9441, Female 50778, SC 9632, ST Nil.

In Hisar District Z. S. S. conducted a single day survey of illiterates in Sept. 1994 for age group of 9–44 years as per guidelines issued by the N. L. M. and following were identified –

Total	Male	Female	SC	ST
Illiterates				
350000		115624	234376	95445
				Joint Distt Hisar including Fatehabad
216696		74212	142664	79094
Only in Hisar District				

GUSS Rewari prepared the project on the basis of the survey report conducted in April 1993 for 15–35 age group with following result –

Total	Male	Female	SC	ST
89,994		12266	77728	20020
				Nil

But in August 1997 a fresh survey was conducted with the help of literacy coordinators and the results were as under –

Total	Male	Female	SC	ST
743,13		8701	65612	15202
				Nil

The latest position of physical targets and achievements are shown in annexure B. This process was fully dependent on unpredictable human behavior of illiterates. It

further depended on pure voluntary support which is not easily available. Moreover the campaign was disrupted by the natural and uncontrollable factors as already detailed in reply to Para 3 2 6

In such projects timing and leadership are of extreme importance. Delay or change of leadership at District level has generally affected the performance very adversely.

Para may please be dropped

The project was to cover illiterates of the age group 6–45 years but there was no ban on taking up the persons beyond the age limit of 6–45 years. The main object was to educate the illiterate and that has been done in the case of persons noted in the para as ineligible. However in Hisar District no material was issued to them they used the material supplied to their seniors. The coverage of illiterates beyond the target group is justified because the project had to take the shape of a mass movement. Even if some one beyond the age group of 15–45 years is interested it would not be as per spirit of the project to ignore or refuse such a learner.

The excessive per learner cost mentioned here has been calculated on the basis of final achievement i.e. on the basis of illiterates learning up to primer III and when the total literacy campaign was under progress. Whereas the basic cost of training of trainers etc. was incurred on the basis of total coverage proposed under the project so as to make the project a success. Unfortunately many learners drop out after being enrolled as beneficiaries under the project. The formula taken for calculation of per learner cost on the basis of final achievement is not justified at all it should be on the basis of enrolment. However the District wise position is as under –

In Rewari 89994 learners were enrolled as against the target of 1 28 000. In case the cost is calculated on the enrolment basis and not on achievement basis cost per learner will be Rs 58/ per learner.

Only against the sanctioned cost Rs 72/ per learner. During operation restoration the expenditure will be minimum because mostly material is available with ZSS for operation restoration which will cover the dropouts.

In Bhiwani District the cost per learner became high because the project was suspended and the money spent on learners learning Primer I II & III has also been distributed on the 1050 literates only. Secondly the money on training had been spent for further period also. So trained persons will not require training and expenditure during PLC stage. Thus cost per learner will not be high in PLC.

In Kurukshetra it is stated that sum of Rs 46.99 lacs had been incurred up to 31 3 97 as per record of Gran Jyoti SHaksharta Samiti Kurukshetra instead of Rs 51.31 lacs as mentioned in the para. In addition to above stocks valuing Rs 9.64 lacs were lying in the stock as per stock record as on 31 3 1997. Thus the actual expenditure comes to Rs 37.25 lacs and the total cost per learner should be worked out on the basis of total enrollment. As per this para the enrollment in the district is 54022. So per learner cost in the district is Rs 69/- Where as per the project report Difference of Rs 5/ per learner is ignorable because during the project period there may be fluctuation in the rates of different commodities.

In Hisar District according to final and external evaluation in July 2001 The cost has been Rs 102 70 per learner The expenditure upto 30-4 -98 was Rs 1 65 000 against the achievement of 1 60 636 learner who completed upto Primer III If the per learner cost is calculated on the basis of enrolment it comes to Rs 79 93

In Mohindergarh District the training of Akshar Samik was organised in November 96 for the first time The actual process of teaching and learning was started in January 1997 and Primer I was completed in June 1997 so we can say that till 3/97 the teaching-learning process was going on and all the expenditure (21 83 lakh) incurred cannot be considered as the per learner cost because it includes setting up (Distt Block and Cluster) levels offices environment building training purchase of teaching-learning material etc After the completion of the project 23028 persons became literate out of 42 784 enrolled non literates

As per enrolment per learner cost in District M Garh was Rs 125/ and as per successful literate it was Rs 230/-

In Gurgaon District the cost increased because of heavy drop outs

In view of the above it can easily be said that per learner cost has been calculated on the basis learners completing all the three primers It is due to the dropouts in large numbers that resulted in extra cost It will be much lower if it is calculated on the basis of enrolment

Para may be dropped

As explained earlier also the delays and change of leadership are generally very detrimental in such project and these factors are beyond the control of implementation team These could not therefore be taken into consideration before hand and their impact was much greater than anticipated

Rewari has completed the project within stipulated period The Project was sanctioned from January 1995 to June 1996 Later on extension was granted for six months up to 31 December 1996 The project has been completed by this date Thereafter operation restoration for Rewari District has been taken up during August 97 to July 99 and as per project sanctioned by PAC in December 1997

In Bhiwani the Project was sanctioned late and consequently funds were also received in the month of Jan 1993 Without funds this project could not be started 46 months delay in completion is due to suspension of ZSS But in PLC stage side-by-side literacy classes will certainly make up for this deficiency

The Gian Jyoti Shaksharta Samiti Kurukshetra has received the amount in 6/94 and started its working in 6/94 itself However owing to the flood situation agro based economy and various elections extension in time span had been requested time and again On the advice of expert review committee of NLM the project proposal of Operation Restoration were submitted and approved by NLM Now the project is completed and PLC proposal has been approved by NLM in its meeting on 28 5 2001

In Mahendragarh District the (TLC) Total Literacy Campaign was sanctioned up to 30 June 1996 But due to unavoidable circumstances such as Panchayat bye Elections floods Parliament & Assembly Election etc The targets could not be achieved within the stipulated period Therefore the campaign could not be completed within the

prescribed time limit. Later the programme was restarted in the month of Aug 1996 and completed in June 1999.

Literacy campaign was started with the registration of ZSS Samiti Hisar in July 1992. Regular meetings of the District body were held and Training of Kala Jathas and other programmes in the villages continued. However formally the project could not begin after the National Literacy Mission grant was received on 14-3-1994. Therefore project suffered due to factors like Panchayat Elections, devastating floods of Sep 1995 and General Elections in 1996 etc. The ZSS requested National Literacy Mission for extension of period even when the extension was awaited it was not advisable to stop the campaign the project therefore continued to take the benefit of built up environment. Due to these reasons literacy campaign was continued up to April 1998 incurring minimum expenditure. In fact later on with the help of devoted volunteers of ZSS and literacy and other social activities the work continued till the final evaluation (July 2001) without incurring any extra expenditure.

Short Fall in Training

There was no shortfall in training in Rewari and Narnaul as reported in the para. Necessary training was imparted to resource persons, master trainers and volunteers as was required.

However in Bhiwani the District Administration face the problem of scarcity of volunteers which was the most difficult impediment to achieve success. Although efforts were made taking help of administration and N.G.O. the required number of volunteers could not be involved. Since the work was on voluntary basis no coercive method could be adopted. This became the reason of shortfall.

Para may kindly be dropped.

TLC Rewari has made no avoidable expenditure. The illiterates were 1,28,000 in 15-35 age groups. As the project was sanctioned on the basis of 1 lac 28 illiterates. So 1,28,000 Primers were got printed. As the enrolment was 89,994 learners so 89,994 Primers were used. As more than 50,000 learners enrolled in Primer II accordingly Primers II and III were got printed. No material as Voluntary Diaries and Posters were printed in excess, all above material being distributed for awareness purpose through volunteers to villages. Now they are utilizing this excess material under operation restoration.

In Bhiwani the purchase of Primers were according to the requirements of project. Purchase of 2.04 lacs Primer I is justified number for 2.13 lacs illiterates. Without prearrangements of material work cannot be started.

It is asserted that unutilized Primer I and II are being utilized even now in literacy classes. These will be very useful in PLC stage when mopping up operations will be carried out. Moreover the prices of Primers if purchased now will be much higher. So this expenditure is justified.

Hisar

According to the survey total number of illiterates were 3.50 lacs and ZSS Hisar purchased/printed learning material for 66% illiterates i.e. for 2.33 lacs illiterates.

Whereas according to N L M instructions material up to 80% of illiterates could be printed/purchased This printing/purchase was totally according to N L M norms The stock of remaining material as detailed in the audit report was totally utilized up to the time of final/external evaluation

Kurukshetra

As per the project submitted to the National Literacy Mission Authority the actual requirement of teaching learning material has been as under –

(a) Total illiterates as per project	1 05 000
(b) Volunteers required	10 500
(c) Master Trainers	450
(d) Key resource person	30
(e) Part time & whole time functionaries	4 000
Total	1,19 950

In the campaign approach functionaries i.e. volunteers KRP s MT s and others keep changing requiring repeated training which requires additional material This shows that the material has been acquired as per needs and no excess printing has been got done Besides this many learners demand additional material on account of lost or destroyed in learning process The same material has been utilized under operation restoration in which Panchayati Raj approach has helped in sustaining the classes So the total remaining teaching learning material had been used during this period under Operation Restoration

Kurukshetra

Yes it is true Gian Jyoti Saksharta Kurukshetra have distributed all the primers at one go in order to (a) save the discrimination/carriage charges (b) maintain the continuity and regularity in study of illiterates For ensuring the safety of teaching learning material it was supplied in poly bags After review team's instructions the distribution of primers was restricted to eligible learners only However as expected the learners in huge numbers came back in classes with their II and III Primers during operation restoration of TLC Approximately 35 000 learners have come back and rejoined their classes In the project proposals of Operation Restoration there was no provision for teaching learning material Therefore no learning material has been acquired during Operation Restoration and the same material had been used

Kurukshetra

The penalty/cut was imposed by the then President of Gian Jyoti Shasharta Samiti Kurukshetra @1% in some cases and 2% in other cases as the material supplied by the firms was adjudged 98% accurate as per the specification of supply order and was in a good condition to be used for learning amongst the learners and it was decided to impose such rate of penalty in the interest of Samiti Recovery of amount of penalty relates to peculiar circumstances of different samitis and can't be a rule for all

Para may be dropped

Panipat

In this regard it is submitted that since efforts were made to achieve the maximum but it could not be made possible due to certain reasons like a large number of drop outs

While submitting the project it was expected that maximum illiterates will be involved

As stated 80000 neo literates were to be covered in Total Literacy Campaign so it was thought proper to get 50 000 copies of learning material "parakh" printed for smooth functioning of the project. The enrolment could not be achieved as desired despite sincere efforts due to which 25700 copies were left undistributed. So it should not be considered as the irregularity committed by the Samiti

Moreover undistributed copies of Parakh can be transferred to any of the district where PLC is to be started

Para may be dropped

Bhiwani

It is admitted that heavy amount has been spent but the expenditure is calculated on accomplished work only. The work which was in process and was under preparation for result needed expenditure and much amount was spent on this process. ZSS could not get the full benefit of its efforts due to the suspension of ZSS. Therefore this cost is high. However the cost per learner will be covered during PLC stage and during mopping up operations when no extra expenditure will be required

Gurgaon

Honorarium of Rs 14.42 lacs during July 1995 to March 1997 was paid to sub Coordinators to prepare ground and create atmosphere for literacy for the age group of 15-35 years

Rewari is a backward District. At the time of presentation of the proposal it was not visualized clearly that there was a need for making provision for cluster coordinators. However during implementation of the campaign the need of having cluster coordinators for proper monitoring and implementation was felt accordingly the Executive Committee of ZSS in its meeting passed a resolution to appoint the cluster coordinators for proper implementation of the project

There was a provision in the project for the travel and transportation of Volunteers ranging from 10 000 to 15 000 per month and the replies received from various Shaksharta Samitis reveal that the cost on the purchase and maintenance of vehicles has been economical. The expenditure on hiring would have been much higher. The district wise position is as under —

(a) Panipat

As the project started in 1997 it was proposed by the then Chairman cum Deputy Commissioner and resolved by the Executive Committee that for smooth functioning of

the project jeep at the District level and Motor Cycles at the block levels be purchased of purpose of proper mobilization of the activities. Had these vehicles not been purchased it would have caused extra expenditure in regard to the journeys made during the project as the activities were conducted in the interior rural district. To save the time also these vehicles were considered to be utmost requirement of the project these vehicles can be used even in the projects.

National Literacy Mission was also aware regarding the purchase of vehicles.

(b) Hisar

Minimum number of vehicles were hired of literacy programme in the District. There are 20 literacy Blocks in the district. Each Block has 30 to 40 villages to co-ordinate literacy work in the block at least one Motor Cycle was urgently needed for Block coordinators, Asstt. Block Coordinators & Block Committee members. This District is the biggest District in Haryana. One jeep is needed for Chief Project Coordinator, Six Project Coordinators and 6 Assistant Project Coordinators of Z S S to organize, monitor and evaluate literacy work in the Blocks, Sub Project area and villages. One vehicle is required for the District Civil Officers for monitoring and evaluation of literacy work at Block and village level, so all these vehicles were essential for literacy work.

Secondly, these vehicles were hired from Red Cross Society Hisar on rent. So the advance rent was paid to the Red Cross Society on its request Z S S. Hisar had used all the vehicles for 41 months. Had the Z S S hired these vehicles from any private agency/firm, market ZSS would have paid Rs. 27 lakhs up to 31.3.1997 as detailed below –

Rent of Vehicles

Daily Rent	Rent from 15.7.94 to 31.3.97		
Commander Jeep	500.00	15000×41	615000.00
Enfield M/C x Two	100.00	6000×41	24600.00
Rajdoot M/C x 16	75.00	$2250 \times 16 \times 41$	147600.00
Sunny x 4	50.00	6000×41	24600.00
Mahendra Jeep	300.00	9000×12	108000.00
Total			26,91,000.00

The Chairman of ZSS Hisar, the then Deputy Commissioner, happens to be the Chairman of District Red Cross Society also. So he thought it best and suggested ZSS Hisar to pay advance of Rs. 14 lakhs to Red Cross Society.

The advance payment of rent was given to Red Cross Society for economy purposes. From private vehicle owner or Private agency or firm it could not have been possible to hire vehicle at July 1994 rate further in July 1995, July 1996, July 1997 and till April 1998, and it was only possible to give same rent to the Red Cross Society because the Chairman Red Cross Society was also the Chairman ZSS Hisar.

(c) Narnaul

During the month of August 1994 it was decided by District Child Welfare Council and Saksharta Samiti to purchase a van on 50/50 basis to provide Kalyan (welfare) Facilities to village children as well as to run the Saksharta Project smoothly. The Saksharta Samiti paid Rs. 1.26 lakh to District Child Welfare Council Narnaul (50% price of vehicle) bearing No. HP-47/0802 in 1994-95. On being pointed out that there is no provision for the purchase of vehicle in the Saksharta scheme the samiti decided to adjust the above amount by taking the van on rent to facilitate the smooth conduct of the training programme, supply of material, monitoring, evaluation and environment building for literacy. The above vehicle had run 2645 k.m. and amount of Rs. 13,225/0 adjusted in 1996 at the rate of Rs. 5 per k.m. upto 31-3-96. The balance amount of Rs. 1,12,775/- was adjusted from 8/96 to 6/97 at the rate of Rs. 10,000/- per month as hire charges of the vehicle. The pay of the driver and maintenance of the vehicle was borne by District Child Welfare Officer out of this amount of hire charges. And the total amount of Rs. 1.26 lakh has been adjusted by using this vehicle in rent. Rs. 10,000 per month for vehicle is within the approval budget as the Samiti demanded Rs. 15,000 per month for travel/hiring of vehicle in Total Literacy Campaign Project which was approved by National Literacy Mission.

(d) Gurgaon

The surface of Gurgaon District is uneven and hilly. Bus Facilities also were not available to reach the villages in time. So the Motor Bikes were purchased and one jeep was hired by the Society from Red Cross.

Panipat

Drawal of Funds Requirement

Regarding withdrawal of Rs. 1.50 lac none of the officer bearers of Samiti was aware. Neither it was resolved in the Executive Committee. As soon as it came to the notice of the Samiti all the necessary steps were taken. State and Govt. of India were also intimated.

Also there were clear indications that no major purchase be made after the project was discontinued.

Kurukshetra

The Zila Saksharta Samiti informed that the poly bags were purchased as part of literacy kit for the safe up-keeping of the teaching learning material. Besides issuing the poly bags to the learners/volunteers, the trainers were issued the material in the poly bags. Hence the procurement of poly bags was made for safe custody of the teaching learning material which was justified in the interest of the society. As already pointed out in para No. 3.2.12 (II) that the approximate 35,000 persons have rejoined their classes along with the teaching material was due to safe custody of the learning material in poly bags.

Hisar

Sanction of Rs. 9.00 lac was accorded by the N.L.M. for the publication of newsletter Z.S.S. got published a newsletter namely Chopal fortnightly in Hindi which was circulated in field for building literacy environment. It proved very useful for motivating the illiterate as well as to check the relapse of the new literates into illiteracy again.

Para may be dropped

District wise position is as under –

Narnaul

The amount of Rs 59 48 lakh was received by the samiti in June 1995 financial year 1995 96 in anticipation of sudden expenses the amount could not be deposited into short term deposit Later on Rs 55 00 000/ were deposited in Punjab National Bank Nasibpur on 27 3 96 as FD before the closing of the Financial year that is 31 3 96

Para may kindly be dropped

Hisar

The instructions given in the sanction by the National Literacy Mission dated 15 3 94 does not maintained the keeping of grants in fixed deposit scheme Actually the major part of the grant was to be spent for purchasing teaching learning material hiring of vehicles and other Hardware articles So it could not be visualized at the beginning how much amount will be spent on the project and what will be the balance amount That is why the amount was kept in saving account No such guidelines were given by the National Literacy Mission to keep the balance amount in fixed deposit So the amount was deposited in current account

Gurgaon

The amount standing in Saving Bank Account will be deposited in short term Deposit and you will be informed accordingly

Panipat

The amount remained in saving account due to reason aht Bharat Gyan Vigyan Samiti Panipat has referred the case to D G NLM Govt of India New Delhi vide letter No 2177/78 dated 27 2 95 To take away the balance amount and other property as this project have been closed The reply of this letter was expected any movement so if the amount remained in F D R it could not be returned Inthe interest of the Bharat Gyan Vigyan Samiti Panipat the amount was kept in saving account The reply of the Director NLM was received in May 1995 in which he desired to take up the proposal for mopping up/revival campaign

Para may be dropped

Panipat

Total whole time staff from Govt Department and other volunteers were relieved just after the completion of the project period i e in Dec 1994 Some staff which was essential was kept for office maintenance and looking after the property

Para may be dropped

Bhiwani

Physical verification of stock and store has been made in April 2000 by Shri Subhash Chander Malhotra Lecturer GSSS Bhiwani

Rewari

It is mentioned that ZSS Rewari has made payment in excess of Rs 5 87 lacs to two firms during 1995 96 for supply of primers It is stated that ZSS Rewari had

printed the primers from Arawali Printers and Publishers Pvt Ltd W 30 Okhla Industrial Area Phase II New Delhi by calling the open tender and the payment has only been made to the above mentioned firm. The objection that payment of Rs 5.87 lac made as advance to two firms for supply of primers is wrong because ZSS Rewari got printed from one firm and all the payment had only been made as account payee demand draft in favour of M/s Aravali Printers & Publishers Pvt Ltd for supply of primers as all the primers were got printed from the above said firm so there is no question of making payment to second firm. All the payments have been made to one firm equal to the value of material received by ZSS Rewari. No excess payment and false entry has been made.

Para may kindly be dropped

Regular monitoring was done through monthly meetings and reports sent to Govt of India

Bhiwani

Concurrent evaluation of work was done and on the basis of same evaluation 1050 learners were declared successful to have completed Primer-III the report could not be submitted for audit

ZSS had not reached the stage of external evaluation it will be got done when required

Kurukshetra

Gian Jyoti Samiti Kurukshetra had got done its concurrent evaluation in June 2001 and found good performance. Gian Jyoti Saksharta Samiti is going to get external evaluation very shortly

Narnaul

After the completion of total literacy campaign on 30.6.99 Nutan Jyoti Zila Saksharta Samiti conducted an External Evaluation through Indian Adult Education Association New Delhi. It has started this evaluation process on 3.7.99 and submitted its final report to National Literacy Mission on 30.9.99

Rewari

Internal evaluation was done in August 96 by Haryana State Resource Centre Chandigarh and result was 20.01% and again an external evaluation was done in 2000 by Indian Adult Education Association New Delhi. As per the report the result of TLC Rewari was 50.01%

Keeping in view the above reply in the foregoing paras and the fact that the programme was taken up by NGOs and the voluntary support - as not up to expectations. Therefore the achievements have been less than originally projected. The details of achievements as has been received from various samitis and shown in annexure B are as under -

Primer I	1023618	41.50% of Survey	60.21% of enrollment
Primer II	809430	32.8% of Survey	47.67% of enrollment
Primer-III	686563	27.8% of Survey	40.38% of enrollment

The current level of achievement i.e. 6.87 lac is much more than the achievement

of 0.95 lac shown in the para. The projects are still continuing under Operation Restoration/Post Literacy Campaign/Continuing Education Programme. As far as purchase of excess material or savings are concerned that shall be utilized by NGOs during these programmes.

The para may please be dropped.

ANNEXURE A

Details of Literacy Projects

Sr No	District	Name of Agency	Cost of Project (in lakhs)			Amount given for the project (in lakhs)		Expenditure (in lakhs)	Balance upto date (in lakhs)
			Total	State Govt Share (1/3rd)	Central Govt Share (2/3rd)	State Govt	Central Govt		
1	2	3	4	5	6	7	8	9	10
1	Panipat	Bharat Gyan Vigyan Samiti	122.25	40.75	81.50	30.00	81.50	60.60	50.90
2	Ambala	Navjyoti	99.92	33.30	66.62	25.00	40.00	55.00	10.00
3	Yamunanagar	Jyotipunj	78.50	26.00	52.50	19.00	51.00	70.00	Nil
4	Jind	Zila Saksharta Samiti	167.00	55.66	111.34	35.00 9.25	80.00 13.00	115.00 22.25	Nil Nil
5	Bhiwani	Bhiwani S Samiti	120.90	40.30	80.60	35.00	40.00	59.79	15.21
6	Rohtak	Jan Saksharta	113.29	37.76	75.53	26.00	85.00	117.00	Nil
7	Sirsa	Sirsa Saksharta Samiti	130.00	43.33	86.67	25.00	75.00	92.43	7.57
8	Hisar	Hisar Saksharta Samiti	272.11	90.70	181.41	33.00	136.05	167.00	2.05
9	Kurukshetra	Gianjyoti	94.00		62.67	33.00	52.66	75.17	10.49
10	Sonepat	Sonepat Saksharta Samiti	57.68	19.23	38.45	25.00 4.25	38.18 11.36	63.18 15.61	Nil Nil
11	Rewari	Gyan Uday Saksharta	92.16	30.72	61.44	12.00 11.00	56.00	77.00	2.00
12	Mohindergarh	Nutan Jyoti	118.96	39.65	79.30	12.00	59.48	52.51	18.97
13	Gurgaon	Jan Saksharta Samiti	228.00	76.00	152.00	24.00	72.00	91.25	4.75
14	Fardabad	Gian Parkash	223.50	74.50	149.00	5.00	111.75	125.21	Nil
15	Kaithal	Gian Deep	86.76	28.92	57.84	10.00	26.00	34.69	1.31
16	Karnal	Uthan Saksharta	180.00	60.00	120.00	7.00	36.00	40.38	2.62
17	Panchkula	Zss Panchkula	45.50	15.17	30.33	7.00	28.00	36.13	Nil
18	Fatehabad	Project yet to be started							
19	Jhajjar	Project yet to be started							
Total			2230.03	761.93	1487.20	387.50	1092.98	1370.20	125.87

After hearing the departmental representatives, the Committee is not satisfied with the reply of the department and observed that the Total Literacy Campaign was not properly implemented in some districts as there was mis management and mis-utilisation of funds. The target identified were not achieved and there was a delay of 6 months to about 4 years in commencement/completion of project. The rates of printing or learning material varied districts to districts and the Committee is also not satisfied with the reply given by various Deputy commissioners in regard to the printing of excessive material and issue of learning material to learners at one time. The Committee also observed that the purchase of vehicles, Computers, polybags, guide books and publication of paper and expenditure after terminating/completion of scheme, wrong adjustment of advances etc. in various districts were also unjustified.

The Committee, therefore, recommends that the whole matter be investigated by the Commissioner and Principal Secretary of the Education Department in view of the observation of the Committee and a detailed report be sent to the Committee at the earliest for its consideration so that the project be restored and made it successful.

[5] 34 *Colour television under Education Technology Scheme lying unused*

Under the Educational Technology Scheme on sharing basis between the Central Government (75 per cent) and the state Government (25 per cent) Government of India released Rs. 36.85 lakh (75 per cent cost of 378 colour televisions (CTVs) at the rate of Rs. 13,000 per set to the State Government in February 1994 for installation in 378 schools in 13 districts**.

These CTVs were to be installed in the schools where (i) electric connection was available or could be made available within six months, (ii) arrangements for imparting training to teachers for effective use of CTVs were available and (iii) at least two teachers were available and the schools had two pucca rooms.

The Department purchased 359 CTVs for Rs. 44.88 lakh (Central share Rs. 33.66 lakh, State share Rs. 11.22 lakh) between January and March 1995 and Rs. 2.60 lakh (out of the Central assistance of Rs. 3.19 lakh) were deposited as State revenue instead of refunding the amount to Central Government and Rs. 0.59 lakh were lying with the respective District Education Officers. Scrutiny of records of the Director, Secondary Education and 105 schools of 8 districts* revealed that:

- (i) Electricity connection was not available in 27 schools
- (ii) 23 CTVs had been kept outside the school premises with teachers/responsible persons of villages and 7 CTVs were lying packed in schools premises since their purchase in March 1995
- (iii) None of the 105 CTVs were provided with antennas
- (iv) State share of CTVs was contributed by the concerned schools out of pupils fund and
- (v) No programme was prescribed by the Education Department on elementary education to be shown to the children and no period was prescribed in the daily teaching time table for TV programme in these schools. Further, no teacher was imparted training for effective use of CTVs in all the 105 schools.

** Ambala (35) Bhiwani (25) Fardabad (38) Gurgaon (38) Jind (25) Kaithal (20) Karnal (27) Kurukshetra (25) Panipat (16) Rewari (38) Sonapat (38) and Yamunanagar (15)

Thus Rs 13.13 lakh of Central assistance (Rs 9.85 lakh) and pupils fund (Rs 3.28 lakh) spent on purchase of 105 CTVs proved unfruitful

The matter was referred to the Government in June 1997 their supply had not been received (November 1997)

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

Colour TV's were purchased and installed under the Educational Technology Scheme on sharing basis the Department purchased these Television sets to improve the standard of Education. Before purchasing the Television sets concerned District Education Officers were directed to send the names of such schools which were having electricity, two Pucca Rooms and Two teachers. It was also emphasised that no TV set should be installed without Antenna. The Principals of concerned schools were also directed that there should be effective use of Television to impart Education and knowledge to students. The District Education Officers had made full arrangements to provide the Elementary Education to children through these colour Televisions. Time table had also been prescribed for Daily Teaching in these schools. It had also been instructed that no TV should be lying packed without any use. It had also emphasised upon that no Television should be kept outside the School premises. However, now the department has issued instructions in this regard to District Education Officers and Principals of the concerned Schools to make full arrangements to get full use of these TVs. The students are getting maximum benefits for modernisation of Educational Technology through these Colour Television sets. It is also stated that the State share amounting to Rs 3.29 lacs has been deposited in the Government Treasury out of the pupils fund. Hence para may please be dropped.

After hearing the departmental representatives the Committee is not satisfied with the reply of the department and observed that the CTVs provided in the schools were not properly used. The Committee recommends that the department should ensure the proper use of the CTVs to improve the standard of education. The Committee also recommends that the matter be investigated and action be taken against the officers/officials who get the CTV in the schools without fulfilling the requisite conditions of provision of electricity, antennas, Pucca rooms etc. and report be sent to the Committee within a period of three months.

[6] 6.15 *Extra expenditure on purchase of paper*

Firm A of Chandigarh had a rate contract for supply of Cream Wove/WP paper of all sizes to Kurukshetra University Kurukshetra for the year 1994-95 at the rate of Rs 20.30 per kg with the condition that increase in mill rates of paper was to be borne by the University. The supplier intimated (January 1995) that the mill rates for all types of paper increased by Rs 2.50 per kg. Accordingly the Vice Chancellor approved on 22 February 1995 enhanced rate of Rs 22.80 per kg (Rs 20.30 plus Rs 2.50) for all types of paper.

A proposal of the Department of Distance Education of the University in February 1995 for the purchase of 5,000 reams (0.58 lakh kgs) of Cream Wove paper at Rs 22.80 per kg from firm A was approved by the Vice Chancellor on 4th March 1995. However, on 8 March

1995 the Vice Chancellor desired that before placing the supply order the purchase committee constituted for the purchase of envelopes might verify the rates of paper prevailing in Delhi market so that the purchase of paper was made keeping in view the best interest of the University. In the meanwhile Rs 13.50 lakh were drawn (15 March 1995) as temporary advance for the purchase of 5,000 reams (0.58 lakh kgs) of paper at Rs 22.80 per kg offered by the approved firm. The purchase Committee without approaching firm A reported on 28 March 1995 that no firm in Delhi was willing to quote any rate due to anticipated steep rise in prices of paper and recommended that the paper might be purchased in April 1995 after the prices stabilise. Accordingly 2,918 reams (0.34 lakh kgs) of Cream Wove paper at the rate of Rs 39.75 per kg were purchased (May/June 1995) from firm B for a total amount of Rs 13.45 lakh after collecting quotation by the Purchase Committee. Thus due to ignoring the contract rate of firm A as approved by the Vice-Chancellor on 4 March 1995 an extra expenditure of Rs 5.74 lakh was incurred by the University.

On this being pointed out (February 1996) in audit an enquiry officer was appointed by the University on 19 October 1996 to investigate the matter. The enquiry Committee held that the then Additional Director, Department of Distance Education (Senior most member of the Purchase Committee) acted with mala fide intention and ulterior motive and was responsible for the loss. Show cause notices to the members of the Committee were issued as per decision of the Executive Council.

The matter was referred to the government in January 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

Again this being a matter of record needs no further comments except that the proposal of the Department was not approved by the Vice Chancellor on 4.3.95. He only marked the proposal to the Registrar on 4.3.95 simply by initiating it (according to the system in the University the proposal is considered to have been approved only if the competent authority records as such specifically) and it was further sent to the Accounts Branch on 6.3.95. The purchase being heavy (Rs 13.50 lac) and repeat order proposed to be effected at the enhanced rates of the approved firm at the fast end of the financial year/contract the following suggestion of the Accounts Branch dated 8.3.95 was approved by the Vice-Chancellor on 8.3.95 desiring the Purchase Committee to verify the rates as prevailing in Delhi market before effecting the purchase keeping in view the best interest of the University –

Keeping in view the magnitude of the purchase costing Rs 13.50 lac approximately it does not seem desirable to effect the purchase on the revised rates from the same firm. Originally the rates were approved in favour of M/s Virendra Agro Chemicals Ltd Chandigarh @ Rs 20.30 per kg but the firm has revised its rates to Rs 22.80 per kg. The Directorate has separately proposed the constitution of Purchase Committee for effecting the purchase of envelopes worth Rs 1.00 lac from Delhi market. It is therefore felt that the same Committee may verify the rates as prevailing in the Delhi market and effect the purchase for only such quantity of the paper as is considered necessary for the present and the rest of the quantity may be purchased subsequently after inviting fresh tenders.

tenders. However if the market rate trend is considered to be on the rising side then the Committee may consider to effect the purchase of the entire quantity of the paper keeping in view the best interest of the University"

The Registrar on 8-3-95 recommended to the Vice Chancellor to approve the above suggestion of Accounts Branch with the following note which was approved by the V C

Shri Kuthiala may be additional member of the Committee. For approval please

The above orders of the Vice Chancellor being exhaustive the purchase was required to be effected @ not exceeding Rs 22.80 per kg after verifying the rates from the Delhi market

On the request of the Department of Distance Education dated 14-3-95 an advance of Rs 13.50 lac was allowed by the Registrar with a rider that the orders of the Vice Chancellor (dated 8-3-95) and the revised rate of Rs 22.80 per kg of the approved firm be kept in view while effecting the purchase in the best interest of the University

On 15-3-95 the Government Auditors too put the following condition while admitting advance of Rs 13.50 lac

May admit subject to the condition that rates should not exceed Rs 22.80 per kg as offered by the approved firm. Moreover such a huge purchase be made through tenders in future"

As a matter of fact the purchase committee when on verification on 27-3-95 found that no firm in Delhi was willing to quote any rate due to anticipated steep rise in price of paper. It should have approached the approved firm M/s Virendra Agro Chemicals Ltd Chandigarh whose rates were valid upto 31-3-95 and effected the purchase @ Rs 22.80 per kg keeping in view the best interest of the University' as envisaged in the orders of the Vice Chancellor dated 8-3-95 and also the condition put in while allowing the drawal of advance that the purchase is to be made on rates not exceeding Rs 22.80 per kg. But instead of doing so the purchase Committee/Department suggested to the Vice Chancellor that the purchase may be effected in April 1995 who after having seen the same returned it direct to the Department of Distance Education the Purchase Committee as per its minutes dated 28-4-95 while considering quotations decided to purchase the paper of another quality viz Bengal Cream Wove paper than that of approved Virendra Agro type quality paper at the higher rate of Rs 39.75 per kg from M/s Chauhan Paper sales Corporation Yamuna Nagar. The Department placed the order with the firm concerned and made the payment out of the advance of Rs 13.50 lac given to them with a clear stipulation that the purchase be effected at the rate not exceeding Rs 22.80 per kg without taking the advice of Accounts Br & fresh order of the Vice Chancellor. The effect of the Purchase Committee date 27-3-95 suggesting the purchase of paper in April 1995 and that of 28-4-95 deciding to effect the purchase at the rate of Rs 39.75 per kg and the receipt of paper and making the payment thereof in May/June @ Rs 39.75 per kg out of the advance allowed for effecting the purchase at the rate not exceeding Rs 22.80 per kg did not come for the scrutiny/advice of the Accounts Branch

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The Director Department of Distance Education with reference to the audit Requisition had also stated in his communication dated 25.3.1996 that Bengal Paper is decidedly better quality paper being tough and solid in appearance whereas Virendra Agro type paper was rated equivalent to newsprint and printing on this paper selected on the back side. However size and weight of the paper in either case remains the same as all brands of paper are manufactured as per approved specifications.

- (ii) The Agro quality paper was purchased by the University during 1994-95 only.
- (iii) Paper so purchased by the Committee was used for printing of lessons in the Directorate of Correspondence Courses. From 1995-96 the better quality paper as compared to agro based quality is being used for printing of lessons to improve the quality of printing of lessons as per deliberations of the advisory committee of Directorate of Correspondence Courses.
- (iv) The expenditure on purchase of paper was incurred out of internal resources of the University the Government grant being not even commensurate to meet the salary expenditure of the University as per following data --

	<u>1994-95</u>	<u>1995-96</u>
	(Rs. in lacs)	
Salary expend	1205.88	1402.00
Govt. Grant	1087.16	1190.00

Hence this has no bearing on Government grant.

"In view of the facts enumerated above Audit para may kindly be dropped. So far as the irregularities committed by the Purchase Committee are concerned disciplinary action will be taken against them by the University as per rules on completion of the enquiry.

After hearing the departmental representatives and going through the additional reply submitted by the department, the Committee recommends that information be sent to the Committee after effecting the balance recovery from Shri M K Maudgil, Manager (Printing & Press), Kurukshetra University, Kurukshetra

AGRICULTURE DEPARTMENT

[7] 3 5 Integrated Watershed Development Project (Hills) Kandi area**

3 5 1 Introduction

The Integrated Watershed Development Project (Hills) Kandi area (Project) was taken up in Haryana from March 1990 with the World Bank assistance for seven years i.e. upto December 1996 to address the environmental problem of "watershed degradation". The Project is continued beyond December 1996 though formal approval for its extension had not been received (September 1997) from World Bank/Government of India. Meanwhile the closing date for the credit has been extended to 30th June 1998 by the International Development Association (IDA).

The Project aimed at conserving soil and *in situ* moisture on arable and non arable lands in the sub-tropical Shivalik ranges of the Himalayan foothills through the use of appropriate soil and moisture conservation technology. Of 1 92 lakh hectare area suffering from soil erosion in the Shivalik belt of Ambala Panchkula and Yamunanagar districts 50 796 hectares of land was identified and decided to be developed through watershed treatments and other development activities under components of Forest Animal Husbandry Agriculture Soil Conservation Horticulture Research and Watershed planning/implementation.

Of the identified area 14 867 hectares was to be developed during the first three years (up to 1992-93) and the balance 35 929 hectares (revised to 48 568 hectares after mid term review (MTR) of the Project conducted in August 1994 by a joint team of Government of India and World Bank) during the remaining four years (1993-94 to 1996-97).

3 5 2 Organisational set up

The Project was to be implemented by Horticulture Agriculture Forest and Animal Husbandry departments. The Director of Agriculture was in overall charge of the Project supported by one Project Director (controlling officer for the Project) one Deputy Director Animal Husbandry at Chandigarh two Divisional Forest Officers (DFOs) at division level one Project Officer (PO) Horticulture and one Project Officer Soil Conservation.

3 5 3 Audit coverage

Review of records of all the six¹ sub-watersheds taken up for development under the Project during 1989-90 to 1996-97 was conducted in the offices of the Project Director Integrated Watershed Development Project (Hills) Kandi Area Chandigarh Divisional Forest Officers Kandi Project Division at Panchkula and at Yamunanagar Project Officer (Horticulture) Panchkula Assistant Soil Conservation Officers (ASCs) at Panchkula and Chhachhrauli and the Deputy Director Animal Husbandry Chandigarh from November 1995 to March 1996 and from December 1996 to February 1997. The results of the audit are discussed in the following paragraphs.

3 5 4 Highlights

- * Against the World Bank credit allocation of SDR 13 48 million (Rs * 29 53 crore) for the Project period of seven years (1989-97), the Department could utilise upto March 1997 SDR 6 25 million (Rs * 13 69 crore). The

1 Begna Boli Yamuna Modhkali Parthala Sirsa Nadi and Somb
Converted @ ISDR=US \$ 1 32 and US\$ 1 = Rs 16 60 as adopted during 1989 by the GOI/World Bank for SAR Estimates

reimbursement claims of Rs 0 78 crore for the period 1989-97 were disallowed by the World Bank for want of supporting/requisite documents

(Paragraph 3 5 5)

- * Due to late start of the Project in 1989-90, target of developing 1,409 hectare area was not met and Rs 3 20 crore provided in the SAR estimates could not be utilised

(Paragraph 3 5 6)

- * Under arable land, shortfall in achievement of targets was 37 per cent in "rainfed crop demonstration" and 57 per cent in "nursery strengthening/ grass nurseries" and virtually no work was done in respect of "contour vegetative barriers" and "terrace repair and vegetative reinforcement" Under private non-arable land percentage of achievement was only 26 5 on an average in respect of "vegetative shrub barriers" and "silvi pasture" Under gully stabilisation achievement was 31 and 64 per cent in respect of "crate-wire structures" and "dry stone masonry" respectively in drain line In stream bank protection the achievement was 41 and 29 per cent respectively for "crate-wire structure" and "vegetative spurs" Under Animal Husbandry, the shortfall in respect of supplementary feeding for female calf was 35 per cent.

(Paragraph 3 5 7)

- * Horticulture nurseries were not developed and SAR provisions of Rs 20 50 lakh for this purpose was not utilised

(Paragraph 3 5 8)

- * Rs 52 93 lakh were recoverable as investment cost from the beneficiaries for the period 1990 96 However, the amount of recovery due and made could not be verified as beneficiary-wise records were not available

(Paragraph 3 5 9(i))

- * The average survival percentage of plants under rainfed horticulture demonstrations ranged between 19 91 and 33 60 per cent in the areas of Sirsa and Boli sub-watersheds respectively during 1991-94

(Paragraph 3 5 9(ii))

- * While only 10 16 hectares of common and private non-arable land was available as per revenue records, plantation was shown on 59 hectares in Kona and Nangal Bagga villages Common land of 31 70 hectares shown to have been covered under plantation in Paploha and Sultanpur villages was denied by the village *Sarpanches* The expenditure of Rs 5 52 lakh incurred on such plantation was doubtful

- * Expenditure on purchase of stone boulders (Rs 10 21 lakh) and *khus* (Rs 10 10 lakh) from piece workers during 1994-97 by Assistant Soil Conservation Officer, Panchkula was doubtful as there was no proof of

payment of royalty by the piece workers to the Forest Department for such supply and there was no private source from which *khush* could be procured by the piece workers

(Paragraph 3 5 9 (iii))

- * Divisional Forest Officer, Kandi Project Division, Yamunanagar planted 3 76 lakh eucalyptus plants, at a cost of Rs 40 81 lakh during 1995 96 and 1996 97 in disregard of the Project Director's instructions against the propagation of such species of plants

(Paragraph 3 5 9(iv))

- * Key posts of Agrostologist and consultants in some fields remained vacant throughout the project period depriving the project of services of institutional specialists

(Paragraph 3 5 9(v))

- * Plantation done by Divisional Forest Officers, Yamunanagar and Panchkula during 1990-94 at a cost of Rs 1 97 crore, had not been handed over to beneficiaries as required

- * Extra expenditure of Rs 13 78 lakh was made on digging of pits of bigger size than prescribed for afforestation

(Paragraph 3 5 9 (vi) and 3 5 9 (viii))

- * Information System on Geography which was intended to assist Project monitoring was not functional Remote Sensing Centre was not used in taking aerial photos/satellite imagery data on land use changes

- * One evaluation by Haryana Agriculture University, Hisar and another jointly by Government of India and World Bank revealed that people's participation and awareness amongst beneficiaries were lacking, the structure constructed were not adequate to check the soil erosion and for want of professional services the Project was handicapped The Department was yet to take any concrete remedial action on the evaluation reports

(Paragraph 3 5 10 and 3 5 11)

3 5 5 Financial outlay and expenditure

During the period from 1989-90 to 1996-97 against SAR estimates of Rs 43 97 crore original budget provision and final grant (re-appropriated) was Rs 39 72 crore and Rs 40 50 crore respectively and expenditure was Rs 40 22 crore

As per SAR the expenditure under the Project was initially to be met out of State funds Thereafter prescribed percentage of actual expenditure was re-imbursable by the World Bank through Government of India (GOI) on the basis of claims to be preferred by the Project Director

Against the reimbursement claims of Rs 33 76 crore submitted by the Department during 1989 90 to 1996 97 claims of Rs 0 30 crore were rejected being not admissible and

claims of Rs 0 78 crore were disallowed for want of required documents as indicated below

Particulars of expenditure	Amount	Reasons
	(Rupees in lakh)	
Construction of building	66 27	Utilisation certificates from the PWD (B&R) not furnished
Purchase of vehicle and field	4 02	Booked under wrong category
Operation (un reconciled)	0 10	
Consultants services and training	7 74	Absence of supporting documents and prescribed form
Total	78 13	

The Project Director stated (November 1997) that the claims for Rs 66 27 lakh were submitted (December 1996) to the World Bank for reimbursement and documents in support of Rs 11 86 lakh were being collected from the concerned departments

(i) Against the World Bank credit allocation of SDR 13 48 million (Rs 29 53 crore) for the entire Project period of seven years (1989-90 to 1996-97) disbursement up to 31st March 1997 was around SDR 6 25 million (Rs 13 69 crore) (46 *per cent*) leaving substantial undrawn balance of SDR 7 23 million (Rs 15 84 crore) (54 *per cent*) and the drawal/utilisation of the balance credit was unlikely during the remaining period. The MTR noted the following reasons for slow progress of the projects

- release of funds by the State Government in piecemeal
- lack of professional services in the institutional development
- absence of cost sharing arrangements in development of non-arable lands and
- little use of technical assistance in interactive planning procedures for which consultants could not be appointed by GOI

The Department however attributed slow progress mainly to delay in positioning the field staff and appreciation of US dollar vis a vis Indian rupee. The reply was not tenable as the credit commitment from the World Bank was in terms of SDR. Appreciation of US dollar resulted in availability of more funds in terms of Indian currency which should have been utilised for making up the shortfall against targets for various land treatments. Moreover 0 63 lakh hectare area was targeted to be covered under the project whereas an area of 1 92 lakh hectare was identified to have been effected by watershed degradation (soil erosion). With the availability of more funds in local currency the target for coverage should have been reviewed and revised up ward instead of leaving the World Bank loan unspent.

(ii) SDR credit of 1 13 million was earmarked in SAR for 'field operations and materials which included various land treatments. Against this SDR 2 26 million were drawn upto March 1997 i.e. excess by SDR 1 13 million (hundred *per cent* of the allocation). Excess drawal was mainly due to excess coverage of areas under the treatment 'afforestation' (village common

land 141 *per cent* of targets and forest land 602 *per cent* of targets) and the treatment vegetative check dams" (drainage lines 807 *per cent* of targets) Excess coverage of area under these treatments and resultant excess expenditure led to shortage of funds adversely affecting the physical progress under other land treatments like contour vegetative barriers (achievement 2 *per cent*) terrace repair and vegetative re-inforcement (achievement 1 *per cent*) silvi pasture (achievement 26 *per cent*) crate wires (achievement 31 to 41 *per cent*) vegetative spurs/shrub barriers (achievement 27 to 29 *per cent*) etc

(iii) Rush of expenditure in March

Financial rules required that rush of expenditure during the closing months of the years should be avoided It was however noticed during test-check of records of the Assistant Soil Conservation Officer Panchkula that the expenditure incurred on various treatment works during March ranged between 44 and 81 *per cent* of the total expenditure during 1990-91 to 1996-97 as indicated below

Year	Total expenditure	Expenditure during March	Percentage of expenditure during March
(Rupees in lakh)			
1990-91	7 80	5 15	66
1991-92	8 44	3 89	46
1992-93	11 12	7 49	67
1993-94	21 46	15 33	71
1994-95	51 38	28 99	56
1995-96	58 00	47 29	81
1996-97	88 83	39 11	44

The Department stated (August 1996) that the sanction/budget was mostly received at the fag end of financial year The position in regard to release of budget for 1990-91 to 1996-97 was verified in audit and it was found that the State Government released the budget to the Department well in time every year Even the releases were made between March of the preceding year to November of the succeeding financial year The release of budget by the Government to the Department sanction of funds by the Project Director to the ASCO Panchkula and drawal of funds up to December every year were as under

Year	Budget released by the Government to the Project Director	Funds sanctioned by Project Director to ASCO Panchkula	Expenditure incurred
(Rupees in lakh)			
1990-91 (Upto December)	300 00	8 51	1 87
1991-92 (Upto December)	272 96	15 09	4 39
1992-93 (Upto December)	260 80	7 82	2 44
1993-94 (Upto December)	257 90	18 51	4 31

1994-95 (Upto December)	1 056 50	34 21	14 48
1995-96(Upto December)	1 098 00	27 13	0 90
1996 97 (Upto December)	1 350 00	43 20	11 15

The reply was therefore not based on facts

3 5 6 Physical targets and achievements

The areas treated as against targets during 1989-90 to 1996-97 were as under –

Year	Area Treatment		Shortfall percentage
	Targets	Achievement	
	(In hectares)		
1989-90	1 409	Nil	100
1990-91	1 743	1 243	29
1991-92	1 484	1 693	—
1992-93	879	1 445	—
1993-94	406	1 464	—
1994-95	2 772	2 874	—
1995-96	6 750	6 156	9
1996-97	8 245	6 341	23
Total	23,688	21,216	10

As the Project was started at the fag end of the year in March 1990 the target of 1 409 hectare area to be covered under watershed treatment in 1989 90 could not be met This resulted in non utilisation of Rs 3.20 crore provided in SAR estimates for 1989 90 Government stated (August 1996) that the negotiations for the project were done in February 1990 and therefore the Project was started in 1990-91 and not in 1989 90 The reply was not in line with the provisions of para 3 22 of SAR which envisaged that World Bank would retrospectively finance project cost incurred after August 1989

Against the revised target of developing 63 435 hectares area through *in-situ* moisture and soil conservation measures during 1989 90 to 1996-97 actual achievement upto 1996-97 was not on record Yearly break-up of targets for area development and achievements there against was not worked out by the project authorities in any year Government stated (August 1996) that environmental rehabilitation being a long term process the same could not be a one-time action and it was not feasible to break-up the total development area into year-wise targets It was not understood as to how the achievement of the area developed was monitored in the absence of fixation of periodic milestones

3 5 7 Land treatment

The progress of land treatment under various land-categories and components during 1989 90 to 1996-97 was as under

A. Arable land

Targets and achievements under this category of land as furnished by the Project Director were as under

Treatment/ Component	Targets as per SAR/ MTR 1989 90 to 1996 97			Achievements 1989 90 to 1996 97			Percentage achievement
	Initial sub water sheds	Additional sub water sheds	Total	Initial sub water sheds	Addi tional sub water sheds	Total	
(In hectares)							
Contour vegetative barriers	933	—	933	23	—	23	2
Terrace repair and vegetative reinforcement	933	—	933	13	—	13	1
Vegetative field boundaries	1 626	5 900	7 526	1 923	4 777	6 700	89
Rainfed crop demonstration	3 190	1 800	4 990	1 498	1 623	3 121	63
Rainfed horticulture demonstraouon	52	600	652	174	737	911	139
Nursery strengthening/ Grass nurseries	91	240	331	—	—	141	43

Government stated (August 1996) that progress of contour vegetative barriers and terrace repair and vegetative reinforcement were slow as the land holdings were small and contour vegetative barriers along the contour would disturb the existing field boundaries and the farmers could not afford it. It was further replied that terrace was not available in the Project area. For rainfed crop demonstration the targets were increased or decreased with the approval of the World Bank Mission which visited the State from time to time. Government also intimated (August 1996) that targets in SAR were kept while keeping in view similar targets of activities for other States like Himachal Pradesh, Punjab and Jammu & Kashmir. It appeared that targets were not fixed after proper land survey.

B Private non arable land

Targets and achievements under private non arable land as furnished by the Project Director were as under

Period	Treat ment	Targets as per SAR/MTR			Achievements per SAR/MTR			Percentage of achieve ment
		Initial sub water shed	Addi tional sub water shed	Total	Initial sub water shed	Addi tional sub water shed	Total	
(In hectares)								
1989-90 to 1996-997	Vegetative shrub barriers	222	900	1 122	167	134	301	27
	Silvi pasture	171	1 020	1 191	158	153	311	26
	Affore- station	40	4 550	4 590	1 391	2 517	3 908	85

Government attributed (August 1996) low coverage under "vegetative shrub barriers" treatment due to lack of interest amongst owners of land as returns from shrub barriers were intangible. Further Government stated (July 1997) that silvi pasture was a need based activity and its achievements varied as per the requirement of beneficiaries. Further there was less preference for this activity by the people. Approval for revision of SAR targets was not obtained from World Bank.

C Village common land

Targets and achievements under 'village common land' as furnished by the Project Director were as under

Period	Treat ment	Targets as per SAR/MTR			Achievements as per SAR/MTR			Percentage of achieve ment
		Initial sub water shed	Addi tional sub water shed	Total	Initial sub water shed	Addi tional sub water shed	Total	
(In hectares)								
1989-90 to 1996-997	Vegetative shrub barriers	320	250	570	184	177	361	63
	Silvi pasture	204	300	504	109	20	129	26
	Affore- station	50	1 300	1 350	747	1 153	1 900	141

Shortfall under 'vegetative shrub barriers' was attributed (August 1996) by the Government to taking up the same on the areas where the slopes were more than 30 per cent and such areas sometimes were not available. Similarly, the low achievement under silvi pasture was stated (August 1996) by the Government due to plantation of less number of silvi pasture model plants than that order afforestation model and at the same time fodder grasses were also available from the afforestation. The replies of the Government did not explain as to why these factors were not taken into consideration while fixing targets.

D Forest lands

Under 'forest land' the targets and achievements as furnished by Project Director were as under

Period	Treatments	Targets as per SAR/MTR			Achievements as per SAR/MTR			Percentage of achievement
		Initial sub water shed	Addi tional sub water shed	Total	Initial sub water shed	Addi tional sub water shed	Total	
(In hectares)								
1989-90 to 1996-97	Vegeta-tive shrub barriers	1 093	640	1 733	1 271	490	1 761	102
	Affore-station	474	70	544	1 020	2 255	3 275	602

Government stated (July 1997) that targets of treatments in forest land was based upon the information given by the line departments at the time of formulation of the Project but later on more area was planted and targets exceeded. Coverage of excess area under afforestation and consequent excess expenditure led to shortage of funds and shortfall in achievement under other land treatments under these areas.

E Drainage lines

Targets and achievements under drainage lines as furnished by Project Director were as under

Treatment/ Component	Unit	Targets as per SAR/MTR 1989 90 to 1996-97			Achievements 1989 90 to 1996 97			Percentage of achieve ment
		Initial sub water shed	Addi tional sub water shed	Total	Initial sub water shed	Addi tional sub water shed	Total	
I Gully stabilization								
(a) Cratewire structures	Cum	17 064	38 800	55 864	4 487	13 038	17 525	31
(b) Earthen gully plugs	No	147	310	457	69	672	741	162
(c) Masonry and cement structures	Cum	8 000	25 000	33 000	8 552	24 501	33 053	100
(d) Dry stone masonry structures	Cum	14 664	47 000	61 664	7 467	31 887	39 354	64
(e) Small stone check dams	Cum	22 800	32 000	54 800	20 900	30 871	51 771	94
(f) Vegetative check dams	M	2 56 440	50 000	3 06 440	11 32 363	13 42 000	24 74 363	807
(g) Silt detention dam Earthen run off minor gravitation tanks dams	No	46	96	142	13	218	231	163
II Stream Bank Protection								
Cratewire structures	Cum	8 040	Ni	8 040	3 306		3 306	41
Vegetative spurs	M	1 094	14 000	15 094	4 174	278	4 452	29
III Rain water management								
Village ponds/tanks	No	50	210	260	80	129	209	80
Inverted wells	No	Ni	4	4	Ni		Ni	
Sub surface dams	No.	Ni	4	4	1	11	12	300
Water harvesting structures (Large/small)	No	8	34	42	3	52	55	131

The Project Director IWDP (Hills) stated (September 1997) that though there was a great demand for construction of crate-wise structures from the farmers still they were reluctant to contribute their cost sharing because of high cost. In view of the cost sharing less farmers were coming forward and hence achievements were low. The reply was not acceptable as the cost sharing arrangements were stipulated in SAR itself and this factor was expected to have been taken into account while fixing targets. Government furnished no reasons for poor achievement against vegetative spurs.

Audit scrutiny of records relating to rain water management revealed as under

(i) Tanks/Ponds not handed over to Panchayats

According to guidelines of World Bank construction of village ponds/tanks was not to start unless the appropriate village organisation (Panchayat) had agreed to maintain the structure. However the Project Director constructed 209** tanks/ponds during 1990-91 to 1996-97 at a cost of Rs 63.36 lakh in six sub watersheds in violation of project instructions. However these were not handed to the village organisations as no agreement was executed with them. Department stated (July 1997) that necessary orders were being issued to hand over the ponds and tanks to village Panchayats. In the absence of any agreement/undertaking from the villages for future maintenance the assets would be handed over to them without any arrangements for their continued maintenance and this situation had arisen due to construction of Ponds in violation of the guidelines.

(ii) Non-construction of water harvesting structures

The project envisaged construction of 8 water harvesting structures (estimated cost Rs 1.20 crore) during 1992-93 to 1994-95 according to the specification to be approved by the Dam Review Panel (DRP) to be constituted by the Government. As the DRP was constituted late i.e. in April 1994 no water harvesting structure was constructed till that period. Three small size water harvesting structures at a cost of Rs 0.15 crore were however constructed in 1995-96 and 1996-97 (one in Sirsa and two in Boli sub water sheds). Thus the funds to Rs 1.05 crore earmarked in the Project estimates for construction of these structures were not utilised and the people of the area were deprived of the intended benefits. The Department stated (September 1997) that the DRP was constituted late for want of suitable members for its constitution.

F Animal Husbandry

To provide nutrition supplements to animals during the period of nutritional stress health coverage and supplementary feeding to animals was targeted and achieved to the extent indicated below

Treatment/ Component	Targets as per SAR/MTR 1989-90 to 1996-97	Achievement 1989-90 to 1996-97	Shortfall () /Excess(+)	Shortfall Percentage
(In numbers)				
Artificial in semination	16 5000	26 493	(+) 9 993	
Health coverage	1 50 000	4 37 607	(+) 2 87 607	
Supplementary feeding female calf	2 425	1 587	() 838	35

** 1990-91 5 1991-92 43 1992-93 18 1993-94 8 1994-95 38 1995-96 39 and 1996-97 58

Animal Husbandry Department intimated (November 1997) that success rate of artificial insemination was 40 to 50 per cent on an average

Shortfall in achievement towards supplementary feeding female calf rearing was attributed (July 1997) by the Government to migration of cattle from project area. Reasons given were not convincing as migration of cattle was two way process i.e. cattle going out from and coming in the project area. This factor was expected to have been taken into account while fixing targets

3 5 8 Horticulture nursery development

The Project envisaged development of horticulture nurseries by implementing agencies in order to ensure adequate supply of horticultural seedlings and planting material in all sub-water shed areas and for this purpose Rs 20 50 lakh were earmarked during 1989-90 to 1995-96. However that no horticulture nursery was developed upto January 1997. The entire provision remained un utilised

3 5 9 Other points of interest

(i) Non realisation of beneficiaries share

As per the Project beneficiaries of various activities under the Project were required to bear the following minimum percentage of expenditure in kind or cash

Activities	Percentage of expenditure to be borne by beneficiaries
Private owned arable land and non arable lands	15
Common land	10

At the time of mid term review (8-22 August 1994) of the project the beneficiaries share for private land was raised to 30 *per cent*. Government orders in this regard were not issued up to January 1997. The Project Director issued orders in November 1994 to the Project executive officers in the field to recover 10 *per cent* (if possible more) of the Project investment cost from the beneficiaries in kind or cash. Scrutiny of records in the offices of DFO(s) and ASCO(s) at Panchkula and Yamunanagar revealed that from 1990-91 to 1994-95 Rs 28 08 lakh were recoverable from the beneficiaries. From 1995-96 onwards DFOs Panchkula and Yamunanagar showed the recovery of about 10 *per cent* towards cost sharing from beneficiaries (private non-arable land) in kind by keeping a note of certain items of work (carrage of plants, plant protection etc.) having got done from the beneficiaries themselves or from their men. ASCOs Chhchhrauli and Panchkula deducted 10 *per cent* of the amount of the bills for supplies made/work done by piece workers during 1995-96 indicating the recovery towards beneficiaries cost sharing. The balance unrecovered amount at 20 *per cent* of the cost of the works in private land and 10 *per cent* in common land by these offices worked out to Rs 24 85 lakh (as worked out by Audit) during 1995-96 alone. The amount of actual recovery made and the balance amount of recovery outstanding could not be verified in the absence of proper beneficiary wise or consolidated records. The amount of recovery due and made could not be verified as beneficiary wise records were not maintained by the Project Director's office/Project implementing agencies

(ii) Low survival of plants under rainfed horticulture demonstrations

The Project envisaged arranging rainfed horticulture demonstrations to promote horticulture treatment on arable land of the farmers but no targets/norms for survival of horticulture plants were prescribed by the Department. The survival percentage of plants was low as shown in the table

Year of Plan tation	Year in which survey cond ucted	Number of Seedlings						Percentage surviving		Average percentage of survival in both sub water sheds
		Surveyed			Surviving			Sirsa sub water shed	Boli sub water shed	
		Sirsa sub water shed	Boli sub water shed	Total	Sirsa sub water shed	Boli sub water shed	Total			
(In hectares)										
1991 92	1994	1 035	708	1 743	179	168	347	17 29	23 7	19 91
1992 93	1995	1 168	1 707	2 875	368	598	966	31 50	35 03	33 60
1993 94	1995	1 594	1 784	3 378	473	489	962	29 67	27 41	28 47

The low percentage of survival in 1994 for the 1991 92 plantation was attributed (August 1996) by the Government to lack of staff distribution of plants in piece meal adverse climatic conditions and lack of awareness among the beneficiaries. The Project Director stated (February 1997) that initially survival percentage was low but it improved in the subsequent years but horticulture plants being very sensitive especially mangoes these were mostly planted under rainfed conditions. However there was no improvement in survival rate of horticulture plantations in subsequent years which was about 30 per cent*

(iii) Doubtful expenditure on plantation

(a) Against the available (as per Revenue record) common and private non-arable land of 10 16 hectares (including 1 25 hectares Mustarks Malkan and Panchayat land of Kona village) the plantation was shown on 59 hectares in Kona and Naggal Bagga villages. For the common land of 31 70 hectares shown to have been covered under plantation of Paploha and Sultanpur villages the village Sarpanches confirmed (February 1996 and December 1996) that no plantation had been done in these areas. The expenditure of Rs 5 52 lakh incurred on these plantations was therefore doubtful. The details were as under:

Village	Period of plantation	Area shown as covered under plantation	Area actually covered under plantation	Excess covered	Expenditure
			(In hectares)		(Rupees in lakh)
Kona	1991 93	35			
Naggal Bagga	1993 94	24	10 16	48 84	2 25
Paploha	1993-94	15 70	—	15 70	1 97
Sultanpur	1994 95	16	—	16 00	1 30
Total					5 52

(b) As per Rule 6 1 of Rules and Procedure for soil conservation works the piece workers could not be engaged for supply of material. However stone boulders worth Rs 10 21 lakh and *khus* worth Rs 10 10 lakh had been shown to have been purchased from piece workers during 1994 97 by ASCO Panchkula. There was however no proof of payment of royalty by the piece workers to the Forest Department for supply of stone boulders to the Department.

Besides there was no private source from which *khus* could be procured by the piece workers as this could only be available either from departmental nurseries or kisan nurseries. The expenditure of Rs 20 31 lakh shown to have been incurred on the purchase of stone boulders and *khus* was therefore doubtful.

(iv) Soil and moisture conservation works

The Project Director issued (June 1995) instructions to DFO Kandi Project Division Yamunanagar not to take up species like eucalyptus for propagation under these works in the project area as these plants rapidly absorbed the soil moisture and ground water. However 3 76 471 eucalyptus plants worth Rs 40 81 lakh were planted in 1995 96 and 1996-97 in rainfed area. The Project Director stated (February 1997) that these plants were planted on private land on the insistence of farmers. Action of the Project Director was not justifiable as plantation would adversely affect the moisture conservation in arable and non arable land or rainfed area.

(v) Key posts for the Project not filled up

(a) Key posts for the office of the Project Director Chandigarh (headquarters of the Project) remained vacant during 1989 90 to 1996-97 as shown below

Posts	Number/Man months (MM)	Function of the posts
Agrostologist	1 post	Dealing with technical matter of pasture development
Consultants Pasture development specialist	48 Man months (MM)	internal disciplinary watershed planning in inter-action with beneficiaries so that they agreed on the treatment plan
Monitoring and evaluation expert	96 MM	
Geographical information service design specialist	24 MM	

Thus the Project was deprived of the services of institutional specialists for the implementation and monitoring of the Project. MTR of 1994 observed that the project was handicapped by lack of professional services in institutional development and in pasture development.

The Department stated (August 1996 and February 1997) that experts for the key posts of specialised nature were not available in the Department and the work did not suffer because some other officers of similar discipline were assigned this duty. The reply did not indicate as to how the job of 'key' posts of specialised nature could be performed by other officers not having requisite specialisation in these areas without compromising the expected quality standards.

(b) As per the Project one woman officer was to be recruited in each Project office to motivate and promote women's involvement in all Project activities. No woman, however

was recruited to motivate and promote the women s involvement The Department stated (February 1997) that the recruitment of woman could not be made because of lack of trained women in this field

(vi) Plantations not handed over to beneficiaries

The plantation raised on the beneficiaries land was to be maintained for three years by the Department and then handed over to them Plantation in an area of 3 778 hectares was done on private common and forest land at a cost of Rs 1 97 crore during 1990-91 to 1993-94 by the DFO Yamunanagar and DFO Panchkula Although three years had since elapsed the plantations were not handed over to the beneficiaries by the Department as of January 1997 Department stated (July 1997) that the areas were being handed over with agreement for proper maintenance

(vii) Short plantation detected during inspection

An inspection team detected (June 1991) short plantation of Rs 5 05 lakh On this being pointed out in audit Department stated (July 1997) that the officer at fault was put under suspension and matter was being investigated by enquiry officer Necessary recovery would be made as per decision after enquiry

(viii) Excess payment on account of earth work

While fixing the unit cost for afforestation model, the Project Director had prescribed the size of pits However pits of bigger size were got dug by the DFO Panchkula during 1993-96 This resulted in extra expenditure of Rs 13 78 lakh The Department stated (July 1997) that the special pit size was suggested in more degraded area so as to conserve maximum moisture for proper /better survival The reply was not tenable as the size of pits had not been got approved from the competent authority The DFO Yamunanagar was continuing to observe already approved size of pits and the survival of plantations were almost the same It was also noticed in audit that the earth work has not been measured and entered in the measurement book

3 5 10 Monitoring

The SAR provided that the Watershed Development Officer (WDO) would monitor the progress of physical works and investment costs by sub watershed treatment wise and produce annual progress reports and arrange measures for reduction in continuous run off and siltation for a few selected smaller catchments World Bank Mission s report of February 1995 noted that data collected on environment parameter (soil loss and run off) was not in accordance with prescribed procedure or not taken correctly

Information System on Geography (GIS) was to be set up to assist planning and monitoring of project activities For this purpose one digitizer and on computer worth Rs 6 67 lakh (Rs 4 97 lakh and Rs 1 70 lakh) were purchased in March 1993 and March 1994 respectively The GIS unit did not start functioning for want of trained persons who could operate the computer and digitizer (May 1996) The MTR conducted in 1994 noticed that absence of GIS facilities affected the planning and management capability of the project team

Further actual vegetative coverage was to be verified regularly (once in two years) by aerial photos or satellite imagery data on land use changes etc The Department deposited Rs 0 45 lakh with Haryana Remote Sensing Centre first time in March 1996 for this purpose No aerial photos had however been taken till October 1997

3.5.11 Evaluation

The Project was to be evaluated on contract basis by an independent agency Haryana Agriculture University (HAU) Hisar was engaged (September 1992) to carry out base line studies during the first year of the Project to establish the present socio ecological state of the Project area concurrent evaluation by the end of March 1994 and final evaluation during seventh year of the implementation of the Project. Concurrent evaluation was conducted by HAU Hisar during July 1993 to February 1994. The evaluation highlighted lack of people's participation, inadequate follow up action, adverse agro climatic and soil conditions and lack of awareness on the part of the beneficiaries. The evaluation unit found that structures constructed by the Project were not adequate to check the soil erosion and no noticeable change was observed in the live stock population. No concrete remedial measures had been taken as of May 1996 by the Project authorities to bring about improvement in this regard.

Mid term review (MTR) of the Project conducted in August 1994 jointly by Government of India and the World Bank identified/detected the following weaknesses:

- Project was handicapped by lack of professional services
- absence of cost sharing arrangements in development of nonarable land
- little use of technical assistance in interactive planning
- achievement against target was higher on private land than on public land and
- overall increase in the production was insignificant

Final evaluation report of HAU was awaited as on November 1997.

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

Integrated Watershed Development Project (Hills) was started in March 1990 for a period of seven years. Initially the approval was upto June 1997 (not Dec 1996). In the initial phase of the project an area of 15,370 hectares was taken up. Due to delay of Mid Term Review, initial phase continued upto 1993-94. After Mid Term Review (1994-95 to 1996-97) area of 48,568 hectares was taken. Extension of one year (upto June 1998) was conveyed and shown to Review Team of A.G. also. Now again it is extended upto March 1999.

3.5.4

It is a fact that initially the project was of 13.48 million SDRs in terms of rupees. The allocation was Rs. 18.27 crores (all amount not allocated) which was to 41.13 crore during Mid Term Review. Expenditure up to March 97 was Rs. 40.05 crore and out of which Rs. 32.42 crore has been reimbursed to the State Government. A sum of Rs. 0.78 crore has been allowed by the World Bank on 17-6-98 and confirmation has been received.

As stated earlier, the project was started in March 1990 after negotiations done in February 1990, so it was not practicable to have any physical achievements in one month. In fact, project work in the field only started from April 1990 (Financial year 1990-91) and the Target of developing 1,409 hectares area was achieved during this year.

Details comments on the achievements are made in following paras however whatever the changes were made These were done with the approval of World Bank

The Horticulture Nurseries have been developed but the funds have not been booked under the nursery component At present there are four Horticulture nurseries developed under the project at Fatehpur, Jabipur, Prjore and Chhachh auli The total expenditure under this component was booked Rs 5.05 lakhs only

In the initial phase of the Project beneficiaries were even reluctant to give their land for plantation and at that stage there was no question of cost sharing and hence no recovery Later on specially after Mid Term Review cost sharing was introduced when they realised the benefits out of these plantations However cost sharing was done by the beneficiaries in terms of protection of the plantation and maintenance specially in the private non arable lands Secondly this amount was not to be reimbursed from the World Bank therefore it was not necessary to maintain any account

It is fact that initially the survival percentage under the rainfed Horticulture was less but later on it improved

It is fact that plantation has been done on 59 ha and now the details of land where the plantation has been done is given at the detailed reply in the subsequent paras therefore the expenditure was not at all doubtful

Stone boulders and *khus* are available along the roads and in river so freely available However labour charges in case of picking have been given and no royalty is required to be provided

The plantation on any type of land is done after inter action with the beneficiaries In the Yamunanagar area the farmers prefer Eucalyptus plantation at many places because of good market and it is free from Section 4 of Land Conservation Act However the percentage of 3.75 lakh eucalyptus is very less when compared to the total plantation done in the area The post of Agrostologist and Institutional Officer were only created in this project and such officers were not available but later on the post of Institutional Officer was filled up However the work of Agrostologist was done through internal arrangements in the project

In fact the plantation is done with the consent of the farmers and right in the beginning they are told about the schedule of maintenance and just after the period of maintenance is over the plantation stands automatically handed over However the formalities were not been done and now it is being practices

This was done to arrest the maximum moisture so that the water available to the plant and chances of survival are further improved

The monitoring was being done right from the beginning by the monitoring unit of the Project All the instruments purchased have been working with minor defects here and there data of soil loss and run-off was collected This data also shown to the visiting World Bank Mission As far as GIS is concerned this has not been used because of lack of technical support from Government of India Monitoring of the project continued even without GIS

The facility from Haryana Remote Sensing Application Centre Hisar has been used for seeing the vegetative cover the report would be made available soon

The Higher achievement in Pvt Land is only possible if more awareness and better people's participation is there. However, this is a continuous process. Farmers demand is always more and more spurs to save their field, however, for such works there is a limit.

Action on the evaluation reports were also taken.

3.5.5

As stated earlier, revised outlay of the Project during Mid Term Review was Rs. 41.13 crores and expenditure against this was Rs. 40.05 crores upto March 97.

Claims of Rs. 0.30 crore were rejected by the World Bank due to non-coverage under retroactive financing. A sum of Rs. 0.78 crore has been allowed and reimbursed by the World Bank on 17.6.1998.

The amount of construction of building is reimbursed from World Bank through GOI, as and when the bills are received from PWD on account of construction of office building.

(i) The figures of original allotment, reappropriated amount and the actual expenditure are more or less same as mentioned in this para. However, as stated earlier, project started in 1990-91 and not in 1989-90 as mentioned in the para. It is a fact that up to October 96, the disbursement of SDRs was 5.04 million against the original allotment of 13.48 million SDRs. But in terms of Indian Rupees, almost entire amount (97%) which was allocated to Haryana State under this project at the time MTR was utilised upto March 1997.

Less utilisation of SDRs were due to devaluation of Indian Rupees as compared to US dollar (1 US dollar was Rs. 16.60 at the time of signing the project and went up to Rs. 31.40 at the Mid Term Review, December 94 and further more than Rs. 40/-) value of SDR is directly influenced by US dollar.

If one sees the progress in the initial years (15370 hect. upto March 94) and after MTR (48568 hect. April 95 to March 97) it was quite high both physically and financially. So, it was not possible to get more work from the staff and to maintain quality also.

(ii) The targets under field operations were planned at the time of formulation of the project based upon preliminary surveys. However, other factors like detailed surveys, people participation and total amount available were taken into consideration while implementing the project activities. Therefore, there were variations with the approval of World Bank Missions. Moreover, no objection was raised any time and whatever amount was spent was reimbursed by the World Bank.

(iii) It is true that major expenditure is done in March of each year for this there are two reasons: one is that some time money is sanctioned by the Finance Department in the last quarter of the month. In anticipation of the sanction of State Government, works were carried out and then money is drawn after the receipt of the sanction. Some time money is drawn in March 1998 after verifying the works by the officers, though the works were carried out earlier. It is a fact that the drainage line works are started after

rains season (October on ward) and time is taken in execution verification of the works in field

It is also fact that budget sanction from the State Govt is also late For example 1994 95 sanction of Rs 530 00 lakhs was received in January 1995 and for 1995 96 received in February 1996 amounting of Rs 1023 00 lakhs

3 5 6 The correct figures of targets and achievements from 1990-91 to 1996 97 are given as under —

<u>Year</u>	<u>Targets (Hectares)</u>	<u>Achievements (Hectares)</u>
1990-91	1409	1243
1991 92	1743	1693
1992 93	1484	1445
1993-94	879	1464
1994-95	2520	2874
1995-96	6670	6156
1996-97	8140	6341

As stated earlier the Project was negotiated in February 1990 therefore it was not possible to start the work before that and hence no physical achievements were made in that year however the same target was not achieved during the years as shown in the details It is true for the other States also Some time is always taken in positioning of staff It is not correct that year wise targets were not fixed the targets were fixed in pre MTR and post MTR reports and accordingly these are divided among various field officers for different activities and accordingly reviewed This exercise is done every year

3 5 7 Land Treatments

(A) Arable Lands

No comments on the achievements are given Changes in the targets were made with the approval of World Bank Mission which visited the State almost twice a year and on the basis of these targets achievements were made and accordingly reimbursement claimed

Against the target of 150 hectares of Grass Nurseries 141 hectares were raised under different watersheds

(B) Private Non-Arable Lands

Vegetative shrub barriers activity is a location specific and the achievements were made as per the land availability

The silvi pasture is purely a need based activity and its achievement varies as per the requirement of beneficiaries

Minor shortfall as no achievements could be made in 1989 90 for the reasons stated above

When the Project was formulated the targets under different models were fixed tentatively as it was difficult to anticipate at that time which model will be more preferred by the beneficiaries. The distribution/adjustment of the targets within the model was done after interaction with the visiting Missions.

(C) Village Common Land

- (i) Under vegetative shrub barrier no comments as the activity is location specific as mentioned at B
- (ii) Less achievement of silviculture treatment are based upon the demands of the farmers. Since people's involvement is one of the main plan of the Project there is less preference for this activity by the people.
- (iii) Undemarcated individual lands in some of the villages have been categorised as common land. In some situations the afforestation model is preferred over the other two models.

(D) Forest Lands

The target of treatment in forest land was based upon the information given by the line departments at the time of formulation of the Project based on reconnaissance survey. Later on more areas were planted after actual survey and targets exceeded due to more demand. The excess achievement under this activity did not affect in any way the other activities. The overall financial provisions were not exceeded but only adjustments were done keeping in view means of treatments.

Though it was mentioned SAR about cost sharing but it is too difficult to implement in the initial phase. It was also made to the visiting Mission of the World Bank. It was enforced after Mid Term Review. Poor progress in vegetative spur was due to less success under this component and hence achievement was made.

- (i) The observation of the audit has been considered and later on the necessary orders were issued to hand over the remaining ponds/tanks to village panchayats. Now it is being done.
- (ii) Now the harvesting structures are being constructed as per the guidelines given at the time Mid Term Review. The purpose of water harvesting structures is to provide water along with other benefits. This purpose has been served by tapping the surface, sub-surface and perennial flow.

F Animal Husbandry

The health coverage was done extensively in accessible areas by holding camps. The supplementary feeding for the female calves was to be done after artificial insemination. The shortfall in the supplementary feeding is due to time lag between artificial insemination and calving. The other reason is that female calves are sold at higher cost.

As mentioned the targets taken are w.e.f. 89/90 while project started in 1990/91 and some time was also taken in positioning of the staff.

In this migration of cattle is only way i.e. in the months of April May June due to scarcity of fodder and water people take their cattle in Punjab or Uttar Pradesh and come after June end when rain starts

3 5 8 Horticulture Nursery Development

Horticulture nurseries were developed under this component and four nurseries were developed i.e. Fatehpur Pinjore Nabipur Chhachhrauli and the total amount spent under this item was Rs 5 05 lakh

3 5 9 Other Points of Interest

In the initial of the project beneficiaries were not sure that the plantation done in such degraded area would able to survive Therefore they were reluctant to give their land for plantation and similar was in case with the Panchayats and communities So initially lot of persuasion was done to take lands Therefore it was not possible to have cost sharing at this stage and this point was discussed with the World Bank Visiting Mission whenever they visited the area After interacting with the beneficiaries the Mission was of the view that cost sharing may be done at the time of maturity of the plantation After seeing the success of the plantation the beneficiaries came forward to give their land for plantation and consequently cost sharing also picked up The cost sharing mainly in the form of labour Protection of plantation fencing etc therefore no account of such amount could be maintained and moreover this amount was not to be reimbursed

In addition to this as stated earlier there was not cost sharing in any of the State/Centrally sponsored scheme and hence the field staff was facing difficulty in convincing the farmers in getting his share The purpose of cost sharing in the Project is not to earn any revenue This has been kept so that the beneficiaries start feeling a sense of owning the development activities and maintain it World Bank Visiting Mission were being kept informed with this State of affair World Bank has reimbursed it also

(ii) Initially there was very less success in the horticulture plantation All the operations of plantations were provided from the project like digging of pits adding of farm manure providing tools fertilizers insecticides etc After seeing poor survival the scheme was modified after the discussion with the World Bank Mission the share of farmers was raised upto the level of 40 50% and then the survival percentage improved

After the plant guards were given on 50% cost sharing and it also gave better results

(iii) (a) As stated earlier there can be some sort of mis understanding in categorisation of the area However the plantation done in 1991 92 and 1992 93 in village Kona Khasra No of the area is given as under —

Sr No	Year	Name of Village	Type of Land	Area in (ha)	Khasra No
1	1991 92	Kona	Pvt Land	VSB 20 0 Silv 4 0 Aff 5 0	43 45 46 52 40 18/110
			Common land	VSB 20 0 Aff 10 0	34 38 41 33 85 86m 28 29 88 90 91 95
				Silv 5 0 Aff 55 0	Part of River bed 525 to 528 53 47 48 49 51 54 to 60 62 63 65 66
			Common land	Aff 5 0	1 2 7 8 9 11 13 14 15

It has been reported by the DFO (Kandi) Panchkula that afforestation done on 15.7 hectares of common land of village Paploha has been handed over to the Sarpanch. However the Khasra No of the plantation done is given as under

Sr No	Name of Village	Type of Land	Area in (ha)	Khasra No
1	Paploha	Common	Aff 15.7	1 2 3 5 6 12 13 18 21 22 23 25 27 28 40 41 42 49 128 129

2 Sultanpur

DFO (Kandi) Yamuna Nagar has again confirmed that in village Sultanpur in the year 1994-95 an area of 16 ha was covered under plantation and therefore the expenditure is not doubtful. The detail Khasra Nos of the plantation are as - 5/12 5/3 5/3 5/9 5/7 10/2 9 15/13 2/2 14/2 15/2 16 17/1 25 18/2/2 18/3 18/4 13/5 to 18/9 18/11 to 18/19 18/23 to 18/25 15/24 1/2 15/10/2 15/9 to 15/13 14/2/2 14/13/1 14/193 2 14/20/2 14/21 14/22 14/23/2 14/24/1 19/1 19/3

(b) It is fact that the vetiver/khus was to be grown in nursery/kisan nursery but in case of more demand it is to be taken from out-sides where it is available along the river beds as 'dgo'.

Secondly the stone boulders are also available in the river beds in the open reaches whereas it is not auctioned and hence royalty payment does arise however labour charges in case of picking have been given

(iv) As per the Project ideology only those species are to be planted which are preferred by them (farmers) and are agro climatically suited. So in some of the locations eucalyptus is the farmers' choice which cannot be overlooked for ultimate sustainability of the activities. Under section 4 of the Land Conservation Act farmers like this species as in this case permission of felling is not needed unlike other species. Moreover around Yamunanagar there is good market of this due to paper mill.

(v) (a) As mentioned earlier the post of Agrostologist and Institutional Officer were only added at the time of negotiations by the World Bank. These disciplines are not available in the State Departments. However, with efforts one Institutional Officer was appointed and the work of Agrostologist was entrusted to the other technical officers.

Secondly, the officers from the Project were also sent at Central Grass Land Research Institute, Jhansi for getting special training for raising of grasses.

As stated earlier, the appointment of the consultants was to be done by the Government of India.

(b) No comments. Women officer could not be appointed.

(vi) The areas are being handed over with the agreement of proper maintenance.

(vii) As soon as the report of less work was made, the concerned Range Forest Officer was put under suspension and the matter is still being investigated by the enquiry officer and the necessary recovery would be made as per the decision after enquiry.

(viii) (a) Special pit size was suggested in more degraded area so as to conserve maximum moisture for the proper/better survival; however, the total unit cost was not exceeded and therefore no extra expenditure involved.

(b) It is submitted that as per unit cost for the year 1993-94, the rate of earth work for digging of continuous contour trenches is Rs 15.15 per m³ instead of Rs 14/- per m³. However, the rate of labour was increased from Rs 39/- to Rs 40.50 per day by the PCCF Haryana. Due to increase of rate of labour, the norms per hectare come to Rs 15.54 per m³ instead of Rs 15.15 per m³. However, total unit cost does not exceed the allotted budget per hectare. On the other hand, there is no procedure/policy in the Forest Department to enter in the MBs the progress of Advance Earth work. Moreover, the daily attendance sheet, which is always along with the Muster roll, is to be treated as MB.

(c) No major work was done in the sub-watersheds, but some works, which were preferred by the people and useful in the area, were carried out. However, the expenditure done is very less as compared with the total work executed in these two years. Secondly, all these amounts have been reimbursed by the World Bank.

(d) Efforts would be made to do the expenditure uniformly in different months, but some time due to late receipt of the budget, this could not be avoided. For example, in 1995-96, though the works were done in the earlier months, but booking has to be made in March, because the budget was received very late, i.e. in the first week of the February 1996.

3.5.10 The monitoring was being done right from the beginning by the monitoring unit of the Project. All the instruments purchased have been working with minor defects here and there and data of soil loss and run-off is collected. The Haryana Remote Sensing Centre has been engaged in evaluating the green cover after getting earlier photographs from NRSA, Hyderabad, and the report would be available very soon.

3 5 11 Such Projects which require multi disciplinary approach has many in built constraints. However the issues raised have already been addressed in the preceding paras and moreover the final evaluation is still to come. The latest publication titled Socio Economic Impact of IWDP (Hills) Project Haryana has been prepared by the evaluation unit of the HAU which had already been handed over to the Review Party.

During the course of oral examination the Committee decided to examine this paragraph after conducting a spot study of the developed area under this scheme to make an assessment of the actual developments made under the scheme and also desired to have a list of Dams/Water sheds made and list of villages where the work under the project was carried out for the purpose. The desired information was received from the department but due to paucity of time the Committee could not make the spot study during its tenure. The Committee, therefore, desired that the next Committee may conduct the spot study of the villages where work was done in phase I of Kand Project with a view to assess the desired results in the environmental problem of watershed degradation.

[8] **3 6 Working of Agriculture Department***

3 6 1 Introduction

The Agriculture Department is responsible mainly for dissemination of latest technical know how and input to the farming community with the objective of improving the agricultural production in the State. The Department implements programmes/schemes relating to timely supply of quality inputs like seeds fertilizers pesticides/weedicides etc through public and private sectors and educate the farmers about use of certified seeds chemical fertilizers plant protection measures soil and water management techniques, mechanisation of farm techniques through its extension workers/agencies. The Department also performs regulatory functions regarding storage and marketing of agricultural produce supply of sugarcane to the sugar mills functioning of cold storage and cotton ginning and processing factories.

3 6 7 Financial management

(i) Unauthorised retention of funds in Banks

(a) The Deputy Director Agriculture (DDA) Bhiwani drew Rs 84.45 lakh in March 1996 and Rs 258.40 lakh in March 1997 for disbursement of subsidy to the farmers for purchase of sprinkler sets. Of Rs 84.45 lakh Rs 83.75 lakh were spent during September 1996 to April 1997 and balance Rs 0.70 lakh were refunded into treasury in April 1997. Rs 258.40 lakh drawn in March 1997 were kept in saving bank account of DDA Bhiwani and were lying unspent as of June 1997. The DDA Bhiwani stated (April 1997) that the amounts were drawn as per direction of the Director of Agriculture. The directorate of Agriculture replied (October 1997) that out of Rs 258.40 lakh Rs 234.18 lakh had been utilised and balance of Rs 24.22 lakh remained to be adjusted. Under rule 2 10(b) of Punjab Financial Rule Vol I no funds could be kept outside the Government Accounts so Director's action/instructions were wrong. Thus the expenditure booked against these draws in the respective years was not actual expenditure the final account presented to the legislature contained incorrect picture in this regard.

(b) In Hisar district out of Rs 83 60 lakh drawn under four different schemes from March 1993 to March 1996 by the Chief Executive Officer (CEO) District Rural Development Agency (DRDA) Hisar and Assistant Soil Conservation Officer Hisar Rs 74 84 lakh were spent during the years of their drawals and unspent balance of Rs 8 76 lakh was kept in saving bank accounts of the concerned drawing/dispersing officers. The amount was lying unspent with the concerned offices as of June 1997. The Chief Executive Officer DRDA Hisar stated (June 1997) that in the absence of any instructions from the Director of Agriculture the amount was not refunded to Government account. This was not tenable as unspent balances as per the financial rules were required to be refunded.

The department in their written reply explained the position as under –

It is submitted that during 1996 97 funds under different centrally sponsored schemes were received in the first end of March 1997 for providing subsidy on installation of sprinkler sets. The scrutiny of technical documents & physical verification for release of subsidy is a consuming process. It was not possible to utilise the full amount in the financial year. The matter was taken up with the Govt & a decision was taken on file to withdraw the amount in advance be kept in sundry account of concerned primary land Development Banks. The amount was drawn on the basis of total numbers of loan cases financed by the loaning institutions. However Rs 20 22 lakh remained unadjusted because after physical verification & scrutiny of technical documents cases were found non eligible for release of subsidy. The unadjusted amount was utilised during the year 1997 98. This action/decision was taken solely keeping in view the farmers interest & proper utilisation of funds available under the schemes.

ASCO Hisar intimated that ADC Hisar has released Rs 23 40 lakhs under watershed Development Project of DDP Scheme during March 1996 of the year 1995 96. The amount was deposited in the Joint account of ASCO/PIA in the bank. The project was to be implemented in continuous four years. The amount was utilised as per works completed. The balance amount was not kept in their office. The interest on deposited amount was duly returned to the Agency as per rules. Thus it is cleared that this para does not relate to Agriculture Department.

During the course of oral examination the Committee desired to have the detailed information that when the amount was drawn and deposited in the Banks and when the subsidy was released to the farmers and how many cases were found eligible and non eligible. The departmental representatives assured the Committee that the desired information will be supplied to the Committee within a period of one month. But the information was awaited till the drafting of this report.

The Committee recommends that the desired information be supplied within a period of one month. The Committee also recommends that a suitable system should be evolved with the consultation of Finance Department to avoid such irregularities in the financial matters in future.

[9] 3 6 9 Loans to Companies/Corporations

The Department released loans of Rs 17 95 crore for the purchase of agricultural inputs during the years 1992 93 and 1993 94 (no loan released during 1994-95 to 1996 97) to the following agencies/corporations –

Sr	Name of Organisation	Year	
		1992 93	1993 94
(Rupees in crore)			
1	Haryana Seeds Development Corporation(HSDC)	3 50	1 50
2	Haryana State Co-operative Supply and Marketing Federation Limited (HAFED)	4 65	80
3	Haryana Agro Industries Corporation (HAIC)	3 00	1 50
4	Haryana Land Reclamation and Development Corporation Limited (HLRDC)	1 50	0 50
Total		12 65	5 30

The loan was repayable at an interest rate of 7.5 per cent annum within six months from the date of drawl in a single instalment. In case of default interest at 10.25 per cent per annum was payable. As on March 1997 Rs. 4.36 crore inclusive of interest of Rs. 0.86 crore were outstanding against HSDC since 1992-93 and 1993-94.

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

The State Govt. had been sanctioning short term loan from time to time to HSDC for purchase and distribution of the Agri. Inputs and these short term loans were paid timely by the Corporation. During the years 1992-93 and 1993-94 a sum of Rs. 5.00 crore was sanctioned to the corporation by the State Govt. on various occasions for meeting the requirement of the Agricultural inputs. However, the corporation could not repay the above said loan owing to great financial constraints and the State Govt. was requested for allowing extension of time for repayment of loan along with the accrued interest. In the mean time the corporation participated under National Seed Project III with the consent of the State Govt. The Govt. of India considered the various problems and constraints and made the recommendations. Under the Agreed Action Plan in one of the recommendations the corporation was required to pay the outstanding short term loan of Rs. 5.00 crore along with the simple interest @ 6% upto 31.3.98. Accordingly the corporation repaid the loan of Rs. 1.50 crore during 1995-96 and another amount of Rs. 1.50 crore during the year 1996-97 as against short term loan of Rs. 5 crore. The balance amount of Rs. 2.00 crore along with the accrued interest is outstanding as on date. Thus the amount of outstanding short term loan of Rs. 3.50 crore as principle mentioned in the new item is not correct. The outstanding loan of Rs. 2.00 crore along with accrued interest was payable by 31.3.98 and this could not be paid by the corporation due to blockage of funds in the inventory of Rabi Seeds during sale season of Rabi 1997-98. In order to retain the financial stability of the corporation a proposal for providing the assistance for refund of the above outstanding State Govt. loan under the NSP-III was sent to the Govt. of India. But the proposal could not be considered by the Govt. of India due to the non availability of rounds under NSP III keeping in view poor financial position of the corporation. Department has proposed to the State Govt. vide letter No. 1687/SS-3 dated 8.10.2000 that short

term loan of Rs 2 00 crore alongwith interest of Rs 142 49 lakh accrued upto 31 3 2000 may be converted into equity share capital as State share Reply of the State Govt is awaited

During the course of oral examination the departmental representatives assured the Committee that keeping in view the poor financial position of the Corporation the recovery will be deposited shortly in instalments The Committee desired that the recovery be effected expeditiously and intimation be sent to the Committee for its information

[10] 3 6 14 Outstanding inspection reports/paragraphs

Audit observations on financial irregularities and defects in initial accounts noticed during local audit not settled on the spot were communicated to Heads or officers and to next higher authorities through inspection reports A review of the outstanding inspection reports of the Department revealed that action was pending towards clearance/settlement of 986 paragraphs outstanding in 446 inspection reports issued up to 1996 97 The outstanding inspection reports comprised audit findings/paras mainly of the following nature

Sr No	Nature of Irregularity	No of paras
1	(a) Irregular or non utilisation of subsidy	76
	(b) Non submission of utilisation certificates	15
2	Irregular purchases/expenditure	183
3	Irregular payment of personal claims	131
4	Wanting actual payee's receipts	46
5	Mis appropriation of stores shortage/theft of stores/cash	111
6	Blocking of funds	32
7	Idle wages	17
8	Drawal of funds to avoid lapse of grant	32
9	Recoverable from other Departments/ Organisations etc	56
10	Miscellaneous irregularities	287
Total		986

Though replies to Inspection Reports were required to be sent within 6 weeks by the Department even first replies to 128 inspection reports containing 410 paragraphs issued during May 1995 to March 1997 had not been received from 104 DDOs as of September 1997 The concerned drawing and Disbursing Officer the Accounts Officer of the Internal Audit Cell posted by Finance Department in the Directorate were responsible for furnishing replies to the Inspection Reports whereas overall responsibility lies with the Director of Agriculture

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

The list of outstanding reports/audit paras was examined which was sent by the Financial Commissioner & Secy to Govt Haryana Finance Department vide their letter No 22/6/98 7B&C dated 26 3 2001 & according to the latest position there are 356

Inspection Reports containing 680 audit paras outstanding up to 30.9.2000 relating to 140 Drawing and Disbursing Officers. The details are given as under

As per reports of A.G(Audit)		Settled		Balance	
I/R	Paras	I/R	Paras	I/R	Paras
390	783	34	103	356	680

Strenuous efforts are being made to get them settled expeditiously. The meetings have been arranged and further being arranged with the representatives of Accountant General (Audit) Haryana for the settlement of outstanding audit paras. The reply of all the paras have already been sent to A.G. (Audit) Haryana.

The Committee desired that outstanding paragraphs be settled at the earliest by fixing meetings with the A.G. Audit and progress report be sent to the Committee

[11] 3.7 *Production and Distribution of Seeds and Development Schemes for Major Crops*

3.7.1 Introduction

A major and critical component of the strategy for increasing agricultural production and yield of various crops is the expansion of area under High Yielding Varieties (HYV) of seeds of various crops. In this respect production and timely distribution of good quality seeds are the pre-requisites. During the successive Five Year Plans Government of India Ministry of Agriculture launched various schemes such as National Pulses Development Project (NPDP) 1986-87 National Oilseeds Production Programme (NOPP)

1990-91 Integrated Cereals Development Programme (ICDP) Wheat, Rice and Coarse grains 1994-95 and Minikit Demonstration Programme (MDP) of Wheat and Coarse cereals including propagation of new technology. The main objective of these schemes was to ensure production and genetic improvement of this crucial input for sustaining and increasing the level of productivity of various crops. During VIII Five Year Plan period (1992-97) more emphasis was given on these schemes to achieve its objective. The schemes were in operation in whole of Haryana and provided for adequate supply of improved variety of seeds and sprinkler sets arranging block demonstrations distribution of minikits training of farmers minikit demonstration programme seed village programme plant protection chemicals and plant protection equipment etc.

3.7.9 (v) **Records of expenditure of Rs 6.46 crore on subsidised supply of sprinkler sets not furnished to audit**

(a) Use of Sprinkler Irrigation System facilitated better water use efficiency providing 30-50 percent saving over conventional irrigation particularly in light soil area having high percolation rate land with undulated topography and where water availability was limited. Subsidy at the rate of Rs. 4,000 per sprinkler set in 1993-94 and Rs. 10,000 per sprinkler set from 1994-95 onwards was provided under NOPP NPDP and ICDP- Wheat schemes. In case of SC/ST and women farmers subsidy was provided at the rate of Rs. 15,000 per set during 1995-96. It was noticed in the district test-checked that Rs. 6.46 crore were paid as subsidy to the farmers towards purchase of sprinkler sets during 1992-93 to 1996-97.

No application on prescribed form was obtained from the farmers and subsidy had been released on the basis of cost estimates approved by the concerned District Soil Conservation Officers. Basis of fixation of price of sprinkler sets was not furnished to audit. The concerned Assistant Soil Conservation Officers did not supply the connected records and therefore expenditure on subsidy on sprinkler sets could not be verified. The matter was brought to the notice of the Chief Secretary in November 1997 to which no reply was received. In absence of proper records possibility of misuse of funds cannot be ruled out.

(b) As per instructions (1993-94) of Government of India subsidy on supply of sprinkler sets was admissible to small and marginal farmers only. During test-check of records in the Directorate of Agriculture for 1993-94 it was noticed in audit that the subsidy of Rs 6.08 lakh was given to the big farmers other than small and marginal farmers.

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

(v) (a) As per approved terms and conditions (copy enclosed) Clause-5 a farmer has to apply to any financing institution for getting loan for the purchase of sprinkler set and there is no prescribed format of application required to be submitted to the department. Clause-3 & 5 also indicate that the approved cost estimate of sprinkler set would form the basis of sanctioning of subsidy. Price fixation policy is governed by High Powered Committee on Sprinkler irrigation system. Rates as approved by High Powered Committee as per decision are circulating the physical and financial targets of the year. It is made one of the conditions that concerned Assistant Soil Conservation Officer would maintain the subsidy account and would be made available as and when required for audit purposes (copy enclosed) Annexure- A. Instructions in this regard have again been issued to all Divisional Soil Conservation Officers. They have intimated that records pertaining to sprinkler sets were produced before the audit party. However, Divisional Soil Conservation Officer Bhiwani has intimated that certain information could not be provided because of the end of the financial year 1996-97 as there was too much rush of work. However, all records would be provided at the time of next visit of audit party.

(b) It is intimated that in the State maximum number of holdings falls under small and marginal category. The economic condition of most of the farmers are not serviable to purchase the costly sprinkler set. In order to utilize the funds available under the scheme fully the State Govt. allowed other category of farmers for providing the benefit of the subsidy were included. However, utmost care was taken that no small and marginal farmers shall be left. The Accountant General (Audit) has already been replied vide this office letter No. 7194/SC-II dated 30-05-97.

During the course of oral examination the Committee desired to have information that how many farmers were given the subsidy but purchased the sprinkler sets at their own and further how many farmers used the sets from 1994-95 for seven years and thereafter remained unused. The desired information was awaited till the drafting of this Report.

The Committee desire that the information be supplied within a period of one month.

(12) 6 17 Chaudhary Charan Singh Haryana Agricultural University Hisar *

6 17 1 Introduction

Haryana has a geographical area of 44 million hectare. Agriculture and Animal Husbandry constitute more than 50 percent of its gross domestic product and agriculture provides direct employment to more than 70 percent of its population for furtherance of agricultural interests of the State. Haryana Agricultural University (HAU) was established in February 1970 at Hisar under the Haryana and Punjab Agriculture University Act 1970 after bifurcation of the erstwhile Punjab Agriculture University. The HAU offers undergraduate and postgraduate courses in agriculture, Basic Sciences and Humanities, Agricultural Engineering and Technology, Home Science and Animal Science etc. The activities of HAU fall broadly under areas of Teaching, Research and Extension.

6 17 8 Research Programmes

(i) Research schemes without time frame

Research on 348 programmes in various areas were in progress during the year 1995-96. Of these 261 schemes were more than five years old as indicated below:

Number of the schemes	Age of the scheme (In years)
36	over 25
47	over 20
67	over 15
51	over 10
60	over 5
261	

These included 25 research programmes which were in operation since the inception of HAU i.e. in 1970.

Of the 87 schemes (less than 5 years old) 17 schemes were completed during 1995-96 and final reports in respect of 12 (of the 17) were submitted by HAU to the funding agency. The Director Research HAU intimated (November 1997) that final reports for the remaining five schemes would be sent to the funding agency after their receipt from the concerned departments. Remaining 70 schemes were continuing as of March 1996. Progress reports of these schemes were not made available (July 1997).

During 1991-92 to 1995-96 on 36 schemes more than 25 years old Rs. 16.23 crore and on 47 schemes more than 20 years old Rs. 12.80 crore were spent. Many of the schemes were open ended without specific time frame.

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

Research schemes are framed with specific objectives having in view the State/Nation's requirement. Some of the research schemes are adhoc in nature and their time of operation vary from 365 years. Some schemes require considerably more time to achieve their objectives. There are some research schemes which are of continuous

nature and time factor can not be imposed on such research schemes. For example development of crop variety and its continuous improvement requires maintenance of germplasm which is the basic requirement for any plant/animal breeding programme. Also the breeders have to produce new varieties better than the existing available in one or more respect. Likewise survey surveillance monitoring of disease are some of the example where time factor will break the continuity of research programme and affect the on-going research adversely. The University is very much cautious about the time frame of the research schemes. Review of ICAR schemes through QRT/Workshops and regular review of State schemes through Directorate of Research and of course through Peer Review Committee are main platforms for evaluation of research schemes. Thus there is in built mechanism by which all the research schemes operating in different departments of the University are reviewed periodically. On the basis of this exercise the title objectives and technical programme of the schemes which have outlived their utility are changed according to the current research needs of the State.

Regarding final report of 5 schemes the position is as under

- | | |
|--|--|
| (i) Project for studies on the effect of Mycorrhiza on plant health
C(b)-PP 11-ICAR | The progress report of the scheme was sent to the funding agency & they have considered it as satisfactory <i>vide</i> their letter No 3-9/92-PP dt 28 1 98 |
| (ii) NARP for strengthening of research capability basic research sub project on livestock biotechnology
C(b)-APP-4-ICAR | As informed by the HOD PP the scheme has been completed as per the technical programme. However the report of the scheme is being sent to the funding agency |
| (iii) Studies on the mineral nutrition of the fruit crops in Haryana through tissue analysis
C(d)-Hort-2 | As certified by the HOD Hort the work of this scheme has been completed & final report of the scheme has also been sent to the funding agency |
| (iv) Genetic Improvement of Rice through biotechnological techniques | Both the components of the scheme as per the approved technical programmes have been completed satisfactorily |
| (a) Research on the application of biotechnology to the genetic improvement of Rice-wise crops hybridisation
C(g)-Genetic-14-A | |
| (b) Research on the application of biotechnology to the genetic improvement of restrictions fragment length polymorphism in rice.
C(g)-Genet-14-B | |

The Committee desired that the evaluation report of 36 Schemes for the last two years be supplied to the Committee and also intimate whether all these schemes remained in operation for the last 25 years. The Committee recommends that the desired information be supplied within a period of one month for its information.

[13] 6 17 12 Other points of interest

(iii) Blocking of funds and unfruitful expenditure

(a) The College of Agriculture transferred Rs 4 lakh (Rs 2 lakh in December 1982 and Rs 2 lakh in March 1986) to Public Health Division of HAU for providing and commissioning of cold storage plant along with air-conditioner in seed processing laboratory. The work was completed in April 1985 at a cost of Rs 3.27 lakh but the plant was not handed over to College of Agriculture (NSP section) up to March 1997 because of delay in obtaining electric connection from HSEB (electric connection got in November 1992) and non functioning of dehumidifiers. Besides Rs 1.19 lakh were paid towards minimum charges of electricity bills from November 1992 to March 1996 though the plant did not function during this period.

(b) The Head of Plant Breeding Department, College of Agriculture transferred Rs 4.00 lakh in December 1983 to HAU's Public Health Division for the work. Providing air conditioning plant in plant breeding unit. The work was completed in July 1985 at a cost of Rs 3.17 lakh. The air-conditioning (AC) plant had, however, not been handed over to the plant breeding department up to March 1997. HAU failed to take adequate steps to commission the plants.

The non-commissioning of air conditioning plants resulted in blockade of Rs 6.44 lakh for 12 years and unfruitful expenditure of Rs 1.19 lakh towards payment of electricity bills up to March 1996.

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

A.G. Para 6 17 12 (iii) is regarding blocking of funds and unfruitful expenditure relating to recommissioning of Air conditioning in cold rooms of N S P Section.

In this connection it is brought out that the plant in question was installed in the year 1985 and tested as such as per requirements. As there was not sufficient power connection for regularly running the plant, a case for having power connection was moved to H S E B in 1988. H S E B on one or the other grounds did not release the connection. There were delays and H S E B demanded additional and enhanced security and the electric connection was finally released by H S E B in 1992. On receiving the power connection from H S E B, the firm who installed the plant was approached to again recommission the plant. The firm did not agree and stated that they have already commissioned the plant and will not do it again and demanded additional funds. The matter remained under correspondence with the firm to convince them to do the recommissioning work with the funds already received by them. The Engineering Unit desired that a refrigeration mechanic may be provided in the cold room plant. Because of the ban on fresh appointments, a request for the conversion of a post of S T A into a post of Ref. Mech. was sent to ICAR. The Technical Committee of the ICAR refused to convert the post. Efforts to appoint a Ref. Mech. could not materialize due to financial stringency and the additional post could not be created. It was then decided that the

savings from the salary sub head may be utilized for running the these plants on contractual basis Since the plant could not be put to regular use there was leakage of the consumables i e Gas and Oil and the plant needed check up and repairs from a specialist Again the firm who installed the plants was contacted and with their help the plants was successfully run in Oct /Nov 1998

It is informed that a decision has been taken to confirm the satisfactory running of these plants in the hot month of May/June 1999 to check the efficiency and effectiveness of the plants The ground formalities have hence been completed and the plants will be put under regular use in June 1999 Payment to H S E B for electric charges is quite justified It cannot be said that power connection remained under misuse If the power connection was surrendered it would have again been difficult to get fresh power connection from H S E B It may be mentioned that Electricity from this power connection was utilized and being used for running various machines such as pre-cleaner slurry treater gravity separators etc In the teaching and training of the students the lab models such as seed grader indent cylinders and gravity separator had also been operated with this power connection Hence the payment of electric charges to H S E B are fully justified

The Committee observed that there was a considerable delay in commissioning the plants and desired that the matter be investigated to fix the responsibility of the officers/Officials who failed to take adequate steps to commission the Plants in time and report be sent to the Committee within a period of three months

[14] 6 17 12

(iv) Irregular adhoc appointments

The Vice-Chancellor was competent to make adhoc appointments of employees *vide* Sr No 1 of Part A of schedule of Chapter XXIII of HAU Statutes Chapter V of the statutes provides *inter alia* that the Vice Chancellor may have the posts advertised with such qualifications as may be laid down and/ or invite suggestions and recommendations from such persons/institutions/agencies as he may deem proper The Vice Chancellor made adhoc appointments of 66 non-teaching employees between May 1988 and March 1996 without advertising the vacancies Haryana Government decided (March 1996) to regularise the services of such adhoc class III employees who has completed 2 years service as on 31 January 1996 and were recruited through the employment exchange or directly after obtaining non availability certificate from the employment exchange Accordingly a case for the regularisation of adhoc employees was submitted (February 1997) to the Board of Management which did not accord approval to the regularisation of adhoc appointments because the vacancies were neither notified to the employment exchange nor non availability certificate obtained These employees on adhoc appointment were continuing in service as or March 1997

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

The Vice-Chancellor was competent to make adhoc appointments of employees *vide* Sr No 1 of Para-A of schedule of Chapter XXIII of HAU Statutes This provision was changed *vide* notification No Admn E 2/94/21374 dated 28 11 94 and following provision was incorporated

To make adhoc appointment

Upto 6 months for officers Class-I Teachers and Grad-A employees for such terms as may be considered depending upon the facts and circumstances of the individual cases. For others full powers. As such making adhoc appointment by the Vice-Chancellor is in no way violation of the provision of the Statutes. So far as the following proper procedure prescribed under Chapter-V of the Statutes is concerned it is meant for regular employee and not for the DPLs and adhoc appointments is enclosed herewith. From the list enclosed it would be seen that the first person was given appointment w e f 8 5 90 after the court decision and the others are covered under the powers delegated to the Vice-Chancellor by the Board of Management. The services of adhoc employees have not been regularised as the BOM did not relax the condition of employment through Employment Exchange. The persons working on adhoc basis were allowed to continue keeping in view the ban imposed by the State Govt on recruitment. If these persons were relieved on the one hand the work of the various Depts of the University would have suffered and on the other hand there would have been numerous court cases.

In view of position explained above this para be dropped

During the course of oral examination the departmental representatives submitted a enquiry report conducted by a Distt & Session Judge (Retd) vide which Dr S Arya, Ex-Vice Chancellor, CCS HAU was held responsible for these irregular adhoc appointments. The committee recommends that it may also be investigate whether any other officers were also responsible and opinion of the Law Department be obtained as to whether, Ctiminal proceeing can be established against them. The Committee desire that the report be sent to the Committee at the earliest.

[15] 6 18 Non-recovery of principal and interest from Sugar Mills

Haryana State Agricultural Marketing Board Panchkula (Board) sanctioned loans of Rs 8 65 crore to four sugar mills between 1991-92 and 1996-97 (1991-92 Rs 2 crore each to A,B and C 1995-96 Rs 1 crore each to C and D and 1996 97 Rs 0 65 crore to C) on the following terms and conditions

- (i) Loan alongwith interest would be recovered in one year in two half-yearly instalments. First instalment would become due on the expiry of six months from the date of drawal and second instalment after one year in respect of loan for the year 1991 92 and lumpsum within three/six months of the advancement of loan for the years 1995 96 and 1996-97
- (ii) the loan would carry interest at the rate of 15 *per cent* per annum. In case of default in the repayment of principal and interest on the due date penal interest at the rate of 5 percent per annum would be charged in addition to the normal interest
- (iii) in case of non payment of principal and interest or both the amount would be recovered as arrears of land revenue

The loans during 1995 96 and 1996 97 to sugar mills and interest thereon would be secured by the Government guarantee. In case of the default of the mill the Government was to meet the loss. Accordingly a clause to this effect was to be inserted in the contracts

No amount of the principal and interest had been recovered from the mills as of August 1997. Scrutiny of accounts records of the Board in March 1997 revealed that while sanctioning loans of Rs 4 crore to sugar mills A and B in 1991-92 no guarantee clause was inserted in the agreements. Though the recovery of the first instalment of the loans were due within six months from the date of drawal the repayments were not pursued at all by the Board since the sanction of the loans. Notices to four mills were issued for the first time in February 1997. Rs 20.35 crore including Rs 11.70 crore on account of interest and penal interest remained unrecovered from the four mills. The Department took no action to recover the loan as arrears of land revenue as per terms and conditions of the agreement. The Board furnished no reply to the audit observations.

The Government stated (July 1997) that these mills have failed to repay the loans and the matter was being pursued for the recovery of loan.

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

Audit has concluded that department took no action to recover the loan as arrears of land revenue as per terms and conditions of the agreement. The case has been regularly followed up. 1st reminder was sent to all the 3 Sugar Mills vide Memo No. 45952/54 dated 14.7.92, copies of which were also sent to Haryana Govt. Agricultural & Cooperative Deptt. as well as to the Managing Director and Sugar Federation for issuance of directions to all the three Mills to repay the loan to the HSAM Board. CA Board also took up the matter officially with Sugar Federation in 8/96. This way Board continued to pursue the sugar Mills for repayment of loan to the Board. Notice U/S 80 CPC were also issued to all the Sugar Mills but even then no repayment was made by these Mills. Hence the Board has taken all possible steps at all levels for recovery of loan except to effective recovery as arrear of land revenue which was not considered expedient as Dy. Commissioner is the Collector in some case. Dy. Commissioner is also Chairman of sugar Mills.

No system defects are involved. The loans were granted to Sugar Mills on the specific direction received from Govt. to tide over financial crisis in these Mills for payments to cane growers.

No such loan has been granted after 1998-99.

The Committee recommends that the matter be settled by fixing a meeting at higher level and the Committee be apprised of the decision taken in the matter.

REVENUE DEPARTMENT

[16] 38 *Withdrawal of funds twice against one sanction and keeping of the funds outside the Government accounts*

A drawing officer might draw money from the treasury for contingent expenses within the amount allotted to him in the budget estimates or otherwise. Contingent bill for such expenditure would be examined and countersigned by the countersigning officer before submission to the treasury for authorising payment. In the examination of claims for payment the Treasury Officer was also required to exercise prescribed checks strictly and with intelligence and the rules hold him personally responsible for any over payment.

A sum of Rs 38.50 lakh was allocated (December 1995) to Deputy Commissioner (DC) Rewari for disbursement to municipal committee (MC) Rewari for repair of roads and open drains. In February 1996 a revised sanction of Rs 21 lakh was issued in supersession of earlier sanction of Rs 38.50 lakh. Both the amounts were drawn from the treasury by the DC on the same day viz 28 February 1996 irregularly. The total amount of Rs 59.50 lakh was placed at the disposal of additional Deputy Commissioner (ADC) Rewari in March 1996 for further disbursement to the Executive Officer (EO) MC Rewari as envisaged in the sanction. Out of Rs 59.50 Lakh the ADC disbursed Rs 27.95 lakh to MC Rewari between March and June 1996. The remaining amount of Rs 31.55 lakh was kept in a savings bank account.

The Director Local Bodies informed the Commissioner and Secretary to Government Haryana Local Government in March 1996 that Rs 38.50 lakh were drawn excess from the treasury erroneously. Though the excess withdrawal of Rs 38.50 lakh was brought to notice of ADC in March 1996 by Executive Officer ADC refunded Rs 31.55 lakh with interest of Rs 0.13 lakh (earned on the unspent amount) to DC in October 1996 through the demand drafts (DDs). DC passed on the DDs to the Commissioner and Secretary to Government Haryana Revenue Department in November 1996 instead of depositing these into the treasury. The Revenue Department kept the amount in a savings bank account whereas it should have been credited to Government accounts. Has the ADC been vigilant and taken action in March 1996 itself this delay in depositing the amount to Government account could have been avoided. The excess drawal could have been avoided had the Treasury Officer linked the revised sanction with the original sanction accorded in December 1995 and applied necessary checks before allowing payments.

Government suffered a loss of Rs 3.43 lakh on account of interest calculated at borrowing rate in keeping the money outside the Government account during March to November 1996.

Government stated (August 1997) that the double drawal was done inadvertently and action was being taken against the defaulting officials for negligence on their part.

The department in their written reply explained the position as under

DC Rewari drew funds twice against one sanction irregularly. A sum of Rs 38.50 lacs was allocated in Dec 1995 to DC Rewari for disbursement to municipal committee Rewari for repair of roads and open drains. In February 1996 a revised sanction of Rs 21.00 lacs was issued in supersession of earlier sanction of Rs 38.50 lacs. DC Rewari withdrew both the amounts i.e. Rs 38.50 lacs and Rs 21.00 lacs. Hence it created irregularity. DC utilised about 28.00 lacs and remaining amount

Rs 31 50 lacs was kept in saving Bank and later on refunded the balance amount of Rs 31 55 lacs to Govt in CRF through PTR DC in his reply stated that an inquiry was conducted by City Magistrate Rewari regarding excess drawal of Rs 38 50 lacs City Magistrate found Shri Jagar Singh Asstt and Shri Raiesh Ahuja Treasury Officer Rewari guilty for drawing excess amount Additional Deputy Commissioner office is also responsible for using the amount in excess As per recommendations of DC Rewari no employee of their office had malafied intention and in no way the said amount was mis-appropriated However one increment without cumulative effect was stopped of the dealing assistant Sh Jagar Singh and the other employee Sh Jai Singh A P O awarded warning for this mistake The Deputy Commissioner Rewari by sending the utilised money over drawn through Bank draft to Govt has acted as per the instructions

The Committee is requested to drop this para

After hearing the departmental representatives the Committee is not satisfied with the reply given by the department and observed that an amount of Rs 38 50 lakhs was required to refund by the ADC, Rewari whereas he refunded Rs 31 55 lakhs The Committee also noted that the enquiry in the matter was conducted by the City Magistrate whereas it should be conducted by a Senior Authority after involving the D C , A D C and Treasury Officer for the negligence

The Committee recommends that a fresh enquiry be got conducted through the Divisional Commissioner in the matter and the Committee be informed after taking action against the defaulting officers/officials for the negligence

[17] 39 *Misutilisation of funds meant for flood relief*

During test check of records of Flood Relief Funds of Deputy Commissioner's office Rohtak it was noticed (August and October 1996) that Rs 31 lakh released in September 1995 to Municipal Committees of Rohtak (Rs 26 lakh) and Jhajjar (Rs 5 lakh) for sanitation were utilised for paying salaries and allowances of the regular staff of the Municipal Committees (Rohtak Rs 19 lakh and Jhajjar Rs 4 05 lakh) during September 1995 to March 1996

The Executive Officers of Municipal Committees stated (September 1996 and January 1997) that Rs 23 05 lakh were utilised on pay and allowances on their regular staff due to shortage of funds The replies of the Committees were not tenable as grants had been utilised in contravention of the Government instruction

(ii) The Deputy Commissioner (DC) Hisar placed Rs 2 49 lakh at the disposal of Sub Divisional Officer (Civil) (SDO (C)) for disbursement to the farmers for purchase of inputs However SDO (C) had disbursed (October 1995) Rs 2 45 lakh out of Rs 2 49 lakh to the Kisan Union Tohana for repair of their tractor which were damaged in the Kisan agitation of October 1994 DC stated (September 1996) that SDO (C) had disbursed Rs 2 45 lakh without his approval

Thus the expenditure of Rs 25 50 lakh was irregularly done by misutilisation of grants

The matter was referred to the Government in April 1997 their reply had not been received (November 1997)

The department in their written reply explained the position as under

- (i) Deputy Commissioner Rohtak has been instructed to recover the funds Deputy Commissioner Jhajar has already been asked to recover the funds Recovery is being made
- (ii) Deputy Commissioner Hisar has been asked/instructed to recover the funds and the recovery is being made

The Committee observed that proper measures be adopted to avoid such misutilisation of funds in future by the Municipal Committees The Committee also recommends that the balance amount of recovery be effected at the earliest from the Municipal Committees concerned and intimation be sent to the Committee

TECHNICAL EDUCATION DEPARTMENT

[18] 3 11 *Central grant for establishment of Community Polytechnics lying unused for 10 years*

All India Council for Technical Education recommended to Government of India Ministry of Education and Culture establishment of Community Polytechnics for acting as focal point to promote transfer of technology to the rural sector and make contribution to rural development. The Community Polytechnics aimed at increasing productivity generating employment and improving life style of rural masses.

In Haryana the Scheme was to be implemented through various Government Polytechnics and the progress was to be watched by the Director Technical Education Haryana. The Technical Teachers Training Institute Chandigarh (TTTI) was to formulate proper programme to help the Polytechnics. For this purpose Government of India sanctioned in March 1986 grants in aid of Rs 5 lakh each as seed money to two Polytechnics at Nilokheri and Sirsa for establishment of mother extension centre to provide first hand experience of craft related production work and other allied activities. Funds were released and placed at the disposal of both the Principals in April 1986 and were to be utilised within 15 months from the date of sanction of the grant.

Test check of records of Government Polytechnics Nilokheri (July 1996) and Sirsa (January 1997) revealed that the said grants were neither utilised nor the past ten years nor refunded to Government of India but were kept in saving bank accounts. The Principals of Government Polytechnics stated (January 1997) that grants could not be utilised due to non availability of full time staff. They also intimated that no instructions were received from Government of India and TTTI Chandigarh for the utilisation of the grants though the information regarding non utilisation was sent to them through quarterly reports. Rs 10 lakh had earned interest of Rs 10.04 lakh upto October 1996 and was still lying in the banks. No action was taken by the Director Technical Education or the TTTI Chandigarh for the implementation of the scheme through these Polytechnics.

Thus non utilisation of the grants resulted in blocking of the Government funds and also deprived the public from the benefits envisaged in the Scheme.

The matter was referred to the Government in March 1997 their reply had not been received (November 1997).

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

The amount of grant sanctioned by the Govt of India during 1986 as seed money under Community Development scheme could not be utilised by the concerned Principals in the absence of clear cut decision and guidelines by the Govt of India.

Govt of India provided the funds of Rs 5.00 lacs to each Polytechnic (GP Adampur Sonapat Sirsa & Nilokheri) as seed money in 1986 for establishment of Community Polytechnics for acting as focal point to promote transfer of technology to the rural sector and made contribution to the rural development. Govt of India issued this grant without providing guidelines procedure and formalities. Govt of India issued guidelines Sept 1990 but the same were silent on the operation point. The community Cell TTTI Chandigarh has been made the nodal centre by Govt of India to assist the Polytechnics regarding the affairs of the Community Polytechnic. In the absence of procedural implementation guidelines the Principals asked clarification from

TTTI Chandigarh but according to them no clarification has been received by them inspite of lot of correspondence personal meetings. The Principal also informed that workshop was also arranged for the purpose. The seed money is a public money and it needs to be spent judiciously for the benefit of beneficiaries. In the absence of proper procedures formalities and guidelines the money could not be utilised by the Principals. As the seed money was received without guidelines for utilisation detailed procedure and formalities for implementation the Principals thought it proper to put this amount in fixed deposits so that when the scheme comes operative the interest earned could also be utilised for the beneficiaries. The other reason for non implementation of the scheme was that there was no full time staff for the recovery of the loan to be sanctioned to the beneficiaries.

For implementation of the scheme a meeting was held in the o/o Director Technical Education Haryana on 5.6.98 under the Chairmanship of Director Technical Education Haryana which was attended by all concerned Principals and also by Dr S K Chopra Co-ordinator of the scheme. During the meeting the concerned Principals shown their inability to utilise the money on account of full time staff under the scheme. At last it was decided that the amount of grant received from Govt of India as seed money may be refunded to them alongwith interest accrued thereof. Accordingly all concerned Principals were directed to refund the amount. All the concerned Principals have refunded the amount to Govt of India through Dr S K Chopra TTTI Chandigarh as per detail given below.

Sr No	Name of Instt	Amount refunded	Bank draft No & Date
1	G. I. E Sonapat	5.00 lacs	985764/19.8.98
		Principal amount	
		7.74.706/	985765/19-8-98
		Interest	
2	G.P. A/City	5.00 lacs	384492/26-8.98
		Principal amount	
		9.18.753/	384493/26-8.98
		Interest	
3	G.P. Sirsa	5.00 lacs	561999/19.8.98
		Principal amount	
		8.71.265	561998/19.8-98
		Interest	
4	G.P. Nilokheri	5.00 lacs	584724/20.8.98
		Principal amount	
		8.92.380/	584723/20-8-98
		Interest	

Now the amount of seed money alongwith interest accrued thereon has been refunded to Govt of India. It is therefore requested that the para may please be dropped.

The Committee after hearing the departmental representatives and going through the reply to the observations of the Committee, decided that disciplinary action against the concerned officer/officials, who failed to monitor the progress of the Scheme be taken within a period of three months under intimation to the Committee.

[19] 3.12 *Incomplete and defective supply of machinery to polytechnics*

The Director General Supplies and Disposals (DGS&D) New Delhi placed two supply orders for the purchase of four Moulding Machines and three CNC Mill Trainers with two firms

Jhajja Rohtak Sirsa Sonapat and Uttwar (Fardabad)

A and B in December 1993 and March 1994 respectively on behalf of the Director Technical Education Haryana Chandigarh. Four Moulding Machines were received by four Polytechnic Institutions Jhajjar Rohtak Sonapat and Uttawar in April 1994. Three CNC Mill Trainers were received by three Polytechnic Institutions Jhajjar Sirsa and Sonapat in January (1) and November 1995 (2). According to clause 11(A) of the contract agreement 90 per cent cost of each Moulding Machine (Rs 2.72 lakh) and CNC Mill Trainer (Rs 3.05 lakh) was to be made to both the firms through the Chief Controller of Accounts Department of Supply New Delhi after receiving the provisional consignee receipt certificate. Accordingly Rs 20.03 lakh were released to suppliers between April 1994 and January 1995. A check of records of five Polytechnic Institutions* conducted between November 1995 and February 1997 revealed that the seven machines had never been used by the trainees for their courses since their purchase on the following grounds:

(i) Supply order for one accessory Compressor which was necessary for the functioning of Moulding Machines had not been placed with the supply order of the machine. Sanction for its purchase had also not been accorded by the sanctioning authority as of February 1997.

(ii) All the 3 CNC Mill Trainers costing Rs 9.15 lakh could not function due to manufacturing defects as these were found to be defective after supply (August 1995). The representatives of the firm had assured that the defects would be removed within 30 days which had not been done as of March 1997.

The Principals of five Polytechnic Institutions stated (March 1996 and February 1997) that the matter for the purchase of compressors for Moulding Machines and the removal of defects of CNC Mill Trainers had been taken up with the Director Technical Education and the firm respectively but no progress had been made. The Institutes had not taken any legal action for defective supply.

Thus the supply of incomplete and defective machinery resulted in denial of training to the students and blocking of funds of Rs 20.03 lakh since April 1994 and January 1995.

The matter was referred to the Government in March 1997. Their reply had not been received (November 1997).

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

The indent for the purchase of 4 Nos. moulding machines was placed with DGS&D New Delhi through NPIU/MHRD New Delhi. Specification of these machines were to be prepared by DGS&D New Delhi with the consultation of NPIU/MHRD Govt. of India New Delhi. On the basis of specifications prepared by the DGS&D Supply orders for these four moulding machines were placed by DGS&D with M/S Minimax Engineers Kanpur. On receipt of consignment it was noticed by the concerned that Air Compressor which was necessary for operating the machines were not supplied along with the machine. The matter of supply of compressor was taken up with NPIU New Delhi who in turn informed that the same may be arranged at the level of the institute as they did not have the said part of the machine. Accordingly tenders were floated by the Directorate of Technical Education Haryana vide tender No. TE/LCB/6/7/97 which was opened on only one tender was received and Technical

Evaluation Committee submitted its report to the State Level Purchase Committee where it was decided to retender the item due to poor response. The equipment e 4 numbers air compressor were again retendered and the tenders were opened on 22-12-98. Thus time only two quotations were received and the Evaluation report was put up to SLPC in its 9th meeting for orders. It was decided in the SLPC meeting that there is a difference in the lowest rate in the present case and in the previous case. Therefore it has been decided to place the order in case of rates of previous tender.

Accordingly the matter was taken up with the firm who after seeking certain clarifications to supply the equipment on the previous rates did not agree to supply the equipment on the previous rates. Subsequently Principals of the Project Polytechnics were asked to explore the position of procuring the equipment at their own level because their financial powers have been enhanced. Hence the matter regarding purchase of compressor is under process for procurement through quotations. It is further informed that the machines are not lying idle but are being used with the low capacity compressors already available in the institution for the training/demonstration purposes of the students.

In case of CNC trainer the orders were placed by DGS&D on the M/S Comex Machine Tools Pune. The machine was found to be defective immediately after the supply. The matter was taken up with the DGS&D and the firm time and again and the Engineers of the concerned firm tried their level best to set the machine right. About six months back the firm finally agreed to replace the machines but have not responded there after till today. The department has requested to DGS&D to blacklist the firm. However the action of the DGS&D is still awaited. In the mean time it has been decided by the department to suit the firm in the consumer court on account of their inaction in replacing the defective machines.

The Committee after going through the reply of this paragraph desired that disciplinary action against the erring officials be finalised within a period of three months and report in this regard be sent to the Committee for its information.

FOREST DEPARTMENT

[20] 3 15 Payment of Rs 12 74 lakh for fictitious earth work for plantation

In the Shivalik hilly areas advance earth work of pits for next plantation session was to be carried out in the previous winter session as it was useful at the time of plantations in hilly areas

For plantation session 1996-97 advance earth work in 1 515 hectare area was done in February 1996 and Rs 31 13 lakh had been spent on it through muster rolls. The Principal Chief Conservator of Forests directed (June 1996) all the Divisional Forest Officers to conduct Physical verification of the advance earth work and submit report by July 1996. On verification advance earth work was found actually done in 894 80 hectare area and Rs 12 74 lakh were reportedly spent through muster rolls for 620 20 hectare area where advance earth work was not done. Thus Rs 12 74 lakh were fraudulently disbursed on fictitious earth work for plantation.

The Divisional Forest Officer Forest Division Morni Hills Pinjore failed to produce the muster rolls on which the payment of advance earth work was disbursed on fictitious earth work for plantation. The Principal Chief Conservator of Forests intimated (November 1997) that concerned officers and officials had been placed under suspension and final action would be taken against the delinquent officers/officials on receipt of final report of Enquiry Officer.

The matter was referred to the Government in June 1997 their reply had not been received (November 1997).

The department in their written reply explained the position as under

For planting during July-August every year advance earth work is done during the preceding financial year. However during May-June 96 it was decided to get the advance earth work checked and therefore PCCF Haryana directed all the Divisional Forest Officers to physically verify the advance earth work done during 1995-96 & send their reports. On receipt of preliminary inquiry reports received from various field officers in Morni Pinjore Shivalik hilly areas a large number of shortcomings were reported. Therefore on the basis of preliminary inquiry reports the then DFO Morni along with concerned Range Officers Dy Rangers Forest Guards were placed under suspension and 76 officers/officials were charge sheeted. After following the due procedure according to rules Sh. R.D. Jakati IFS Chief Wildlife Warden was appointed as inquiry officer by the Government vide memo No. 1249 Ft III-97/5275 dated 22-4-97 and Endst No. 5501 Ft III 97/17788 dated 9-9-97 in the said case. Reports were submitted by the Enquiry Officer vide his memo No. 4550 Dated 5-3-99. Disciplinary action has been taken against the concerned Forest Rangers and Dy Rangers in the Direction Office and CFs/DFOs were asked to take appropriate action against Foresters and Forest Guards.

During the course of oral examination the Committee was informed that recovery orders for Rs 6 55 lakhs have been passed of which Rs 1 42 lakh have been recovered. It was also informed that action against 61 erring official has been taken and action against 8 other officials involved in this case is being taken.

The Committee recommends that the balance amount be recovered from the delinquent officers/officials at the earliest and report of action taken against the remaining officials be also intimated to the Committee for its information.

INDUSTRIES DEPARTMENT

(21) 3.16 Outstanding inspection reports

Audit observations on financial irregularities and defects in the initial accounts and records noticed during local audit and not settled on the spot are communicated to the concerned Heads of Offices and administrative authorities through inspection reports so that appropriate action can be taken to rectify the defects and omissions. More important irregularities are also reported to the Heads of Departments and the Government. Half yearly reports of audit observations outstanding for more than six months are also sent to the Government.

A review of the inspection reports relating to Industries Department revealed that action was pending (April 1997) in respect of 375 paragraphs contained in 174 inspection reports issued up to December 1996 as detailed below.

Year	Number of inspection reports	Number of paragraphs
Upto 1990-91	49	83
1991-92	22	29
1992-93	17	26
1993-94	21	54
1994-95	23	50
1995-96	42	133
Total	174	375

Of these 174 inspection reports issued upto December 1996 even first replies were not received to 33 inspection reports containing 97 paragraphs as of April 1997. The details of offices were as under.

Sr No	Name of the Office	Total Number of offices	Total Number of paragraphs	Replies of inspection reports not received		
				with in six months to 1 year	1 year to 2 years	More than 2 years
1	2	3	4	5	6	7
1	Director of Industries Haryana Chandigarh	1	2		1	
2	Director of Science & Technology Haryana Chandigarh	1	8		1	
3	General Manager District Industries Centre (Contingency & Loan)	19	64	2	5	12
4	Liaison Officer Industries Haryana Bhawan New Delhi	1	1			1

1	2	3	4	5	6	7
5	Quality Marking Centres	1	2			1
6	Senior Technical Officer	3	5		3	
7	Superintendent Heat Treatment Centres	2	5		2	
8	Marketing Officers	3	8	2	1	
9	Deputy Director Industrial Development Centre (Tool & Die)	1	1	1		
10	Assistant Director (Health & Safety)	1	1	1		
Total		33	97	6	13	14

These replies were required to be submitted within six weeks from the date of issue. In 6 cases delay in receipt of first replies was between six months and one year in 13 cases between one year and two years and in 14 cases more than two years.

Important irregularities commented upon in these inspection reports fall under the following categories:

Sr No	Nature of irregularities	Number of paragraphs
1	Non recovery of loans and interest	42
2	Mis utilisation of loan and subsidy/irregular grant of subsidy	41
3	Non receipt of utilisation certificates	12
4	Irregular/excess/wasteful expenditure on wages/salaries/travelling allowance/leave travel concession/stipend etc	68
5	Non disposal of unserviceable/surplus store articles	11
6	Amount for want of actual payees receipts	7
7	Loss/defalcation/misappropriation/theft of cash/store	3
8	Non-accountal of stores	3
9	Irregular purchase of stores/repair and expenditure thereof	39
10	Miscellaneous irregularities	149
Total		375

Finance Department issued (June 1990) instructions for formation of Audit Committees at various levels for each department for prompt disposal/settlement of audit objections/audit paragraphs. These committees were to meet once in three months to review the progress of

settlement of outstanding objections/paragraphs and to monitor the work in this behalf. Despite pursuance of the matter by the office of Accountant General the Audit Committee meetings could not be convened since April 1995.

The matter was referred to the Government in May 1997. Their reply had not been received (November 1997).

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

62 paras out of 375 have since been dropped and reply of the remaining paras have already been sent to A G Haryana by our Field Offices for settlement and reply from A G Haryana is still awaited. Necessary steps have been taken by the Directorate to settle these paras by arranging meetings with the officials of Accountant General Haryana.

As per latest report of Outstanding paras received from the A G Haryana vide letter No. OAD II/AOM/98-99/489 Dated 23.7.98 no such paragraph pertaining to the period of 12/93 to 3/95 has been shown pending by A G Haryana. Thus no reply in respect of this para is pending in this Department.

After going through the details of pending paragraphs, the Committee feels that the pace of settlement of these paras is very slow. The Committee therefore, desired that the outstanding inspection reports/paras be settled at the earliest and intimation be sent to the Committee within three months.

TRANSPORT DEPARTMENT

(22) 3 17 Sanction Procurement and Utilisation of Government vehicles

3 17 1 Introduction

Government provides vehicles to officers at various levels of the departments to enable them to discharge their duties efficiently and effectively. To ensure proper use of Government vehicles in Haryana, the Government followed rules regarding the use and maintenance of Government vehicles and conditions of service of drivers of such vehicles framed by Punjab Government before its re-organisation in November 1966.

3 17 9 Utilisation of vehicles

A- Transport Department

Use of departmental cars by Ministers

Ministers Cars Section allotted car to every Minister and immediate replacement was also given to Ministers in the event of any car going out of order for any reason out of relief car quota (30 per cent). It was noticed in audit that the Ministers in the following cases were allotted more than one vehicle by the respective departments over and above the cars sanctioned by MC Section as indicated below.

	Department which allotted	Number and type of vehicle	Period of simultaneous use	Remarks
Revenue Minister	Ministers Car Section	AC Ambassador Car	December 1992 to March 1997	
	Financial Commissioner (Revenue)	AC Ambassador Car	December 1992 to March 1997	Run 30 873 kms
		Jeep	August 1995 to April 1996	Run 36 403 kms
Agriculture Minister	Ministers Car Section	AC Ambassador Car	December 1994 to February 1996	
	Agriculture Department	Car	do	Run 4 963 kms
Animal Husbandry Minister	Ministers Car Section	AC Ambassador Car	November 1995 to February 1996	
	Animal Husbandry Department	Car	do	Run 4 065 kms
Health Minister	Ministers Car Section	AC Ambassador Car	October 1994 to October 1995	
	Health Department	Car	do	Run 5 788 kms

Allotment/ Providing of more than one vehicle to a Minister was not covered by prescribed norms.

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

In this connection it is submitted that as per order of the Govt cars are being provided to the VIPs by the Minister Car Section. Out of 30% relief cars. Additional cars are provided to the VIPs as and when their allotted cars are found out of order.

The use of departmental vehicles in addition to the vehicle provided by the Minister Car Section can only be explained by the respective Department.

During the course of oral examination of the departmental representatives, the Committee enquired as to why some of the Ministers during the period 1992-97 were provided more than one vehicle by the respective departments over and above the prescribed norms. As the Committee feels that the cars were utilized by the then Ministers against the norms of the Government. The Committee, therefore, desired that an enquiry in this regard should be conducted by the Chief Secretary so that recovery could be effected from the concerned Ministers and report be sent to the Committee at the earliest.

(23) 3.17.10 Maintenance and repairs of vehicles

A-Transport Department

Outstanding recoveries

The Government Central Workshop (Transport Department) at Chandigarh is set up for the repairs of Government Department vehicles and Ministers cars against recovery of charges. As per information supplied by the Central Workshop Rs 1.31 crore were outstanding against 59 Government Departments and 17 corporations/boards/projects for the period from 1994-95 to 1996-97 as indicated below.

Year	Amount outstanding (Rupees in lakh)
1994-95	8.61
1995-96	37.70
1996-97	84.63
Total	130.94

Of this heavy outstandings were against Police Department (Rs 42.27 lakh) Secretariat (Rs 20.97 lakh) Transport Department-STC office (Rs 11.81 lakh) Financial Commissioner Revenue (Rs 5.23 lakh) and Corporations/Boards (Rs 4.13 lakh). Adequate follow up action to secure the recovery of outstanding amount was not on record with the Central Workshop.

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

Every effort is being made to recover the outstanding amount from the various department. As a result out of the total outstanding amount Rs 1.31 crore. A sum of

Rs 83 lakh has been recovered leaving outstanding amount Rs 48 lakh as per detail given below -

Years	Amount in lakhs
1994-95	3 40
1995-96	20 60
1996-97	24 00
Total	48 00

Regular reminders are being issued to the defaulting departments in this respect. It is however added that it is a regular process to recover the dues from various departments and to raise bills for the repair of their vehicles.

The para may therefore kindly be dropped.

During the course of oral examination, the Committee was informed that recovery of Rs 88.29 lakhs has been made leaving a balance of Rs 42.65 lakhs which pertains to various departments. The Committee, therefore, recommends that the balance recovery be effected at the earliest under intimation to the Committee.

(24) 3 17 12 *Inventory of stores*

Transport Department

(i) Obsolete stores

Actual value of stock holding by the workshop at the year end during 1992-93 to 1996-97 was not available as no such valuation was done at the end of each year.

However the workshop had surplus stores valuing Rs 11.78 lakh including obsolete stores worth Rs 2.50 lakh. Senior Mechanical Engineer of the Workshop stated that efforts were made for their disposal in October 1986 and again in May 1996 but no demand was received from any quarter.

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

The year wise store inventory from 1992-93 to 1997-98 is given below -

1992-93	3086457 99
1993-94	2966426 89
1994-95	3019677 29
1995-96	3099226 16
1996-97	3274515 83
1997-98	3328699 05

The obsolete parts amounting to Rs 1.33.935/- were allocated at the time of bifurcation of the Government Central Workshop of combined Punjab on 1.11.66. After that some more parts have become obsolete due to change in model of vehicles and

modification in the components of different models of vehicles. List of some of these parts were circulated to many State Transport in India and some of the Government departments of Haryana State for lifting of the parts required by them but no response was received from any quarter. Presently the obsolete parts are of the value of Rs 2.50 lakhs.

Store amounting to Rs 9.28 lakh is in the shape of slow moving nature and is being consumed. Uptill now spare parts of the value of Rs 50,000/- has since been consumed. Thus there is a surplus store of Rs 8.78 lakhs. Some of the parts suitable for vehicles discarded by Govt. Department are also lying in store. Govt. has already been requested to dispose off these parts in market on book value and the matter is under consideration.

During the course of oral examination the departmental representatives assured the Committee that surplus store will be disposed off shortly. The Committee desired that progress made in disposing the surplus store be intimated to it within three months.

(25) 7.2 Miscellaneous irregularities and avoidable expenditure

Haryana Roadways was formed in November 1966 after re organisation of Composite Punjab State to provide efficient, economical, adequate and co-ordinated transport service to the public. As of March 1997 it had 19 depots with a fleet of 3,840 buses.

As a result of audit of Haryana Roadways the following irregularities were noticed:

(i) Payment of excess sales tax

Transport Department allotted the fabrication of 281 bus bodies to three firms viz. firm A 215 buses, firm B 6 buses and firm C 60 buses between April and December 1994. As per agreements the firms were to be paid cost of fabrication plus Central Sales Tax (CST).

Between May and December 1994 121 buses were got fabricated from these three firms (A 95, B 6 and C 20). During audit it was noticed CST of Rs 30.40 lakh at the rate of 10 percent of the cost plus surcharge was paid by the Department to these three firms (A Rs 24.23 lakh, B Rs 1.54 lakh and C Rs 4.63 lakh) as claimed by these firms. Though CST of Rs 11.42 lakh at the rate of 4 percent of the cost (Rs 285.38 lakh) was payable against Firm C. This had resulted in excess payment of Rs 18.98 lakh to all the three firms (A Rs 15.22 lakh, B Rs 0.98 lakh and C Rs 2.78 lakh).

The Department stated (May 1996) that the matter regarding recovery of excess payment of CST had been taken up with the concerned firms and at present CST at the rate of 4 percent was being paid on the fabrication of the remaining bus bodies. Refund of excess sales tax paid had not so far materialised (October 1997).

The matter was referred to the Government in June 1997, their reply had not been received (November 1997).

(ii) Failure to realise compensation to the road accident victims from the Insurance Companies

Haryana Roadways gets its passenger carrying vehicles insured from the Insurance

Companies under Motor Vehicle Act 1988 In accordance with the provisions of the insurance policy the Insurance Company was to indemnify the insured in the event of accident against all sums which the insured was legally liable to pay in the case of death of any person provided the insured or any other person authorised by the insured to drive held an effective driving licence under the Act A notice was required to be given in writing to the company immediately upon the occurrence of any accident and in the event of any claim the relevant papers viz claim/writ summons etc were to be forwarded to the company immediately on receipt by the insured

Test check of records of Hisar Rewari and Gurgaon depots of Haryana Roadways (between March and October 1996) revealed that the roadways paid compensation of Rs 25 69 lakh to the victims of accidents for which the Insurance Companies were absolved by the Motor Accident Claim Tribunal (MACT) of the liabilities due to default or the Department The particulars of the cases are mentioned below

Name of Depot	Bus Number	Date of accidents	Insurance Policy valid upto	Date of MACT award	Amount of award	Amount of compensation paid with interest	Remarks
(Rupees in lakh)							
Hisar	HYT 9804	18 3 1992	31 3 1992	2 3 1994	14 79	19 98	The Insurance Company was absolved or payment of compensation as the driver was not holding valid driving licence at the time of accident
Rewari	HR 36 2372	25 6 1992	5 3 1993	26 3 1994	2 50	3 30	do
Gurgaon	HR 26 3946	3 10 1991	17 1 1992	2 3 1996	1 60	2 41	The Insurance Company was not made a party before the Tribunal while defending the case though the vehicle was insured
Total					18 89	25 69	

Scrutiny revealed that the Department had no information whether drivers held valid driving licences at the time of driving the vehicles Though the lacuna was pointed out in the Civil Audit Reports for the years 1994 95 and 1995 96 no action had been initiated by the Department as of August 1997 On this being pointed out in audit the General Manager Haryana Roadways Hisar depot intimated (August 1997) that a committee was being formed to check the validity of driving licences of drivers in that depot Action taken by the Rewari depot was not received (October 1997)

Thus Roadways had incurred avoidable expenditure of Rs 25 69 lakh due to failure to evolve an appropriate system to check the validity of driving licence of the drivers and to make

the Insurance Company a party in one case

The matter was referred to the Government in January and March 1997 their reply had not been received (November 1997)

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

The fabrication of bus body work of the Transport Department is carried out by the H R E C Gurgaon. The matter regarding recovery of excess sales tax is already under process with the H R E C in respect of two firms i.e. A & B. So far as recovery from firm C is concerned the same has since been made.

(i) Hisar

In this connection it is pointed out that Sh. Man Singh Driver No. 47 was driving the bus which met with an accident on 18.3.92 with another vehicle resulting death of five persons. The case was filed by the aggrieved party in MACT Tribunal/High Court. The Hon'ble Court held the driver of the bus responsible for the accident on account of negligent driving as well as having no valid licence and awarded compensation of Rs. 19.98 lakh. Disciplinary proceedings were initiated against the driver in this case and his services terminated vide order No. 1702/FCD dated 16.4.93.

It is further informed that driving licences of the drivers are being checked regularly to ensure that the licences are valid.

The insurance company was absolved of payment of compensation as the driver was not holding valid driving licence at the time of accident.

(ii) Rewari

In this case of Smt. Meena Sharma v/s Bhaktawar Singh the Hon'ble Court has awarded compensation against the respondent No. 1, 2 & 3. The driver involved in this case has already been retired and died. So nothing can be recovered from him.

(iii) Gurgaon

It is submitted that Bus No. HR 26 3946 involved in the accident was duly insured & this very fact was brought in the notice of the Court while filing the written statement. The case was defended by the Distt. Attorney Simla (HP). The court did not go through the written statement filed by the State of Haryana & awarded compensation against the respondents. In compliance of the Court decision, amount was deposited in the court of M A C T Simla. But the amount has not been paid to the petitioner on the basis of application filed on 6.6.96 against the order of the M A C T in the High Court Simla vide FAO No. 185/96 dated 7.6.96 with the request to set aside the award and to stay execution till final disposal of the appeal. The Insurance Co. was also issued notice as per High Court order.

The Hon'ble High Court HP at Simla passed orders on dated 13.8.96 that since the amount of compensation stands deposited with the M A C T Simla vide bank draft

No 458901 dated 29 5 96 the execution of impugned award shall remain stayed till further order

(i) After hearing the departmental representatives the Committee recommends that case for refund of excess Sales Tax paid be settled at the earliest and progress made be intimated to the Committee

(ii) The Committee also re iterates its earlier recommendations made in para 85 of its 50th report and also desired that the case pending in the State Consumer Forum be pursued and final outcome of the case be intimated to the Committee

IRRIGATION DEPARTMENT

[26] 4.1 Drainage Flood Control Bank Protection and Anti Water Logging Schemes*

4.1.1 Introduction

Haryana State has an area of 1.08 lakh acres of land of which 58 lakh acres (54 per cent) is prone to floods. The topography of the State is like a saucer/bowl and as such a sizeable area has to be cleared by lift drains i.e. by providing pumping arrangements at the outfall points of drains. River Yamuna, Markanda, Tangri and Ghaggar carry substantial discharge during monsoon period causing lot of erosion to the agricultural land besides endangering village *abadies* situated along the banks.

To reduce losses/damage to life property and agriculture production caused by floods/water logging 26 schemes Appendix XIII (13 on going and 13 new) were approved to be taken up during VIII Five Year Plan period i.e. 1992-93 to 1996-97. These schemes envisaged flood control/protection measures such as constructing river embankments, diversion/link drains, remodelling of drains by increasing their capacity and taking up of flood water storage schemes. From July 1994 a project namely Water Resources Consolidation Project (WRCP) was introduced with the assistance of the world Bank (International Development Association) with the objective of consolidating water resources through water resource planning and management which included rehabilitation of canal system, drainage system, embankments and spurs, lining of irrigation channels, maintenance of canal/drainage system etc.

4.1.5 (ii) Diversion of funds

(a) Funds provided under head 2245 Relief on account of Natural Calamity 122 Repairs and Restoration of damaged irrigation and drainage flood control works were required to be utilised only on repairs and restoration works where damages were caused by floods. In ten² test checked divisions Rs. 23.83 lakh were however diverted and spent on watch and ward staff for channels, drains etc. during 1993-94 to 1995-96 which was required to be met out of regular maintenance budget.

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

- (a) Generally we do not divert funds from one head to another head. In certain peculiar circumstances specially during flood days extra watch and ward is required both on Canals and Drains. In absence of funds under O & M some funds were utilized from the available funds under head 2245 Relief on account of Natural Calamity.

The Committee observed that there was a procedural violation in diversion of funds and recommends that the department should ensure that in future such type of irregularities should not be repeated.

[27] 4.1.6 Physical targets and achievements

A Execution of works

For flood control and drainage there were 13 ongoing schemes at the end of 1991-92 for which an outlay of Rs. 22.30 crore was approved for VIII Five Year Plan. In addition 13 new schemes were approved to be taken up during VIII plan period (1992-93 to 1996-97) for which

an outlay of Rs 29 70 crore was approved. Position in regard to completion of these 26 schemes (Appendix XIII) was not intimated by the Irrigation Department (September 1997). Records of following project/schemes were test checked

- (i) Water Resources Consolidation Project (WRCP)
- (ii) Roni Ghaggar Drain
- (iii) Remodeling of Hisar Drain
- (iv) Bhindawas lake and
- (v) Raising capacity of Rangol *Nallah* in District Hisar

Points noticed during test check were as discussed below

(i) WRCP

The project commenced in July 1994 and the achievements *vis-a-vis* targets in regard to its activities during 1994-95 to 1996-97 were as under

A-Rehabilitation of Drains and River Embankments

Sr No	Activity	Unit	Targets	Achievements	Percentage of achievements
1	2	3	4	5	6
1	Internal clearance	%cum	21 648 82	7 552 117	35
2	Cross Drainage	Nos	87	10	11
3	Regulator	Nos	3	Nil	Nil
4	Bridges	Nos	248	70	28
5	Outfalls	Nos	70	2	3
6	Studs	Nos	162 50	83	51
7	River Embankments	Kms	120 126	133 134	111
8	Jal Khumbi	mm square	0 0787	0 055	70

B-Operation and Maintenance of Drains

Sr No	Activity	Unit	Targets	Achievements	Percentage of achievements
1	2	3	4	5	6
1	internal clearance	%cum	8 414 06	2 679 447	32
2	Cross Drainage	Nos	1725	127	7

1	2	3	4	5	6
3	Regulator	Nos	118	5	4
4	Bridges	Nos	3 364	21	1
5	Outfalls	Nos	387	2	Nil
6	Pump Houses	Nos	452	76	17
7	Work Shops	Nos	36	7	19

C-Operation and Maintenance of River Control Works

Sr No	Activity	Unit	Targets	Achievements	Percentage of achievements
1	2	3	4	5	6
1	Repair and Embankments	Kms	2 205 50	1 263 661	57
2	Studs Spurs etc	Nos	3 816	69 18	2
3	Pitching	%cum	2 275	52 47	2

(a) The EIC's office did not furnish the division wise details of achievements. Regulators were important flood control mechanisms the progress in providing regulators was nil. Achievement in construction rehabilitation/remodelling of bridges was only 28 per cent which would adversely affect life and property.

(b) Without adequate internal clearance of drains these could get choked. Inadequate achievement of 32 to 35 per cent under this activity could defeat the very purpose for which the drains were constructed.

(c) In the absence of proper outfalls for drains it was difficult to drain out flood water in a flood affected area. The progress towards rehabilitation of outfalls was only 3 per cent whereas it was nil under operation and maintenance.

(d) Against target of 452 pump houses only 76 pump houses (17 per cent) were operated/maintained. Non maintenance of pump houses for long period could make them non-functional when actually needed to drain out flood water during floods.

(e) During discussion (held in November 1997) the EIC while admitting the slow progress attributed the same to new procedure for tendering and procurement of material under the project. Further pre review (study) of the project was required much earlier for fixing priorities of activities/items to be taken up. Of the 58 lakh acre area prone to floods 22 lakh acre area were submerged during floods of 1995 which was a pointer to the inadequate flood control measures and testimony to the deterioration of drainage works and poor performance under the project.

The department in their written reply explained the position as under –

The Haryana Water Resources Consolidation Project a World Bank aided come

into existence during June 1994 but its implementation was taken up by the State in January 1995

The project had a slow start due to

- (i) Delayed clearance by the Government in January 1995
- (ii) Unprecedented rain during Monsoon 1995 resulting in heavy flood harvest in the State
- (iii) Procurement procedures to be followed were complicated and time covering
- (iv) Shortage of funds due imposition of prohibition and implementation of State Planning Commission

Due to above reasons progress did not pick up 1996-97 and moreover the estimated quantities mentioned in the staff appraisal report were on the basis of rough estimates which were revised during the mid term review towards end 1997 the achievements improved considerably

After hearing the departmental representatives the Committee desired that the division-wise latest position of achievements be furnished to the Committee within a period of three months

[28] 4.1.6 B-Non execution of approved works

In 6 divisions test checked 45 works relating to flood control measures approved by the Flood Control Board for taking up during 1993-94 to 1995-96 were not taken up as of April 1997 as indicated below

Year	Particulars of works	Number of work approved	Estimated cost
(Rupees in crore)			
1993-94	Constructing ring bunds stone studs drains etc	8	1.94
1994-95	Constructing ring bunds stone studs drains etc	4	0.34
1995-96	Constructing ring bunds drains etc	33	7.14
Total		45	9.42

The concerned divisions stated that the works (estimated cost Rs. 9.42 crore) could not be taken up for want of funds. The reply was not tenable as the funds were available and there were savings under head 2701 Medium and Minor Irrigation Non plan (Non Commercial) and 2245 Relief on account of Natural Calamities worth Rs. 11.23 crore during 1993-94 to 1996-97

4 Adampur WS Division Hisar Hisar WS Division Hisar Tohana WS Division Tohana Narwana WS Division Narwana Kaithal WS Division Kaithal and Pund WS Division Kaithal

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

The flood control schemes are approved by the flood control Board every year keeping in view the flood experience in the respective areas of the previous years. The funds are only released under Head 2245 RNC and not under head 2701-Medium and Minor Irrigation as indicated in the para

The funds/Budget are allocated for first priority schemes only and the schemes of IIInd priority cannot be executed. As such certain schemes are left without execution in consultation with the concerned Deputy Commissioner being the Chairman Flood Committee in the district.

After going through the list of 45 approved works the Committee recommends that the department should ensure that the approved works taken in hand should be completed within the scheduled period in future to avoid unnecessary expenditure and delay in the work

[29] 4 1 7 Delay in completion of works

In 4 divisions test checked completion of 15 schemes/ works like construction of pump houses, ring bunds, drains, stone studs etc relating to flood control measures (estimated cost Rs. 1.59 crore) against which an expenditure of Rs. 45.06 lakh had been incurred were delayed by 9 to 45 months. The concerned divisions attributed the delay to shortage of funds and cases pending in the court. The reply was not factually correct as in 3 divisions involving 12 works the expenditure on works was less than the latter of credit (LOC) received under head 2245 Relief on account of Natural Calamities by Rs. 40.47 lakh during 1994-95 to 1996-97. Further with this available fund about 8 or the above mentioned 15 works could have been completed. Ghaggar Water Services Division, Sirsa had taken up the work Protection of village Lehngawala from river Ghaggar (estimated cost Rs. 17.55 lakh) in May 1993 of which only 50 per cent was completed as of March 1997 (expenditure Rs. 8.23 lakh). A new work Protection of village Ranga from river Ghaggar (estimated cost Rs. 27.40 lakh) was also taken up in December 1994 on which Rs. 6.66 lakh were spent up to March 1997 and the work was incomplete.

The department in their reply explained the position as under —

The availability of funds under head 2245 RNC has always been limited. The funds made available are partly used on ongoing schemes which were started in the earlier years and the balance is used for the new schemes. As such the funds allocated cannot be compared with the requirement of funds for the proposed schemes.

After going through the list of 15 schemes/works, the Committee recommends that the department should ensure that the approved work taken in hand should be completed within the scheduled period in future to avoid unnecessary expenditure and delay in work

[30] 4 1 9 Other points of interest

4 1 9 (iii) Non recovery of lease money

To utilise the flood water of river Ghaggar for irrigation purpose through three canals Irrigation Branch of PWD acquired 1214 acres of land during 1964-65 for Ottu Lake. Due to

heavy siltation of the area the desired purpose could not be achieved. The Department decided in 1989-90 that till alternative proposals for disposal of land were approved by the competent authority the land be leased out to small farmers at the lease rates approved by the committee headed by the Deputy Commissioner Sirsa after execution of lease agreement. As per provisions of the lease agreement the lease money was to be deposited by the lessee in advance. It was however noticed in audit that in Ghaggar Water Services Division Sirsa against lease money of Rs 76.32 lakh assessed for the years 1989-90 to 1995-96 Rs 37.68 lakh had not been recovered as of May 1997. The land was being leased out to the same lessee(s) even though huge amounts were outstanding against them. Non recovery of lease money in advance (as provided in the agreement) resulted in undue financial favour to the lessee(s). The matter was reported to the EIC Irrigation Branch (April 1997) reply to which had not been received (May 1997).

The Department in their written reply explained the position as under –

1215.06 Acres land was acquired during 1964-65 for constructing Ottu Lake out of which 45.86 acres land was declared surplus and returned to the original land owners in 12/1986. 32.55 Private land was used under the New Ottu weir and in lieu of that 32.55 acres land was transferred to the affected land owners leaving balance of 1134.53 Acres. Out of this land 79.13 acres is with Forest Department, 30.76 acres Gair Mumkin, 26.30 acres under Bunds and 50.52 acres under Creak. The balance land 947.83 acres is fit for one crop cultivation. This land was being given to the landless poor farmers preferably Scheduled Castes and Scheduled Tribes on the leased rates fixed by the Deputy Commissioner Sirsa from year to year. The lease holders stopped paying the leased money since 1994-95 at the enhanced rates fixed by the Deputy Commissioner Sirsa for the year 1993-94 and 1994-95 i.e. Rs 1900/- and Rs 2000/- respectively against the leased money of Rs 1200/- for the year 1992-93. The lease holders were contacted by personally by the Department and notices were also issued for recovery of the leased money but none has deposited the leased money. The land has been considered in the illegal possession of the lease holders. The Department has decided to file cases under PP Act to get the land vacated from the illegal possession and to recover rent and occupation charges.

After hearing the departmental representatives the Committee observed that due to the negligence of the department the land was illegally occupied by the lessee who did not deposit the lease amount. The Committee recommends that the matter be investigated and responsibility be fixed for the negligence and intimate the Committee accordingly. The Committee also desired that information regarding period from which the land remained in illegal possession and when the action under PP act was initiated against the defaulters, be sent to the Committee for its information.

[31] 4.1.9 (v) *Surplus spare parts of machinery*

Financial Rules provide that the stores should not be held in excess of requirement. In Gohana Water Services Division Gohana the spare parts valuing Rs 22.08 lakh of different machinery (dragline spares Rs 19.90 lakh, dozer spares Rs 0.66 lakh, water pump and pipe fittings Rs 0.38 lakh, electric goods Rs 0.33 lakh and miscellaneous machinery spares Rs 0.81 lakh) were lying unused for last 18 years. Draglines of different makes for which the spare parts were lying i.e. PH dragline, RB dragline, Skoda dragline and other

machinery were not available in the Division. As the machinery for which spares were lying were not available with the Division, retention of spares was not justifiable. With the passage of time, the spares would get rusted and rendered unusable even if required by other needy divisions. The matter was brought to the notice of the EIC, Irrigation Branch but no reply was received (May 1997).

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

The spare parts referred in this para were purchased prior to 1977-78 when a number of Projects viz. JLN Project, SYL Project and Ujina Diversion Drain Project were going on and machinery worth Rs. 73.10 lakh was available in the Division. According to the norms of C.W.C., spare parts upto 16% of the value of machinery can be kept in Stores as reserved for meeting with immediate exigencies during operation of the machinery. The major Projects were completed after 1977-78 and operation of machinery was not required; resultantly these spare parts could not be utilised. Now the works are being executed under W.R.C.P. on through rates. Wherein no machinery is to be provided by the Department. Further action to dispose off the spare parts is being taken.

During the course of oral examination the Committee desired to have a detailed information that from where the spare parts were taken by the department and at what time. The desired information was awaited till the drafting of this report. The Committee recommends that the desired information be sent to the Committee within a period of three months.

[32] 4.2 Infructuous expenditure on a work executed without technical approval from competent authority

Rules provide that no work was to be commenced on any irrigation project until it is approved by the Government.

On the request of a section of the landowners whose land was being irrigated through a lined water course off-taking from RD 13.818 L of Basra sub-minor, a project estimate for the construction of Basra sub-minor 3 off-taking from RD 11.200 L of Basra sub-minor was submitted in October 1991. The proposal was not accepted (December 1991) by the Chief Engineer (CE) on the grounds that:

- (i) the full supply level (FSL) of lined water course (off-taking from RD 13.818 L of Basra sub-minor) was lower which could be raised with reference to higher FSL available in the channel instead of constructing new minor;
- (ii) the discharge of existing lined water course would be reduced considerably and would require remodelling; and
- (iii) there was protest from other affected cultivators against the construction of the channel which was to be kept in view.

The project was re-submitted by the Adampur Water Services Division, Hisar in February 1995 after deleting the provision for lining (to curtail cost) on the plea that a section of cultivators again requested for the construction of the Channel. The CE rejected (March 1995) the proposal and suggested remodelling of lined water course with existing FSL of tail outlet and with modified alignment so as to locate the lined water course on higher ground to achieve maximum benefits.

Test check of records of Adampur Water Services Division Hisar revealed (November 1996) that instead of resubmitting the estimate to CE (Irrigation) for obtaining the approval of the Government and despite protest from the affected farmers the Executive Engineer submitted (April 1995) a project estimate of Rs 31.20 lakh to the Additional Deputy Commissioner cum Project Officer DRDA Hisar for the construction of Basra sub minor-3 (RD 05200). The Governing body of District Rural Development Agency (DRDA) sanctioned the estimate in November 1995 at an estimated cost of Rs 24.80 lakh under Employment Assurance Scheme though the work was not covered under the scheme as the wages and non wages component of expenditure in scheme was of the ratio of 38:62 against the required ratio of 60:40. The work was started with the technical sanction accorded by the Superintending Engineer by splitting up the work in 6 reaches. The sub minor was completed in May 1996 at a cost of Rs 19.38 lakh. It could not be commissioned as the affected cultivators filed a civil suit in the Punjab and Haryana High Court against the construction of the minor.

Execution of the work without the sanction of the Government and without keeping in view the technical aspects suggested by CE was irregular. The sub minor could not be commissioned and the expenditure of Rs 19.38 lakh was rendered infructuous. The Engineer in Chief in reply (May 1997) admitted that the project was not technically sound. He further informed that the Government was being asked to take disciplinary action as well as recovery of the infructuous expenditure from the officers/officials at fault.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

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

The proposal for constructing scheme of Basra Sub Minor-III off taking from RD 11200 L of Basra Sub Minor was not considered technically sound by the then Chief Engineer/Canals but the beneficiaries had approached the Additional Deputy Commissioner-cum Project Officer District Rural Development Agency Hisar for constructing the Scheme through the available funds. The Governing Body of District Rural Development Agency had considered the Scheme and gave its administrative approval. The scheme was fully funded by the District Rural Development Agency under the centrally aided scheme of Employment Assurance.

The Department had only executed the works on behalf of District Rural Development Agency for which the entire material and cost of labour was borne by the Agency.

After hearing the representatives of the Irrigation Department and DRDA, Hisar the Committee observed that a huge expenditure of Rs 19.38 lakh has been incurred on this sub minor but it could not be made functional till date. The Committee recommends that efforts be made to commission the sub minor at the earliest so that farmers of the area be benefitted and progress report be sent to the Committee.

[33] 4.3 Extra expenditure due to adoption of higher rates in departmental through rates

In the Irrigation branch of Public Works Department a consolidated rate for each item of work (comprising all elements) known as Departmental Through Rates (DTR) based on Haryana Schedule of Rates (HSR) 1988 plus sanctioned premium was prepared for working

out the estimated cost of work and to assess the reasonability of contractor's tendered rates at the time of acceptance of tenders

In Water Services Division Dadupur the DTRs for the digging and collection of stone boulders for river protection works were to be prepared by adopting the HSR rate of Rs 14.25 per cum (excluding Rs 5.75 per cum for royalty) for stone boulders to be collected from the bed of Tajewala Head Works (controlled quarry) reserved for the Division. Test check of records of the Division however revealed (October 1996) that during January 1995 to June 1996 the basic rate was adopted as Rs 50 per cum for the DTRs for digging and collection of stone boulders against the rate of Rs 14.25 per cum provided in the HSR. DTRs so prepared were approved by the competent authority and in response to tenders invited the contractors quoted their rates keeping in view the DTRs prepared at inflated rates. The lowest tendered rates ranging between 10.93 per cent and 123.26 per cent above DTRs were sanctioned by the competent authority and the proportionate rates sanctioned for the collection of stone boulders worked out between Rs 55.47 and Rs 111.62 per cum. Had the Division adopted correct basic rate of Rs 14.25 per cum the rates payable to contractors would have ranged between Rs 15.81 and Rs 31.81 per cum thereby avoiding the extra expenditure of Rs 10.03 lakh incurred on the collection of 20,288.10 cum of stone boulders on 25 works.

The Report of the Comptroller and Auditor General of India (Civil) for the year ended 31st March 1995 (paragraph 4.15) commented on extra expenditure of Rs 1.36 lakh incurred due to adoption of higher rates while framing DTRs for the year 1992-93. The Division instead of adopting the rate of Rs 14.25 per cum continued preparing DTRs on the inflated rates up to June 1996. However DTRs for similar works after floods of 1996 (after June 1996) were prepared by adopting the basic rate of Rs 14.25 per cum for digging and collection of stone boulders as provided in the HSR.

The Executive Engineer (XEN) while accepting audit contention stated (April 1997) that the basic rate of Rs 50 per cum adopted by the then Executive Engineer prior to 1996 was inflated one and had no relevance with the stone to be collected from the controlled area of Tajewala Head Works.

The matter was reported to the Engineer in Chief PWD Irrigation Branch in November 1996 and to the Government in April 1997. Their replies had not been received (November 1997).

The department in their written reply explained the position as under

The Scandals in the report 1996-97 were a matter of enquiry before the Commissioner of Inquiries in the year 1998. Accepting the findings of the Inquiry Officer the Govt. had exonerated the responsible Officers of the charges. Therefore it was not considered necessary to initiate disciplinary proceedings against the Officers on the same charges.

The Departmental Through Rates (DTRs) are meant for estimate purposes and the allotment of work is done on the basis of competitive tenders.

After hearing the departmental representatives the Committee observed that the Departmental Through Rates (DTR) based on Haryana Schedule of Rates 1988 were prepared for working out the estimated cost of works but the works are done on

the tender rates based on the Market rates The Committee is of the view that the DTR should be re assessed for preparing the estimated costs of work The Committee, therefore, desired that it should be examined and report be sent to the Committee

[34] 4.4 Excess payment of compensation due to incorrect application of rates

Under the Land Acquisition Act, 1894 amount of compensation awarded for the land acquired is determined on the basis of market value of the land of the date of publication of the notification under Section 4 of the Act. In addition to the market value of land solatium in consideration of the compulsory nature of acquisition and interest from the date of possession of the land are also admissible. In terms of amended Act 1984 the rates of solatium and interest payable were enhanced as under from 30 April 1982 and the revised rates were applicable in relation to any award made by the Collector of Court or to any order passed by the High Court or Supreme Court in appeal against any such award where the proceedings were pending on that date.

Solatium	Interest
15 per cent of compensation up to 29th April 1982 and 30 per cent thereafter	6 per cent up to 29 April 1982 and thereafter 9 per cent for the first year and 15 per cent for the subsequent period till payment is made

In Water Services Division Kurukshetra (previously SYL Division Kurukshetra) 25 land owners (village Kirmach 18 and Village Barwa 7) whose land was acquired for the construction of Sutlej Yamuna Link Canal (SYL) were awarded compensation at the rate of Rs 8 720 per acre on 23 and 24 November 1976 by the Land Acquisition Collector (LAC) Ambala. Not satisfied with the award landowners filed a revision petition in the Punjab and Haryana High Court for enhancement of the compensation to Rs 31 000 per acre as already decided by the court in its earlier judgement of July 1986 in case of some other land owners of village Kirmach. The Punjab and Haryana High Court referred the case back to LAC Ambala for re determination of the compensation. The LAC enhanced the compensation to Rs 27 300 per acre in February 1991 (village Kirmach) and in July 1990 (village Barwa). The land owners however filed civil revision petition in the Punjab and Haryana High Court which enhanced the compensation (in September 1991 in case of Kirmach and in March 1993 in case of village Barwa) to Rs 31 000 per acre with solatium and interest as admissible in accordance with the amended provisions of the Act. The payment was made in May 1994 to land owners of village Kirmach and in August 1995 to land owners of Village Barwa.

During audit of Water Services Division Kurukshetra it was noticed (July 1996) that solatium of Rs 6 97 lakh and interest of Rs 51 17 lakh in the above 25 cases were paid in May 1994 and August 1995 at the revised rates of 30 per cent (solatium) and 9 per cent (interest) for the first year and 15 per cent (interest) thereafter. Since the land in these cases was acquired before 30 April 1982 the solatium and interest on enhanced compensation were admissible at the pre revised rates up to 29 April 1982. This resulted in excess payment of Rs 38 58 lakh (solatium Rs 3 49 lakh and interest Rs 35 09 lakh).

The Executive Engineer Water Services Division Kurukshetra stated (January 1997) that the payments were made as per Court orders. However the Supreme Court of India in some other similar cases where land was acquired before April 1982 held (January 1994) that the statutory benefits of solatium and interest on the enhanced market value would be payable.

as prevailing prior to the amendment of the Land Acquisition Act 1894. In the light of this decision the Department should have gone in appeal as the awards had been announced in November 1976 i.e. prior to April 1982.

The matter was referred to the Government in May 1997. Their reply had not been received (November 1997).

The Department in their written reply explained the position as under

The land in question was actually acquired for construction of SYL Canal during 1975-76 and compensation @ Rs. 8720/- per acre was awarded by the Land Acquisition Collector but the land owners were not satisfied with the awarded compensation and filed a revision petition in the Hon'ble Punjab & Haryana High Court for enhancement of compensation. The Hon'ble High Court referred the case back to the Land Acquisition Collector for re-determination of the land compensation. The Land Acquisition Collector re-determined the land compensation @ Rs. 27300/- per acre but the Land Owner was not satisfied with the awarded amount and filed a Civil Writ Petition in the Hon'ble High Court to enhance the compensation for Rs. 31000/- per acre with solatium and interest as admissible in accordance with the amended provision of Land Acquisition Act. On the direction of the Hon'ble High Court the Department had made the payments to the landowners.

However, before making payment of the awarded amount without seeking advice of the Legal Remembrance & Secretary to Govt. Haryana has been considered a lapse for which the concerned officers are being served with Show Cause Notice under Rule 8 by the competent Authority.

The Committee desired that action taken against the officers responsible for making payment of the awarded amount without seeking advice of the Law Department be intimated to the Committee for its information.

[35] 4.5 Unfruitful expenditure due to non commissioning of an irrigation channel

To provide irrigation facilities to 1375 acres of culturable command area (CCA) previously included in the Chaks* of outlets of Sewani Sub Minor, a scheme constructing Sewani Sub Minor (RD 0 to RD 10 000) off taking at RD 37 700 R of Sewani Minor was sanctioned by the Government in April 1986 at an estimated cost of Rs. 12.57 lakh. The work was commenced in June 1986 and was completed (RD 40 to RD 10 000) in September 1991 at a cost of Rs. 6.30 lakh.

Test check of records of Water Services Division, Hisar in November 1996 revealed that no water was released in the channel since its completion due to non construction of a head regulator. As the channel was not run for six years since its completion, it was filled up with blown up sand.

The Executive Engineer, Water Services Division, Hisar stated (March 1997) that Sewani Minor (feeder channel) was a lift scheme and one of its pump houses was situated at RD 23 500. Due to less lifting capacity of this pump house, there was scarcity of water. Commissioning of Sewani Sub minor would have caused hardship to the cultivators getting water from Sewani Minor as the tail reaches would have suffered. The low lifting capacity of the pump house at RD 23 500 of feeder channel was not anticipated by the Department at the

time of formulating the scheme. The failure to consider the lifting capacity of the pump house had rendered the expenditure of Rs 6.30 lakh unfruitful for six years.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

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

A scheme for constructing Sewani Sub Minor (RD 0.10000) off taking RD 37000 R of Sewani Minor was sanctioned by the Government in April 1986 at an estimated cost of Rs 12.57 lacs. The work was commenced in June 1986 and was completed in September 1991 at a cost of Rs 6.30 lacs.

The scheme was envisaged in 4/86 keeping in view the full lifting capacity of Pump House at RD 23500 of Sewani Minor. When the work was completed in September 1991, the lifting capacity of the Pump House at RD 23500 Sewani Minor had gone down due to its continuous running and non replacement of Transformer by H V P N. The running of the channel was not possible with the limited lifting capacity. There was acute shortage of funds under O & M head.

Efforts were made to get replacement of the Transformer by H V P N and to repair the Pump House. Now the H V P N had replaced the transformer and minor repairs had also been carried out to run the pump house. Now the channel had been made functional in 2/98. The average irrigation achieved is 380 acres.

No expenditure was incurred by the Department for maintenance and internal clearance of this minor during this period.

While submitting the reply to the observations of the Committee the department informed the Committee that the budget for replacement of Pump has been allotted and funds are still awaited. The Committee desired that the pump be replaced at the earliest so that sufficient quantity of water be lifted and intimation be sent to the Committee accordingly.

[36] 4.6 Irregular retention of money out of Government account resulting in loss of interest

Rules provide that in case of a work undertaken by the Public Works Department (PWD) as Deposit Work, the gross estimated cost of the work should be recovered in advance by the PWD either in lump sum or in instalments as authorised by the Government. The amount so received was to be credited to the head Public Works Deposit and subsequent expenditure debited to it.

Gurgaon Water Supply Division, Gurgaon undertook the execution of Gurgaon water supply scheme (estimated cost Rs 22.80 crore) as deposit work on behalf of Haryana Urban Development authority (HUDA) in April 1989. The Irrigation Branch (IB) received (March/April 1989) Rs 6.00 crore from HUDA, which was credited to Government account as per the above prescribed procedure. The expenditure against such deposit was to be incurred after obtaining Letter of Credit from the Finance Department, which could not be released by it according to the requirement. The IB decided (December 1990) to open a joint account with a public sector bank in the names of Executive Engineer (EE), HUDA Division and Executive Engineer (EE),

IB for making all the payments in connection with the execution of the deposit work. Formal approval from the Government for this was not obtained. The joint current account was opened in the names of these officers of HUDA and IB in January 1991. Though it was objected to by the Accountant General (A&E) Haryana in April 1991 being in contravention to codal provisions, the expenditure continued to be incurred against Rs 15.75 crore deposited by HUDA between January 1991 and November 1996 with the bank in the joint account.

The irregular procedure adopted by the IB in depositing the funds in Bank account was brought to the notice of finance Department by the Accountant general in February 1995. In spite of the instructions of the Finance Department to the IB, another joint savings bank account was opened with another bank in January 1996 with a credit of Rs 50.48 lakh deposited between January 1996 and February 1997.

By keeping the amount out of Government account, the Department violated the codal provisions and caused a loss of interest of Rs 13.73 lakh to the government calculated at the borrowing rates between 11.5 per cent and 14 per cent prevalent during the period from February 1991 to March 1997.

The matter was referred to the Government in July 1997. Their reply had not been received (November 1997).

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

In a meeting convened under the chairmanship of Sh. B. D. Gupta, the then Deputy Chief Minister and Finance Minister of Haryana on 27-9-89, it was decided that funds may be made available directly to Irrigation Department Haryana for payment of land compensation without following the present practice of depositing the funds in Treasury and getting matching L.O.C. released from the Finance department. Joint account in the name of Executive Engineer/HUDA and Executive Engineer/I.B. Haryana was opened with a private sector Bank during January 1990 and land payments were made accordingly. A meeting under the Chairmanship of the then Financial Commissioner & Secy to Govt. Haryana, Irrigation Department was held on 5-12-90 wherein Deputy Secretary, Finance Department was present. The chairman decided that payment for the works connected with GWS Schemes may be made directly

HUDA is a sister concern being an autonomous body of the State of Haryana. The benefit of interest, if any, received from the bank authorities against the deposited amount remains with the Govt. indirectly and thus there is no loss to the State Exchequer. However, if the amount would have been kept in P.W. Deposits for regulating through L.O.C. system, it would have adversely hampered the execution of GWS channels which was a time bound project. Thus, lapse for violation of instructions does not rest with the departmental officers/officials.

The Committee observed that there was procedural violation in depositing the funds in Bank Accounts instead of in Treasury. The Committee recommends that the department should ensure that in future this type of irregularity should not be repeated.

[37] 4.7 Avoidable extra expenditure due to issue of incomplete notification for acquisition of land

A scheme for construction of Bhana Minor (un lined channel) from RD 0-28 240 feet was administratively approved (February 1987) for Rs 18.28 lakh by the Irrigation Department. On the demand of the farmers the alignment of the channel was changed (September 1989) leading to increase of length up to 29 430 feet. Total land required for construction of the channel was thus assessed (1991) as 28.59 acres (village Karora 26.31 acres and village Hajuwana 2.28 acres). The Department while issuing notifications (July 1991 and January 1992) under Sections 4 and 6 of the Land Acquisition Act 1894 omitted inclusion of an earmarked piece of land measuring 4.52 acres in village Karora tehsil and district Kaithal. Hence the award was announced (January 1994) for only 21.79 acres in village Karora for Rs 24.08 lakh by the Land Acquisition Collector (LAC) Kaithal and the acquisition of balance 4.52 acres of land could not be finalized.

As the omission was noticed (February 1994) the Department issued fresh notifications (March 1995) under Sections 4 and 6 of Land Acquisition Act 1894 to acquire the land (4.52 acres) and award was announced in February 1996 by the LAC for Rs 9.38 lakh. The rates paid were Rs 1.50 lakh per acre for *Nehr*, Rs 1.45 lakh per acre for *Chahi* and Rs 4.20 lakh per acre for *Gairmumkin* land against the rates of Rs 0.70 lakh per acre for *Nehr* and *Chahi* and Rs 1 lakh per acre for *Gairmumkin* land announced in earlier award of January 1994 resulting into an extra expenditure of Rs 4.47 lakh. The work started in May 1997 and was incomplete even after spending Rs 66.58 lakh (including cost of land of Rs 37.72 lakh).

Failure of the Department in not including the khasra numbers of the earmarked piece of land in the notification for acquisition of land resulted in avoidable delayed and extra expenditure of Rs 4.47 lakh.

The matter was referred to the Engineer in Chief Irrigation Branch in November 1996 and to the Government in February 1997. Their replies had not been received (November 1997).

The Department in their written reply explained the position as under

Admitted to the extent that initially the notification u/s 4 was published in July 1991 for the land required for construction Bhana Minor consisting of 4 No. Villages namely 3.16 Acres of Village Hajwana, 25.95 Acres of Village Karora, 3.77 Acres of Village Bhana and 0.51 Acres of Village Sehrada. The alignment of Bhana Minor falls on the village boundary of Village Karora and Bhana. The Land Acquisition Officer Kaithal announced the award in July 1994 for 2 villages i.e. 2.28 Acres of Village Hajwana and 21.79 Acres of Village Karora.

Shri R. L. Mahajan the then Sub Divisional Officer in whose incumbency the land acquisition proceedings were initiated has wrongly taken the rectangle number and field number of Village Bhana instead of Village Karora that is why the land measuring 4.52 acres of Village Karora left unpublished.

Shri R. L. Mahajan SDO is responsible for this irregularity but no action against him could be initiated as he retired from Govt. service on 31-1-1996 before pointing out by the Audit.

After hearing the departmental representatives the Committee observed that the timely action was not taken by the department as the omission was noticed in February, 1994 and responsible SDO retired in January, 1996. The Committee recommends that this matter should be inquired and action should also be taken against the concerned officials who failed to initiate timely action in the matter and report be sent to the Committee.

[38] 4.8 Outstanding audit observations

Financial irregularities and defects noticed in the initial accounts and transactions during local audit and central audit are communicated to the concerned heads of offices and next higher authorities for rectification of the defects and omissions. Serious irregularities are also reported to the Head of Department and the Government. Half yearly report of outstanding audit observations is also sent to the Government. Finance Department issued instructions for prompt settlement of audit objections by the Administrative Department. The outstanding audit observations made during local and central audit are detailed below.

(a) Local Audit

As of June 1997, 1892 paragraphs contained in 757 inspection reports of 109 divisions pertaining to 1977-78 to 1996-97 (up to December 1996) remained outstanding. Out of these 138 inspection reports containing 180 paragraphs had not been settled for more than 10 years as detailed below.

Period during which issued	Number of inspection reports	Number of paragraphs
1	2	3
1997-78 to 1986-87	138	180
1987-88	26	37
1988-89	45	83
1989-90	46	74
1990-91	44	69
1991-92	62	100
1992-93	72	176
1993-94	83	207
1994-95	78	220
1995-96	88	365
1996-97 up to December 1996	75	381
Total	757	1892

The initial replies were not received in respect of 66 inspection reports containing 342 paragraphs issued between January 1996 and December 1996. The pending inspection reports commented on the following irregularities:

Sr No	Nature of Irregularities	No of paragraphs	Amount involved (Rupees in crore)
1	Loss due to theft misappropriation and embezzlement	48	0 30
2	Recoverable amount from contractors/ agencies on account of excess payments excess issue of material cost of work done at their risk and cost and nonrecovery of sales tax income tax and liquidation charges	96	24 88
3	Recoverable amount on account of shortages/excess payment from Government officials	306	5 58
4	Non observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasury maintenance of cash books and irregular utilisation of departmental receipts and non-observation of codal provisions	203	26 35
5	Extra and avoidable expenditure excess expenditure incurred on deposit works non reimbursement of funds liabilities of Government irregular unauthorised and infructuous expenditure	954	90 00
6	Injudicious/irregular purchases	29	2 12
7	Undue financial aid to contractors	5	0 06
8	Execution of sub standard works	38	1 39
9	Blocking of funds	72	18 16
10	Non accountal/short receipt of material	56	3 41
11	Non preparation of tools and plant (T&P) returns non closing of manufacturing accounts and under utilisation of machinery	45	5 62
12	Unsanctioned estimates and loss of measurement books	40	6 68
Total		1892	184 55

Analysis of the pending inspection reports and paragraphs revealed that while 14 cases for the period from 1980-81 to 1993-94 were pending with courts and arbitrators the remaining 1878 paragraphs were lying with the Superintending Engineers/Engineer in Chief/ Government (47 paragraphs) and with Divisional Offices (1831 paragraphs). Government and the Department failed to attach due priority to the audit observations and allowed serious irregularities to continue unsettled for a long period.

(b) Central Audit

Audit observations made during audit of vouchers received in the Accountant General's office in respect of Irrigation Department involving Rs. 2.55 crore issued up to December 1996 were outstanding as of June 1997.

The category wise and year wise break up of the outstanding items was as under

Period	For want of Reserve Stock Limit		For want of agreement		Total	
	Number of audit objections	Amount (Rupees in crore)	Number of audit objections	Amount (Rupees in crore)	Number of audit objections	Amount (Rupees in crore)
1994-95	16	2.27	—	—	16	2.27
1995-96	2	0.11	8	0.17	10	0.28
Total	18	2.38	8	0.17	26	2.55

Instructions issued by the Finance Department to expedite the settlement of audit objections were not adhered to by the Administrative Department (Engineer in Chief Haryana Irrigation branch) resulting in large number of inspection reports and paragraphs continue to remain outstanding. Finance Department issued (January 1992) instructions for constitution of Departmental Audit Committees and their meetings for review and settlement of old audit objections/paragraphs. No such meeting was held after November 1993.

The matter was referred to the Government in June 1997. Their reply had not been received (November 1997).

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

Admitted to the extent that 1892 number Paragraphs contained in 757 Inspection Reports were outstanding in Irrigation Department Haryana up to the period ending 1996-97. By holding periodical meeting in the field offices through a Special Review Party deputed by Accountant General Haryana, the Department have got settled 1179 Inspection Report Paras leaving balance of 673 Inspection Report Paras contained in 414 Inspection Reports up to the period ending 1996-97.

The Department had been taking regular meeting with the field officers at the level of Chief Engineers to decide the long remaining outstanding Paras from time to time. The Commissioner Irrigation is also reviewing the progress of these Paras during monthly meetings.

Being evolving Para, the number of outstanding I.R. Paras remained mostly the same because of the fact that a few number of paras are settled during annual inspection and the same Number are included in that report.

Field officers have been directed to hold fortnightly meetings with the SDOs XENs. And Chief engineers will also hold meeting with field officers once in three months. Recovery where required is being made.

In cases where recovery is not possible, steps are being taken to write off the losses.

The Committee desired that the outstanding paragraphs be settled at the earliest by fixing meetings with the A.G. (Audit) as some of the paragraphs are outstanding since 1977-78. The progress made be intimated to the Committee for its information.

[39] 4 18 Miscellaneous Public Works Advances

4 18 1 Introduction

Miscellaneous Public Works Advances (MPWA) is a suspense head under the Major Head 2059 Public Works which is intended to record (i) transactions relating to sales on credit (ii) expenditure incurred on deposit works in excess of deposits received (iii) losses retrenchments errors etc and (iv) other items of expenditure the allocation of which was not known and which could not immediately be adjusted to the final head of account. The Executive Engineers in charge of the concerned divisions were required to ensure prompt clearance of the amounts placed under MPWA. Heavy balances lying uncleared for a long period under this head could indicate undue delay in realisation of Government money and might involve risks of cases of losses mis-appropriation and other irregularities remaining undetected.

4 18 2 Audit coverage

A test-check of records relating to unclassified transactions sales on credit losses other items of expenditure etc placed under MPWA during the years 1992-93 to 1996-97 in 53 divisions (Buildings and Roads 11 divisions Public Health 21 divisions and Irrigation 21 divisions) out of 220 divisions (Buildings and Roads 62 divisions Public Health 43 divisions and Irrigation 115 divisions) was conducted during February 1997 to April 1997. Important points noticed during audit are mentioned in the following paragraphs.

4 18 3 Position of outstanding balances

(a) In 220 divisions (Irrigation 115 divisions, Buildings and Roads 62 divisions and Public Health 43 divisions) Rs 55.15 crore were outstanding under MPWA for the period from November 1966 to March 1997 (including Rs 0.37 crore which belonged to the period prior to November 1996) as shown below.

Sr No	Description	Irrigation	Buildings and Roads	Public Health	Total
(Rupees in crore)					
(i)	Sale on credit	0.08		0.13	0.21
(ii)	Expenditure on deposit works in excess of deposits received	0.86	0.11	0.41	1.38
(iii)	Losses errors and retrenchments etc	0.49	0.06	0.26	0.81
(iv)	Other items	35.49	1.87	15.39	52.75
	Total	36.92	2.04	16.19	55.15

Other items include debits the classification of which could not be determined at once recoverable debits and pertaining to the accounts of a work and recoverable outstanding pertaining to works accounts of which were closed.

Test check of records of 53 divisions revealed that addition to the outstanding balances under MPWA was Rs 67.71 crore (Irrigation Rs 35.24 crore Buildings and Roads Rs 3.51 crore and Public Health Rs 28.96 crore) during 1992-93 to 1996-97 whereas clearance was

Rs 31.51 crore (Irrigation Rs 5.38 crore Building and Roads Rs 3.30 crore and Public Health Rs 22.83 crore) This indicated that accumulation of heavy outstanding under MPWA was attributable mainly to slow action of the Department towards clearance of the balances

(b) As compiled/consolidated from the information furnished to audit by the divisions test-checked 3 552 items involving Rs 43.59 crore were outstanding as of 31st March 1997 Category wise analysis of the outstandings were

Sr No	Category	Irrigation		Buildings and Roads		Public Health		Total	
		No of items	Amount	No of items	Amount	No of items	Amount	No of items	Amount
(Rupees in lakhs)									
1	Advance payments to firms suppliers awaiting receipt of material or adjustment	72	11.44	18	2.09	182	187.20	272	200.73
2	Amount recoverable from officials/officers on account of shortage non account of material	355	138.04	182	8.65	712	51.10	1 249	197.79
3	Amount recoverable from various firms/suppliers/contractors on account of short/non supply of material excess payments to contractors etc	101	10.50	89	18.33	747	65.07	937	93.90
4	amount outstanding against other divisions/departments	137	3 158.18	20	3.23	153	647.85	310	3809.26
5	Amount recoverable from AEs/JEs on account of unauthorised expenditure incurred by them	45	20.71	20	0.74	37	5.27	102	26.72
6	Amounts recoverable on account of hire charges of vehicles/machinery	9	0.41	2	0.01	3	0.03	14	0.45
7	Amount recoverable on account of telephone/trunk call charges	10	0.01	82	0.32	111	0.31	203	0.64
8	Miscellaneous items	31	5.91	199	16.68	235	6.84	465	29.43
Total		760	3 345.20	612	50.05	2 180	963.67	3 552	4 358.92

4.18.4 Trend analysis

(i) Additions to and clearance from the outstanding balances during 1992-93 to 1996-97 in divisions test check was as under

Year	Opening balance as on 1 April	Addition during the year	Clearance during the year	Closing balance as on 31 March
(Rupees in crore)				
1992-93	7.37	5.89	3.32	9.94
1993-94	9.94	10.00	7.19	12.75
1994-95	12.75	7.64	4.06	16.33
1995-96	16.33	8.67	9.50	15.50
1996-97	15.50	35.51	7.44	43.57

The above table shows that balances under this suspense head increased from Rs 7.37 crore at the end of 1991-92 to Rs 43.57 crore at the end of 1996-97 an increase of nearly 500 per cent. In the following divisions the addition to the outstanding balances was substantial whereas clearance was poor during 1992-93 to 1996-97.

Sr No	Name of the division	Opening balance as on 1 April 1992	Addition during 1992-93 to 1996-97	Clearance during 1992-93 to 1996-97	Closing balance as on 31 March 1997
(Rupees in crore)					
(i)	Jind Water Services (WS) Division Jind	0.01	0.50	0.35	0.62
(ii)	Mohindergarh Canal WS Division Charkhi Dadn	0.57	0.97	0.32	1.22
(iii)	WS Mechanical Division Rewari	1.88	0.22	0.02	2.08
(iv)	Hathnikund Barrage Division Jagadhri	Nil	26.91	0.10	26.81
(v)	Public Health Division Panchkula	0.27	9.87	4.44	5.70

This would indicate lack of effective and adequate action for clearance of outstandings by the Divisional Officers. Number of items and balances outstanding for over 10 years and 20 years in the divisions test checked were as under:

	Items	Amount (Rupees in crore)
Over 10 years	955	3.02
Over 20 years	755	0.51
Total	1710	3.53

(ii) Outstanding balances (as shown in the above table) reported through the monthly account for March 1997 by 17 of the 53 divisions test checked did not agree with the balances (shown in paragraph 4.18.3 b) compiled by audit from the information supplied separately by the concerned divisions as indicated below

No of divisions	Outstanding balances		Difference excess (+)/less (-) In relation to monthly accounts figures
	(a)	(b)	
	Reported by divisions through monthly account for March 1997	Worked out by audit	
	(Rupees in lakh)		
9	362 04	374 47	(+) 12 43
8	838 76	828 73	(-) 10 03

Reasons for difference had not been intimated (May 1997) by the concerned divisions

(B) Advance payment to firms

272 items for Rs 2 01 crore were outstanding for want of receipt of material/supplies or due to non adjustment of materials

272 items of Rs 2 01 crore were outstanding in 34 divisions against various firms/suppliers for want of receipt of material/supplies or due to non adjustment of material if received. The earliest item (Rs 5 56 lakh) pertained to the year 1972 in Indri Water Services Division Kamal

The branch wise position was as under

Branch	Number of divisions	Amount outstanding
		(Rupees in lakh)
Public Health	20	187 20
irrigation	8	11 44
Buildings and Roads	6	2 09
Total	34	200 73

Of 272 items some cases of delay in the clearance of outstanding are discussed as under

- (iii) Indri Water Services Division Kamal made an advance payment of Rs 6 41 lakh (90 per cent of the value of purchase order) to a Calcutta based firm in October 1972 for supply of steel items. Against this Rs 0 85 lakh were adjusted (November 1972) and the balance Rs 5 56 lakhs as lying outstanding under MPWA (March 1992)

(C) Non recovery for shortages/non accounting of material from departmental officials

1 249 items of Rs 1 98 crore were outstanding on account of shortages/ non accounting or stores/non handing over charge of stores etc by the departmental officials. The oldest item pertained to the year 1979 (pertained to Kaithal Water Services Division Kaithal). Reasons for outstanding balances in the following 67 cases were as under

(i) In 20 of the 53 divisions test checked Rs 20 43 lakh (four Public Health Divisions Rs 1 96 lakh six Buildings and Roads divisions Rs 3 10 lakh and ten Irrigation divisions Rs 15 37 lakh) were outstanding against officials whose whereabouts were not known to the divisions

(ii) a sum of Rs 77 65 lakh in 24 divisions (Buildings and Roads 6 divisions Rs 0 94 lakh Irrigation 11 divisions Rs 70 18 lakh and Public Health 7 divisions Rs 1 53 lakh) was lying under MPWA against officials who stood retired/dismissed or expired

(iii) In 10 divisions Rs 23 83 lakh (Irrigation 8 divisions-Rs 21 26 lakh Buildings and Roads 2 divisions Rs 2 57 lakh) were outstanding against sub-divisional officers/junior engineers on account of shortages of stores detected either at the time of transfer of concerned officials or during physical verification of stores. Of Rs 23 83 lakh Rs 14 17 lakh in 6 divisions and Rs 9 66 lakh in 4 divisions were outstanding for over 5 years and over 10 years respectively

Delays in clearance of items in the following cases were because of slow action or inaction on the part of the concerned divisions as discussed below

- (a) In Water Services Mechanical Division Charkhi Dadri Rs 4 48 lakh were outstanding against a junior engineer since February and November 1989. The shortages were not yet reconciled/recovered (March 1997) by the Division
- (b) In Fatehabad Water Services Division Fatehabad shortage of store material valuing Rs 1 15 lakh were noticed against a junior engineer in February 1990. The amount was placed under MPWA and was not recovered up to March 1997
- (c) In Construction Division-17 Kamal shortage of store material and tools and plant articles valuing Rs 1 85 lakh was detected in March 1992 against a junior engineer and was booked under MPWA. A chargesheet was served upon the concerned JE in January 1995 to which a reply was received. The Division referred the case of recovery in April 1996 to Engineer in Chief. Final decision was awaited (October 1997)
- (d) In Kaithal Drainage division Kaithal (now Kaithal Water Services Division Kaithal) a junior engineer did not hand over charge in July 1979 on his transfer to another division. Physical verification conducted by a committee of two Sub divisional Officers (SDOs) revealed shortage of stores valuing Rs 2 81 lakh as intimated in January 1996 by the Committee. The value of short stores was placed under MPWA in October 1996. The concerned Executive Engineer stated (April 1997) that no action could be taken against the junior engineer due to non availability of relevant records

- (e) In Construction Division 2 Sirsa Rs 5.06 lakh were placed under MPWA in July 1985 on account of shortage of bricks against a junior engineer (JE) the junior engineer (JE) was chargesheeted in June 1987 by the Superintending engineer Canal Lining Circle I Sirsa who submitted replies in September 1990. The matter had been referred (December 1993) to the Chief engineer (Projects) Irrigation branch on which his decision was awaited (October 1997) the Executive engineer Construction Division 2 Sirsa intimated (October 1997) that no FIR was lodged with the Police. Reasons for not lodging FIR were not intimated by the Division.
- (f) Rs 4.12 lakh were pending recovery since September 1989 from one SDO and three JEs of Siwani Water Services Division for recording fictitious measurement of works in the measurement book (MB) resulting in excess payment to an agency of Bhiwani. Of Rs 4.12 lakh Rs 1.56 lakh were recoverable from one SDO who expired in October 1996. The Division replied (October 1997) that the officials were issued chargesheets in July 1993 and their replies were under process with the Government/EIC's office.
- (g) In Construction Division 6 Hisar Rs 1.13 lakh were outstanding against a junior engineer since October 1982 on account of shortage of material. Similarly in Construction Division 10 Kaithal Rs 0.66 lakh were outstanding against a junior engineer since 1986. The concerned divisions replied (April 1997) that no action could be taken as relevant records/files were not available.

(D) Outstanding balances against other divisions/departments

310 items of Rs 38.09 crore (Irrigation branch items 137-Rs 31.58 crore Buildings and Roads branch items 20 Rs 0.03 crore and Public Health branch 153 items Rs 6.48 crore) were outstanding on account of advance payments made to Haryana State Electricity Board (HSEB), Haryana State Minor Irrigation and Tubewells Corporation (HSMITC), Railways PW divisions, other departments for supply of stores etc. The Oldest item pertained to the year 1979 (in Water Services Mechanical Division Rewari). Some of the cases were analysed below.

- (i) Public Health Division Panchkula made advance payment of Rs 20.15 crore to HSEB during April 1992 to July 1993 on account of energy charges for clearance of part dues for maintenance of Rural Water Supply Scheme in the State. There was, however, no agreement between HSEB and the Public Health branch of PWD for making advance payments or the manner in which payments were to be made to HSEB. Of Rs 20.15 crore Rs 14.85 crore were adjusted in August 1993 after receipt of energy bills from various PH divisions. Balance of Rs 5.30 crore was outstanding because energy bills had not been received from concerned divisions.

Similarly Water Services Mechanical Division Rewari stated (October 1997) that the bills from HSEB against advance payment of Rs 0.68 crore for the services like energisation of pump houses, extension of load, installation of separate feeders etc. rendered by them for

Construction Division 26 Jind Water Services (WS) Division Jind WS (Mechanical) Division Rewari
Kaithal WS Division Kaithal Lift WS (Mechanical) Division Bhiwani Nahrana WS Division Sirsa
WS (Mechanical) Division Charkhi Dadri and PH Division Narnagarh

Jawahar Lal Nehru (JLN) Canal system were awaited and also the work had not been fully completed

(ii) Advance payment for Rs 2 40 crore made to Haryana State Minor Irrigation and Tubewell Corporation (HSMITC) between March 1979 and November 1995 by seven* divisions of Irrigation branch (Rs 2 37 crore) and one PH division of Public Health branch (Rs 0 03 crore) for manufacture of gates, glaring pumps and drilling of tubewells was outstanding for want of bills from HSMITC. There was no agreement between Irrigation branch/Public Health branch of PWD and HSMITC for making advance payment for getting the jobs done. Advances were released without getting the bills for the jobs in settlement of advances paid earlier. The Executive Engineer, WS Mechanical Division, Rewari replied (October 1997) that HSMITC was not supplying the bills even for completed jobs and as such the amounts were still outstanding.

(iii) Mohindergarh Canal Water Services Division Charkhi Dadri made advance payment of Rs 17 02 lakh to the Divisional Superintending Engineer, Northern Railways, Bikaner (Rajasthan) during October 1983 to February 1987 for the construction of syphon bridge at km 151/9 10 on Rewari Sadulpur section and the amount was placed under MPWA. Rs 2 17 lakh were adjusted (December 1996) and balance of Rs 14 85 lakh was outstanding (March 1997) for which reasons were not intimated by the concerned Division.

(iv) For the period March 1987 to August 1996, Rs 68 52 lakh were recoverable from Haryana Tourism Corporation on account of maintenance of various water supply, sewerage and public health amenity schemes at Yadvindra Garden, Pinjore by PH Division, Panchkula.

(E) Recoveries from firms/suppliers/contractors, etc

(i) Of 937 items, 772 items of Rs 41 79 lakh (Irrigation branch items 90 Rs 9 40 lakh, Buildings and Roads branch items 49 Rs 1 49 lakh and Public Health branch items 633 Rs 30 90 lakh) were outstanding against various firm/suppliers/contractors on account of short/non supply of material/freight charges/defective supplies of material and excess payment etc. Of these, the oldest item (Rs 0 81 lakh) related to May 1979 which pertained to Mohindergarh Canal Water Services Division Charkhi Dadri. Adequate efforts were not made to recover/reconcile/clear the old items.

(ii) Remaining 165 items of Rs 52 11 lakh were outstanding in 21 divisions (Irrigation branch 3 divisions-Rs 1 10 lakh, Buildings and Roads branch 8 divisions Rs 16 84 lakh and Public Health branch 10 divisions Rs 34 17 lakh) for the period from February 1966 to July 1995 against contractors on account of work(s) got done under risk and cost clause of the agreements. Reasons for not taking suitable action to clear the items from MPWA were awaited (May 1997).

(F) Unauthorized and irregular expenditure

102 items of Rs 26 72 lakh (Irrigation branch items 45 Rs 20 71 lakh, Buildings and Roads branch items 20 Rs 0 74 lakh and Public Health branch items 37 Rs 5 27 lakh) were outstanding mainly on account of unauthorized/irregular expenditure incurred by the officers. Of these, the oldest item pertained to August 1988 which related to Public Health Division, Namaul (Rs 1 58 lakh). Of Rs 26 72 lakh, Rs 18 33 lakh were outstanding against one Executive Engineer, four Sub-Divisional Officers and seven Junior Engineers in the following divisions on

account of execution of sub standard work(s) execution of work(s) without sanction of the competent authorities irregular payment of wages to labourers and theft of pipes

Sr No	Name of Division	Amount under MPWA (Rupees in Lakh)	Since when	Remarks
(i)	Rai Water Services Division Sonipat	4 74	December 1992	Sub standard work
		4 06	December 1993	Work executed without sanction
(ii)	Pundri water Services Division Kaithal	3 88	August 1991	Work executed without sanction
(iii)	Public Health Division Narnaul	1 58	August 1998	Irregular payment of wages
(iv)	Public Health Division Palwal	4 07	December 1988 and September 1993	Theft of Polyvenyle chloride (PVC) pipes
Total		18 33		

In the following test-checked cases the reasons for outstanding were as discussed here under

(i) In Pundri Water Services Division Kaithal 28 works for Rs 3 88 lakh were executed during August 1987 to July 1991 by the then Sub Division Officer without obtaining sanction of the competent authority Charge sheet against the concerned SDO was submitted in march 1993 to the Superintending Engineer (SE) Bnakra Canal Circle Kaithal by Ka thal Division (Irrigation branch) Kaithal (defunct) (now Pundri Water Services Division Kaithal) Decision to recover the amount was awaited from the higher authorities (September 1997)

(ii) In Rai Water Services Division Sonipat sub standard works worth Rs 4 74 lakh were executed in December 1992 by one Executive Engineer one Sub Divisional Officer (SDO) and two JEs Chargesheets against one Executive Engineer one SDO and one JE were submitted (October 1996) to the Chief Engineer Yamuna Water Services unit Chandigarh for app o al Final decision was awaited from the concerned Chief engineer As per reply of the Division Charge sheet against one JE was not framed (October 1997)

Works worth Rs 4 06 lakh were executed by one SDO and one JE in December 1993 without obtaining sanction of competent authority The Division replied (February 1997) that charge sheets against both these officials were not framed

4 18 6 Other points of interest

(i) In Jind Water Services Division Jind and Public Health Division I Bhiwani Rs 24 08 lakh and Rs 1 11 lakh respectively were outstanding under this head since December 1988 against two JEs on account of non adjustment of out-turn of machinery Steps to clear the items were not taken as of May 1997 In Hathni Kund Barrage (HKB) Division I Jagadhri

Rs 62.81 lakh were placed under MPWA against a Sub Divisional Officer in September 1995 on account of transfer of Machinery to other Division without approval of the competent authority. The Executive Engineer HKB Division I intimated (October 1997) that Rs 0.32 lakh were cleared in September 1997 and matter had been taken up with the SE HKB Circle Jagadhari for clearance of the balance amount.

(ii) For the acquisition of land for HKB Project at Tajewala HKB Division I Jagadhari paid advance of Rs 13.01 lakh in 1995-96 to the Land Acquisition Officer (LAO) PWD Irrigation branch Ambala out of which Rs 9.20 lakh were adjusted after acquisition of the land. Balance of Rs 3.81 lakh was lying under MPWA as its refund had not been received from the LAO Ambala.

HKB Division I Jagadhari paid Rs 10 lakh to the Executive Engineer Eastern Yamuna Canal Upper Division Saharanpur Uttar Pradesh in January 1995 as an advance towards acquisition of land for HKB Project. The land had been acquired as intimated (October 1997) by the concerned division but the amount was not cleared from MPWA for want of payment vouchers.

(iii) In 8 divisions Rs 17.83 lakh on account of transfer of material drilling of tube wells remodeling of outlets and transfer of cash from one division to other of the same branch during February 1986 to March 1994 were charged irregularly to MPWA instead of to cash settlement suspense account. Thus action required to be taken for obtaining credit for the issue of material was not properly taken.

4.18.7 Minus balances

In 17 divisions (Public Health branch 10 Buildings and Roads branch 3 and Irrigation branch 4) 74 items of Rs 18.01 lakh placed under MPWA from July 1974 to September 1994 represented minus balances. The minus balances were on account of amounts credited to the head in the absence of corresponding debits.

4.18.8 Defects in maintenance of records

As laid down under article 196 of Account Code Vol III the Executive Engineer is required to review the Register of MPWA every month to ensure speedy clearance of items placed therein. It was however noticed that MPWA registers were not maintained properly in 9 divisions as monthly abstracts were not prepared and submitted to the Executive Engineer every month. The registers were not reviewed by the concerned Executive Engineers/ Divisional Accounts Officer in the divisions to take effective steps for clearance of old outstanding items. Follow up action for adjustment/recovery of item placed under MPWA was lacking.

4.18.9 Monitoring

The position of outstanding items under the suspense head MPWA was reported by the concerned division to the respective Superintending Engineers through quarterly progress returns for onward transmission to the Engineer in Chief (EIC) of Public Health Irrigation and Buildings and Roads branches indicating increase and decrease in balances. Though these returns were submitted by the divisions monitoring of the clearance was not being done either at circle level or by EIC's office. Old items involving substantial amounts were not analysed and adequate efforts were not made to locate officers/officials responsible for such long

outstanding items. At the instance of audit, the engineer-in-Chief Buildings and Roads branch issued (June 1997) directions to all the SEs to constitute committees at circle level to monitor the progress of clearance of old outstanding balances.

The matter was referred to the Government in July 1997. Their reply had not been received (November 1997).

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

4.18.3 Item wise position of the outstanding PW Misc advance is given below

The present position of outstanding PW Misc advances in Divisions of Irrigation Department is given as under:

(i)	Sale on credit	Rs 0.07 crores
(ii)	Expenditure on deposit work in excess of deposit received	Rs 0.12 crores
(iii)	Losses, errors & retrenchment etc	Rs 0.41 crores
(iv)	Other items	Rs 4.89 crores

Total	Rs 5.49 crores
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The present position of outstanding amount item wise is given as under -

	No. of item	Amount
1. Advance payment to firms/suppliers awaiting receipts of material of adjustment	21	2.007
2. Amount recoverable from officials/officers on account of shortage/non account of material	212	51.10
3. Amount recoverable from various firms/suppliers/contractors on account of short/non supply of material, excess payment to contractors etc	62	8.96
4. Amount outstanding against other Divisions/Department	58	249.24
5. Amount recoverable from AEs/JEs on account of unauthorised expenditure incurred by them	29	15.49
6. Amount recoverable on account of hire-charges of vehicles/machinery	8	0.4
7. Amount recoverable on account of Telephone/trunk Call charges	-	-
8. Miscellaneous item	8	5.32
Total	398	333.00

4.18.4 All possible efforts at various levels are being made to minimise the outstanding balance

As a result thereof the present position of PW Misc in the following Divns against Rs 30 73 crores is as under –

Sr No	Name of Divn	Now outstanding
1	Jind W/S Divn Jind	0 01 crore
2	M/Garh Canal W/S Divn Dadn	0 32 crore
3	Water Services Mech Divn Rewari	2 08 crore
4	HKB I Divn Jagadhri	0 18 crore
Total		2 59 crore

B Out of Rs 11 44 lacs in eight Irrigation Divisions a sum of Rs 8 77 lacs have been cleared leaving a balance of Rs 2 67 lack in the following Divns –

Sr No	Name of Division	Amount Outstanding
1	Const Divn No 21 Rohtak	0 11 lacs
2	Const Divn No 17 Karnal	0 50 lacs
3	Neharana W/S Divn Sirsa	0 04 lacs
4	Water Services (Mech) Divn Rohtak	1 41 lacs
5	Lift W/S Divn Bhiwani	0 61 lacs

Advance payment of Rs 6 41 lacs was made to M/S R D Machinery Corporation Calcutta for supply of 440 M T steel. The balance amount of Rs 655775 94 is outstanding against the firm. All possible efforts were made to recover this amount but whereabouts of the firm could not be located. There left no alternative except to write off this amount.

C A sum Rs 4 23 lacs in six Divns is now outstanding against the officials. Earnest efforts are being made to locate the whereabouts of these officials and action to recover the balance amount will be taken accordingly.

A sum of Rs 3 78 lacs is now outstanding in 8 Irrigation Divisions against Rs 70 18 lacs in 11 Divisions. The remaining cases are under process.

Only a petty amount of Rs 1 15 lacs has been cleared. The remaining cases are under process of recovery.

Sh. Randhir Singh JE was charge sheeted under rule 7 by the competent authority. After considering his reply he got cleared shortages amounting to Rs 2 42 lacs. For deciding about the balance recovery Inquiry Officer has been appointed and his findings are yet awaited.

This amount has since been recovered.

After observing the Code of formalities recovery order were issued against the JE & a sum of Rs 67858/- has been recovered. The balance amount is being recovered through monthly instalments.

Shortage of material valuing Rs 2 81 lacs was against Sh. J P Mittal JE by the State.

Vigilance Bureau F I R was lodged against the J E. After enquiry the State Vigilance Bureau has filed a criminal case against the J E and the next date of hearing has been fixed on 12.3.2002.

After Completing the Codel provisions of the rules recovery orders for Rs 5 06 570/- has been issued vide no 3237 40/ 6 DC/857/99 dated 19.7.2001 by the competent Authority.

The matter is still under process.

Sh Baljit Singh JE was considered responsible for the shortage of material. He was directed to hand over the complete charge before issuing C/sheet. He was finally C/sheeted by the competent authority on 1.10.86. He has now given his defence reply & the same is under process.

Material valuing Rs 0.66 lacs was found short against Sh H L Kinger JE a sum of Rs 8241/- has since been recovered and for the balance amount of Rs 58 740/- necessary C/sheeted is being issued.

D Out of 137 cases amounting to Rs 3157.76 lacs only a sum of Rs 248.64 lacs in 58 cases is now outstanding against HSEB/MITC.

Final adjustment of the advance payment will be done after energisation of all the pump houses.

Only a sum of Rs 6.15 lacs has been cleared and the balance amount of Rs 2 63 50 000/- is still outstanding.

The advance payment for outstanding Syphan Bridge was made to Divisional SE Northern Railway Bikaner but its construction is still under consideration. The amount will be adjusted after completing the construction works of syphan Bridge.

4 18 5 (E)

(i) Out of 90 cases including Rs 9.70 lacs 28 cases amounting to Rs 1.54 lacs has been recovered leaving a balance of Rs 8.96 lacs in 62 cases.

(ii) A sum of Rs 0.72 lacs has been recovered in Const Divn No 21 Roh'ak out of Rs 1.10 lacs for recovering the remaining amount cases are under process.

4 18 5 (f)

Out of 45 cases involving Rs 20.71 lacs in 16 cases amounting to Rs 5.214 lacs full recovery has since been made. The remaining 29 cases involving Rs 15.496 lacs are under process.

The matter is still under process.

Before taking final action to recover the amount the present SE Const Circle Sonapat has been appointed as Inquiry Officer. His findings are yet awaited.

Estimate for Rs 4.06 lacs has been sanctioned by the competent authority.

The amount will be cleared shortly.

4 18 6

The out-turn of machinery has been adjusted and the amount stand cleared.

The entire amount of Rs 62.81 lacs has been cleared in 11/97.

The balance amount of Rs 3.81 lacs has since been cleared. Rs 10.00 lacs outstanding against Xen Eastern Yamuna Canal Upper Division Saharanpur has since been cleared in 6/99.

Instruction has been issued to the field officers for rectifying the error.

4.18.7 All the minus balances shown against Irrigation Deptt. has been cleared.

4.18.8 Instruction has been issued to the field officers.

4.18.9 To monitor the progress in clearance of outstanding P.W. Misc. advances, Chief Engineer of respective Units will hold a meeting with the SEs Quarterly. Furthermore, this issue is also being reviewed by the Financial Commissioner & Principal Secy to Govt Haryana Irrigation Department in the SEs meeting.

After going through the written reply sent by the department, the Committee desired that the recoveries of the balance amount in each case be settled at the earliest and detailed report be intimated to the Committee. The Committee also desired that the action against the persons responsible for not adjusting/ recovering the old outstanding balances for a long time be taken under report to the Committee.

P W D (B&R) DEPARTMENT

[40] 4 11 Infructuous expenditure on construction of a road

Rules provide that work should not be started without acquisition of land required for construction of the work. Construction of a link road from village Kumbha to Kharkara in Hisar district with a length of 3.72 km was administratively approved in October 1993 by the Government at an estimated cost of Rs 19.14 lakh. The work on the road was started in October 1993 without the acquisition of land and was completed partially in September 1994 for a length of 2 km (Km 0.2) at a cost of Rs 8.97 lakh by Provincial Division Public Works Department Buildings and Roads Branch Hansi. Work beyond 2 km could not be undertaken as land was not available for the balance length of 1.72 km and the landowners were also not ready to give their land. The work was abandoned in February 1996.

In the meantime Haryana State Agricultural Marketing Board undertook (December 1995) the construction of a new link road from village Kumbha to Kharkara on a changed alignment having a length of 3.82 km. The work was completed in July 1996 at a cost of Rs 16.19 lakh.

Thus execution of road without ensuring availability of land rendered the expenditure of Rs 8.97 lakh infructuous.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

In reply to this para it is submitted that village Kumbha is situated on Hansi Petwar road and village Kharkara is linked with D.H.S. road. The Sugar Mill at Meham has been installed and the villagers have to cart their Sugar Cane to Sugar Mill. With the construction of this road it will be the shortest route to Sugar Mill Meham for the villagers of this area. The villagers requested the Hon'ble P.W.M. Haryana during the visit to this area for construction of this road. The Hon'ble P.W.M. acceded to their request and desired to frame rough cost estimate of Constg. link road Kumbha to Kharkara. Accordingly Rough Cost Estimate amounting to Rs 18,07,000/- for construction of road and estimate amounting to Rs 1,07,100/- for acquisition of land was sent by the S.E. Hisar to the Engineer in Chief vide Circle letter No. 6659/R dated 2.12.92 which was further sent to the Govt. by the H.Q. vide letter No. 41/R-2 dated 11-2-93.

The Administrative approval was accorded by the Govt Vide letter No 9/228/93 B&R(W) 3 dated 26 10 93 for Rs 19 14 100/ which included as under –

(i)	Provision for construction of road	Rs 1807000/-
(ii)	Provision for land acquisition	Rs 107100/
	Total	Rs 19 14 100

The detailed estimate was technically sanctioned by the Engineer in Charge Haryana PWD B&R Branch Chandigarh Vide order No 809/R 2 dated 2-5 94 for construction of road portion only for Rs 1708800/ for a length of 3 72 km

The work for construction of road was started on 30 10-93 consolidated path of Five Karma (27½) was available in Two Kms (R D 0 to 2 00) and a consolidated path of 3 Karma (16½) was available in balance length of 1 72 Km (R D 2 00 to 3 72) Since the consolidation path of 27½ was available in a length of 2 Kms as such work was taken in hand in these two Kms without acquisition of land as the required formation width of 24 could be accommodated in the available consolidated path of 27½

In the meantime land acquisition papers under section-IV were prepared and sent to L A O on 7 5 94 and remained under correspondence During correspondence these papers were misplaced The official i.e Head Draftsman who misplaced these L A papers for notification has been called up to explain vide this office memo No 1774 dated 7 9 2000 Fresh land acquisition papers under section IV were prepared and notified in the Gazetted Notification dated 23 8 99 (Copy enclosed) as annexure 2

There is no objection from the land owners whose land is to be acquired as no objection has been filed under section V of Land Acquisition act so far Now L A papers under section-IV and VI of L A act has been published and the rates of the compensation for land proposed to be acquired are being fixed

In addition to above adequate funds under the head 5054 B&B (plan) were not made available during the year 1994 95 1995-96 1996 97 1997 98 1998 99 and 1999 2000 viz demanded funds as clear from the table available at as annexure 3

Meanwhile H S A M B started constructing a link road (on popular demand of farmers) from village Kumbha to Kharfara on a separate alignment during 12/95 which is situated at a distance of 1 30 km from the already approved alignment by the PWD B&R Deptt

Both these roads i.e Road being constructed by this deptt and road constructed by H S A M B will be beneficial to the farmers take their produce/ sugar cane to Grain Market bass/ Sugar mill Meham village kunbha has very large cultivated area and construction of both these roads will be beneficial to all farmers whose fields are situated adjoining to these roads It will not be out of context to mention that consolidated paths had been provided by

Revenue Deptt on the alignment of both these roads so that the farmers can take their produce from their fields by using the Kacha Consolidation path prior to construction of metalled road. It is further added that the Irrigation Department had also constructed two Nos. small bridge on the existing minor which crosses these two roads keeping in view the necessity of the farmers.

The road being constructed by P.W.D. B&R Department has not been abandoned. It is fully utilised by the farmers and will be completed after acquisition of land in a balance length of 1.72 km and allotment of funds. Hence there is no infructuous expenditure in the para.

It is therefore requested that para may kindly be dropped.

After hearing the departmental representatives the Committee observed that the work on the road was started without acquisition of land resulted in infructuous expenditure. Later on, land acquisition process was initiated but during correspondence the papers were misplaced and the work was abandoned.

During the course of oral examination, the committee desired to have the information that what action was taken by the Department against the officers/officials responsible for these lapses. The desired information was awaited till the drafting of this report.

The Committee recommends that the desired information be sent to the Committee within a period of two months.

[41] 4.13 Blocking of funds due to non utilisation of a road constructed without railway level crossing

To provide facilities to the villagers for carrying their goods to market by shorter route and for use by students to attend college, construction of link road (2.43 kms) from Village Patti Kalyana (starting from N.H.1) to Gandhi Adarsh College, Samalkha (on Chulkana Samalkha Road) was administratively approved (July 1984) for Rs. 7.43 lakh. The work was started in December 1984 and completed in March 1988 at a cost of Rs. 5.58 lakh except a gap of 0.05 km for railway crossing.

The road was to cross the railway line at km 69.30 on Delhi Ambala Kalka section. The administrative approval for the road contained a lump sum provision of Rs. 1.50 lakh for the construction of B class railway level crossing on it. Though the work on the road was started in December 1984, the Department took up the matter with the Railways for construction of railway crossing only in December 1985. Railway demanded in February 1987 Rs. 14.18 lakh (revised to Rs. 15.21 lakh in July 1989) for the purpose. The Department deposited Rs. 15.21 lakh in October 1991 with the Railways. Meanwhile the estimated cost of level crossing was further revised by the Railways to Rs. 23.80 lakh in May 1992 and to Rs. 40.87 lakh in June 1994 due to increase in the cost of labour and material. To avoid the extra cost on the construction of level crossing, the Executive Engineer, Provincial Division I, Panipat proposed

(September 1994) C class level crossing (estimated cost Rs 13.58 lakh) instead of B class level crossing to be constructed within the amount already deposited with the Railways. The consent for change of plan (Design) of the level crossing was sent to the Railways in October 1996. The work on level crossing was still to start and the road had been lying incomplete even after spending Rs 20.79 lakh (Deposit with the Railways Rs 15.21 lakh and expenditure on road Rs 5.58 lakh).

Thus the delay on the part of the Department in depositing the cost with the Railways had delayed the construction of level crossing and non-linking of the road with National Highway I.

The Executive Engineer Provincial Division I Panipat intimated (July 1997) that there is an under bridge at a distance of 60-70 metres from the point of level crossing and the light traffic is running through it by diverting the road. The reply was not tenable as the road could not serve the purpose of linking National Highway No. 1 to Chulkana Samalkna Road for transport vehicles.

The matter was referred to the Government in March 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

As mentioned in the para itself, the road was completed during March 1988 except of a gap of 0.05 km left for level crossing. On the demand of Railway Authority a sum of Rs 15.21 lakh was deposited with the Railway for providing the level crossing. Constant requests were made to Railway Authorities to provide the level crossing but they did not provide the level crossing. Instead it was desired by the Railway authorities to deposit a sum of Rs 8.59 lakhs more for providing the level crossing. Matter remained under correspondence but the additional amount of Rs 8.59 lacs was not deposited.

Subsequently the Railway Authorities were contacted and stressed to provide the level crossing. It was proposed by them to provide C class level crossing instead of B class level crossing.

An estimate of Rs 13,57,802/- was given by the Divisional Superintending Engineer Railways New Delhi for the same.

Now the Railway Authorities have demanded total cost of Rs 28,57,827/- vide letter No 480 w 328 71/68/W I dated 25.8.99 and desired for depositing balance cost of Rs 13,36,827/- the balance payment will be deposited after the sanction of estimates.

The matter stands taken up with the Railway Authorities for providing C level crossing at an early date.

It is not correct to say that the Expenditure of Rs 20.79 lakhs incurred on the work is unfruitful as the road could not be put to use. In fact the road is being used by public.

since its construction and except for providing level crossing by the Railway there is no problem in use of the road. Full traffic is running on the road and some industrial units have also come up in this area and they are also making full use of the road.

Efforts are being made to get the level crossing providing by Railway Authorities early. It is requested that para may be settled.

The Committee recommends that the matter for providing 'C' class level crossing be taken up with the Railway Authorities at the earliest and progress report be sent to the Committee for its information.

[42] 4.14 Delay in construction of Mini Secretariat

Rules provide that no work should be undertaken unless it is administratively approved by the competent authority and the site of the building is settled before preparation of detailed design and estimate.

Government of Haryana Revenue Department decided (May 1994) to construct composite office building of Mini Secretariat and allied buildings at Panipat on 20 acres of land to be purchased from Haryana Urban Development Authority (HUDA) to bring all the district level offices of the Government at one place. HUDA earmarked land in Sector 6 Panipat for this purpose to Revenue Department out of the land acquired by them in May 1992. However, no allotment letter containing the rate, terms and conditions was issued by HUDA for the transfer of land to the Public Works Department Buildings and Roads Branch. The foundation stone of the building was however laid in July 1994 at the proposed site at an expenditure of Rs. 0.62 lakh.

Executive Engineer, Provincial Division I Panipat deposited Rs. 57.20 lakh (Rs. 29.20 lakh in March 1995 and Rs. 28 lakh in August 1995) with HUDA towards 50 per cent cost of land instead of 25 per cent as intimated by the Deputy Commissioner Panipat in March 1995 as a precondition of giving possession of land. The amount was deposited without taking possession of land and without obtaining the allotment letter from HUDA. Administrative approval from the Government for the construction of the building was also not taken. HUDA could not hand over the proposed land as of September 1997 owing to dispute over the ownership of this land with Government of India Ministry of Defence. Consequently, the work on buildings could not commence and Rs. 57.20 lakh remained blocked involving loss of Rs. 17.07 lakh on account of interest calculated at the rate of 13 per cent up to September 1997.

Thus the purpose of having all district level offices at one place was not achieved.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

Revenue Department of Government of Haryana decided to construct composite office building called Mini Secretariat and allied buildings at all District Head quarter at one place. In accordance with that decision and with the intention to construct Mini

Secretariat at Panipat HUDA has acquired 372.6 acres of land *vide* award No. 4 dated 7-5-92. Out of which 20 acres of land was decided to be transferred to Revenue Department for the construction of Mini Secretariat and Housing Complex at Panipat. This 20 acres land was a part of 66.37 acres of land which happened to be camping ground. Foundation stone for its construction was laid by the Hon'ble Chief Minister of Haryana on 3-7-94. Payment of Rs. 57.20 lacs was made by Panipat Division on the mutual consent that the land will be made available *i.e.* D.C. Panipat being the administrative head of the District and Revenue Department involved both the Estate Officer HUDA Panipat & Executive Engineer PWD (B&R) Panipat for the transfer of 20 acres land on payment basis. Please refer to Annexure I *i.e.* reference of D.C. to Chief Administrator HUDA Panchkula and Annexure II *i.e.* reference of Estate Officer HUDA Panipat to Chief Administrator HUDA Panchkula in this regard. No formal allotment letter for allotment of land was issued by HUDA. No land was transferred by HUDA despite making correspondence as Ministry of Defence did not agree to transfer the camping ground land to HUDA.

As regards Administrative approval it is submitted that no formal administrative approval was issued. However the matter regarding transfer of land was well in the knowledge of Administration PWD (B&R) Department and the Government which is amply clear from the correspondence made by D.C. and others as per **Annexure 1** and **2** above and also from **Annexure 3** (enclosed).

Now the latest position is that Chief Administrator HUDA *vide* No. 29828 dated 5-9-97 (copy enclosed) addressed to A.G. Haryana Chandigarh has intimated that the amount received towards the cost of Mini Secretariat Panipat has been transferred & credited against the land allotted to Revenue Department for construction of Mini Secretariat at Karnal.

It is further submitted that the payment has been made to HUDA which is an undertaking of Government of Haryana. However the claim of interest of Rs. 17.07 lacs has been lodged with Chief Administrator HUDA Panchkula *vide* E.E.P.I Panipat No. 2072/74 dated 7-6-2000.

Possession of land by HUDA was to be given to Revenue Department. D.C. Panipat was thus required to take possession of land from HUDA. PWD (B&R) was only an agency for transfer of the amount to HUDA. When it was released by the Revenue Department. Matter regarding payment of interest and actual amount credited for land acquired for Mini Secretariat Karnal has been taken up with HUDA by Executive Engineer Panipat and Government in Revenue Department has been requested to pursue the case at their level by the Department *vide* letter No. 1242/C dated 4-7-2000. It is requested that the para may please be dropped.

After hearing the representatives of the PWD (B&R) and Revenue Department, the Committee recommends that the matter regarding payment of recovery interest

be persued with the HUDA for the period the funds remained un adjusted with them and report be sent to the Committee within three months

[43] 4 18 Miscellaneous Public Works Advances

4 18 1 Introduction

Miscellaneous Public Works Advances (MPWA) is a suspense head under the Major Head 2059 Public Works which is intended to record (i) transactions relating to sales on credit (ii) expenditure incurred on deposit works in excess of deposits received (iii) losses retrenchments errors etc and (iv) other items of expenditure the allocation of which was not known and which could not immediately be adjusted to the final head of account The Executive Engineers in Incharge of the concerned divisions were required to ensure prompt clearance of the amounts placed under MPWA Heavy balances lying uncleared for a long period under this head could indicate undue delay in realisation of Government money and might involve risks of cases of losses mis appropriation and other irregularities remaining undetected

4 18 2 Audit coverage

A test check of records relating to unclassified transactions sales on credit losses other items of expenditure etc placed under MPWA during the years 1992-93 to 1996-97 in 53 divisions (Buildings and Roads 11 Divisions Public Health 21 Divisions and Irrigation 21 Divisions) out of 220 divisions (Buildings and Road 62 Divisions Public Health 43 Divisions and Irrigation 115 Divisions) was conducted during February 1997 to April 1997 Important points noticed during audit are mentioned in the following paragraphs

4 18 3 Position of outstanding balances

(a) In 220 divisions (Irrigation 115 divisions Buildings and roads 62 divisions and Public Health 43 divisions) Rs 55 15 crore were outstanding under MPWA for the period from November 1966 to March 1997 (including Rs 0 37 crore which belonged to the period prior to November 1966) as shown below

Sr No	Description	Irrigation	Buildings and Roads	Public Health	Total
(Rupees in crore)					
(i)	Sale on credit	0 08		0 13	0 21
(ii)	Expenditure on deposit works in excess of deposit received	0 86	0 11	0 41	1 38
(iii)	Losses errors and retrenchments etc	0 49	0 06	0 26	0 81
(iv)	Other items	35 49	1 87	15 39	52 75
	To al	36 92	2 04	16 19	55 15

Test check of records of 53 divisions revealed that addition to the outstanding balances under MPWA was Rs 67 71 crore (Irrigation Rs 35 24 crore Buildings and Roads Rs 3 51 crore and Public Health Rs 28 96 crore) during 1992-93 to 1996 97 whereas clearance was

Other items include debits the classification of which could not be determined at once recoverable debits not pertaining to the accounts of a work and recoverable outstanding pertaining to works accounts of which were closed

Rs 31 51 crore (Irrigation Rs 5 38 crore Building and Roads Rs 3 30 crore and Public Health Rs 22 83 crore) This indicated that accumulation of heavy outstanding under MPWA was attributable mainly to slow action of the Department towards clearance of the balances

(b) As compiled/consolidated from the information furnished to audit by the divisions test checked 3 552 items involving Rs 43 59 crore e v e e outstanding as of 31st March 1997 Category wise analysis of the outstandings were

Sr No.	Category	Irrigation		Buildings and roads		Public Health		Total	
		No of items	Amount	No. of items	Amount	No of items	Amount	No. of items	Amount
(Repees in lakh)									
1	Advance payments to firms suppliers awaiting receipt of material or adjustment	72	11 44	18	2 09	182	187 20	272	200 73
2	Amount recoverable from officials/officers on account of shortage/ non accountal of material	355	138 04	182	8 65	712	51 10	1 249	197 79
3	Amount recoverable from various firms suppliers/contractors on account of short/ non supply of material excess payments to contractors etc	101	10 50	89	18 33	747	65 07	937	93 90
4	amount outstanding against other divisions/ departments	137	3 158 18	20	3 23	153	647 85	310	3 809 26
5	Amount recoverable from AEs/JEs on account of unauthorised expenditure incurred by them	45	20 71	20	0 74	37	5 27	102	26 72
6	Amounts recoverable on account of hire charges of vehicles/ machinery	9	0 41	2	0 01	3	0 03	14	0 45
7	Amount recoverable on account of telephone/ trunk call charges	10	0 01	82	0 32	111	0 31	203	0 64
8	Miscellaneous items	31	5 91	199	16 68	235	6 84	465	29 43
Total		760	3 345 20	612	50 05	2 180	963 67	3 552	4 358 92

4.18.4 Trend analysis

(i) Additions to and clearance from the outstanding balances during 1992-93 to 1996-97 in divisions test check was as under

Year	Opening balance as on 1 April	Addition during the year	Clearance during the year	Closing balance as on 31 March
(Rupees in crores)				
1992-93	7.37	5.89	3.32	9.94
1993-94	9.94	10.00	7.19	12.75
1994-95	12.75	7.64	4.06	16.33
1995-96	16.33	8.67	9.50	15.50
1996-97	15.50	15.51	7.44	43.57

The above table shows that balances under this suspense head increased from Rs 7.37 crore at the end of 1991-92 to Rs 43.57 crore at the end of 1996-97 an increase of nearly 500 per cent. In the following divisions the addition to the outstanding balances was substantial whereas clearance was poor during 1992-93 to 1996-97

Sr No	Name of the division	Opening balance as on 1 April 1992	Addition during 1992-93 to 1996-97	Clearance during 1992-93 to 1996-97	Closing balance as on 31 March 1997
(Rupees in crores)					
(i)	Jind Water Services (WS) Division Jind	0.01	0.96	0.35	0.62
(ii)	Mohindergarh Canal WS Division Charkhi Dadn	0.57	0.97	0.32	1.22
(iii)	WS Mechanical Division Rewari	1.88	0.22	0.02	2.08
(iv)	Hathinkund Barrage Division Jagadhri	Nil	26.91	0.10	26.81
(v)	Public Health Division Panchkula	0.27	9.87	4.44	5.70

This would indicate lack of effective and adequate action for clearance of outstanding by the Divisional Officers. Number of items and balances outstanding for over 10 years and 20 years in the divisions test checked were as under

	Items	Amount (Rupees in crore)
Over 10 years	955	3 02
Over 20 years	755	0 51
Total	1710	3 53

(ii) Outstanding balances (as shown in the above table) reported through the monthly account for March 1997 by 17 of the 53 divisions test checked did not agree with the balances (shown in paragraph 4 18 3 b) compiled by audit from the information supplied separately by the concerned divisions as indicated below

No of divisions	Outstanding balance		Difference excess (+)less (-) in relation to monthly accounts figures
	(a)	(b)	
	Reported by divisions through monthly account for March 1997 (Rupees in lakh)	Worked out by audit	
9	362 04	374 47	(+) 12 43
8	838 76	828 73	(-) 10 03

Reasons for difference had not been intimated (May 1997) by the concerned divisions

4 18 5 Analysis of outstanding balances

As laid down in paragraph 10 23 of the Manual of orders of PWD Buildings and Roads Branch the Divisional Officer was required to take effective steps to clear the outstanding items under the suspense head MPWA within reasonable time. It was noticed during audit that effective steps to clear these balances were not taken by the divisions test checked resulting in persistent increases during 1992 93 to 1996 97.

Persistent increases in outstanding balances and delay in their clearance were attributable mainly to non availability of details of items with the concerned divisions non adjustment of advances released to suppliers/contractors advance payments made to other divisions/departments shortage/non accountal of material non recovery of amounts against non/short supply of materials by firms/contractors and incurring of irregular/unauthorised expenditure. Some of the significant cases are discussed below

(A) Insufficient details of items

(ii) In Provincial Division-I Ambala Rs 7 74 lakhs was outstanding since 1970 71 and earlier years. Details as on what account and from whom these amounts were recoverable was not available with the Division.

(B) Advance payment to firms

272 items of Rs 2 01 crore were outstanding in 34 divisions against various firms/suppliers for want of receipt of material/supplies or due to non adjustment of material if received. The earliest item (Rs 5 56 lakh) pertained to the year 1972 in Indri Water Services Division Karnal.

The branch wise position was as under

Branch	Number of divisions	Amount outstanding
	(Rupees in lakh)	
Public Health	20	187 20
Irrigation	8	11 44
Buildings and Roads	6	2 09
Total	34	200 73

Of 272 items some cases of delay in the clearance of outstanding are discussed as under

- (ii) Provincial Division I Sirsa made advance payment of Rs 13 25 lakh in October 1981 to a Calcutta based firm for supply of 285 00 mt mild steel (MS) bars against which 270 42mt MS bars worth Rs 10 59 lakh were received in October 1982 through Railways. Balance amount of Rs 2 66 lakh being the value of 14 58 mt steel bars (short received) was placed under MPWA. The amount became irrecoverable as the concerned firm/Railway Authorities rejected (January 1983) the division's claim for short receipt of material. Responsibility for the loss was not fixed by the Division and the amount was lying outstanding under MPWA.

adjusted (November 1972) and the balance Rs 5 56 lakh was lying outstanding under MPWA (March 1992).

(C) Non recovery for shortages/non accounting of material from departmental officials

1 249 items of Rs 1 98 crore were outstanding on account of shortages non accounting of stores/non handing over charge of stores etc. by the departmental officials. The oldest item pertained to the year 1979 (pertained to Kaithal Water Services Division Kaithal). Reasons for outstanding balances in the following 67 cases were as under

- (i) In 20 of the 53 divisions test checked Rs 20 43 lakh (four Public Health Divisions Rs 1 96 lakh six Buildings and Roads divisions Rs 3 10 lakh and ten Irrigation divisions Rs 15 37 lakh) were outstanding against officials whose whereabouts were not known to the divisions.

(ii) a sum of Rs 72.65 lakh in 24 divisions (Buildings and Roads 6 divisions Rs 0.94 lakh Irrigation 11 divisions Rs 70.18 lakh and Public Health 7 divisions Rs 1.53 lakh) was lying under MPWA against officials who stood retired dismissed or expired

(iii) In 10 divisions Rs 23.83 lakh (Irrigation 8 divisions-Rs 21.26 lakh Buildings and Roads 2 divisions Rs 2.57 lakh) were outstanding against sub divisional officers/junior engineers on account of shortages of stores detected either at the time of transfer of concerned officials or during physical verification of stores. Of Rs 23.83 lakh Rs 14.17 lakh in 6 divisions and Rs 9.66 lakh in 4 divisions were outstanding for over 5 years and over 10 years respectively

(D) Outstanding balances against other divisions/departments

310 items of Rs 38.09 crore (Irrigation branch items 137 Rs 31.58 crore Buildings and Roads branch items 20 Rs 0.03 crore and Public Health branch 153 items-Rs 6.48 crore) were outstanding on account of advance payments made to Haryana State Electricity Board (HSEB) Haryana State Minor Irrigation and Tubewells Corporation (HSMITC) Railways PW divisions other departments for supply of stores etc. The Oldest item pertained to the year 1979 (in Water Services Mechanical Division Rewari). Some of the cases were analysed below

(E) Recoveries from firms/suppliers/contractors, etc

(i) Of 937 items 772 items of Rs 41.79 lakh (Irrigation branch Item 90 Rs 9.40 lakh Buildings and Roads branch items 49 Rs 1.49 lakh and Public Health branch items 633 Rs 30.90 lakh) were outstanding against various firm/suppliers/contractors on account of short/non supply of material/freight charges/ defective supplies of material and excess payment etc. Of these the oldest item (Rs 0.81 lakh) related to May 1979 which pertained to Mohinder Garh Canal Water Services Division Charkhi Dadri. Adequate efforts were not made to recover/reconcile/clear the old items

(ii) Remaining 165 items of Rs 52.11 lakh were outstanding in 21 divisions (Irrigation branch 3 divisions Rs 1.10 lakh Buildings and Roads branch 8 divisions Rs 16.84 lakh and Public Health branch 10 divisions Rs 34.17 lakh) for the period from February 1966 to July 1995 against contractors on account of work(s) got done under risk and cost clause of the agreements. Reasons for not taking suitable action to clear the items from MPWA were awaited (May 1997)

(F) Unauthorized and irregular expenditure

102 items of Rs 26.72 lakh (Irrigation branch items 45 Rs 20.71 lakh Buildings and Roads branch items 20 Rs 0.74 lakh and Public Health branch Items 37 Rs 5.27 lakh) were outstanding mainly on account of unauthorized/irregular expenditure incurred by the officers. Of these oldest item pertained to August 1988 which related to Public Health Division Narnaul (Rs 1.58 lakh). Of Rs 26.72 lakh Rs 18.33 lakh were outstanding against one Executive Engineer four Sub Divisional Officers and seven Junior Engineers in the following divisions on account of execution of sub standard work(s) execution of work(s) without sanction of the

competent authorities irregular payment of wages to labourers and theft of pipes

Sr No	Name of Division	Amount under MPWA (Rupee in Lakh)	Since when	Remarks
(i)	Rai Water Services Division Sonipat	4 74	December 1992	Sub-standard work
		4 06	December 1993	Work executed without sanction
(ii)	Pundn water Services Division Karthal	3 88	August 1991	Work executed without sanction
(iii)	Public Health Division Narnaul	1 58	August 1988	Irregular payment of wages
(iv)	Public Health Division Patwal	4 07	December 1988 and September 1993	Theft of Polyvenyle chloride (PVC) pipes
Total		18 33		

4 18 7 Minus balances

In 17 divisions (Public Health branch 10, Buildings and Roads branch 3 and Irrigation branch 4) 74 items of Rs 18 01 lakh placed under MPWA from July 1974 to September 1994 represented minus balances. The minus balances were on account of amounts credited to the head in the absence of corresponding debits.

4 18 8 Defects in maintenance of records

As laid down under article 196 of Account Code Vol III the Executive Engineer is required to review the Register of MPWA every month to ensure speedy clearance of its placed therein. It was however noticed that MPWA registers were not maintained properly in 9 divisions as monthly abstracts were not prepared and submitted to the Executive Engineer every month. The registers were not reviewed by the concerned Executive Engineers/ Divisional Accounts Officer in the division to take effective steps for cleanse of old outstanding items. Follow up action for adjustment/recovery of item placed under MPWA was lacking.

4 18 9 Monitoring

The position of outstanding items under the suspense head MPWA was reported by the concerned division to the respective Superintending Engineers through quarterly progress returns for onward transmission to the Engineer-in Chief (EIC) of Public Health Irrigation and Buildings and Roads branches indicating increase and decrease in balances. Though these returns were submitted by the divisions monitoring of the clearance was not being done either at circle level or by EIC's office. Old items involving substantial amounts were not analysed and adequate efforts were not made to locate officers/officials responsible for such long outstanding items. At the instance of audit the Engineer in Chief Buildings and Roads branch issued (June 1997) directions to all the SEs to constitute committees at circle level to monitor the progress of clearance of old outstanding balances.

The matter was referred to the Government in July 1997 their reply had not been received (November 1997)

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

A sum of Rs 2.04 crores have been shown as outstanding balance under head MPV 'A' against this department. The position of outstanding advance & the amount cleared by the department is given as under —

Sr No	Name of Circle	Amount due as of 31.3.97	Latest Position amount on due
1	2	3	4
(Rs in lacs)			
1	Chandigarh	4.15	4.13
2	Ambala	21.16	17.15
3	Bhiwani	19.46	18.67
4	Gurgaon	36.95	32.17
5	Hisar	13.19	11.99
6	Jind	31.67	18.23
7	Karnal	11.42	16.15
8	N.H. Fardabad	4.38	3.45
9	Rohtak	27.52	18.47
10	N.H. Karnal	26.09	25.75
11	WB I Chandigarh	1.48	0.08
12	WB II Panchkula	2.62	0.38
13	DRL Hisar	0.02	0.02
14	Elect. Karnal	1.16	0.74
15	Mech. Karnal	2.27	0.57
Total		203.66	167.95

From the above table it is clear that out of Rs 203.66 lacs a sum of Rs 35.71 lacs have been cleared leaving unadjusted balance amounting to Rs 167.95 lacs. Superintending Engineers have been directed to take effective steps for the clearance of outstanding amount at an early date *vide* letter No. 1302/18/AC dated 10.7.2000.

In sub para (b) only category wise figures have been given and no irregularity has been pointed out. Hence no comments are needed.

The figures mentioned in this sub para relates to three branches of PWD i.e. Irrigation, Public Health & B&R. As pointed out by the Accountant General in sub para 4.18.3 a sum of Rs 2.04 crore are outstanding in MPWA which relates to B&R Branch. Out of Rs 2.04 crores a sum of Rs 0.36 crores have been cleared leaving a balance of Rs 1.68 crores. Field offices have been directed to clear the outstanding amount on Top priority basis *vide* letter No. 1302/18/AC dated 10-7-2000.

As per statement of M P W A supplied by A G (Audit) vide D O No WRS/Review/ Misc Adv / 96 97/248 dated 2-7 97 only one division Provl Division Rewari relates to this department Executive Engineer Provl Division Rewari has intimated that correct figure of M P W A as per monthly accounts of 3/97 is Rs 10 23 lacs instead of Rs 9 11 lacs

The balances under MISC PW Advances are reviewed periodically by concerned Executive Engineer However all the Executive Engineers have been directed vide this office memo No 1355 1420 dated 13 7-2000 to take more effective steps to clear outstanding balances under this head

In the year 1974 a fire had broken out in the Accounts branch of the Division and office record of the section was burnt to ashes The burnt record also included the concerned PW Misc Advances deposit schedules/ Registers prior to 1974 Hence the details are not forthcoming Further the matter was taken up with A G Audit at personal level It has been informed by A G (Audit) that record more than 10 years old relating to monthly account is not kept and is destroyed Thus office was unable to trace out the details of outstanding amount However directions have been issued to S E Ambala to initiate the case for the write off of outstanding amount of Rs 7 74 lacs

(B) Advance payment to firms

Out of Rs 2 09 lacs a sum of Rs 1 18 lacs have been recovered leaving unadjusted balance of Rs 0 91 lacs only as per the following details -

Sr No	Name of Division	Amount outstanding	Amount cleared	balance Amount
1	PD I Sirsa	0 34	—	0 34
2	PD I KKR	0 34	—	0 34
3	PD Palwal	1 27	1 17	0 10
4	PD I Ambala	0 11	—	0 11
5	PD II KKR	0 03	0 01	0 02
Total		2 09	1 18	0 91

The claim for the short supply of 14 59 M T 28 mm dia steel costing Rs 64974/- instead of Rs 2 66 lacs by M/S India Iron and steel Company Calcutta was lodged on 7-10-82 with the Railway Authorities Bikaner by Sub Divisional Engineer Provl Sub Division No 5 Sirsa The Claim was rejected by Railway Authority Bikaner vide letter dated 13-1-83 with the remarks that since the Railway receipt is issued and number of bars loaded were not counted by the Railway staff hence the claim for shortage is rejected Matter was again taken up with the Chief Commercial superintendent Northern Railway Bikaner by deputing the Sub Divisional Engineer but Railway authorities vide letter dated 17 12-86 again intimated that the claim has already been rejected

It was decided on 18-3 87 to file a suit against the Railway Authority after rejecting the claim The matter was taken up with the Govt to grant sanction to file a civil suit against railway Authorities and also to accord sanction for the purchase of Stamps Govt vide D O No 6 9-89 B&R-(W) dated 19-6 95 desired that the matter be settled outside Court by way of correspondence mutual discussion with the Railway Authorities at a Sufficient Senior level As per advise of Govt Superintending Engineer Hisar vide this office memo No 135-IC-H-84/ 7150/G dated 10 8-95 had been directed again to take up the matter with Railway Authorities at personal level

The matter remained under correspondence with S E Hissar and Railway Authorities. Now S E Hissar has intimated that Railway Authorities still not agreed to entertain this claim.

(c) (i) As mentioned in this sub para, a sum of Rs 3 10 lacs have been shown outstanding against officials of this department. The detail of amount outstanding and amount recovered is reproduced as under -

Sr No	Name of Division	Amount outstanding	Amount cleared	Balance Amount
1	PD I Sirsa	0 20	0 09	0 11
2	PD I KKR	0 80	-	0 80
3	PD Rewari	2 07	-	2 07
4	PD II Panipat	0 02	0 01	0 01
5	PD I Panipat	0 01	-	0 01
6	PD I Hisar	0 01	-	0 01
Total		3 10	0 10	3 00

From the above table it is clear that a sum of Rs 0 10 lacs have been cleared leaving a balance of Rs 3 00 lacs. Field offices have been directed to take effective steps to clear the outstanding amount and initiate action for fixing the responsibility against the officers/ officials at fault. The officers/ officials at fault are being identified vide this office memo No 85-87 dated 25-1-2002.

(ii) As mentioned in this sub para a sum of Rs 0 94 lacs have been shown outstanding against officials who stood retired/ dismissed or expired. The detail of amount outstanding and amount recovered is reproduced as under -

Sr No	Name of Division	Amount outstanding	Amount cleared	Balance Amount
1	PD I Sirsa	0 09	-	0 09
2	PD I KKR 0 29	-	0 29	-
3	PD Rewari	0 38	-	0 38
4	PD Palwal	-	-	-
5	PD I Ambala	0 03	0 03	-
6	PD II KKR 0 04	0 04	-	-
7	PD I Hisar	0 11	-	0 11
Total		0 94	0 07	0 87

The officers/officials at fault are being identified vide this office memo No 88 91/AC dated 25-1-2001.

(iii) As mentioned in this sub para a sum of Rs 2 57 lacs in the two division of B&R Branch have been shown outstanding against Sub Divisional Officer/Junior Engineers on account of shortage of store. Out of Rs 2 57 lacs, a sum of Rs 0 15 lacs have been recovered.

leaving a balance of Rs 2 42 lacs Field Offices have been directed to take effective steps to clear the outstanding amount and initiate action for fixing the responsibility against the officers/officials at fault vide memo No 1762/AC/96/2981-88/AC dated 18-12-2001

As mentioned in this sub para a sum of Rs 0 03 crore have been shown outstanding on account of advance payment made to HSEB HSMITC Railways PW Divisions other departments for supply of stores etc The detail of amount outstanding and amount recovered is given as under -

Sr No	Name of Division	Amount outstanding	Amount cleared	Balance Amount
(Rs in lacs)				
1	PD I Sirsa	0 42	—	0 42
2	PD Rewari	0 01	—	0 01
3	PD Palwal	1 14	—	1 14
4	PD I Ambala	0 02	—	0 02
5	PD II Panipat	1 38	1 34	0 04
6	PD III Rohtak	0 02	—	0 02
7	PD II KKR	0 20	0 01	0 19
8	PD I Hisar	0 04	—	0 04
Total		3 23	1 35	1 88

From the above table it is clear that a sum of Rs 1 35 lacs have been cleared leaving a balance of Rs 1 88 lacs Field offices have been directed to take effective steps to clear the outstanding amount and initiate action for fixing the responsibility against the officer/officials at fault vide memo No 1762/AC/96/2981-88/AC dated 18 12-2001

E (i) As mentioned in this sub para a sum of Rs 1 49 lacs have been shown outstanding against various firms/ suppliers/ contractors relating to 8 divisions namely PD I Sirsa PD I Kurukshetra PD Rewari PD Naraingarh PD Palwal PD II Panipat PD II Kurukshetra & PD I Hisar Field offices have been directed to take effective steps to clear the outstanding amount & initiate action for fixing the responsibility against the officer/official at fault vide memo No 2981-88/AC dated 18-12-2001

(ii) As mentioned in this sub para, a sum of Rs 16 84 lacs in 8 divisions have been shown outstanding against contractors on account of work done under risk & cost clause of the agreement The detail of amount outstanding & amount recovered is given as under -

Sr No	Name of division	Amount outstanding	Amount cleared	Balance Amount
(Rs in lacs)				
1	PD I Sirsa	0 23	—	0 23
2	PD I KKR	1 14	—	1 14
3	PD Rewari	5 01	0 26	4 75
4	PD Naraingarh	1 78	0 01	1 77
5	PD Palwal	2 68	2 68	—
6	PD I Ambala	0 06	—	0 06
7	PD II KKR	2 99	1 81	1 18
8	PD I Hisar	2 95	—	2 95
Total		16 84	4 76	12 08

From the above table it is clear that a sum of Rs 4.76 lacs have been cleared as Provl Divn Palwal has intimated no amount is outstanding in the division. Field offices have been directed to take effective steps to clear the outstanding amount and initiate action for fixing the responsibility against the officer/officials at fault *vide* memo No 2981-88 dated 18-12-2001

(F) Unauthorised & Irregular Expenditure

20 items pertaining to PD I Sirsa, PD Rewari and PD II Kurukshetra costing Rs 0.46, 0.06 & 0.22 respectively were outstanding at the time of audit. Out of Rs 0.74 lacs, a sum of Rs 0.14 lacs have since been recovered. The efforts are being made to recover the balance amount. Superintending Engineers have been directed to recover the remaining amount under MPWA *vide* this office memo No 376/92/AC dated 14-3-2001.

4-18-7 The position of amount outstanding and amount recovered relating to three divisions namely Provl Divn I Kurukshetra, Provl Divn Palwal and Provl Divn I Hisar is given as under –

Sr No	Name of division	Amount of minus balance	Amount cleared	Minus balance outstanding
1	PD I Kurukshetra	0.88	0.64	0.24
2	PD Palwal	0.14	–	0.14
3	PD I Hisar	0.04	–	0.04
Total		1.06	0.64	0.42

Out of Rs 1.06 lacs, a sum of Rs 0.64 lacs have been recovered, leaving a balance of Rs 0.42 lacs. Executive Engineer has been directed to recover the balance amount at an early date *vide* memo No 1762/AC/96/2981-88 dated 18-12-2001.

4-18-8

Superintending Engineers/ Executive Engineers have reported that Registers of MPWA are reviewed periodically. However, all the Executive Engineers have been directed to review these registers every month *vide* this office memo No 1355-1420 dated 13-7-2000.

4-18-9

The position for the clearance of items under the suspense head is being monitored regularly by Head office through Quarterly Progress Reports. As per advice of Accountant General (Audit), a Committee consisting of Superintending Engineer, Executive Engineer and Section officer posted by Finance Department for the clearance of outstanding balances has been constituted to monitor the clearance of outstanding balances by arranging monthly meeting to liquidate the balances *vide* memo No 1762/AC/96/2243-59 dated 3-6-1997.

After hearing the departmental representatives, the Committee desired that the recoveries of the balance amount in each case be settled at the earliest and detailed report be intimated to the Committee within six months.

The Committee also desires that the action against the persons responsible for not adjusting/recovering the old outstanding balances for a long time be taken under report to the Committee.

[44] 5 1 Stores and Stock

5 1 1 Introduction

Stores comprise of all articles and material purchased or otherwise acquired for use on works. These include expendable and issuable articles in use or accumulated for specific purposes as well as articles of dead stock of the nature of plant and machinery instruments furniture equipment fixtures etc. Stores are purchased through Director General Supplies and Disposals (DGS&D) Government of India or Director Supplies and Disposals Haryana or through the approved sources in the market. The value accounts of stores are kept in the priced stores ledger (PSL) maintained at the divisional level. According to the procedure prescribed for maintenance of stock accounts, value of stores received is debited to stock suspense and on issue to works/other units is cleared by charge to the concerned works and other units.

5 1 9 Other points of interest

(ii) Injudicious purchase of material

The Spermending Engineer PWD B&R Jind Circle Jind placed orders in October 1995 with three firms borne on rate contract (whose period of contract was to expire on 6 October 1995) for the purchase of following store articles worth Rs 3.29 lakh which were not required as sufficient quantities were already lying in stores of the concerned divisions.

Item	Unit	Opening balance (October 1995)			Purchased in October 1995			Closing balance March 1997		
		PD Jind	PD Narwana	Total	PD Jind	PD Narwana	Total	PD Jind	PD Narwana	Total
Tarring amount outlets	Number	611	508	1 119	1 500	500	2 000	1 693	762	2 455
Half Round Katool										
Brushes	Dozen	—	137	137	200	250	450	200	348	548
Brown Katool	do	56	191	247	200	200	400	212	386	598
White fibre Brush	do	169	92	261	100	100	200	267	177	444
Steel wire Brush	do	185	243	428	100	50	150	259	348	607

There was no purchase of these items during the intervening period from November 1995 to February 1997. The Executive Engineers intimated (June 1997) that the material was purchased for emergent works. The reply was not factually correct as the entire material purchased was lying unused in store as of March 1997.

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

Provl Divn Jind & Provl Divn Narwana has intimated that the articles were purchased on rate contract basis to avoid local purchases on higher rates. These articles are not surplus as per position given below. Balance quantity will be required for the work to be taken in hand in near future.

Sr No	Name of the article	Unit	PD Jind Previous Balance October 1995	Balance as on 29 9-99	PD Narwana Previous Balance	Balance at present
1	Tarring outfits	Number	1693	911	762	468
2	Half round Katool brushes	Dozen	200	193	348	312
3	White fiber brushes	Dozen	267	259	386	348
4	Brown Katool brushes	-do	212	124	177	Nil
5	Steel brushes		259	196	348	238

The Committee recommends that the matter be investigated and responsibility be fixed for the purchase of store-articles when the sufficient quantities were already available in the stores and action taken be intimated to the Committee

[45] 5 1 9 (iii) Purchase without sanctions

(a) Provincial Division I Faridabad and Provincial Division Fatehabad purchased steel items as a cost of Rs 1 09 crore during 1994-95 to 1996-97 without obtaining sanction of the Engineer in Chief/ State Government as indicated below –

Sr No	Name of division	Year	Quantity purchased (In metres)	Cost (Rupees in lakh)
(i)	PD I Faridabad	1994-95	313 155	43 84
		1995-96	176 455	24 70
		1996-97	113 955	15 96
(ii)	PD Fatehabad	1994-95	156 00	24 48
Total			759 565	108 98

The concerned divisions replied (May 1997) that steel items had usually been procured from approved source(s). Formal approval would be ensured in future. The reply was not justifiable as purchase from approved source without sanction of the competent authority was irregular and in contravention of provisions of rule 10 2 of Departmental Financial Rules (DFR).

(b) Split up of purchases

Engineer in Chief was competent to sanction purchase of material up to Rs 5 lakh at a time. For purchases exceeding Rs 5 lakh, sanction of the Government was required. Provincial Division Fatehabad purchased steel items valuing Rs 20 lakh in March 1995 from Haryana Concast Limited by splitting the order and keeping the value of each order below Rs 5 lakh to avoid the sanction of the Government as indicated below –

Material	Supply order No	Date	Value of order (In rupees)
Steel Items	1534	25 March 1995	4 99 996
	1535		4 99 996
	1536		4 99 996
	1537		4 99 996
Total			19 99 984

The reasons for splitting up of purchases were not intimated by the Department (May 1997)

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

(a) The steel was purchased from approved source i.e. Haryana Concast and was required for various works. However for this procedural lapse the officers concerned are being proceeded against *vide* this office letter No 94/AC dated 25-1-2002

(b) Split up of purchases

Executive Engineer Fatehabad has stated that the steel was purchased for constructing Community Health Centre at Ratia, construction of Tehsil and Treasury Building at Ratia, constructing of H.L. Bridge on Rangol Nallah at Rattathey L/road and for the Construction of 30 to 60 Bedded Hospital at Tohana. The material was urgently needed and the purchase has been made from Haryana Concast Limited being approved source of Haryana Government. The material has been consumed on the said works. However the above reply has not been found satisfactory and the defaulting Executive Engineer is being proceeded against for the above lapse *vide* this office letter No 95/AC dated 25-1-2002

During the course of oral examination the Committee was informed that explanation of the erring officers/officials has been called for and action against them is being taken. The Committee desired that the action taken be intimated to the Committee for its information.

{46} 5.1.9 (iv) Short receipt of material

The superintending Engineer PWD B&R Circle Rohtak placed (June 1995) a supply order with Bharat Petroleum Corporation for 1800 mt packed bitumen to be delivered to provincial Division I Rohtak against the rate contract of DGS&D. The corporation supplied through Railways in January 1996 35 boxes containing 270 drums each. Out of 35 boxes one box containing 270 drums (valuing Rs 2.70 lakh) was not received by the consignee. The matter was reported to the Chief Claims Manager (Claims) Northern Railways in May 1996. The Railway authorities replied (November 1996) that the claim was not submitted by the concerned Division within the validity period i.e. six months from the date of booking and the case had become time barred. Because of delay in preferring the claim within the validity period the Division suffered a loss of Rs 2.70 lakh.

The matter was referred to the Government in July 1997. Their reply had not been received (November 1997).

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

Executive Engineer Provincial Division No 1 Rohtak *vide* his memo No 137 dated 24 01 02 has intimated that claim is under consideration of the Railway Authorities Matter is further being pursued for recovery from Railway Authorities by Superintending Engineer Rohtak

The Committee recommends that the matter be pursued with the Railway Authorities for early settlement of the claim and progress made be intimated to the Committee for its information

PUBLIC HEALTH DEPARTMENT

[47] 4 15 Construction of unusable bathing ghats in Yamunanagar

The construction of two bathing *ghats* on the Yamuna canal in Yamunanagar was administratively approved by Ministry of Environment and Forest-Ganga Project Directorate Government of India (GOI) in February 1995 for an estimated cost of Rs 51.21 lakh under Yamuna Action Plan. The estimate was subsequently revised to Rs 72.79 lakh in December 1995. The *ghats* were to be constructed near the city centre and near Jamuna Gali.

Before the start of construction of bathing *ghats*, a Dharmarth Sanstha requested (February 1995) the Department for shifting of the proposed bathing *ghat* near Jamuna Gali to some other suitable site as they had constructed a bathing *ghats* near Jamuna Gali. Instead of finding some other suitable site, work on the *ghats* near Jamuna Gali was started on the site originally proposed by the Executive Engineer, Water Services Division, Dadupur. Both the *ghats* were completed in July 1995 (except some protection works) at a cost of Rs 72.64 lakh. The *ghats* could not be made functional as these were not found fit for public use due to

- (i) contamination of water caused by discharge of sewerage-cum storm water of a *nallah* and a drain falling in the canal just upstream of the newly constructed bathing *ghats* at City Centre and Jamuna Gali respectively; and
- (ii) dirty water stagnating around the *ghats* due to less velocity of flow of water in the canal.

The Executive Engineer stated (June 1997) that the selection of site for the *ghats* on a curve having a silting tendency was not proper. The approval of central design office (CDO) though required for execution of work on canals having discharge of more than 100 cusecs was not obtained. The Commissioner, Housing and PWD (PH) in December 1996 on visit to one of the two bathing *ghats* also found that there had been negligence in the selection of the site and ordered it to be got investigated by the Engineer-in-Chief (PH). The final outcome of the investigation had, however, not been received.

Thus, construction of one of the bathing *ghats* near the outfall of the sewerage and storm water *nallah* and the other downstream of drain without checking adequacy of velocity/flow of water near the *ghats* rendered the expenditure of Rs 72.64 lakh infructuous.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

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

It is submitted that the construction of 3 Nos. bathing *ghats* in Yamuna Nagar District under YAP were approved in the PFR with provision of Rs 45.00 lacs for which DPR amounting to Rs 53.65 lacs was framed by the Department since Irrigation Department Haryana was to get the work executed as per decision of the Government. The Executive Engineer, Water Service Division, Dadupur was requested for the job. A revised DPR within provision of estimated cost amounting to Rs 44.95 lacs (where construction of 2 Nos. bathing *ghats* for Yamuna Gali site and City Center site) was

received through SE Water Services Circle Yamuna nagar vide his office letter 8380-83/59 W dated 16-12-94

The DPR was approved by the Government of India GPD vide No M12014/6/96-GPD II dated 5-2-95 for Rs 51.21 lacs

A sum of Rs 51.21 lacs was released by the Executive Engineer Public Health Division No 1 Yamuna Nagar to the Irrigation Department for execution of the work of execution of work on both the *ghats* was started during 2/95 simultaneously

The representation dated 7-3-95 regarding shifting of Jamuna Gali bathing *ghat* addressed to the Hon ble Minister of Public Health was received vide Chief Engineer Haryana Public Health Branch letter No 271 dated 24.3.95. The work on this bathing *ghat* was already started by the Irrigation Department. As such the Executive Engineer Water Services Division Dadupur was requested to differ the further construction (F.F. letter No 3553 dated 29.3.95) at the Jamuna Gali disposal works till decision in the matter.

As per the instruction of C.E. (YAP) D.C. Yamuna Nagar was to decide the issue D.C. Yamuna Nagar inspect the site on 5.4.95 and it was confirmed by the authorities that construction of bathing *ghat* be completed at the existing site of Jamuna Gali. Accordingly the bathing *ghats* have been constructed at the original sites by the Irrigation Department.

The bathing *ghat* constructed at the Jamuna Gali under YAP is provided with the modern amenities such as change over room for ladies Toilet blocks etc. the amenities which are not provided at the other bathing *ghat* constructed by Dharam Sanstha. The bathing *ghat* constructed under YAP would be of great utility having basic facilities. Moreover only two bathing *ghats* under YAP have been constructed instead of 3 Nos. as approved in PFR.

It is not correct that before the start of construction had requested for change of site of the *ghats* whereas the construction at the site was already started during Feb 1995 and not after the visit of D.C. Yamuna Nagar on 4-4-95. D.C. Yamuna Nagar visited the site to decide the issue when the work was already in hand by the Irrigation Department and was temporarily suspended as per direction of the chief Engineer YAP.

The provision of tapping the Nallah upstream of city center Bathing *ghat* on upstream of bathing *ghats* existed in the DPR for interception and diversion of sewerage Zone-III and temporary arrangements to divert the flow had to be made to make the bathing *ghat* for public utility as inauguration of the bathing *ghats* was decided by the Civil authority and finally performed by His Excellency the Governor of Haryana on 13-3-96.

The location of one of the bathing *ghats* is opposite Luxmi Narain Mandir which is very sacred being an ancient Mandir. The second bathing *ghat* is opposite crematorium where people can take holy dip after performing the final rites.

Yamuna Water contains high rates of silt due to joining of various tributaries transversing the sub mountain areas of high rate of silt is bound to occur in this region. The flow

can be diverted by extending existing spurs or by regulating the flow down stream from the head regulators as and when required

The silt clearance is a part of maintenance work which shall have to be got done either by department or by volunteer organisations as per site requirements

The public at large of the town has appreciated the site development of bathing *ghat* opposite crematorium as general environment at this site has improved Prior to the construction this site was being utilised as dumping place of garbage and filth which had provided a nuisance and health hazard problem to the town

Keeping in view of the above it is not correct that the amount spent is a wasteful expenditure

1 Bathing Ghat near City Center –

This bathing ghat is situated near crematorium so that after performing last rites people can take holy dip

- (i) No sewer drain is now discharging any effluent either on upstream or down stream of this ghat The existing drains have been diverted into YAP sewer
- (ii) River Yamuna carries heavy load of silt during Rainy season which gets deposited near Ghat site causing a maintenance requirement and it is tackled on day to day basis The silt on both the ghats has been cleared this year twice

2 Bathing Ghat at Jamuna Gali

- (i) On the representation of Dharam Sansatha regarding the site of Bathing Ghat at Jamuna Gali the matter was referred to Deputy Commissioner Yamuna Nagar After visiting the site and keeping in view the religious feelings of local people and nearness of famous Laxmi Narayan Mandir the site was okayed by the Deputy Commissioner Yamuna Nagar
- (ii) Presently no Sewer Drain is discharging any effluent into River Yamuna either on upstream or downstream side of this Bathing ghat The existing drains have intercepted and the sewerage is being disposed off through Jamuna Gali Pumping Station to 10 MLD Sewage Treatment Plant
- (iii) The executive Engineer Water Services division Dadupur had informed that the drawing of bathing ghats were received from Central Design office duly approved by the Chief Engineer The work of Ghats has been appreciated by the public These ghats are functional However in the absence of spurs which are being planned round the year discharge is not available

After hearing the departmental representatives the Committee recommends that strenuous efforts be made to make the bathing ghats functional and progress made be intimated to the Committee for its Information

[48] 4 17 Outstanding audit observations

Financial irregularities and defects noticed in the initial accounts and transactions during local audit and central audit are communicated to the concerned heads of offices and next higher authorities for rectification of the defects and omissions. Serious irregularities are also reported to the Head of Department and the Government. Half-yearly report of outstanding audit observations is also sent to the Government. Finance Department issued instructions for prompt settlement of audit objections by the Administrative Department. The audit observations during local and central audit are detailed below.

(a) Local Audit

As of June 1997 593 paragraphs contained in 267 inspection reports of 40 divisions pertaining to 1977-78 to 1996-97 (up to December 1996) remained outstanding. Out of these 34 inspection reports containing 38 paragraphs have not been settled for more than 10 years as detailed below.

Period during which issued	Number of inspection reports	Number of paragraphs
1977-78 to 1986-87	34	38
1987-88	11	14
1988-89	18	22
1989-90	20	33
1990-91	16	20
1991-92	20	36
1992-93	26	58
1993-94	29	47
1994-95	37	101
1995-96	31	80
1996-97 up to December 1996	25	144
Total	267	593

Even the initial replies were not received in respect of 14 of these inspection reports containing 89 paragraphs issued between April 1996 and December 1996. The pending inspection reports commented on the following irregularities:

Sr No	Nature of irregularities	No of paragraphs	Amount involved (Rupees in crore)
1	2	3	4
1	Loss due to theft, misappropriation and embezzlement	45	0.63
2	Recoverable amount from contractors/agencies on account of excess payments, excess issue of material, cost of work done at their risk and cost and non recovery of sales tax, income tax	110	3.94

1	2	3	4
3	Recoverable amount on account of shortages/excess payment from Government officials	59	1 31
4	Non-observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasury maintenance of cash books and irregular utilisation of departmental receipts	37	7 67
5	Extra and avoidable expenditure excess expenditure incurred on deposit works irregular unauthorised and infructuous expenditure	223	34 41
6	Injudicious purchases	35	2 13
7	Undue financial aid to contractors	2	0 02
8	Execution of sub-standard works	6	0 23
9	Blocking of funds	5	0 41
10	Non-accountal/short receipt of material	29	0 88
11	Non preparation of tools and plant (T&P) returns non-closing of manufacturing accounts and under utilisation of machinery	4	0 01
12	Unsanctioned estimates and loss of measurement books	38	9 47
Total		593	60 91

Analysis of the pending inspection reports and paragraphs revealed that while 37 cases for the period from 1977-78 to 1996-97 were pending (June 1997) with courts and arbitrators the remaining 556 paragraphs were lying with the Heads of the Department/Government (16 paragraphs) and the remaining with Divisional Officers (540 paragraphs) Government and the Department failed to attach due priority to the audit observations and allowed serious irregularities to continue unsettled for a long period

(b) Central Audit

137 audit objections noticed during scrutiny of vouchers received in the office of the Accountant General valued at Rs 2 57 crore for the period 1994-95 to 1996 97 (up to December 1996) were outstanding in respect of 20 divisions as of June 1997

Instructions issued by the Finance Department to expedite the settlement of audit objections were not adhered to by the Administrative Department (Engineer in Chief Haryana PH branch) and as a result large number of inspection reports and paragraphs continued to remain outstanding

(a) Engineer-in-Chief Haryana PH branch was required to maintain a register containing the substance of all outstanding objections and the details of action taken thereon the reference made to the subordinate offices replies received from them No such register was maintained by the Department

(b) Finance Department issued (January 1992) instructions for constitution of Departmental Audit Committees and their meetings for review and settlement of old audit objections/paragraphs No such meeting was held after September 1993

(c) It was also decided by the Finance Department that the departments should submit regular progress report to Finance Department on quarterly basis but no such quarterly progress reports had been sent to Finance Department after 31st December 1996

The matter was referred to the Government in June 1997 their reply had not been received (November 1997)

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

Uptodate position as on 31-5-2001 is as under —

Balance	
Inspection paras reports	
26	31
4	4
8	9
14	22
15	19
6	6
17	22
23	23
20	22
21	25
21	34
175	217

The perusal of above table indicates that out of 593 outstanding paras 376 paras have been settled upto 31 5 2001

In order to settle old paras, O B items cases of Misc advance audit notes etc a meeting was held between EIC Public Health and Deputy Accountant General (Works) Haryana on 7-6 2001 In the said meeting it was decided that the special audit committee meeting should be held at circle level where all pending issues would be reviewed in detail Such meetings have already been held at Ambala and Sonapat where sufficient progress have been achieved but actual results have not been intimated by AG so far The next meeting will be held at Bhiwani and the progress thus achieved will be intimated to PAC

The Audit committee meeting was held at head office between Engineer in-Chief Haryana Public Health and Deputy Accountant General (works) Haryana on 7-2-2001 In the said meeting it was decided that the special Audit Committee Meeting should be held at Circle level where all pending issues would be reviewed in detail Such meeting have already been held at Ambala and Sonapat The next meeting will be held at Bhiwani and so on

The quarterly progress report is being sent to A G Haryana regularly

The Committee recommends that the outstanding audit observation/paragraphs be settled at the earliest and a separate monitoring Cell be made for the purpose

[49] 4 18 Miscellaneous Public Works Advances

4 18 1 Introduction

Miscellaneous Public Works Advances (MPWA) is a suspense head under the Major Head 2059 Public Works Which is intended to record (i) transactions relating to sales on credit (ii) expenditure incurred on deposit works in excess of deposits received (iii) losses retrenchments errors etc and (iv) other items of expenditure the allocation of which was not known and which could not immediately be adjusted to the final head of account The Executive Engineers in incahrge of the concerned division were requi ed to ensure prompt clearance of the amounts placed under MPWA Heavy balances lying uncleared for a long period under this head could indicate undue delay in realisation Government money and might involve risks of cases of losses mis appropriation and other irregularities remaining undetected

4 18 2 Audit coverage

A test check of records relating to unclassified transactions sales on credit losses other items of expenditure etc placed under MPWA during the years 1992 93 to 1996 97 in 53 division (Buildings and Roads 11 divisions Public Health 21 divisions and Irrigation 21 divisions) out of 220 divisions (Buildings and Roads 62 divisions Public Health 43 divisions and Irrigation 115 divisions) was conducted during February 1997 to April 1997 Important points noticed during audit are mentioned in the following paragraphs

4 18 3 Position of outstanding balances

(a) In 220 division (Irrigation 115 divisions buildings and Roads 62 divisions and Public Health 43 divisions) Rs 55 15 crore were outstanding under MPWA for the period from November 1966 to March 1997 (including Rs 0 37 crore which belonged to the period prior to Number 1966) as shown below –

Sr No	Description	Irrigation	Buildings and Roads	Public Health	Total
(Rupees in crore)					
(i)	Sale on credit	0 08	–	0 13	0 21
(ii)	Expenditure on deposit works in excess of deposits received	0 86	0 11	0 41	1 38
(iii)	Losses errors and retrenchments etc	0 49	0 06	0 26	0 81
(iv)	Other items	35 49	1 87	15 39	52 75
Total		36 92	2 04	16 19	55 5

Test-check of records of 53 divisions revealed that addition to the outstanding balances under MPWA was Rs 67 71 crore (Irrigation Rs 35 24 crore Buildings and Roads Rs 3 51 crore and Public Health Rs 28 96 crore) during 1992 93 to 1996 97 where as clearance was Rs 31 51 crore (Irrigation Rs 5 38 crore buildings and Roads 3 30 crore and Public Health Rs 22 83 crore) This indicated that accumulation of heavy outstanding under MPWA was attributable mainly to slow action of the Department towards clearance of the balances

(b) As compiled/consolidated from the information furnished to audit by the divisions test-checked 3 552 items involving Rs 43 59 crore were outstanding of 31 March 1997 Category-wise analysis of the outstandings were

Sr No	Category	Irrigation		Buildings and roads		Public Health		Total	
		No of items	Amount	No of items	Amount	No of items	Amount	No of items	Amount
(Rupees in lakh)									
1	Advance payments to firms suppliers awaiting receipt of material or adjustment	72	11 44	18	2 09	182	187 20	272	200 73
2	Amount recoverable from officials/officers on account of shortage non accountal of material	355	138 04	182	8 65	712	51 10	1249	197 79
3	Amount recoverable from various firms suppliers/ contractors on account of short/ non supply of material excess payments to contractors etc	101	10 50	89	18 33	747	65 07	937	93 90
4	amount outstanding against other divisions/ departments	137	3 158 18	20	3 23	153	647 85	310	3 809 26
5	Amount recoverable from AEs/JEs on account of unauthorised expenditure incurred by them	45	20 71	20	0 74	37	5 27	102	26 72
6	Amounts recoverable on the account of hire charge of vehicles/ machinery	9	0 41	2	0 01	3	0 03	14	0 45
7	Amount recoverable on account of telephone/ trunk call charges	10	0 01	82	0 32	111	0 31	203	0 64
8	Miscellaneous items	31	5 91	199	16 68	235	6 84	465	29 43
Total		760	3 345 20	612	50 05	2 180	963 67	3 552	4 358 92

4 18 4 Trend analysis

(i) Additions to and clearance from the outstanding balances during 1992-93 to 1996 97 in division test checked was as under

Year	Opening balance a on 1 April	Addition during the year	Clearance during the year	Closing balance as on 31 March
(Rupees in crores)				
1992 93	7 37	5 89	3 32	9 94
1993 94	9 94	10 00	7 19	12 75
1994 95	12 75	7 64	4 06	16 33
1995-96	16 33	8 67	9 50	15 50
1996-97	15 50	35 51	7 44	43 57

The above table shows that balance under this suspense head increased from Rs 7 37 crore at the end of 1991-92 to Rs 43 57 crore at the end of 1996 97 an increase of nearly 500 *per cent*. In the following divisions the addition to the outstanding balances was substantial whereas clearance was poor during 1992 93 to 1996 97

Sr No	Name of the division	Opening balance as on 1 April 1992	Addition during 1992 93 to 1996-97	Clearance during 1992 93 to 1996 97	Closing balance as on 31 March 1997
(Rupees in crores)					
(i)	Jind Water Services (WS) Division Jind	0 01	0 96	0 35	0 62
(ii)	Mohindergarh Canal (WS) Division Charkhi Dadri	0 57	0 97	0 32	1 22
(iii)	WS Mechanical Division Rewari	1 88	0 22	0 02	2 08
(iv)	Hathinkund Barrage Division Jagadhri	Nil	26 91	0 10	26 81
(v)	Public Health Division Panchkula	0 27	9 87	4 44	5 70

This would indicate lack of effective and adequate action for clearance of outstanding by the Divisional Officers. Number of items and balances outstanding for over 10 years and 20 years in the divisions test checked were as under

	Items	Amount (Rupees in crore)
Over 10 years	955	3 02
Over 20 years	755	0 51
Total	1710	3 53

(ii) Outstanding balances (as shown in the above table) reported through the monthly account for March 1997 by 17 of the 53 divisions test checked did not agree with the balances (shown in paragraph 4 18 3 b) compiled by audit from the information supplied separately by the concerned divisions as indicated below

No of divisions	Outstanding balances		Difference excess (+)less (-) in relation to monthly accounts figures
	(a)	(b)	
	Reported by divisions through monthly account for March 1997	Worked out by audit	
		(Rupees in lakh)	
9	362 04	374 47	(+) 12 43
8	838 76	828 73	(-) 10 03

Reasons for difference had not been intimated (May 1997) by the concerned divisions

4 18 5 Analysis of outstanding balances

As laid down in paragraph 10 23 of the Manual of orders of PWD Buildings and Roads Branch the Divisional Officer was required to take effective steps to clear the outstanding items under the suspense head MPWA within reasonable time. It was noticed during audit that effective steps to clear these balances were not taken by the divisions test checked resulting in persistent increases during 1992 93 to 1996 97

Persistent increases in outstanding balances and delay in their clearance were attributable mainly to non availability of details of items with the concerned divisions non adjustment of advances released to suppliers/contractors advance payments made to other divisions/ departments shortage/ non-accountal of material non recovery of amounts against non/short-supply of materials by firms /contractors and incurring of irregular/unauthorised expenditure. Some of the significant cases are discussed below

(A) Insufficient details of items

(i) In Public Health (PH) Division I Rohtak Rs 29 34 lakhs were outstanding since 1965 66 on account of expenditure incurred in excess of deposits against deposit works but the names/ particulars of the departments/ parties from whom it was recoverable were not known to the Division. Action towards obtaining/tracing the requisite details from the concerned offices or from the relevant records were not taken by the Division. (ii) In Provincial Division I Ambala Rs 7 74 lakh was outstanding since 1970 71 and earlier years. Details as on what account and from whom these amounts were recoverable was not available with the Division.

(C) Non recovery for shortages/non accounting of material from departmental officials

1 249 items of Rs 1 98 crore were outstanding on account of shortages/non accounting of stores /non handing over charge of stores etc by the departmental officials. The oldest item pertained to the year 1979 (pertained to Karthal Water Services Division Karthal). Reasons for outstanding balances in the following 67 cases were as under

(i) In 20 of the 53 divisions test-checked Rs 20 43 lakh (four Public Health divisions Rs 1 96 lakh six Buildings and Roads divisions Rs 3 10 lakh and ten Irrigation divisions

Rs 15.37 lakh) were outstanding against officials whose whereabouts were not known to the divisions

(ii) A sum of Rs 72.65 lakh in 24 divisions (Buildings and Roads 6 divisions Rs 0.94 lakh Irrigation 11 divisions Rs 70.18 lakh and Public Health 7 divisions Rs 1.53 lakh) was lying under MPWA against officials who stood retired/ dismissed or expired

(D) Outstanding balances against other divisions/departments

310 items of Rs 38.09 crore (Irrigation branch items 137 Rs 31.58 crore Buildings and Roads branch items 20 Rs 0.03 crore and Public Health branch 153 items Rs 6.48 crore) were outstanding on account of advance payments made to Haryana State Electricity Board (HBCS) Haryana State Minor Irrigation and Tubewells Corporation (HSMITC) Railways PW divisions other departments for supply of stores etc. The Oldest item pertained to the year 1979 (in Water Services Mechanical Division Rewari). Some of the cases were analysed below

- (i) Public Health Division Panchkula made advance payment of Rs 20.15 crore to HSEB during April 1992 to July 1993 on account of energy charges for clearance of part dues for maintenance of Rural Water Supply Scheme in the State. There was however no agreement between HSEB and the Public Health branch of PWD for making advance payments or the manner in which payments were to be made to HSEB. Of Rs 20.15 crore Rs 14.85 crore were adjusted in August 1993 after receipt of energy bills from various PH divisions. Balance of Rs 5.30 crore was outstanding because energy bills had not been received from concerned divisions.

Similarly Water Services Mechanical Division Rewari stated (October 1997) that the bills from HSEB against advance payment of Rs 0.68 crore for the services like energisation of pump houses extension of load installation of separate feeders etc rendered by them for Jawahar Lal Nehru (JLN) Canal system were awaited and also the work had not been fully completed.

(E) Recoveries from firms/suppliers/contractors, etc

(i) Of 937 items 772 items of Rs 41.79 lakh (Irrigation branch Item 90 Rs 9.40 lakh Buildings and Roads branch items 49 Rs 1.49 lakh and Public Health branch items 633- Rs 30.90 lakh) were outstanding against various firm/suppliers/contractors on account of short/non supply of material/freight charges/ defective supplies of material and excess payment etc. Of these the oldest item (Rs 0.81 lakh) related to May 1979 which pertained to Mohindergarh Canal Water Services Division Charkhi Dadri. Adequate efforts were not made to recover/reconcile/clear the old items.

(ii) Remaining 165 items of Rs 52.11 lakh were outstanding in 21 divisions (Irrigation branch 3 divisions-Rs 1.10 lakh Buildings and Roads branch 8 divisions Rs 16.84 lakh and Public Health branch 10 divisions Rs 34.17 lakh) for the period from February 1966 to July 1995 against contractors on account of work(s) got done under risk and cost clause of the agreements. Reasons for not taking suitable action to clear the items from MPWA were awaited (May 1997).

(F) Unauthorized and irregular expenditure

102 items of Rs 26.72 lakh (Irrigation branch items 45 Rs 20.71 lakh Buildings and Roads branch items 20 Rs 0.74 lakh and Public Health branch Items 37 Rs 5.27 lakh) were outstanding mainly on account of unauthorized/irregular expenditure incurred by the officers. Of these oldest item pertained to August 1988 which related to Public Health Division Narnaul (Rs 1.58 lakh). Of Rs 26.72 lakh Rs 18.33 lakh were outstanding against one Executive Engineer four Sub Divisional Officers and seven Junior Engineers in the following divisions on account of execution of sub standard work(s) execution of work(s) without sanction of the competent authorities irregular payment of wages to labourers and theft of pipes

Sr No	Name of Division	Amount under P & A (Rupee in Lakh)	Since when	Remarks
(i)	Rai Water Services Division Sonapat	4.74	December 1992	Sub standard work
		4.06	December 1993	Work executed without sanction
(ii)	Pundri water Services Division Kaithal	3.88	August 1991	Work executed without sanction
(iii)	Public Health Division Narnaul	1.58	August 1988	Irregular payment of wages
(iv)	Public Health Division Palwal	4.07	December 1988 and September 1993	Theft of Polyvinyl chloride (PVC) pipes
Total		18.33		

In the following test checked cases the reasons for outstanding were as discussed here under

(i) In Pundri Water Services Division Kaithal, 28 works for Rs 3.88 lakh were executed during August 1987 to July 1991 by the then Sub Divisional Officer without obtaining sanction of the competent authority. Charge sheet against the concerned SDO was submitted in March 1993 to the Superintending Engineer (SE) Bhakra Canal Circle Kaithal by Kaithal Division (Irrigation branch) Kaithal (defunct) (now Pundri Water Services Division Kaithal). Decision to recover the amount was awaited from the higher authorities (September 1997).

(ii) In Rai Water Services Division Sonapat sub standard works worth Rs 4.74 lakh were executed in December 1992 by one Executive Engineer one Sub Divisional Officer (SDO) and two JEs. Chargesheets against one Executive Engineer one SDO and one JE were submitted (October 1996) to the Chief Engineer Yamuna Water Services unit Chandigarh for approval. Final decision was awaited from the concerned Chief Engineer. As per reply of the Division Charge sheet against one JE was not framed (October 1997).

Works worth Rs 4.06 lakh were executed by one SDO and one JE in December 1993 without obtaining sanction of competent authority. The Division replied (February 1997) that charge sheets against both these officials were not framed.

(iii) In Public Health Division, Narnaul Rs 1.58 lakh were recoverable on account of unauthorised payment made in August 1988. The Divisional Officer pleaded (February 1997) that whereabouts of the Junior Engineer were not known. This was untenable as the Divisional Office could have obtained the information from SE/CE/ for necessary action.

(iv) In Public Health Division, Palwal, theft of Poly Vinyl Chloride (PVC) pipes worth Rs 4.07 lakh occurred during December 1988 and September 1993 for which FIRs were lodged with the Police during February 1989 and September 1994.

Effective steps to clear the outstanding balances from MPWA were not taken by the concerned divisions.

4.18.6 Other points of interest

(i) In Jind Water Services Division, Jind and Public Health Division I, Bhiwani, Rs 24.08 lakh and Rs 1.11 lakh respectively were outstanding under this head since December 1988 against two JES on account of non-adjustment of out-turn of machinery. Steps to clear the items were not taken as of May 1997. In Hathni Kund Barrage (HKB) Division I, Jagadhri, Rs 62.81 lakh were placed under MPWA against a Sub-Divisional Officer in September 1995 on account of transfer of Machinery to other Division without approval of the competent authority. The Executive Engineer, HKB Division I, intimated (October 1997) that Rs 0.32 lakh were cleared in September 1997 and matter had been taken up with the SE, HKB Circle, Jagadhri for clearance of the balance amount.

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

Latest position (PH)

Outstanding Misc. PW	
Advance as on March 1997	– 16.19 crore
Amount cleared upto March	– 2.75 crore
Amount cleared from 1999-2001	– 5.20 crore
Total amount cleared	– 7.95 crore
Balance outstanding	– 8.24 crore

The outstanding amount of Rs 8.24 Crore, a sum of Rs 5.30 crore is standing against HVPN. The matter has been taken up with HVPN to adjust this amount against pending energy bills of PH Deptt.

Further to clear the balance amount, a monitoring cell has been constituted in Head office under Sh. V.K. Gupta, CE (Urban) vide EIC Memo No. 1453/55 PH/AC (3) dated 4.10.2001 to monitor the progress of Audit paras Misc. PW Advances & O.B. items etc.

The addition to MPWA during 1992 93 to 1996 97 was mainly due to non adjustment of Rs 5 30 Crore by HSEB

Upto date Category wise analysis of outstanding amount is as under –

Item	Amount (Rs in lacs)
106	40 23
445	37 08
383	46 94
99	567 20
29	4 63
1	0 02
95	3 15
1158	699 25

4 8 4 Addition and clearance from the outstanding balances during 1992-93 to 1996 97 in respect of 21 Divisions of Public Health Branch test checked was as under

Opening balance	Addition	Clearance (Rs in lakhs)	Closing balance
345 91	467 55	263 50	549 96
549 96	813 72	529 28	834 40
834 40	541 17	284 28	1064 24
1064 29	53 78	625 20	969 87
969 87	569 28	581 05	958 10

The total increase in PWMA from 1992 93 to 1996 97 after clearance works out to 276% only in respect of Public Health Branch maximum amount has been got cleared due to the adequate action taken by the Department

Latest Position

The increase in the outstanding balance during 1992-93 to 1996-97 was mainly due to non adjustment of Rs 5 30 crore against energy charges. The matter has already been taken up with HVPN for adjustment of above amount against pending energy bills of PH Department.

As for Public Health Division Panchkula is concerned it is state that the increase in PWMA from 1992 93 to 1996 97 is Rs 9 87 crores and the clearance is Rs 4 44 crores. The increase in closing balance on March 1997 was mainly due to non adjustment of Rs 5 30 crore by HVPN.

Number of Items and balance outstanding for over 20 years and 10 years in the Divisions of Public Health Branch as reported by A G Haryana is as under –

Name	Item	Amount (Rs in lakhs)
Over 20 years	419	42 21
Over 10 years	602	35 20
Total	1021	77 41

Latest Position

Over 20 years	290	17 92
Over 10 years	588	32 60

The difference in outstanding balances reported by Divisions and worked out by Audit in respect of Public Health Branch is as under –

Plus figures

Name of Division	As reported by Division	As per Audit	Different
No 2 Yamuna Nagar	7 00	6 98	0 02
Narnaul	19 64	19 49	0 15
Palwal	20 75	15 06	5 69
No 2 Sonapat	29 43	24 60	4 83
No 1 Yamuna Nagar	43 75	43 74	0 01
Total	120 57	109 87	10 70
Minus Figures			
Kaithal	9 27	9 18	0 09
Panchkula	569 67	564 78	4 89
Karnal	19 36	19 21	0 15
Total	598 30	593 17	5 13

Latest Position The figures are being recancellation with A G Haryana

4 18 5 Effective steps have been taken to clear the out standing balances under the head MPWA the progress is being watched in Head Office by a Committee

The name of the Divisions from whom the expenditure incurred in excess of deposits is to be recovered is as under –

Sr No	Name of Division	Item	Amount
1	Sonepat	42	1136959
2	Bahadurgarh	5	200992
3	No 2 Rohtak	89	837202
4	Jhajjar	17	693778
5	Gurgaon	13	68077
6	Misc	13	(—)2997
		179	2934011

The list of works has been supplied to the concerned Divisions to settle these B T Bills

4 18 5 (C) Latest Position

A sum of Rs 0 26 has been recovered. The concerned E E s i e panchkula karnal & Narnaul have been requested to take effective steps to Govt money

A sum of Rs 1 40 lacs is outstanding against the officers/officials who stood retired/ dismissed/ expired from the service

Amount could not be recovered. However action to get the amount written off is being initiated

4 18 5 (D)

Out of Rs 6 48 crore against other Divisions/Department a sum Rs 0 44 crore has been adjusted

A sum of Rs 5 30 crore is outstanding against HSEB. The matter has been taken up with HVPN to adjust this amount against pending energy bills of Public Health Department

Advance payment of Rs 529 75 lacs is outstanding against HSEB on accounting energy charges. Matter is pursued for the quarter concern to clear the outstanding amount

Latest position of para 4 18 5 (E) (i) & (ii)

The outstanding amount against various firms/suppliers/contractors is as under —

Amount recovered = Rs 18 73 lakh

Balance Amount
Yet to recovered = Rs 46 34 lakh

4 18 5 (F) Latest Position

Out of Rs 5 27 lacs a sum of Rs 0 64 lacs has been recovered and necessary instructions have been issued to recover the balance amount

The E E Narnaul has been requested to recover the amount immediately

Charge sheet has been served on Sh VK Batla E E & Sh Dilbag Singh E E for theft of PVC Pipes. The matter is under investigation

The Executive Engineer has been directed to recover the amount immediately

Charge sheet has been served on Sh V K Batla & Sh Dilbag Singh both the Executive Engineer The matter is under investigation

4 18 6

As reported by E E PHD No 1 Bhiwani the amount is recoverable from Sh S N Dhalwal J E

The Committee in its 29th Report which was presented to the House on 20th March, 1990 has given its recommendations that

The Committee desire that the detailed report about recoveries of the balance amount in each case be intimated to the Committee within six months

The Committee also desire that the action against the persons responsible for not adjusting/recovering the old outstanding for a long time be taken under report to the Committee

The Committee again re iterates this recommendation

TOWN AND COUNTRY PLANNING DEPARTMENT

(Haryana Urban Development Authority)

[50] 6.2 Loss due to delayed implementation of Government order regarding revised rates of water and sewerage charges

To avoid discrimination and disparity among the people living in urban areas the Government decided (July 1994) to charge uniform rates of water and sewerage charges in the jurisdiction of all municipal committees municipal corporation and in the sectors developed by Haryana Urban Development Authority (HUDA). The revised rates for domestic water supply and sewerage charges were fixed at Re 1 per kilolitre and Rs 5 per water close respectively with effect from 1 July 1994.

During audit of 10 HUDA divisions * conducted between January and December 1996 it was noticed that the revised rates of water and sewerage charges were made applicable with effect from February 1996 whereas these were implemented from July 1994 in Municipal jurisdiction. Due to charging of water and sewerage charges at the old rates of (Re 0.60 per kilolitre and Rs 3 per water closet respectively) HUDA had suffered a loss of Rs 1.28 crore (Rs 95.49 lakh on water charges and Rs 32.21 lakh on sewerage charges) during July 1994 to January 1996.

HUDA stated (February 1997) that the matter was referred (August 1994) to field offices for comments and the proposal to charge revised rates was approved in the 63rd meeting of the Authority held on 31 March 1995 subject to confirmation of date of applicability from Local Bodies. On receipt of confirmation from the Director Local Bodies in October 1995 that the revised rates were being charged from 1 July 1994 as per decision of the Government HUDA decided to implement revision of rates of water and sewerage charges in its developed sectors from 1 February 1996.

The matter was referred to the Government in March 1997 their reply had not been received (November 1997).

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

The proposal for revising the water and sewerage charges for HUDA areas was put up in the 63rd meeting of the authority held on 31.05.1995. The above proposal was approved by the Authority. Regarding the date from which the revised rates were to be implemented the case was put up to the Chairman HUDA who desired that the matter may be carefully checked up from Local Bodies and be again brought up before the next authority meeting vide his note dated 28.08.1995. Accordingly Director Local Bodies Haryana was requested on 12.09.1995 to confirm whether the revised rates have been implemented in the Municipal areas. The confirmation of the implementation of revised rates were received from Director Local Bodies on 10.10.95. Immediately after the receipt of above information the proposal was again put up before the next authority meeting which was held 09.01.96. Authority approved the proposal and decided to implement the same w.e.f. 01.02.96.

After hearing the departmental representatives the Committee recommends that the whole matter be rechecked and responsibility be fixed for the delay in implementing the revised rates of Water & Sewerage charges and the report be sent to the Committee within a period of three months

[51] 6.3 Excess payment of land compensation due to partial implementation of Supreme Court's Judgement

Land Acquisition Collector (LAC) Gurgaon announced an award in March 1978 for the acquisition of land measuring 1 684 kanal and 12 marlas (8 42 300 square yards) of village Durdahera (Gurgaon District). The landowners filed an appeal against the award in Punjab and Haryana High Court for further enhancement of compensation. High Court in its judgement of February 1985 enhanced the rate from Rs 4 13 per square yard to Rs 17 50 per square yard in favour of five landowners. The Collector disbursed Rs 55 65 lakh among the five landowners between August 1983 and March 1991. He allowed 30 per cent solatium on the enhanced compensation 12 per cent additional amount on the enhanced market value of land for the period 6 January 1978 (date of notification under Section 4) to 14 April 1978 (date of possession). He also allowed interest at the rate of 9 per cent for the first year from 14 April 1978 to 13 April 1979 and 15 per cent for the period from 14 April 1979 to 22 February 1991 on the total amount of enhanced compensation plus solatium.

On the civil appeals filed by all the five landowners against High Court's Judgement of February 1985, Supreme Court in its Judgement announced in January 1994 enhanced the rate of land to Rs 30 per square yard but allowed other statutory benefits of solatium and interest on enhanced market value as prevailed prior to the amendment (30 April 1982) of Land Acquisition Act 1894. The Collector disbursed Rs 35 61 lakh among the five landowners between March 1995 and October 1995 after allowing 15 per cent solatium on the enhanced compensation and interest of 6 per cent per annum on the enhanced compensation plus solatium for the period 14 April 1978 to 13 November 1994 without adjustment or excess amount paid as per High Court's judgement of February 1985.

It was noticed (February 1996) in audit that while making the payment of enhanced compensation on the basis of the Supreme Court's Judgement of 18 January 1994, the Collector had disbursed an excess amount of compensation of Rs 35 07 lakh among the five landowners by committing the following lapses:

The Collector did not adjust the excess amount of Rs 27 45 lakh (part of Rs 55 65 lakh) paid between September 1986 and March 1991 on the basis of High Court's Judgement while making the payment of Rs 35 61 lakh on the basis of Supreme Court's Judgement. Had the Collector adjusted Rs 27 45 lakh, merely Rs 0 54 lakh on account of interest was payable against the payment of Rs 35 61 lakh (enhanced compensation Rs 15 52 lakh and interest plus solatium Rs 20 09 lakh) as per Supreme Court's judgement. The excess payment of Rs 27 45 lakh was due to:

(i) Payment of solatium at the rate of 30 per cent on the enhanced compensation against 15 per cent admissible.

(ii) Payment of additional amount at the rate of 12 per cent per annum in accordance with provision of Section 23 (i A) of the Act *ibid* on the enhanced compensation which was not admissible and

(iii) Payment of interest at the rate of 9 percent per annum for the first year from 14 April 1978 to 13 April 1979 and 15 *per cent annum* from 14 April 1979 to 22 February 1991 on the enhanced compensation plus solatium whereas the interest at the rate of 6 *per cent per annum* from 14 April 1978 to 22 February 1991 was admissible only on the enhanced compensation

that the excess amount of Rs 27.45 lakh paid between September 1986 and March 1991 been adjusted from time to time while calculating the interest on enhanced compensation of Rs 15.52 lakh for the period 14 April 1978 to 13 November 1994. Interest of Rs 12.47 lakh only was payable against Rs 20.09 lakh to the landowners.

Thus Haryana Urban Development Authority (HUDA) had disbursed Rs 35.61 lakh against payment of Rs 0.54 lakh actually due and suffered a loss of Rs 35.07 lakh.

The matter was referred to the Government in March 1997. Their reply had not been received (November 1997).

The Department in their written reply explained the position as under —

In this regard it is submitted that no excess payment have been made to the interested persons at all. No additional amount @ Rs 12% was paid as the same was not due to them. However, only solatium and interest @ 30% and 15% respectively was paid which was due to the land owners as the judgement/award was given by the Court of District Judge between 30-4-82 to 24-9-84, the period when the bill for amendment was introduced in the Lok Sabha and when it received the assent of the President of India.

During the course of oral examination the Committee was informed that the Law Department advised in the matter that the plea taken by the CAG was not correct and the land owners were entitled to solatium at the rate of 30% and interest at the rate of 9% and 15% and the date 30-4-1982 has no effect in the matter. After hearing the departmental representatives the Committee recommends that the matter may be settled after fixing a meeting with the A.G. Audit and the Committee be informed accordingly.

[52] 6.4 Avoidable payment of interest due to abnormal delay in processing of land award cases

Under the Land Acquisition Act 1894, if any person does not accept the land award within the time limit specified in the Act, he may, on written application, require the matter to be referred by the Land Acquisition Collector to the District Courts for determination of the award. Failure to make references promptly to concerned courts involved the payment of interest at 9 *per cent per annum* for the first year from the date of award and 15 *per cent per annum* for the subsequent period till realisation of amount. The Department had issued instructions in April 1990 that references should be made to the concerned District Courts within 3 months of the date of receipt of such references.

Test check of the records of Land Acquisition Officers (LAO) Faridabad, Gurgaon, Hisar and Panchkula revealed that in 526 cases (Faridabad 123, Gurgaon 177, Hisar 67 and Panchkula 159) of acquiring land for Haryana Urban Development Authority (HUDA) between May 1992 and June 1997, the applications of landowners were forwarded to the courts after a

delay of 2 to 56 months after allowing 3 months period. The landowners in their cases accepted LAO (s) award under protest. The total amount of compensation paid in these cases was Rs 87.05 crore. Inordinate delay in forwarding applications to the courts resulted in avoidable payment of interest of Rs 18.39 crore (Faridabad Rs 5.33 crore, Gurgaon Rs 7.78 crore, Hisar Rs 2.76 crore and Panchkula Rs 2.52 crore) by HUDA. Had HUDA kept the amount in fixed deposit they would have earned interest of Rs 14.71 crore. However, the interest paid by them on the arrear amount being Rs 18.39 crore, there was a clear loss of Rs 3.68 crore.

The Department stated (August 1997) that references could not be made to the courts in time due to shortage of staff. The reply was not tenable as the Department was required to make reference to the court within the period of 3 months as prescribed by the Director, Urban Estates, Haryana, April 1990.

Mention was made in Audit Report (Civil) 1992-93 (Para 6.3.2) when avoidable payment of interest of Rs 1.75 crore in similar cases was pointed out. On this, PAC (44th Report) recommended that enquiry be conducted by the Commissioner and Secretary, Town and Country Planning Department personally and the responsibility be fixed against the delinquent officers/officials. The Department stated (November 1997) that all the delinquent officials had been charge sheeted.

The matter was referred to the Government in January 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

In this regard it is stated that initially land acquisition work was limited to a few Urban Estates of Haryana but this land acquisition work has now extended to 17 districts of State. In addition, High Court/Supreme Court Cases are there which are also being attended to by the revenue staff, i.e. Patwaris and Kanungos. However, with the extension of acquisition work, staff strength has not been increased. The said strength was sanctioned in the year 1971-72 which is insufficient. Due to the above reasons, delay sometimes occurs. Now all the old pending references u/s 18 have been sent to the Courts. It is also pertinent to mention here that the amount of interest which is being paid to the District Courts, such payment with interest deposited in the Courts by their office will be recovered by HUDA from the allottees/plot holders from time to time. Hence, there is no loss of interest to the Govt. It is also pointed out that the delay after the forwarding of the case to the District Courts upto the decision of the Court, i.e. 1½ to 2 years, does not pertain to LAO Offices.

The Committee is not satisfied with the reply of the department and recommends that responsibility be fixed for inordinate delay in forwarding applications to the Courts, resulting in avoidable payment of interest. The action taken in this direction be intimated to the Committee.

[53] *6.5 Non recovery of rent from the lessees due to non-observance of conditions of lease deed*

The Chief Administrator, Haryana Urban Development Authority (HUDA) issued instructions in May 1988 either to allot the built-up shops/booths in Urban Estates developed by HUDA to the lessees after a period of five years from the date of original lease at the reserve

price fixed after first auction or to get the premises vacated. Eleven booths in different sectors of HUDA at Panchkula were let out between July 1988 and November 1990 at a monthly rent of Rs 1 675 for one booths and Rs 1 800 each for ten booths on execution of lease deeds by the lessees with following main conditions

the period of lease was 11 months from the date of possession

after expiry of lease period the lessee was to execute a fresh lease deed and had to pay the rent assessed at the time by the Engineering Cell of HUDA and

in case the lessee failed to pay rent by 7th of every month he would pay penal rent (interest) at 18 per cent

Scrutiny of records revealed that the Estate Officer HUDA Panchkula did not ask the lessees to purchase booths at reserve price. Further his office took no action to get the premises vacated from them though period of five years from the date of original lease had expired between July 1993 and October 1995. No rent had also been recovered from the lessees for a period varying from 4 to 103 months. During audit it came to notice that only letters were issued to the lessees in February 1995, July 1996 and January 1997. As a result of failure to pursue the matter efficiently amount of Rs 22.50 lakh had become due upto June 1997 on account of penal rent.

HUDA stated (September 1997) that the notices to all the defaulters had been issued in January 1997. However, no rent could be recovered as of September 1997.

The matter was referred to the Government in March 1997. Their reply had not been received (November 1997).

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

In this connection it is submitted that 11 Nos. built up booths were leased out to private persons and to CONFED during 1988 for initial lease of 11 months. The lessees defaulted in making the payment of lease money resulting into accumulation of huge arrear by levying monthly compound interest @ 18% P.A. A number of notices were issued to the defaulters under HUDA Act to make the payment of outstanding amount. Ultimately the lease deed in respect of these booths was terminated during 12/97 and eviction notice issued. For recovery of outstanding rent the matter has been taken up with Revenue Authorities to recover the same as land revenue. Till Feb 2001 a sum of Rs 402875/- has been recovered.

The Authority in 77 meetings held on 24.02.2000 circulated vide Chief Administrator letter No. 6663/64 dated 27.03.2000 has decided to offer these booths to the lessees at current reserve price. Besides this they will also clear outstanding rent. In case of premises rented out to CONFED and other Govt. agencies the outstanding rent should be recovered and if they desire further lease may be renewed at current market rate. Accordingly the lessees have been asked to give their consent to the offer including CONFED. The lessees have however represented to offer the premises at the then reserve price. The lessees have been again asked in Jan. 2001 to give consent as per decision of the Authority / at the current reserve price without any condition failing which action will be taken against them as per rules. In case these lessees accept the offer there will be no loss to HUDA.

After hearing the departmental representatives the Committee recommends that the outstanding rent/penal rent be recovered at the earliest under intimation to the Committee. The committee also recommends that responsibility of the officers/officials be also fixed who failed to pursue the matter in time and after making enquiry in the whole matter report be sent to the Committee.

[54] 6.6 Recovery due from Junior Engineer owing to mis-appropriation of material

Financial rules provide that whenever any Executive Officer or subordinate responsible for any part of the balance of the road materials is transferred the unused materials at site of the work should be verified by the relieving Government servant in the presence of the relieved Government servant. Also the unused balance of materials debited direct to works should be verified at least once a year. In both the cases a report of verification should be prepared by the Sub Divisional Engineer (SDE) and submitted to the Divisional Office.

A Junior Engineer (JE) of Town and Country Planning Department was on deputation with Haryana Urban Development Authority (HUDA) for the period September 1992 to November 1994. During this period the JE was in charge of two works (i) Development of Roads Government Jail land and (ii) Providing water supply in urban estate Sector-10 Ambala City.

During audit of records relating to work Development of Roads Government Jail land it was noticed (July 1995) that road materials valuing Rs 3.76 lakh were not handed over by the JE to the relieving officer in November 1994 on his repatriation to parent office. A committee constituted in July 1995 by the Executive Engineer (EE) HUDA Division Ambala reported (April 1997) that there was net shortage of material worth Rs 2.80 lakh.

In respect of the work "Providing water supply in urban estate etc." a committee constituted in July 1995 reported (November 1996 and March 1997) that there was shortage of material of Rs 2.61 lakh.

Thus relieving the JE without handing over the charge and non conducting of physical verification of unused materials lying at site by the SDE of both these works led to shortage/misappropriation of material worth Rs 5.41 lakh.

No action had been taken against the JE responsible for the loss of Rs 5.41 lakh (March 1997). Though the EE submitted to Superintending Engineer in June 1996 a draft charge sheet the same had not yet been approved by Secretary HUDA and issued to the official.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

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

It is intimated that charge-sheet under rule 7 of punishment and appeal Rule 1987 against Sh. Gaze Singh the then Junior Engineer posted at Ambala has been served vide C.A. HUDA letter No. 11110 dated 4-4-97. The comments of the defence reply submitted by the Junior Engineer was received vide S.E. HUDA letter No. 1430 dated 25-3-2000 and necessary comments have been sent to the Secretary HUDA by the Chief Engineer HUDA vide letter No. 4710 dated 20-6-2000. The Secretary HUDA has further forwarded the comments to the Town and Country Planning Deptt. with the

request to appoint enquiry officer. The enquiry officer has been appointed to enquire the matter and further action will be taken after receipt of enquiry report/ finding of the enquiry officer. It is also mentioned that a sum of Rs 27 804/- has been recovered from the Jr Engineer please

The Committee is not satisfied with the reply of the department and desired that the enquiry against the erring Junior Engineer be completed within a period of three months and action taken be intimated to the Committee

The Committee further recommends that action be also taken against all those officials who are responsible for the delay in taking action in this case and report be sent to the Committee for its information

HOUSING DEPARTMENT

[55] 3 14 Irregular retention of funds outside the Government Accounts

Financial rules provide that no money should be drawn from the treasury unless required for immediate disbursement. Further the undisbursed amount should either be refunded to treasury or adjusted by short drawal in the next bill or bills.

During audit of records of Deputy Commissioner (DC) Hisar it was noticed that during 1985-86 to 1994-95 he had not been refunding the unspent balance in respect of three schemes and the total unspent balance was Rs. 86.12 lakh at the end of 1994-95 as mentioned below.

Year	Name of Scheme/Amount unspent			Total (In rupees)
	LIGH (In rupees)	GH (In rupees)	RH (In rupees)	
1985-86	1 20 500	10 000	65 000	1 95 500
1986-87	19 333	66 465	1 15 380	2 01 178
1987-88	8 80 133	80 000	5 34 660	14 94 793
1988-89	11 40 000	2 37 500	2 85 000	16 62 500
1993-94	25 61 000	8 87 500	9 89 000	44 37 500
1994-95			6 21 000	6 21 000
Total	47 20 966	12 81 465	26 10 040	86 12 471

The unspent amount of Rs. 86.12 lakh was kept outside the Government Account in bank in contravention of the financial rules and conditions of the sanctions.

At the instance of audit the Deputy Commissioner Hisar deposited Rs. 1.42 crore (Principal Rs. 0.86 crore and interest Rs. 0.56 crore as allowed by the bank) to the treasury in November 1996. The DC failed to furnish any reason for unauthorisedly opening bank accounts for depositing these amounts in violation of financial rules.

The DC stated (May 1997) that disciplinary action was being initiated against concerned officials.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

During the course of oral examination the departmental representatives of the Housing Department stated that the reply to the paragraph concerned is to be submitted by the DC, Hisar and they again referred the matter to the Government for transferring it to the Revenue Department and it will be decided by the Government that who will give the reply to the paragraph.

The Committee regret to point out that neither the Housing Department nor the Revenue Department submit the reply to the paragraph before the Committee till the drafting of this report. The Committee strongly recommends that the reply to this paragraph be supplied within a period of three months to the Committee for its examination.

[56] 6.8 Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest

To finance the scheme for rural housing and construction of houses for the economically weaker sections of the society the State Government raised loans of Rs 17.75 crore from the Oriental Insurance Company Limited (Rs 8.50 crore) and the New India Assurance Company Limited (Rs 9.25 crore) in February 1995 and June 1996 respectively at an agreed rate of interest of 13.41 *per cent per annum* after getting the consent of Government of India (GOI). As per terms and conditions of agreement for the loans the date of the cheque drawn by the lender or the date of telegraphic transfer for disbursement of the loan was taken to be the date from which the interest was to begin to accrue in favour of such lender. Further the borrower agreed and undertook that the amount of the loans be utilised for which the same was given and for no other purpose whatsoever. GOI also instructed (October 1994 and September 1995) while allocating the LIC/GIC loans for the years 1994-95 and 1995-96 that these loans could be obtained by the State Government up to March 1995 and March 1996 respectively. Besides this GOI stressed that in case the loan allocated was found to be in excess of their requirements by the State Government intimation thereof should positively be sent by the end of November 1994/November 1995 so that the excess loan, if any, be reallocated to other State Governments which were in need of additional fund.

Scrutiny of records of Director Housing Department revealed (December 1996) as under—

(i) Loans of Rs 17.75 crore received in February 1995 and June 1996 were not disbursed among the beneficiaries as of December 1996 but were kept under the Debt head of the State Government. Hence these amounts were not required for disbursement when these were obtained from GOI.

(ii) Oriental Insurance Company Limited had recovered Rs 0.65 crore (principal plus interest) due for the loan given in 1993-94 from out of subsequent payment of loans.

(iii) Loans were raised from the insurance companies without analysing and furnishing following relevant information as per GOI instructions of October 1994 and September 1995:

- (a) Scheme-wise break up of the amount
- (b) Number of houses sanctioned under the respective scheme and their cost
- (c) Unit cost of each house and
- (d) Number of houses to be completed with the loan

Further loan of Rs 9.25 crore was to be drawn by the State Government up to 31 March 1996 whereas it had been drawn in June 1996.

By not disbursing the loans among the beneficiaries under the respective scheme the Government made avoidable payment of interest of Rs 5.14 crore for the period February 1995 to September 1997. As the formalities for disbursement of loans were incomplete or the loans were not required, these should not have been obtained so that funds could be allotted to other States by GOI.

The matter was referred to the Government in April 1997. Their reply had not been received (November 1997).

The Committee re iterate its earlier recommendations made in paragraph 55 of this report

[57] 6.9 Overpayment to contractors due to manipulation of Schedule of Rates items

The work Construction of 606 houses of various categories including internal Public Health and electrical instalation services in Sector 14 Panchkula was allotted to eight agencies after splitting it into thirteen works between July 1992 and June 1993 by the Assistant Engineer Housing Board Haryana (HBH) Construction Division Panchkula. Total amount of 13 agreements was Rs 9.24 crore

During test check (July 1996) of records the following irregularities were noticed

(i) The specification of an item of work Cupboard shutters of commercial hard wood etc 25 mm thick and 4 mm thick ply on one side (Item No 17.32 of Haryana Schedule of Rates (HSR) and note III below Item No 17.20 of HSR 1988 by providing 4 mm thick ply on the other side constituting 33 mm thickness of the shutters was mentioned in respective Detailed Notice Inviting Tender (DNIT) with 45 per cent ceiling premium as admissible on the date. Accordingly the rate of Rs 262.60 per square metre on this item of work was admissible to the contractor. However this item was treated as non-scheduled (NS) item under orders of the Chief Engineer (CE) HBH and rate of Rs 565 per square metre was allowed to the contractor. There was nothing on records to show on which grounds the CE had directed to change the specification of this item. Conversion of item No 17.32 and 17.20 of HSR into a non scheduled items was not in order as cupboard shutters of 25 mm thick commercial hard wood with 4 mm ply on both sides virtually made it 33 mm thick.

(ii) Out of 13 agreements the contractor's claims were finalised after allowing the rates of Rs 565 per square metre in 10 agreements and Rs 560 per square metre in 2 agreements thereby resulting into overpayment of Rs 4.85 lakh.

(iii) The work of cutting holes in walls for fixing steel window frames in cement walls was treated as an extra item and paid to the contractor at the rate of Rs 6.10 per hole in all the 12 final bills after getting its approval from the CE in September 1994. However as per PWD Book of Specifications fixing in masonry opening with lug doors windows and ventilators units were not to be built in as the work proceeded but were to be left out and frames fitted afterwards. As such this item was not payable since space for this work was required to be left open in the brick masonry. This resulted in overpayment of Rs 2.10 lakh to 12 agencies.

The Executive Engineer (EE) HBH Panchkula while admitting the excess payments by the then officers stated (January and April 1997) that there was no record to show that analysis of rates of non-scheduled items were sent to Chief Engineer's office for his approval. The EE stated (January 1997) that the payment for making holes in walls for fixing the pressed steel chowkets to the contractors was not in order and referred the matter for taking necessary action against the erring officials as it was not possible to recover any amount from the contractors whose claims had been finalised during 1994.

The matter was referred to the Government in May 1997. Their reply had not been received November 1997).

The department in their written reply explained the position as under –

The loss of Rs 4.85 lacs worked out by the Audit Officer by Calculating the difference of N S rates of cup board shutters of 33mm thick in various group of houses constructed in housing Board Complex Sector 14 Panchkula in comparison with the HSR Item No 17.32 of HSR 1968 + Note -III below item No 17.20 of HSR with 45% ceiling premium as admissible and tender premium of each work which is correct. Similarly the excess payment on account of Khudas worked out to Rs 2.10 Lacs. Out of the total loss of Rs 6.95 lacs worked out as per enclosed details submitted by Audit Officer, an amount of Rs 5.52 Lacs has been recovered/ being adjusted from the dues of the agencies lying in the account of this office. Balance loss of Rs 1.43 Lacs remained un recovered from the following agencies as dues of these agencies are not available with this office

1	M/s Sai Projects & Company	Rs 66554.13
2	M/s Walia Construction Co	Rs 76540.25
Total		Rs 143094.38

To make the recovery of Rs 1.43 Lacs from above agencies the agencies have been requested vide this office letter No 6880/6884 dated 1.12.99 to deposit the amount at the earliest.

Sh. D. P. Gupta, the then Chief Engineer, has approved the N S Rates of cup board shutters of 33 mm thickness and khudas instead of giving the rates as per HSR item No 17.32 + Note III below item No 17.20 on the recommendation of Sh. S. B. Kumar, Assistant Engineer (under suspension) officiating the then Executive Engineer. As such, these both officers are responsible for above loss.

The charge sheets against the above named officers have been prepared and submitted to the competent authority for serving the same to the concerned in order to make the recovery for the losses suffered by the Board due to these officers.

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

During the course of oral examination the Committee was informed that out of Rs 6.95 lakh, only the amount of Rs 23858 remained un recovered from the agency and the department is going to file civil suit against the agency as well as against the Chief Engineer concerned to recover the balance amount.

The Committee feels that the action against the defaulting officer was not taken in time by the Housing Board as the case relates to the year 1995 and charge sheet was issued in the year 2001. The Committee, therefore, desire that action should also be taken against the persons who has not taken timely action in the matter.

The Committee was also assured at the time of oral examination that enquiry in this case of overpayment to contractors will be completed within 2-3 months. The Committee desire that action taken report be sent to it after completing the enquiry within a stipulated period.

[58] 6.10 *Infructuous expenditure due to construction of retaining wall without requirement*

Government of Haryana decided (October 1994) to construct 4,000 houses under Mahatma Gandhi Awas Yojna for weaker sections on no profit basis in seven districts* through

Housing Board Haryana (HBH) It was also decided that the land for the purpose would be made available by Haryana Urban Development Authority (HUDA) at subsidised rates Under the scheme land measuring approximately 23 acre was earmarked (October 1994) for allotment by HUDA in Panchkula The lay out plan was prepared and got approved from the Chief Town Planner HUDA in April 1995 However land measuring 5.84 acre only was finally allotted in November 1995 to HBH at the subsidised rate of Rs. 200 per sq. Are. land in Panchkula

The Executive Engineer (EE) HBH Panchkula started the work of construction of 1416 LIG houses in Panchkula on the earmarked land in January 1995 against the administrative approval accorded by the Chief Administrator HBH in January 1995 for Rs. 7.72 crore even before the allotment of land by HUDA Subsequently number of houses were revised to 910 as adequate land was not allotted Alongwith the construction of LIG houses the EE also took up between April and July 1995 the construction of Reinforced concrete cement (RCC) retaining wall around the houses to retain the earth filling under floors at an approximate cost of Rs. 1 crore without calling and approval of tenders and also without administrative approval and technical sanction from the competent authority Construction of this work was however stopped in October 1995 after Rs. 54 lakh were spent as the Superintending Engineer HBH recommended that there was no necessity for the construction of retaining wall as the earth filling could be retained by the roads to be constructed by HUDA The HBH sought the advice of the Engineer in Chief Public Works Department (Buildings and Roads) in November 1995 who intimated (February 1996) that construction of retaining wall was not required

Thus due to construction of RCC retaining wall without requirement and approval of the competent authority and also in the absence of allotment/development of land expenditure of Rs. 54 lakh proved infructuous The Executive Engineer HBH Panchkula stated (July 1997) that the responsibility for undertaking the work without adhering to the prescribed procedure has been fixed and act on against the erring officers/officials was under process) August 1997)

The matter was referred to the Government in May 1997 their reply had not been received (November 1997)

The department in their written reply explained the position as under –

Shri S B Kumar Assistant Engineer (Under Suspension) who was officiating as Executive Engineer (EE) Housing Board Haryana Panchkula had got started the work for the construction of retaining walls around the blocks of houses constructed in Sector 19 Panchkula The above construction work of retaining walls was taken up on the basis of approval accorded by Shri D P Gupta the then Chief Engineer The responsibility for undertaking the construction work of retaining wall without adhering to the prescribed procedure has been fixed and as such Shri S B Kumar has been served with the Charge sheet under Rule 7 vide Housing Board Haryana letter No HBH/Admn VI/F/1756 dt. 25.2.1999 For taking action against Shri D P Gupta the then Chief Engineer (Retired) the case stand referred to Engineer in Chief PWD (B&R) by the Housing Board The final report will be submitted after the decision of the action taken against the defaulter

It is requested that in view of the above submission the para may please be dropped

During the course of oral examination the Committee was informed that since the officer responsible (Sh. D P Gupta C E) for the loss has been retired, they will file a civil suit against him and assured that enquiry against Shri S B Kumar in this case will be completed within two months

The Committee observed that the action against the defaulting officers was not taken in time by the Housing Board and desired that action should also be taken against those officials who have not taken timely action in the matter. The Committee also recommends that action should also be initiated to recover the amount of loss caused to the Housing Board. The Committee desires that action taken in the matter be intimated to the Committee within a period of three months.

[59] 6.12 Blocking of funds due to improper planning in construction of shops and amenities

Construction of 50 shops and 2 public utility services including parking, pavement and electric installation work in Housing Board Colony near Baldev Nagar Camp Ambala City was allotted to a contractor in June 1991 for Rs. 21.34 lakh. In July 1992, 48 shops were completed at a cost of Rs. 26 lakh.

The shops could not be put to auction due to High Transmission (HT) Line passing over the shopping centre. HT Line was shifted in January 1994 and the shops were put to auction in July 1994. But the response to auction was not good for want of an approach road to the shopping complex. Construction of approach road was started on the demand of public in October 1994 and was completed in February 1995 at a cost of Rs. 1.92 lakh.

Out of 48 shops, only 6 shops could be auctioned for Rs. 9.33 lakh (4 in February 1995 Rs. 6.17 lakh and 2 in November 1995 Rs. 3.16 lakh). Remaining 42 shops had not been auctioned as of January 1997. The Chief Engineer, Housing Board stated (June 1997) that the shops could not be auctioned due to slump in the market. However, it was observed (March 1995) that a developed market already existed in the adjoining area which had direct access from road. Further, private shops were available at cheaper rates. These aspects were not kept in view while taking up the work for construction of such shops.

Thus construction of shops without proper survey of demand rendered the expenditure of Rs. 24.43 lakh (calculated proportionately) as unfruitful. This also resulted in payment of interest of Rs. 12.45 lakh* upto March 1996 to Housing Urban Development Corporation (HUDCO) from whom loans were raised during the years 1992-93 to 1995-96.

The matter was referred to the Government in March 1997. Their reply had not been received (November 1997).

The department in their written reply explained the position as under –

The Housing Board Haryana has acquired 25.66 acres of land near Baldev Nagar Camp Ambala City for setting up a Housing Board Colony in the year 1986 through the Government. The layout plan of this colony was prepared by the Architectural Wing of the Board.

The commercial complex planned for this colony consists of 112 Shops and 39 SCF in order to extend the facilities of shopping. The Housing Board Haryana has taken up the construction of 50 Nos. Shops out of total plan commercial sites mentioned above. At the time of taking construction of these 50 Nos. shops in the year 1991 there

were no un authorised shops in the surrounding area of the colony The construction of the shops were completed in the year 1992

The shops could not be auctioned after their completion due to the existence of HP Line over the shopping area The matter was persuaded with the concerned authority of HSEB and the HT Line passing over the shopping area was got shifted in January 1994 Thereafter first auction was fixed in July 1994 for 12 Nos out of 48 Nos shops built in this colony But bid received during the auction was less than the reserve price fixed by the Board as such the same was not accepted Besides this the prospective buyers requested for the direct access to this shopping complex from the Ambala Naraingarh Road or from the Ambala Chandigarh National Highway This aspect was examined and subsequent approach road from Ambala Naraingarh Road was constructed after obtaining approval from the Haryana P W D (B&R) Department because without the approval of P W D (B&R) it was not possible to connect the approach road with Ambala -Naraingarh road The process has taken about six months There after the 12 nos shops were again put on auction on 17 2 1995 The bids were received in case of 5 nos shops In case of 4 nos shops the bids were received more than the reserve price however the bid received for 5th shop was less than the reserve price and accordingly 4 nos shops were disposed off Subsequently 10 nos shops were again offered to public and the bids were invited through sealed quotation The bids were received in respect of two nos shops as Rs 1040500/- against the reserve price of Rs 133000/ and 175500/- against the reserve price of Rs 147000/ The reason for not receipt of bids for the remaining 8 nos shops was enquired into and it was found that due to mushrooming of unauthorised construction of shops by the private owners on the larger scale on the Ambala Naraingarh road and on the Ambala Chandigarh National Highway no buyers came forward for the shops constructed in the Housing Board Colony as the shop constructed by the private owners were available at lower cost within the reserve price fixed by the Board Had the action taken by the local authority to check the unauthorised construction of shops around this colony the response for the purchase of shops would have been good

The another reason for not disposal of shops is the slump in real Estates all over the Haryana Particularly area like Ambala Kurukshetra Karnal Rohtak Bhiwani Jind etc

However efforts are being made to dispose off shops the land measuring about 50 sq yds was allotted to Haryana Roadways Ambala for the construction of Bus queue shelter Ambala adjoining the shopping complex and it is hoped that with passage of time and with the construction of Bus queue shelter the position of the market value of the shops will improve and Housing Board Haryana may find takers for the shops

It is further added that due to slump in the real Estates market the Housing Board Haryana has already decided not to construct the remaining 62 nos shops and 39 nos S C F planned in the colony It has been decided to dispose off the plots of shops and S C F and construction of shops and S C F be left to the buyers

From the above it may be seen at the time of taking of the construction of the shops the real Estates market value was on the rise however with the passage of time the real Estates value declined which was beyond the control of the Board and further

the mushrooming of unauthorised construction of shops by the private owners in front of this colony which was available of the lesser cost which is the main cause of for non desposal of the shops

In view of the position explained above it is requested that the para 6 12 may kindly be dropped

After hearing the departmental representatives, the Committee recommends that the Commissioner and Secretary of Housing Department may look into the matter personally efforts be made to dispose/ utilise these shops and survey of the shops be done and conditions of the shops be intimated to Public Accounts Committee The progress made be intimated to the Committee for its information

SOCIAL WELFARE DEPARTMENT

(Haryana Social Welfare Advisory Board)

[60] 6 13 *Embezzlement of Rs 3 99 lakh*

Audit of records of Haryana Social Welfare Advisory Board (HSWAB) in January 1997 revealed that against Rs 15 04 lakh drawn by an accountant of Family and Child Welfare Project (FCWP) Gurgaon a subsidiary unit of HSWAB from a bank at Gurgaon during May 1993 to September 1995 Rs 11 09 lakh were disbursed by him up to 24th September 1995. The disbursement of balance amount of Rs 3 95 lakh could not be verified in audit as certain pages of cash book were missing and payee's receipts in support of its disbursement were not available. The accountant informed (January 1997) that Rs 0 04 lakh were shown as disbursed to seven employees relating to the period July to October 1991 by the former accountant. These were however not actually disbursed to the payees and the documents of payments were forged by the accountant.

The Chairman HSWAB intimated (May 1997) that after the embezzlement was pointed out by audit a First Information Report (FIR) had been lodged (January 1997) with the police against the accountant and a departmental committee had been set up (February 1997) to look into the matter. The final outcome of the FIR and findings of the committee were awaited (June 1997).

An analysis of the embezzlement of Rs 3 99 lakh in audit showed that it occurred due to the following lapses by the Drawing and Disbursing Officer:

- (i) entries in the cash book were not checked/attested by the Drawing and Disbursing Officer
- (ii) totals of the cash book were not got checked by a person other than the writer of the cash book
- (iii) the cash balances were not verified by the Drawing and Disbursing Officer at the end of each month
- (iv) there was no system of internal audit in the organisation and
- (v) accountant was the only person dealing with cash

The matter was referred to the Government in July 1997, their reply had not been received (November 1997).

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

The First Information Report was also lodged with SHO City Police Station Gurgaon and a final report in this behalf has been obtained from the concerned SHO who has informed that Sh Shyam Sunder Accountant has been found innocent. A copy of the report is enclosed herewith.

The departmental committee was set up to look into the matter who submitted its preliminary report on 17-9-97 which was later on confirmed by the Inquiry Officer that his preliminary report is the final report on 14-5-98 (Copy enclosed). A copy of

this report was sent to the SHO with a copy to Director Women and Child Development Department and SHO Gurgaon. A copy of the findings of the departmental committee was again sent to SHO Gurgaon. He was requested to take further action in the matter under intimation to the State Board. Now SP Gurgaon vide his letter No 33891 dated 27-9-2k (Received on 30-11-2k) has informed that the matter has been got investigated and it has been found that the case in question has been cancelled on 18-5-99 (Copy of the letter is enclosed).

- 1 Entries in cash book are now been checked attested by the Drawing and Disbursing Officer
- 2 There is no Senior/Junior Post other than Accountant in Family and Child Welfare Project as per existing staffing pattern
- 3 Cash balances are now been checked by the Chairman (DDO) at the end of each month
- 4 No staff has been sanctioned for this purpose
- 5 There is no other post who can deal with cash. As per staffing pattern there is one post of Accountant, one post of Driver and one post of Peon.

After hearing the departmental representatives the Committee was not satisfied with the reply of the department and noted that there was laxity on the part of the Haryana Social Welfare Advisory Board. As the factual position of this embezzlement case was not properly explained to the Police which resulted the cancellation of the F.I.R.

During the course of oral examination the Committee desired that the entire case be investigated through competent and independent agency. The departmental representatives assured the Committee that they will refer the case to the Vigilance Department for enquiry along with the facts on which basis the F.I.R. was quashed. The Committee, therefore, desired that report of enquiry be sent to the Committee for its consideration.

ENVIRONMENT DEPARTMENT

[61] 6 20 Haryana State Pollution Control Board*

6 20 1 Introduction

To prevent and control pollution of water and to maintain and restore the wholesomeness of water the State Government constituted Haryana State Water Pollution Control Board (Board) in September 1974 in pursuance of Section 4 of Water (Prevention and Control of Pollution) Act 1974 (Water Act) enacted by Parliament. Subsequently to control air pollution after the enactment of the Air (Prevention and Control of Pollution) Act 1981 (Air Act) and Environment (Protection) Act 1986 the Board was entrusted with the responsibility of implementing these Acts. The main functions of the Board are to

- give consent to person who shall bring into use any new or altered outlet for the discharge of sewage or trade effluent besides promoting cleanliness of wells and streams and to improve the quality of air and to prevent control or reduce water/air pollution in the State
- advise the State Government with respect to the location or suitability of any premises for setting up of any industry which is likely to cause water/air pollution and to plan and execute State wide programmes on pollution control
- identify the sources of water and air pollution and also sites for storage and disposal of hazardous chemicals and waste
- lay down standards for treatment of sewage and trade effluent and for exhaust and stack of gas cleaning systems for industrial plants automobiles and for other polluting sources and to advise economical and reliable methods of treatment of sewage and trade effluents
- disseminate the collected information relating to water and air pollution and to perform other such functions as may be prescribed by the State Government or Central Pollution Control Board (CPCB) and
- enforcement of provisions of Environment (Protection) Act 1986 and rules made thereunder

The Board was also empowered to levy and collect cess on water consumption by certain industries/local authorities under the Water (Prevention and Control of Pollution) Cess Act 1977 (Cess Act)

6 20 12 Cess collection and remittances

(i) Under the Cess Act every person carrying on any specified industry and local body was to furnish on or before the 5th of every calendar month to the assessing authority a return in Form-I showing the quantity of water consumed in the previous month. These returns formed the basis for the issue of assessment orders by the Board. Details of the amount assessed collected and remitted to the Government of India during the period 1989-90 to 1996-97 were as under

Year	Cess assessed	Cess collected	Shortfall()/ Excess(+)	Cess remitted to Central Government
(Rupees in lakh)				
1989 90	19 82	29 44	(+) 9 62	25 04
1990 91	90 81	53 93	() 36 88	28 71
1991 92	84 00	64 60	() 19 40	82 90
1992 93	88 00	42 49	() 45 51	54 75
1993 94	131 30	79 79	() 51 51	70 69
1994 95	107 09	99 64	() 7 45	77 53
1995 96	164 25	114 58	() 9 67	72 51
1996-97	170 10	163 65	() 6 45	196 29
Total	855 37	648 12	() 207 25	608 42

It would be seen that realisation of cess was short by Rs 2 07 crore up to 1996 97. Short realisation of cess against Municipal Committees and various PW Divisions of the State was attributed by the Board to paucity of funds with the Local Bodies. Further the Board stated (July 1997) that Rs 54 07 lakh on account of cess up to March 1993 and Rs 76 54 lakh from April 1993 to March 1997 were recoverable as of March 1997 from the various Municipal Committees and various divisions of Public Health branch of Public Works Department (PWD) respectively.

(ii) Under the Cess Act every person carrying on any specified industry and local body was to furnish on or before the 5th of every calendar month to the assessing authority a return in Form I showing the quantity of water consumed in the previous month. These returns formed the basis for the issue of assessment orders by the Board. In 70 cases (out of 81) of local bodies test checked the returns were filed late by one month to 9 years or more during the period which resulted in delay in finalisation of the water cess of Rs 1 07 crore.

Further a test check of the cess register of the Ballabgarh region of 1993 94 revealed that in none of the cases the cess was assessed monthly as required under the Cess Act. Of 204 assessments made during the year in 66 cases the assessment covered periods as long as 2 to 15 years. The Board stated that the assessment of bigger industrial units were made monthly or quarterly of medium industries half-yearly or yearly and of small industries every 2 to 3 years as the cess amounts involved in their cases were too small to meet even the postal expenses.

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

(i) Regarding observation raised in this para it is submitted that the Assessing Authority has made/is making sincere efforts for recovery of outstanding cess amount from Municipal Committees/Public Health Department etc. Besides issuing show cause notices to the Municipal Committees/Public Health Department personal hearings have been given as well as the matter has been taken up at the level of EIC, Public Health Department, Haryana, Chandigarh and Director, Local Bodies, Haryana, Chandigarh. It is worthwhile to mention here that approximately a sum of Rs 1 00 crore was outstanding on account of cess amount/interest amount against

the Municipal Committee/Public Health Department But after the efforts made by the Board more than 50% amount which was outstanding for so many years have been recovered In case of any outstanding cess amount against Municipal Committees many of them stated that their financial position is very weak and they requested to allow them to make the payment in easy instalments Keeping in view the request of Municipal Committees they have been allowed to make payments in instalments with clear cut advice that interest as per provisions of Cess Act shall be payable by them on account of late payment However more steps are being taken to recover the outstanding cess amount from the industrial units/local bodies

(ii) Section 5 of the Water Cess Act 1977 provides that every person carrying on any specified industry and every local authority liable to pay the cess returns under Section 3 shall furnish such returns in such form at such intervals and containing such particulars to such officer or authority as may be prescribed Further Section 6 of the Cess Act lays down that the officer or authority to whom of which the returns regarding water consumption have been furnished under Section 5 shall after making or causing to be made such inquiry as he or it thinks as fit and after satisfying himself or itself that the particulars stated therein the returns are correct by order assess the amount of cess payable by the concerned person carrying on any specified industries or local authority as the case may be

If the returns have not been furnished to the officer or authority under Sub section (2) of Section 5 he or it shall after making or causing to be made such inquiry as he or it thinks fit by order assess the amount of cess payable by the concerned person or local authority Thus the above stipulation of Section 6 ibid after amendments vide notification no 1(14)/91 PL dated 26 1 1992 empowers the Assessing Authority to make the assessment even in the absence of the return to be furnished under Section 5 after making or causing to be made such inquiry as he thinks fit and after satisfying himself that the facts/particulars stated in the report are correct Now efforts are being made to issue regular assessment orders in respect of Municipal Committees

However the Assessing Authority vide No 813 dated 31 8 1998 has already issued orders to the Regional Officers for sending cess verification of the units/ local bodies as under —

Sr No	Cess Amount Calculated Per month (in Rs)	Periodicity of sending cess Returns
1	10000 or more	Monthly
2	5000-10000	Quarterly
3	1000 5000	Half Yearly
4	250-1000	Yearly
5	100 250	Two years
6	Less than 100	One year

All Regional Officers have also been directed to adhere to the above order to send their cess verifications strictly as per procedure laid down. The present Board is very efficient in recovering the cess amounts whether of regular assessment order or that of arrears. As against the annual target of Rs 1 20 crore the Board has recovered a sum of Rs 3 27 crore during the year 2000 2001 which is more than 100% achievement and the Board has thus broken all records since its inception.

The Committee was informed that the cess collection has been made by the Board to the tune of Rs 218 89 lakhs and cess orders of Rs 146 87 lakhs have been issued on 27 11-2000 for the year 2001 2002, which shows that short fall pointed out is being recovered. The Committee therefore recommends that outstanding cess may be recovered from the industrial units at the earliest, under intimation to the Committee.

PRINTING AND STATIONERY DEPARTMENT

[62] 7.4 Loss due to return of waste paper against unused good quality paper

The Controller Printing and Stationery Department Chandigarh received (June 1992) an indent from the Director Public Instructions for printing 1.50 lakh copies of Science 6 Book. The job was allotted (July 1992) to the Government Text Book Press Panchkula. Against this job 209 reels of cream wove paper valuing Rs 8.85 lakh and 75.187 reams of cover paper valuing Rs 0.50 lakh were got issued from the store by the Printing branch during July and October 1992. However the job was returned in October 1992 because of rush of other printing works. This job was got done from two New Delhi based firms during March to May 1993 after issuing fresh paper from the store in March 1993.

Scrutiny of records (March 1996) by audit in the office of the Manager Government Text Book Press Panchkula revealed the following lapses:

The Printing branch did not return the paper to the store immediately after October 1992 when it was decided that the work would not be got done from the Government Press. Between January and April 1996, 26 reels of cream wove paper and 40 reams of cover paper were returned to store.

Instead of returning the balance quantity in original form the Printing branch returned 39.170.5 kg paper in the form of thabba/cutting paper between January 1995 and April 1996 which was the residue of other jobs done with good paper in the Printing section.

Return of waste paper after more than 3 years against the original supply of good quality paper resulted in a loss of Rs 7.59 lakh. Possibility of pilferage of this quantity of good quality paper could also not be ruled out. Department did not furnish any reply to audit observation despite repeated requests.

The matter was referred to the Government in May 1997. Their reply had not been received (November 1997).

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

The audit has pointed out in this para that for the printing of 1.50 lakh copies of Science-6 Books 209 Reels of Cream Wove paper valuing Rs 8.85 lakh and 75.187 Ream of Cover paper valuing 0.50 Lakh were got issued from the Store of Govt Text Book Press Panchkula to the Printing Branch of Panchkula Press. This job work was got done from Private Printer by issuing fresh paper from the Store but the paper so issued earlier for that purpose to the Printing Branch was not returned to the Store.

As per report of Manager Printing Press Panchkula vide letter No 6855 dated 2-1-98 47318 Kg Cream Wove paper and 40 Ream Cover paper has been returned to Store. Cover paper 35 Reams and 187 Sheets for Rs 23,842 / is outstanding for which Sh Rajeev Agneesh Section Holder who is responsible for this lapse is being Chargesheeted.

The Committee after hearing the departmental representatives and going through the reply to the various observations of the Committee, desired that the balance recovery of Rs 10842/- from Shri Rajiv, Section Holder be effected at the earliest under intimation to the Committee

FOOD AND SUPPLIES DEPARTMENT

[63] 7.5 Possibility of pilferage of four thousand quintals of wheat

Norms for excess in quantity of wheat due to moisture gain during 1993-94 were reviewed in a meeting held in August 1993 under the chairmanship of Food and Supplies Minister Haryana and were fixed at 900 grams per bag of wheat (95 kg) for despatches during the months of July and August 1993 and at 1100 grams per bag of wheat (95 kg) for despatches from September 1993 to March 1994. The excesses were to be seen with reference to despatches and not according to stocks or godown. These norms were applicable for the years 1994-95 and 1995-96 as well.

During audit (November and December 1996) of District Food and Supplies Controllers Panipat, Karnal and Sirsa, it was noticed that 12.12 lakh bags of wheat (1994-95: 6,30,398 bags; 1995-96: 5,81,582 bags) were despatched by the Department to Food Corporation of India. Excess in wheat due to moisture gain was taken at as 7.7 thousand quintals against 11.7 thousand quintals as per prescribed norms. This resulted in shortage of 4 thousand quintals of wheat during 1994-95 and 1995-96 valuing Rs. 14.31 lakh. Possibility of pilferage of the 4 thousand quintals of wheat could not be ruled out.

The Department did not examine reasons for taking less moisture gain than the prescribed norms. Further responsibility for possible pilferages had not been fixed as of February 1997.

The matter was referred to the Government in April 1997; their reply had not been received (November 1997).

The Commissioner & Secretary to Govt., Haryana, Food and Supplies Department informed vide memo No. Sh-G 5-2002/1038 dated 16.1.2002 that the matter was submitted to the State Government to rectify the error in the norms fixed by the Government w.e.f. 16.9.1993, but while considering the matter the Government have appointed a Committee under the Chairmanship of the Chief Secretary in which Financial Commissioner & Secretary, Finance Department, Financial Commissioner & Secretary, Agriculture Department and Commissioner & Secretary, Food and Supplies Department are the other members to examine the matter in detail and submit its recommendations to the Government.

Keeping in view the above stated position, the Committee desired that the Report of the Committee be submitted to the Government for making its recommendations within a period of 3 months.

GENERAL

[64] 3 19 Misappropriations defalcations etc

Cases of misappropriations defalcations etc of Government money reported to Audit upto the end of March 1997 on which final action was pending at the end of June 1997 were as under

	Number	Amount (Rupees in lakh)
Cases reported up the end of March 1996 and outstanding on 30th June 1996	304	123 57
Cases reported between April 1996 and March 1997	16	3 27
Total	320	126 84
Cases disposed of between July 1996 and June 1997	20	7 19
Cases outstanding as on 30th June 1997	300	119 65

The department wise break-up of the cases in which final action was pending at the end of June 1997 was as indicated in Appendix XII

Of the pending cases 242 cases (Rs 85 50 lakh) were outstanding for more than 5 years 252 cases involving Rs 1 01 crore were outstanding in Education Forest Irrigation Medical Public Health Buildings and Roads and Transport departments

Further scrutiny of the pending cases revealed that 160 cases (Rs 37 28 lakh) and 24 cases (Rs 8 02 lakh) were under departmental/Police investigation 35 cases (Rs 36 82 lakh) were pending in the courts 48 cases (Rs 22 70 lakh) were sent to Government for write off and in 33 cases (Rs 14 83 lakh) full recovery had not been made so far

(Refer paragraph 3 19 page 157)

Statement showing cases of misappropriations defalcations etc under investigation

Sr No	Department	Departmental Investigation	Cases pertaining to		Criminal Prosecution pertaining to				Grand Total		
			1991-92 and earlier years		1992-93 to 1996-97		1991 92 to earlier years		1992-93 to 1996-97		
		Number	Amount (Rupees In lakh)	Nun ber	Amount (Rupees In lakh)	Nun ber	Amount (Rupees In lakh)	Nun ber	Amount (Rupees in lakhs)	Nun ber	Amount (Rupees In lakhs)
1	2	3	4	5	6	7	8	9	10	11	12
1	Agriculture			1		1	0 37	2	0 61	4	1 18
2	Animal Husbandry	8	1 49	1	0 10	1	0 20	2	2 93	12	4 72
3	District Administration	1				1	0 15			2	0 15
4	Education	15	4 62	3	1 41	12	7 74	5	2 08	35	15 85
5	Election	1	0 05							1	0 05
6	Excise and Taxation							1		1	
7	Fisheries	3	0 39							3	0 39
8	Food and Supplies	5	5 04					1	0 27	6	5 31
9	Forest	16	4 05	1	0 55	1	0 07	3	8 53	21	13 20
10	Industries	1	1 44							1	1 44
11	Irrigation	53	11 91	15	0 57	21	3 30			89	15 78
12	Labour and Employment	5	0 50					2	0 55	7	1 05
13	Medical and Health	10	13 81	1		2	4 40	3	0 28	16	18 49

1	2	3	4	5	6	7	8	9	10	11	12
14	Panchayat			1	1 28					1	1 28
15	Police	1	0 25							1	0 25
16	Printing and Stationery			1	0 10					1	0 10
17	Public Health	29	5 57	5	0 24	4	1 15			38	6 96
18	Public Works (Building and Roads)	21	5 94	4	0 99	2	0 41			27	7 34
19	Social Welfare	5	2 92							5	2 92
20	Town and Country Planning	1	0 02							1	0 02
21	Transport	17	5 49	1	0 09	4	4 21	4	13 13	26	22 92
22	Treasury and Accounts	1	0 01					1	0 24	2	0 25
Total		193	63 50	34	5 33	49	22 00	24	28 82	300	119 65

Having gone through the department wise break-up of the cases in which final action was pending at the end of June, 1997, the Committee reiterates its earlier recommendation made in para 89 of its 50th report and desired that the instructions issued by the Finance Department vide letter No 18/1/2001/3B&C dated the 23rd May, 2001 in regard to early disposing off the pending cases within three months be followed by each Department in letter and spirit and the latest position of each case be sent to the Committee for its consideration

[65] 3 20 Write off of losses etc

During 1996-97 Rs 6 06 lakh representing losses due to theft fire irrecoverable revenue etc were written off in 8 cases by competent authorities as reported to Audit by the Government The relevant details were as under

Department	Number of cases	Amount (In rupees)
Agriculture	2	12 982
Architecture	1	1 41 671
Fisheries	1	16 591
Forest	1	1 421
Industries	1	12 000
Labour and Employment	1	39 000
Panchayat and Development	1	3 82 000
Total	8	6 05 665

The Committee having gone through the written reply sent by various departments concerned, recommends that the detailed report regarding written off losses etc in the case of Architecture Department (Rs 1,41,671) and in the case of Panchayat and Development Department (Rs 3,82,000) be sent to the Committee within a period of three months for its consideration

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

[66] 6 1 General

(a) Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from the Government. The Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement various programmes of the Government. The grants are given by the Government essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 1996-97, the Government provided financial assistance of Rs 396.32 crore to various autonomous bodies and others broadly grouped as under:

Sr No	Name of Institutions	Amount of assistance paid
		(Rupees in crore)
1	Universities and Educational Institutions	94.48
2	Municipal Corporations and Municipalities	170.70
3	Zila Panshads and Panchayati Raj Institutions	11.28
4	Development Agencies	42.50
5	Hospitals and other Charitable Institutions	8.98
6	Other institutions (including statutory bodies)	68.38
Total		396.32

(b) Delay in furnishing utilisation certificates

The financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General within 15 months from the date of sanction of the grant unless specified otherwise.

Of 3,388 utilisation certificates due in respect of grants and loans of Rs 554.26 crore paid during 1986-87 to 1995-96, only 927 utilisation certificates for Rs 143.15 crore were furnished by 30th June 1997 and 2,461 certificates for Rs 411.11 crore were in arrears. Department wise and age-wise break-up of outstanding utilisation certificates was as under:

Department	Upto 1992-93		1993-94		1994-95		1995-96	
	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)
Education					9	14.45	3	60.97
Medical	3	0.40	14	2.50	20	2.46	23	1.72
Housing	3	0.69	4	0.65	14	2.40	13	1.78
Urban Development	64	2.88	37	1.98	62	5.87	22	3.31
Agriculture	1	Token	1	0.03	4	28.63	12	33.43
Development and Panchayat	995	11.31	86	13.48	231	15.10	120	27.45
Social Security and Welfare			2	0.11	90	4.63	99	4.06
Command Area Development Agency	28	4.02	10	7.62	12	10.65	12	12.35
Economical and Statistical Advisor	40	12.29	5	4.09	38	12.90	57	11.70
Revenue training	16	3.22	5	1.42	7	1.65	9	2.02
Industries	4	0.12	2	0.42	10	3.52	18	5.47
Science and technology	1	0.12	5	0.02	25	2.05	31	3.32
Environment							1	0.04
Non Conventional Sources of Energy			2	0.02	5	0.12	12	0.91
Sports	18	0.67	26	1.03	16	1.12	24	2.27
Public Health					1	9.39	57	56.17
Civil Aviation							4	0.11
Total	1 173	35.72	199	33.37	544	114.94	545	227.08

Out of the 17 departments 13 departments were not furnishing utilisation certificates continuously for the last three years viz 1993-94 to 1995-96

(c) Delay in submission of accounts

Government/Heads of Departments were required to furnish to Audit every year detailed information about the financial assistance given to various institutions the purpose for which assistance was sanctioned and the total expenditure of institutions. Information for the years from 1991 to 1997 called for between May 1992 and September 1997 was awaited from 2 Heads of Departments as of September 1997. Of the defaulting departments the following had not furnished information for a number of years as indicated below

Sr No	Name of the Department	Year from which information had not been furnished
1	Animal Husbandry Department Haryana Chandigarh	1991 92
2	Sports Department Haryana Chandigarh	1995 96

The status of submission of accounts by autonomous bodies and submission of Audit Reports thereon to the State Legislature as of June 1997 was as under

Sr No	Name of the body	Year upto which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report Submitted to State Legislature	Reasons for non finalisation of Audit Report
1	2	3	4	5	6	7
1	Haryana Khadi and Village Industries Board Mani Majra Chandigarh	1996 97	1995 96	1994 95	1990 91	Replies to the audit observations on the accounts for the year 1995-96 were awaited from the Khadi and Village Industries Board (September 1997)
2	Haryana Labour Welfare Board Chandigarh	1996-97	1996 97	1995 96	Not submitted since 1983 84	Separate Audit Report for 1996 97 under scrutiny
3	Haryana Urban Development Authority Panchkula	1996 97	1993 94	1989 90	1989 90	Accounts for the period 1990 91 1993 94 returned with audit objections (April 1997)
4	Housing Board Haryana Panachkula	1996 97	1992 93	1991 92	1990 91	Replies to audit observations on the accounts for 1992 93 were awaited (September 1997)
5	Haryana State Agricultural Marketing Board Panchkula	1996 97				Accounts for the year 1995-96 and 196 97 not submitted
6	Haryana Prathmik Shiksha Panyojna Panshad Chandigarh	1996 97	1995 96	1995 96		Replies to audit observations on the account for 1995 96 were awaited (September 1997)
7	Haryana Forest Development Board (Defunct)	1982 83 to 1985 86				Incomplete accounts for the period were received during November 1996 which were with audit objections during January 1997

The audit of accounts of the following bodies has been entrusted to the Comptroller and Auditor General of India for a period of 5 years as detailed below

Sr No	Name of the body	Period of entrustment
1	Haryana Khadi and Village Industries Board Mani Mera Chandigarh	1992-93 to 1996-97
2	Haryana Labour Welfare Board Chandigarh	1993-94 to 1997-98
3	Haryana Urban Development Authority Panchkula	1992-93 to 1996-97
4	Housing Board Haryana Panchkula	1994-95 to 1998-99
5	Haryana State Agricultural Marketing Board Panchkula	1995-96 to 1999-2000
6	Haryana Prathamik Shiksha Panyojna Parishad Chandigarh	1995-96 to 1999-2000

(d) Audit arrangements

The primary audit of Local bodies (Zila Parishads, Nagar Palikas, Town Area/Notified Area Committees), educational institutions, Panchayati Raj institutions and others was conducted by the Director Local Audit, Haryana, Chandigarh. Audit of co-operative societies is conducted by the Registrar Co-operative Societies, Haryana, Chandigarh.

Seventy six bodies/authorities whose accounts for 1995-96 were received attracted audit by Comptroller and Auditor General of India. Of these 60 bodies/authorities were audited during 1996-97. The audit of the remaining 16 bodies/authorities had not fallen due.

Eighty three annual accounts for 70 bodies/authorities for 1996-97 and earlier years had not been received as of October 1997 by the Accountant General (Audit). The details are given in Appendix XVII. Of these bodies/authorities, Municipal Committees, Bhiwani and Rohtak did not submit accounts for 4 years and Bahadurgarh and Karnal for 3 years.

These points were referred to the Government in July 1997, their reply had not been received (November 1997).

APPENDIX XVII

(Refer paragraph 6.1 (d) page 215)

Statement showing names of the bodies and authorities, the accounts of which had not been received

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
1	2	3	4
		(Rupees in lakh)	
1	Municipal Committee Bahadurgarh	1986 87 1993 94 1996 97	35 93 34 08 50 00
2	Municipal Committee Bhiwani	1987 88 1988 89 1989 90 1995 96	36 40 35 25 36 00 50 00
3	Municipal Committee Karnal	1982 83 1988 89 1992 93	7 00 32 61 45 50
4	Municipal Committee Narnaul	1988-89 1989-90	25 30 28 63
5	Municipal Committee Rohtak	1987 88 1988 89 1989 90 1996 97	34 00 37 61 32 35 25 08
6	Municipal Committee Fardabad	1995 96 1996 97	39 38 50 00
7	Municipal Committee Palwal	1995 96	50 00
8	Municipal Committee Charkhi Dadri	1995 96	33 33
9	Municipal Committee Rewari	1996 97	50 00
10	Municipal Committee Jagadhri	1996 97	50 00
11	Municipal Committee Panipat	1996 97	65 00
12	Municipal Committee Hisar	1996 97	50 00
13	Municipal Committee Barwala	1996 97	33 33
14	Municipal Committee Gurgaon	1996 97	31 69
15	Agriculture Research & Education Hisar	1996 97	1 069 00
16	Integrated Women's Empowerment and Development Project Haryana Chandigarh	1996 97	330 03
17	Sainik School Kurj Pura Karnal	1996 97	43 92
18	Shri Bhuteshwar Temple Tirath Jind	1994 95	25 29

1	2	3	4
19	Haryana Sahitya Academy Chandigarh	1994 95 1995-96	26 00 30 00
20	Haryana Institute of Rural Development Nilokhen	1994 95	36 39
21	Aravali Vikas Sangathan	1995 96	100 00
22	Private Aided Colleges GMN College Ambala Cantt	1996 97	74 10
23	DAV College Ambala City	1996 97	79 10
24	SA Jain College Ambala City	1996-97	71 70
25	MDSD College for Girls Ambala City	1996 97	26 30
26	Guru Nanak Khalsa College Yamunanagar	1996-97	77 60
27	Guru Nanak Khalsa Girls College Yamunanagar	1996 97	57 45
28	Hindu Girls College Jagadhri	1996 97	37 20
29	Vaish College Bhiwani	1996 97	74 50
30	Adarsh Mahila MV Bhiwani	1996 97	53 05
31	JVM GRR College Charkhi Dadri	1996 97	62 50
32	YM Degree College Nuh	1996-97	27 60
33	Nrankari Baba Gurbachan Singh Memorial College Sohna (Gurgaon)	1996 97	30 60
34	GG DSD College Palwal (Fandabad)	1996 97	69 80
35	Aggarwal College Ballabgarh (Fandabad)	1996 97	44 10
36	DN College for Women Fandabad	1996 97	44 10
37	CRM Jat College Hisar	1996-97	85 40
38	DN College Hisar	1996-97	125 30
39	FC College for Women Hisar	1996-97	44 25
40	MM College Fatehabad	1996 97	35 20
41	CR Kishan College Jind	1996 97	47 20
42	Hindu Kanya MV Jind	1996 97	32 20
43	DAV College Karnal	1996 97	29 20
44	Guru Nanak Khalsa College Karnal	1996 97	32 40
45	Dyal Singh College Karnal	1996 97	95 70
46	DAV College for Women Karnal	1996 97	48 35
47	Arya College Panipat	1996 97	54 65
48	SD College Panipat	1996 97	63 85

1	2	3	4
49	IB College Panipat	1996-97	59 75
50	Gandhi Adarsh College Smalkha (Panipat)	1996-97	25 40
51	RKSD College Kaithal	1996-97	78 70
52	IG Mahila MV Kaithal	1996-97	26 40
53	DAV College Pehowa (Kaithal)	1996-97	32 60
54	IG National College Ladwa	1996-97	34 40
55	DN Mahila MV Kurukshetra	1996-97	37 80
56	MN College Shahbad (Kurukshetra)	1996-97	32 65
57	Arya Kanya MV Shahbad	1996-97	31 75
58	BRA Janta College Kaul (Kurukshetra)	1996-97	31 30
59	Viveka Nand MV Nangal Choudhry (Mohindergarh)	1996-97	26 29
60	KLP College Rewari	1996-97	88 59
61	Ahri College Rewari	1996-97	31 30
62	All India Jat Hero s Memorial College Rohtak	1996-97	96 80
63	GB Degree College Rohtak	1996-97	96 80
64	Sh LN Hindu College Rohtak	1996-97	44 70
65	Vaish College Rohtak	1996-97	67 60
66	Vaish College for Girls Rohtak	1996-97	32 80
67	CRA College Sonapat	1996-97	75 30
68	Hindu College Sonapat	1996-97	126 10
69	Hindu Mahila MV Sonapat	1996-97	96 10
70	Gita Vidya Mandir Sonapat	1996-97	46 90

Having gone through the above statements and written reply received from various departments concerned, the Committee observed that utilisation certificates/ accounts in respect of some autonomous bodies are still pending. The Committee reiterates its earlier recommendation made in para 91 of its 50th report and desired that the instructions issued by the Finance Department vide letter No. 28/18/2001 3B&C dated the 22nd May, 2001 in regard to early submission of the outstanding utilisation certificates and accounts of the various bodies/institutions be followed in letter and spirit by the departments concerned and the latest position be intimated to the Committee.

PART-II
(REVENUE RECEIPTS)

ANIMAL HUSBANDARY DEPARTMENT

[67] 1 4 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakhs)				
9	Animal Husbandry	37 21	30 19	Out of Rs 37 21 lakhs a sum of Rs 29 57 lakhs was due from Milk Unions Jind and Hisar. An amount of Rs 0 65 lakh had been stayed by Court. Rs 0 41 lakh was due from Modern Dairy Hisar. National Seed Corporation Delhi Seed farm Hisar and Milk Plant Jind Rs 0 88 lakh was recoverable from various institutions for supply of vaccines to them. Action regarding remaining amount of Rs 5 70 lakhs was not intimated by the department (September 1997)

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

Out of Rs 37 21 lakhs a sum of Rs 35 34 lakhs have been recovered/adjusted and efforts are being made to recover the remaining amount of Rs 1 87 lakhs

While submitting the latest position of the recovery, the department stated that out of Rs 37 21 lakhs a sum of Rs 35 34 lakhs have been recovered/adjusted. The Committee recommends that efforts be made to recover the balance amount of Rs 1 87 lakh under intimation to the Committee

REVENUE DEPARTMENT

[68] 1 4 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Head of Revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakhs)				
8	Land Revenue	4 61	—	Out of Rs 4 61 lakhs recovery of Rs 0 97 lakh was proposed to be written off Rs 0 21 lakh was stayed by High Court and other Judicial Authorities demand of Rs 0 17 Lakh was recovered under recovery certificate Action regarding remaining amount of Rs 3 26 lakhs was not intimated by the department (September 1997)

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

1 4 Latest position of arrear in Land Revenue is as under —

	Total Arrears	Arrear more than 5 years old
1 Total Arrear	4 61 000	—
2 Amount recovered	2 41 400	—
Balance Amount	2 19 600	

The balance amount of recovery relates to Deputy Commissioners Hisar Rohtak Kamal Ambala Narnaul Sirsa Kaithal & Jhajjar These Deputy Commissioners are being stressed upon to recover the balance amount

During the course of oral examination, the Committee was informed that the balance amount of recovery is Rs 1 70 lakh The Committee desired that the balance amount be recovered at the earliest under intimation to the Committee

[69] 3 1 Result of Audit

Test check of the records of the District Registrars and Sub Registrars conducted in audit during the year 1996-97 revealed short levy and non levy of stamp duty and registration fees amounting to Rs 388 24 lakhs in 831 cases which broadly fall under the following categories

Sr No	Nature of Irrigularities	Number of cases	Amout
		(In lakhs of rupees)	
1	Loss of stamp duty due to misclassification of deeds	5	182 50
2	Irregular exemption of stamp duty and registration fees	186	93 79
3	Loss of stamp duty due to under valuation of properties	318	64 79
4	Evasion of stamp duty and registration fees	110	23 89
5	Non/short levy of stamp duty and registration fees	174	13 53
6	Other irregularities	38	9 74
Total		831	388 24

The department accepted under assessments of Rs 17 66 lakhs in 52 cases which were pointed out in audit during 1996 97 Out of which the department recovered an amount of Rs 0 57 lakh in 2 cases Besides an amount of Rs 14 44 lakhs in 237 cases had also been recovered during 1996 97 relating to earlier years

A few illustrative cases involving Rs 212 97 lakhs highlighting important observations are given in the succeeding paragraphs

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

1 Latest position of 831 cases involving Rs 388 24 lacs category-wise is given as under —

Loss of stamp duty due to misclassification of deeds

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	2	0 06
2 Amount dropped by D C /Collector	—	—
3 Amount dropped by A G. in the subsequent audit	1	0 23
4 Amount pending in Divisional Commissioner's Court	2	182 21
5 Balance cases/Amount	—	—
Total	5	182 50

Note —Case involving Rs 182 21 lacs was decided by the Collector Panchkula against party concerned Now the party concerned has filed an appeal in the Court of Commissioner Ambala Division which is still pending for decision

2 Irregular exemption of Stamp Duty and Regn Fee

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	48	3 79
2 Amount dropped by D C s/Collectors	6	1 37
3 Amount dropped by A G. in the subsequent audit	25	4 23
4 Amount pending in various Court	65	77 92
5 Balance cases/Amount	42	6 48
Total	186	93 79

3 Loss of Stamp duty due to under valuation of properties

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	64	9 88
2 Amount dropped by D C s/Collectors	72	18 68
3 Amount dropped by A G.in the subsequent audit	8	0 23
4 Amount pending in various Courts	127	26 43
5 Balance cases/Amount	47	9 57
Total	318	64 79

4 Evasion of Stamp duty & Registration fee

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	29	3 24
2 Amount dropped by D C s/Collectors	20	3 39
3 Amount dropped by A G. in the subsequent audit	—	—
4 Amount pending in various Courts	17	4 78
5 Balance cases/Amount	44	12 48
Total	110	23 89

5 Non/short levy of Stamp duty and Regn fee

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	83	2 94
2 Amount dropped by D C s/Collectors	15	1 39
3 Amount dropped by A G in the subsequent audit	16	0 66
4 Amount pending in various Courts	05	2 60
5 Balance cases/Amount	55	5 94
Total	174	13 53

6 Other Irregularities

	No of cases	Amount Involved
	(Rs in lacs)	
1 Amount recovered by the Department	20	2 30
2 Amount dropped by D C s/Collectors	—	—
3 Amount dropped by A G in the subsequent audit	3	0 09
4 Amount pending in various Courts	3	1 57
5 Balance cases/Amount	12	5 78
Total	38	9 74

Efforts are being made to recover the balance amount of Rs 40 25 lacs on a priority basis. Deputy Commissioners have been directed to bring down the number of cases pending in the Courts of Collectors and get the decision expedited. For prompt disposal of such cases, all the Deputy Commissioners have been asked to ensure that every Collector (SDO (C) and DRO) decide such cases within six months from the date of reference made to him by the Sub Registrars and review such cases in the monthly meetings of Revenue Officers.

After hearing the departmental representatives the Committee desire that the cases pending in various Courts be pursued and balance recovery be effected expeditiously. The Committee further recommends that action taken against the defaulting Officials/Officers for the lapses be intimated to the Committee.

During the course of oral examination the Committee desired to have the information as to how many registries were executed during the year 1996 97 in the State of Haryana and out of which how many cases of irregularities were detected. The desired information may be supplied within a period of three months.

[70] 3 2 Short levy of Stamp duty due to misclassification of instruments

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 Subject to the exemptions contained in view to avoid loss of stamp duty etc In case where possession of property is not given stamp duty is chargeable **at one and a half per cent** of the amount of loan secured by such instrument Further under the Act *ibid* a collateral or auxiliary or additional or substituted security or by way of further assurance for the above mentioned purposes where the principal or primary security is duly stamped is also chargeable at the rate of **one rupee fifteen paise per thousand rupees** for every sum secured

During the audit of the records of Sub Registrar Panchkula it was noticed (December 1996) that an industrial concern having its palces of business at Chandigarh and Delhi secured loan/cash credit facilities of Rs 9132 50 lakhs from two scheduled banks by mortgaging immovable property (situated in village Billa Tehsil Panchkula District Panchkula) of the relations of the proprietor (borrower) of the concern Subsequently the loanee secured an enhanced limit of loan/cash credit facilities of Rs 3015 lakhs arregating to ————— total loan of Rs 12 147 50 lakhs from the same scheduled banks by further mortgaging land property (situated in Village Billa District Panchkula) of some other relation of the loanee Simultaneously another blood relation of the borrower stood surety by binding himself for the payment to the bank the sum of Rs 12 147 50 lakhs being the aggregate of the above said loan/cash credit facilities besides interest other costs and charges and created a collateral security thereon by mortgaging his agricultural land by way of deposit of title deed of the land situated in village Jaswant Garh Tehsil Panchkula District Panchkula All the three deeds were got registered (between March 1995 and January 1996) as security bonds in favour of the banks on non judicial stamped papers of Rs 15 each instead of as mortgage deed (two Principal securities) and a deed of collateral (additional) security respectively Stamp duty levied short as a result of this misclassification on both the counts amounted to Rs 196 18 lakhs

On this being pointed out (December 1996) in audit the Sub Registrar Panchkula stated that as the deed of a similar nature has been held as surety bond by Hon ble High Court of Punjab and Haryana the present deeds have been exempted from the levy of stamp duty treating the deeds as Surety Bonds The reply of the Sub Registrar is not tenable as the document was registered only to discharge income tax liability without an actual transaction of money The document therefore assumed the nature of su ety bond but in the instant case the owner of the industrial concern has availed loan/cash credit facilities by mortgaging the property and depositing its title deeds which renders the document to be charged with stamp duty as mortgage deeds The department has however issued (February 1997) notice for recovery to the concerned party Further reply has not been received from the department (September 1997)

The case was reported to Deputy Commissioner (Registrar) Panchkula and to Government in January 1997 their replies have not been received (September 1997)

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

Actually this amount comes to Rs 182 21 lacs instead of Rs 196 18 lacs. Relevant two cases involving single party were decided by the Collector Panchkula against party concerned on 10 11-2000. Now the party concerned has filed an appeal in the Court of Divisional Commissioner Ambala against the Collector's orders. As such case is pending for decision, the appropriate action will be initiated after Divisional Commissioner's decision.

During the course of oral examination, the Committee was informed that the appeal of the concerned party was dismissed by the Commissioner, Ambala and the case was sent to the Collector, Panchkula to decide it on merit. The Committee recommends that the case be pursued for early decision and progress report be sent to the Committee.

[71] 3.3 Evasion of Stamp duty due to under valuation of immovable property

The Indian Stamp Act 1899 as applicable to Haryana provides that the consideration if any and all other facts and circumstances affecting the chargeability of an instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein. Under Section 47-A of the Act *ibid* 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, 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 which will thereafter be decided by the Collector after giving an opportunity to the registering party. The Act further provides that any person who with intent to defraud the Government executes any instrument in which all the facts and circumstances required to be set forth are not fully and truly set forth is punishable with a fine which may extend to five thousand rupees.

During the audit of the records of 11* registering offices, it was noticed (between May 1994 and December 1996) that twenty-four conveyance deeds were registered (between May 1994 and July 1996) on account of sale of immovable properties. The total value of the properties set forth in all the conveyance deeds was Rs 51.60 lakhs whereas as per agreements executed between the affected parties during the period from November 1993 to March 1996 and duly recorded with the various document writers, the total sale value in all those cases worked out to Rs 125.29 lakhs on the basis of rates agreed upon in the agreements for sale of properties. The conveyance deeds were thus got executed and registered at a consideration less than that agreed upon between the parties. Under valuation of properties in conveyance deeds resulted in evasion of stamp duty of Rs 9.42 lakhs. Besides penalty not exceeding Rs 1.20 lakhs for under valuation done with intent to defraud the Government was also leviable in all the 24 cases.

On this being pointed out (between May 1994 and December 1996) in audit, the department accepted the objections and agreed to issue notices for recoveries. In 16 cases in eight cases the reply is still awaited. Report on recovery has not been received (September 1997).

The cases were reported to Government between July 1995 and February 1997 their replies have not been received (September 1997)

The department in their written reply explained the position as under

Latest position of 24 cases involving Rs 9.42 lac is given as under -

No. of cases		Amount (Rs. in lac)	
1	Amount recovered by Department	4	1.33
2	Amount dropped by DCs/Collectors	4	0.90
3	Amount pending in various Courts	5	2.15
4	Balance cases/amount	11	5.04
Total		24	9.42

Efforts are being made to recover the balance amount of Rs. 5.04 lakhs on priority basis. Deputy Commissioners have been asked to ensure that every Collector (SDO (C) and DRO) decide cases within six months from the date of reference made to him by the Sub Registrar and review such cases in the monthly meetings of Revenue Office.

The Committee desired that the balance amount be recovered expeditiously under intimation to the Committee.

The Committee further desired that action taken against the responsible officers/officials for the lapses be also intimated to the Committee within three months.

POWER DEPARTMENT
(Chief Electrical Inspector Department)

[72] 1 4 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
2	Taxes and Dutes on Electricity	2542 43	2433 71	Out of arrears of Rs 2542 43 lakhs duty of Rs 100 lakhs due from Haryana Concast Limited was deferred by the Government due to weak financial position of the company. Duty of Rs 30 lakhs due from Dadri Cement Factory. Dadri is likely to be written off being a closed unit (now taken over by a Corporation of Central Government). Cases of duty amounting to Rs 70 34 lakhs are pending in the Civil/ Arbitration Courts. Detailed break up of the remaining amount of Rs 2342 09 lakhs was not available with the department.

The department in their written reply explained the position as under

This para pertains to the arrear of Electricity Duty amounting to Rs 2542 43 lakhs upto 31 3 96. The arrears of E D is Rs 2160 29 lakhs ending 31 3 98 as intimated by Chief Engineer (Commercial) HSEB. The detail of Rs 70 34 lakhs is as under —

1 M/S Rama Fibres Bhiwani Rs 38 34 lakhs (Case Pending with Official Liquidator Pb & Haryana High Court)

2 M/S Competent Alloys Ballabgarh Rs 16 00 lakhs (Cases Pending in the Court at Faridabad and the next date is 5 2 2002)

3 M/S Haryana Steel Alloys Murthal- Rs 16 00 lakhs (Appeal filed by Government was dismissed and L R has intimated that the case is not fit for S L P so this amount is not recoverable)

Under Section 4 of the Punjab Electricity (Duty) Act 1958 the E D is levied and collected by HSEB and as such they are responsible for proper maintenance of the record. The Chief Electrical Inspector Haryana on behalf of the State Govt. only compiles the statements as supplied by HSEB field office. The said amount arrear of Electricity Duty has been taken in the reply of C & A G ending 31 3 1999 sent by this department vide No 5238 dated 14 6 2001 as it is a continuous process so being a repetition this para may please be dropped.

After hearing the departmental representatives, the Committee recommends that the cases pending in various Courts be pursued and strenuous efforts be made by the department to effect the balance amount of recovery at the earliest under intimation to the Committee

[73] 17/4/1 Results of Audit

Test check of records in departmental offices relating revenues of Electricity Duty Passengers and Goods Tax State Excise Duty Taxes on Motor Vehicles and Entertainments Duty and Show Tax revealed under assessment of taxes and duties and loss of revenue amounting to Rs 1176.12 lakhs in 17537 cases as depicted below -

Heads of revenue		Number of cases	Amount
		(In lakhs of rupees)	
A	Electricity Duty	15585	487.83

(a) In the case of Electricity Duty the department accepted under assessments of Rs 58.76 lakhs in 15397 cases which were pointed out in audit during 1996-97 out of which the department recovered an amount of Rs 6.74 lakhs in 4 cases

The department in their written reply explained the position as under

Total amount of Rs 487.83 lakhs for the year 1995-96

1 Regarding recovery of the amount of Rs 93.29 lakhs of the interest worked out on non-deposit of realised amount of Electricity Duty by HSEB is concerned it can not be recovered since there is no provision in Punjab Electricity (Duty) Act & Rules 1958 applicable to Haryana State. The realised amount of Electricity Duty is being advanced as loan every year to HSEB by the Haryana Govt. since the year 1985-86

2 It is submitted that the Para relating to recovery of Rs 0.77 (7.69) lakhs on account of inspection from Small power Consumers it is submitted that unless and until we have staff to carry out the inspection we cannot ask the consumers to deposit the inspection fee. The inspection fee in fact is our service charges to carry out inspection of the consumers premises. It is not justified to ask for the inspection fee if inspection cannot be arranged. The matter has already been taken up with the State Govt. for sanction of additional staff. Further the State Electricity Board has no involvement in this case.

3 The misclassification on amount of ED is being credited into the account of ED by the HSEB. The efforts for early adjustment of pending TEOs Rs 169.23 Lakhs of misclassified amount are being made and an amount of Rs 198.18 Lakhs adjusted by credit to ED out of Rs 367.41 lakhs

4 (Rs 39750/-)

The shortfall in inspections was mainly due to non-receipt of inspection fees from the consumers. This is a service department and the inspections are carried out after the consumers deposit the inspection fee in the treasury and send the treasury challans to this Deptt. The fees were deposited by the consumers in subsequent year and inspection is carried out. In fact these are not shortfalls in inspection but can be termed as delay in carrying out the inspection due to non-receipt of inspection fee from the consumers in a

time. It is a continuous process and there is no revenue loss to the Govt. as the fees are subsequently recovered in the next years. The paras may please be dropped.

5. This para pertains to the arrears of Electricity Duty amounting to Rs. 25.42 Crore upto 31.3.96. The arrears of ED Rs. 2160.29 lakhs ending 31.3.98, as intimated by Chief Engineer (Commercial) HSEB. Under section 4 of Punjab Electricity (Duty) Act, 1958, the ED is levied and collected by HSEB and as such they are responsible for proper maintenance of the record. The CEI on behalf of the State Govt. only compiles the statements as supplied by HSEB field offices.

6. Inspection fees Rs. 3350 Faridabad. Recovery made and the paras has also been dropped by the Accountant General Haryana. During the audit of 1996-97 letter No. 96/97/382/84 dt. 24-6-97.

During the course of oral examination, the departmental representatives stated that they are revamping the procedure and making provisions of five years in place of three years to carry out the inspections in regard to small power consumers and assured the Committee that thereafter the inspection will be carried out regularly and inspection fee will be charged accordingly. The Committee desired that final action taken in the matter be intimated to the Committee for its information.

The Committee further desired that the pending 101 lakh misclassified amount be adjusted at the earliest.

The Committee also recommends that the efforts be made to recover the balance amount of Rs. 2160.29 lakhs of electricity Duty at the earliest under intimation to the Committee.

[74] 4.2 levy and Collection of Electricity Duty

4.2.1 Introductory

Electricity Duty is levied under the Punjab Electricity (Duty) Act, 1958, as applicable to Haryana, on the energy supplied to consumers or licensees by the Haryana State Electricity Board at the rates as the State Government may from time to time specify and is collected and paid to the Government by the Board. Further, the State Government, under the provisions of Section 12 of the Act, may in public interest, by notification, exempt any licensee, consumer or person from the payment of the whole or part of the duty for such period and subject to such terms and conditions as may be prescribed.

4.2.7 Non-realisation of deferred amount of electricity duty and interest

Under the Punjab Electricity (Duty) Act, 1958, as applicable to Haryana, the State Government may in public interest, by notification, exempt any licensee, consumer or person from the payment of whole or part of the electricity duty for such period and subject to such terms and conditions as may be prescribed.

Under the rehabilitation scheme, two sick industrial units in two sub-divisions of Bhiwani and Rohtak were allowed deferment from payment of electricity duty with the specific condition that the Industries Department will obtain an appropriate guarantee to ensure recovery of deferred amount of electricity duty and interest thereon in consultation with Finance Department and legal remembrance and the amount for the deferred period with interest will be recovered in five annual equal instalments immediately after the expiry

of the deferment period. The rate of interest payable on deferred amount of electricity duty was determined by the department more than 5 years after the first instalment was due. It was noticed that Rs 132.92 lakhs* (electricity duty Rs 76.03 lakhs interest Rs 56.89 lakhs) as tabulated below were not realised (September 1997)

Sr No	Name of Sub-division	Period or deferment	Amount of duty deferred	Amount of Interest	Total amount
				(in lakhs of rupees)	
1	Subarban No 2 Bhiwani	January 1987 to June 1991	30.99	30.00	60.99
2	No 4 Rohtak	April 1990 to March 1995	39.12	21.01	60.13
Total			70.11	51.01	121.12

The unit at Bhiwani was allowed deferment of electricity duty even after the expiry of deferment period i.e. from 1.7.1991 to 31.1.1992 resulting in excess deferment of electricity duty amounting to Rs 5.92 lakhs and interest of Rs 5.88 lakhs.

The unit at Bhiwani has since been wound up and as per the report of Sub-Committee of the Industries Department the performance of unit at Rohtak was going from bad to worse making the chances of recovery bleak.

This includes excess deferment of Rs 5.92 lakhs and interest thereon Rs 5.88 lakhs.

The department in their written reply explained the position as under –

4.2.7 (i) M/s Rama Fibres

M/S Rama Fibres being a sick unit was allowed deferment from the payment of Electricity Duty for a period of five years (levied to the extent of Rs 40 lacs) w.e.f 1.1.87 to 31.12.91 by the Government vide its letter No. 26.12.87-3 MIP dated 28.5.87 followed by letter No. 20.12.91-3 MIP dated 24.12.91 on the specific condition that the amount due for the deferred period with interest will be recovered in five equal instalments commencing from 1.1.92. The total deferred amount availed by the unit worked to Rs 38.34.490.72 instead of Rs 30.99 lakhs which have been pointed by Accountant General Haryana in this para. The sick unit was given several opportunities by this office directly and through HSEB authorities to make the payment of Electricity Duty dues but the unit failed. On the advice of the Industries Department/JEIP the matter was referred to the Registrar of Hon'ble Punjab and Haryana High Court for further action/advice regarding filing the claim and advised to file claim to the official Liquidator High Court of Punjab & Haryana Chandigarh. So this Deptt. has filed the claim with Liquidator vide letter No. 11790 dated 20.9.96 and is pending with him.

(ii) Rohtak Textiles Mills, Rohtak

M/s Rohtak Textiles Mills Rohtak were granted deferment from Electricity Duty for a period of 5 years from 1990-91 to 1994-95 subject to the maximum extent of Rs 60 lakh.

and to be recovered with effect from 1995-96 vide letter No IAG/DGM/BIFR/RTM/90 dated 5 7-90 The firm availed the benefit of Rs 39 11 956 upto 1994 95 This amount was required to be repaid w e f 1995-96 The Sub Divisional Officer OP S/D No 4 HSEB, Rohtak has been directed to effect the recovery of deferment amount with interest of Rs 47 80 lacs from M/s Rohtak Textiles Mills Rohtak as Land Revenue as required under Section 9 of Punjab Electricity (Duty) Act 1958 For the recovery of amount case under Land Recovery Act has been sent to Tehsildar Rohtak vide Xen OP Division Memo No Ch 16/gen / 1-4 99 followed by Reminder dated 6-3 2000 by the C E OP Rohtak No recovery has been effected by Tehsildar Besides this the case for the recovery of Electricity Duty has been sent by this Deptt vide Memo No RTR/2675 dated 22-3 2000 to the Official Liquidator/ Hon ble High Court New Delhi on the direction of IAG/Director of Industries Deptt Haryana Chandigarh vide No TECE/2000/4272 dated 14-3 2000

After hearing the departmental representatives the Committee recommends that strenuous efforts be made to recover the amount under intimation to the Committee

[75] 4 2 8 (b)

Under the Punjab Electricity (Duty) Act 1958 no electricity duty is leviable on the sale or consumption of energy which is 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 energy used for staff quarters departmental colonies street lights canteens etc

Audit scrutiny of Faridabad Sub division No 2 revealed incorrect allowance of exemption from levy of duty to a street lighting connection to Government of India Press Colony Faridabad from April 1990 to March 1996 resulting in non realisation of electricity duty to the extent of Rs 2 35 lakhs On this being pointed out (November 1995) in audit the department stated (March 1997) that the connection was in the name of Sub-divisional Officer Central Public Works Department and no electricity duty was chargeable The reply of the department is not tenable as street light connections are not exempted from electricity duty

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

Rs 2 33 572/ has been charged by the S D O Op S/D No 2 Faridabad vide SC & AR No 420/ R 30 dated 24 8 2001 intimated vide Memo No 2193 dt 24 8-01 Hence Para may please be dropped

After hearing the departmental representatives the Committee recommends that strenuous efforts be made to recover the amount under intimation to the Committee

[76] 4 2 9 Non-charging of electricity duty on extended load

Under the provisions of the Punjab Electricity (Duty) Act 1958 the Haryana Government by a notification issued in June 1989 allowed exemptions from the payment

of whole of the electricity duty to the new Industrial units for a period of 5 years from the date of release of electric connections to such units. Further the Chief Electrical Inspector vide letter issued in September 1994 and subsequent clarifications issued in May 1995 clarified that exemption from payment of electricity duty was admissible only on initial connected power load i.e. the load sanctioned at the time of release of electric connection and not on the load subsequently got extended by the Industrial unit. However in March 1996 the Chief Electrical Inspector again clarified that if the Industrial unit has extended load for completion of the project and which could not be anticipated initially and/or which has become essential as a requisite of the smooth running of Industry provided that the production installed capacity of the Industry remains the same the benefit of exemption shall also be admissible for such extended load for which approval of the department shall be obtained by the Board before allowing the benefit to the consumers.

It was noticed that 59 Industrial units in 18 Sub divisions got their load extended but no electricity duty was charged from these units on the extended load. There was nothing on the record to establish the conditions mentioned in clarification (issued in March 1996) nor these cases were forwarded to the Chief Electrical Inspector for grant of exemption on extended load. However there was no system of reporting the extension of load by Haryana State Electricity Board to the Chief Electrical Inspector. This resulted in non-realisation of duty to the extent of Rs 48.44 lakhs. On this being pointed out (between October 1996 and March 1997) in audit the department stated that an amount of Rs 9.84 lakhs has been charged to consumer's account out of which Rs 57,811 were recovered (March 1997). Reply in respect of the balance amount of Rs 38.60 lakhs has not been received (September 1997).

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

The actual amount of Electricity Duty to be recovered on extended Power load comes to Rs 30.50 lakhs instead of 46.16 lakhs as pointed out by A G Haryana. Out of said amount Rs 23.63 lakhs have been recovered and for the balance amount the concerned SDOs HSEB have been asked to charge (Annexure-A & B attached).

Annexure Para 4 2 9 (A&B) Extended Load

Sr No	Name of S/Divn	No of Cases	Amount to recovered as pointed by A.G.Hr	Recoverable	Recovered	Balance	Remarks
1	2	3	4	5	6	7	8
1	SDO S/U Ballabgarh	1	3 00 662/	3 00 662/	93 850/	2 06 812/	M/S Indo Tax Print Ballabgarh Case pending in the Court date of hearing 23-1 2002
2	SDO OP Sohna	4	57 735/	57 735/	57 735/	—	Fully recovered
3	SDO I/A Gurgaon	4	2 12 288/	2 12 288/	2 12 288/	—	Fully recovered
4	OP S/D Maruti	6	4 66 029/	2 52 826/	2 52 826/	2 13 307/	M/S Rani Polymers Gurgaon Firm has not extended its load
5	SDO OP S/D Murthal	2	30 813/	30 813/	30 813/	—	Fully recovered
6	SDO OP Kundli	4	4 31 601/	4 31 601/	4 15 836/	74 222/	Supply of Power permanently disconnected M/S Kajriwal Plastic Kundli
7	SDO No 2 Rewan	2	2 83 308/	2 83 308/	—	—	M/S Emilex Synthetic Amount is not recoverable as supply of power disconnected on 9-9-97 as intimated AEE S/D No 2 Rewan vide No 1679 dt 7 12 2001 M/S Rocky International Rewan AEE No 2 Rewan has intimated that the amount is not recoverable as the unit is not covered in the instructions dt 11 3 96 regarding extension of load
8	SDO City S/D Panipat	3	20 075/	20 075/	20 075/	—	Fully recovered
9	Model Town Panipat	7	3 83 434/	3 83 434/	4 29 262/	—	Fully recovered
10	S/U S/D Panipat	9	3 09 238/	3 09 238/	3 09 238/	—	Fully recovered

1	2	3	4	5	6	7	8
11	SDO M/T Hisar	3	25 310/	25 310/	1 50 165/	—	Fully recovered
12	City S/D Hisar	3	14 17 592/	1 61 161/	1 61 161/	12 56 431/	M/S D C M Hisar Amount is not recoverable Firm has not extended its load
13	SDO I/A Yamuna Nagar	1	80 169/	80 169/	—	80 169/	Supply of Power permanently disconnected
14	SDO M T S/D Kamal	1	6 507/	6 507/	6 507/	—	Fully recovered
15	SDO S/U Gohana	2	96 555/	—	—	96 555/	Amount is not recoverable Firm has not extended its load
16	SDO City S/D Bahadurgarh	1	7 619/	7 619/	7 619/	—	Fully recovered
17	SDO S/U S/D Bhiwani	4	4 46 366/	4 46 366/	1 74 438/	2 92 lacs	Cases pending in the Courts
18	SDO OP No 1 A/Cantt	1	41 197/	41 197/	41 197/	—	Fully recovered
Total			48 16 498/	30 50 309/	23 63 010/		

Annexure Para 4 2 11(A I) Light Load

Sr No	Name of S/Divn	No of Cases	Amount to be recovered as pointed by A.G.Hr	Recoverable	Recovered	Balance	Remarks
1	2	3	4	5	6	7	8
1	SDO I/A Ballabgarh	4	4 44 485/	2 84 285/	2 84 285/	1 60 200/	Light Load charged by A.G as per incorrect rate It was required to be charged as per load factor
2	S/U S/D Ballabaqarh	4	22 304/	17 998/	17 998/	4 308/	---do---
3	SDO City S/D Gurgaon	2	4 620/	4 620/	4 620/	—	Fully recovered
4	SDO I/A Gurgaon	4	31 840/	31 840/	31 840/	—	Fully recovered
5	SDO I/A S/D Maruth	7	39 143/	39 143/	39 143/	—	Fully recovered
6	SDO I/A Sonpat	2	9 744/	5 434/	5 434/	4 310/	M/S Super Rubber Inds Supply of Power permanently disconnected
7	SDO M/T Sonpat	4	29 760/	18 659/	18 659/	11 101/	M/S Rajdhani Spg Mill Sonpat wrongly charged by Accountant General Haryana
8	SDO OP Kundli	3	1 71 692/	46 747/	46 747/	1 24 939/	Light Load charged by A G as per incorrect rate It was required to be charged as per load factor
9	SDO M/T S/D Panipat	1	11 380/	11 380/	11 380/	—	Fully recovered
10	S/U S/D Panipat	6	77 418/	77 418/	77 418/	—	Fully recovered
11	OP S/D Satrod (HSR)	7	3 62 272/	2 37 253/	2 37 253/	1 25 019/	Light Load charged by A G as per incorrect rate It was required to be charged as per load factor
12	SDO M/T Hisar	5	11 905/	11 905/	14 297/	—	Fully recovered

1	2	3	4	5	6	7	8
13	SDO I/A S/D Y Nagar	1	4 328/	4 328/	4 328/	—	Fully recovered
14	SDO City S/D Jagadhari	1	5 029/	5 029/	5 029/	—	Fully recovered
15	SDO S/U S/D Gohana	5	45 240/	11 313/	12 908/	32 332/	Light Load charged by A.G. as per incorrect rate. It was required to be charged as load factor
16	SDO S/D No 3 Rohtak	1	3 780/	3 780/	3 780/	—	Fully recovered
17	SDO M/T S/D Kamal	1	3 654/	3 654/	3 654/	—	Fully recovered
18	SDO S/U Kamal	3	11 406/	11 406/	11 406/	—	Fully recovered
19	S/U S/D Jind(No I)	6	16 340/	16 340/	16 340/	—	Fully recovered
20	SDO S/D No 2 Jind	4	17 822/	17 822/	17 822/	—	Fully recovered
21	City S/D Bahadurgarh	2	8 434/	8 434/	8 434/	—	Fully recovered
22	SDO OP S/D No 1 A/Cantt	2	39 032/	—	—	39 032/	Light Load charged by A.G. as per incorrect rate. It was required to be charged as per load factor
Total			13 72 Lakhs	8 68 lakhs	8 70 lakhs		

The Committee recommends that the balance amount of Rs 6 87 lakh be recovered expeditiously and progress report be sent to the Committee within three months

[77] 4 2 12 *Short realisation of electricity duty due to application of incorrect rates*

Under the provisions of Punjab Electricity (Duty) Act 1958 the State Government by notification issued in July 1992 revised the rates of electricity duty in respect of High Tension (H T) Industrial Supply with sanctioned load of 70 KW and above from 17 paise to 20 paise per unit

In seven Sub divisions of Board as detailed below the electricity duty in 238 cases was charged at old rates instead of at revised rates resulting in short realisation of duty amounting to Rs 5 30 lakhs

Sr No	Name of Sub-division	No of Cases	Amount short realised
			(In rupees)
1	No 3 Fandabad	55	60 129
2	Mathura Road Fandabad	60	1 29 924
3	Ballabgarh Industrial Area Fandabad	76	1 08 225
4	City No 1 Gurgaon	4	17 361
5	Industrial Area Maruti Gurgaon	12	1 03 992
6	City OP Sonapat	15	28 367
7	Model Town Hisar	16	81 637
Total		238	5 29 635

On this being pointed out (between October 1996 and March 1997) in audit the department charged Rs 4 48 lakhs in consumer's account of which amount of Rs 1 37 lakhs has been recovered (March 1997) Further reply has not been received (September 1997)

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

It is responsibility of the concerned Sub Divisional Officers to charge Electricity Duty as per relevant rates of Electricity Duty. However concerned Sub Divisional Officers have been asked to charge Electricity Duty as per rates prevalent at that time Rs 5 01 lakhs have been recovered

"Annexure AM attached"
(Paragraph 4 2 12 Annexure AM)

Statement showing Electricity Duty Short charged due to application of incorrect rate

Sr No	Name of Sub-Divn	No of Cases	Amount to be recovered as pointed out by A.G	Recoverable	Recovered	Remarks
1	I/A S/D Ballabgarh	76	108225-00	108225 00	108 225 00	Fully recovered
2	S/D M/Road Fardabad	60	129224-00	129224 00	129 624 00	Fully recovered
3	S/D No III Fardabad	55	60129 00	60129 00	52360 00	7783 00 Balance amount not to be charged since reply of power disconnected
4	City S/D No I Gurgaon	4	17361 00	17361 00	17361 00	Fully recovered
5	SDO I/A Maruti (Gurgaon)	12	103992 00	103992 00	114892 00	Fully recovered
6	City S/D Sonapat	15	28367 00	28367 00	28367 00	Fully recovered
7	OP S/D M T Hisar	16	81637 00	81637 00	50732 00	30905 00 Balance amount not to be charged since supply of power permanently disconnected
Total			529635 00	529635 00	501567-00	

The Committee recommends that the balance amount of Rs 28,000/ be recovered expeditiously and progress report be sent to the Committee within three months

[78] 4 2 13 *Electricity duty not charged after expiry of exemption period*

The State Government by a notification issued in June 1989 exempted new industrial units except those units mentioned in the schedule to the notification and those not covered under rural industries scheme from the payment of whole of the electricity duty for a period of five years from the date of release of electric connections

In 9 Sub divisions of the Board at Faridabad Gurgaon Sohna Panipat Bhiwani Babyl (Ambala Cantt) and Jind it was noticed in audit that exemption from payment of duty had been allowed to 22 consumers even beyond the expiry of exemption period. This resulted in non realisation of duty amounting to Rs 5.13 lakhs. On this being pointed out (between October 1996 and March 1997) in audit the department charged Rs 3.50 lakhs in consumer's account of which amount of Rs 1.07 lakhs has been recovered (March 1997). Reply in respect of the balance amount of Rs 1.63 lakhs has not been received (September 1997).

The department in their written reply explained the position as under

The concerned Sub Divisional Officers are already being asked to charge after expiry of the exemption period from the Industrial Units which are exempted from levy of Electricity Duty from time to time by this Department. Whoever the concerned SDOs have been asked to make the recovery of E.D. on expiry of exemption period from the Industrial units which have been exempted from the levy of Electricity Duty for specific period by this Deptt. letter issued from time to time to HSEB addressed to all concerned SDOs. In some cases Rs 4.92 lakhs have been recovered (Annexure-AQ attached)

Annexure Para 4 2 13(A.Q)
Electricity Duty not charged after Expiry of Exemption Period

Sr No	Name of S/Divn	No of Cases	Amount to be recovered as pointed out by A.G.	Recoverable	Recovered	Remarks
1	OP S/Divn No 5 Farandabad	1	22 441/-	22 441/-	—	A G Haryana has not given/shown name address and A/C No of the unit
2	OP S/D M/Road Farandabad	1	45 349/-	45 349/-	45 349/-	Fully recovered
3	OP S/Divn Sohna	2	51 796/-	51 796/-	51 796/-	Fully recovered
4	SDO I/A S/D Gurgaon	1	32 772/-	32 772/-	32 772/-	Fully recovered
5	SDO S/D I/A Maruli	1	32 075/-	32 076/-	32 076/-	Fully recovered
6	SDO S/U S/D Panipat	9	1 47 666/-	1 46 714/-	1 46 714/-	Fully recovered
7	SDO S/U No 1 Bhiwani	5	1 60 461/-	1 60 461/-	1 60 461/-	Fully recovered
8	SDO OP S/D Babyal	1	4 555/-	4 555/-	4 555/-	Fully recovered
9	SDO No 1 S/U Jind	1	15 900/-	15 900/-	18 615/-	Fully recovered
Total			5 13 016/-	512 084/-	4 92 338/-	

During the course of oral examination, the departmental representatives assured the Committee that the recovery of balance amount of Rs 21,000/- will be effected shortly after identifying the firm from the Accountant General Office. The Committee recommends that intimation be sent to the Committee after recovering the balance amount within three months.

TRANSPORT DEPARTMENT

[79] 1 7/4 1 Results of Audit

Test check of records in departmental offices relating to revenues of Electricity Duty Passengers and Goods Tax State Excise Duty Taxes on Motor Vehicles and Entertainments Duty and Snow Tax revealed under assessment or taxes and duties and loss of revenue amounting to Rs 1176 12 lakhs in 17537 cases as depicted below

Heads of revenue	Number of cases	Amount (In lakhs of rupees)
D Taxes on Motor Vehicles	1109	37 23

(d) In the case of Taxes on Motor Vehicles the department accepted under assessments etc of Rs 0 70 lakh in 239 cases which were pointed out in audit during the year 1996 97 out of which the department recovered Rs 0 14 lakh in 28 cases Besides an amount of Rs 0 60 lakh has also been recovered during 1996 97 in 34 cases pointed out in earlier years

The department in their written reply explained the position as under

Out of total amount of Rs 37 23 lakhs in 1109 cases an amount of Rs 1 34 lakhs in 308 cases has been recovered Concerted efforts are being made to recover the balance amount All the R A s have been reminded vide D O letter No 1165 1215 SAO (A) dated 10 8 98 to take effective steps to recover the outstanding amount and take action against the defaulting officers/officials Further progress will be intimated from time to time

During the course of oral examination, the Committee was informed that out of total amount of Rs 37 23 lakhs an amount of Rs 3 19 lakhs has been recovered leaving a balance of Rs 34 04 lakhs The Committee observed that the pace of recovery is very slow

The Committee reiterates its earlier observations made in para 111 of its 50th report that a Senior Officer be assigned the work to pursue the recovery cases and progress report be sent to the Committee within three months

[80] 4 6 Non recovery of token tax

The Punjab Motor Vehicles Taxation Act 1924 and the Rules made thereunder as applicable to Haryana 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 vehicle throughout the said quarter and has deposited the registration certificate with the licensing officer provided that he sends an advance intimation of his intention not to use the vehicle during that quarter for which exemption is claimed Further when such a vehicle is put on road even for a token period in a quarter the tax has to be paid for the entire quarter

During the audit of Regional Transport Authority Faridabad it was noticed (November 1996) that two transport Co operative Societies deposited (March 1996) registration

certificates of two buses with the licensing officer. As per entries found recorded in the registration certificates deposit register token tax in respect of both the buses was shown as paid up to December 1994 and March 1995 respectively instead of up to the date of deposit of registration certificates. The registration certificates of these buses were however released in July and August 1996. The omission to recover the token tax up to the quarter in which the registration certificates were deposited resulted in non recovery of token tax of Rs 50 188.

On this being pointed out (November 1996) in audit the department issued (December 1996) notices to the concerned transport co operative societies for recovery. Further report on recovery has not been received (September 1997).

The case was reported to Government in January 1997 their reply has not been received (September 1997).

The department in their written reply explained the position as under

The Secretary RTA Faridabad have directed the concerned Co op Transport Societies to deposit the amount at the earliest *vide* letter No 2085 86 dated 5 11-98 and 2088 89 dated 5 11-98. Although the RTA has taken steps to impound the buses of these two Co op Transport Societies but further action is yet awaited. Further progress will be intimated on receipt of the information from Secretary RTA Faridabad.

During the course of oral examination, the departmental representatives assured the Committee that the amount of token tax will be recovered shortly. The Committee desired that the latest position of the recovery be intimated to the Committee for its information.

CO-OPERATION DEPARTMENT

[81] 1 4 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
7	Co-operation	210 10	42 97	The amount of Rs 210 10 lakhs was outstanding on account of audit fees against various Co-operative Societies

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

All registered Co-operative Societies registered by the department are liable to pay audit fee as arrear till the time they are brought under winding-up process. Some of the Societies are not working and defunct which are liable to pay audit fee but recovery from the societies is difficult. It is possible only if these societies start working. Latest position of recovery of audit fee is as under -

	Total arrear as on 31-3-97	Arrear more than 5 years (Rs in lacs)
Audit Fee	210 10	42 97
Recovered	150 06	28 12
Balance	60 04	14 85

The remaining unrecovered audit fee have been included in the next year Revenue Receipts closing balance

Efforts are being made to recover the remaining amount. It is requested that para may kindly be dropped

After hearing the departmental representatives, the Committee reiterates its earlier recommendations made in para 114 of its 50th report and desired that final decision taken in the matter be intimated to the Committee

[82] 1 7/5 1 Results of Audit

Test check of records in departmental offices relating to revenues of Co operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted in audit during the year 1996 97 revealed under assessments and losses of revenue amounting to Rs 1829 22 lakhs in 8289 cases as depicted below

Heads of revenue	Number of cases	Amount (In lakhs of rupees)
A Co-operation	136	123 93

(a) In the case of Co operation the department accepted under assessments etc of Rs 123 37 lakhs in 122 cases which were pointed out in audit during 1996 97 out of which an amount of Rs 9 44 lakhs in 7 cases has been recovered Besides an amount of Rs 64 35 lakhs has also been recovered during 1996 97 in 132 cases pointed out in earlier years

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

The audit fee is initially assessed provisionally on the basis of profit & loss account prepared by the societies in their annual statements Later on audit fee is finalised on the basis of audited profit and loss account figures The position is reviewed in every case at the time of final assessment Latest position of recovery is given as under -

	No of cases	Amount (in lakh)
Cases	136	123 93
Recovery made	110	121 08
Balance	26	2 85

Efforts are being made to recover the balance amount Hence it is requested that the para may be dropped

During the course of oral examination, the departmental representatives assured the Committee that efforts are being made to recover the balance amount at the earliest The Committee desired that intimation be sent to the Committee after effecting the recovery of balance amount of Rs 2 85 lakh within three months

[83] 5 2 Revenue receipts (other than interest) from Co-operative Societies

5 2 1 Introductory

Under the Haryana Co operative Societies Rules 1989 framed under the Haryana Co operative Societies Act 1984 the Registrar Co operative Societies shall audit or cause to be audited by a person authorised by him by general or special orders in writing in this behalf the accounts of every Co operative Society at least once in each year

Apart from interest receipts on loans revenue realised from the Co operative Societies include realisation of audit fee and dividend on Government's share capital

The Societies are required to pay to the Government a fee for the audit of their accounts in accordance with the scales fixed by the Registrar with the prior approval of the State Government in respect of each class of Co operative Society The recovery of audit fee is watched through the Demand and Collection Register The Act also provides that all sums due to Government including arrears of audit fee may on a certificate issued by the Registrar be recovered as arrears of land revenue

According to the departmental instructions issued in September 1984 audit fee assessed by the general line staff on the basis of annual statements of the Societies is regarded as "provisional" and thereafter audit fee assessed on the basis of audited accounts is taken as "final". In case there is difference of profit/loss in a society at the time of audit by the departmental auditors the Assistant Registrar shall revise the amount of audit fee as per audited profit/loss of the society and raise the demand accordingly.

The State Government issues sanctions to the Registrar Co-operative Societies for investment by way of Government contributions to the share capital of various Co-operative Societies. On these investments dividend is payable to the Government in order to watch the interest of the Government a register of dividend declared/deposited by the Co-operative Societies is maintained in the office of the Registrar Co-operative Societies.

There are 14,461 Co-operative Societies in the State of Haryana.

5.2.5 Audit in arrears

Out of 14,461 Co-operative Societies to be audited during the year 1995-96, 2,941 Societies remained unaudited as on 31st March 1996. Age wise position of unaudited societies was as under —

Period for which audit was pending	Number of societies
Upto 5 years and above	359
4 years	32
3 years	196
2 years	209
1 year	2,145
Total	2,941

The department attributed the reasons for non-conductance of audit of 2,941 societies to non-availability of complete addresses/records of 1,595 societies, possession of records of 8 societies with Courts/Police, incomplete/burnt records of 17 societies and non-conductance of audit of 1,321 societies due to shortage of staff.

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

At the time of Review of Audit Fee the Accountant General (Audit) Party reviewed the position of audit of total 14,461 Co-operative Societies. The Department cleared the position w.r.t. unaudited societies to the Accountant General (Audit) party vide this office No. 41/1/96 Audit (6) Dated 2-1-97. The same position of audit of Co-operative Societies has been depicted in this para. It is informative. Hence para may please be dropped.

During the course of oral examination, non-conducting the audit of the societies was attributed that most of the societies were under liquidation as well as shortage of staff. The Committee was not satisfied with the reply of the department and desired that the category wise detail of the societies which remained unaudited with the reasons for non-conductance of audit be intimated to the Committee.

The desired information is still awaited till the drafting of this report. The Committee recommends that the desired information be supplied to the Committee within one month

[84] 5 2 7 Arrears in realisation of audit fee

As per figures supplied (January 1997) by the department the arrears of audit fee pending collection for the last five years were as under

Year	Outstanding at the end of previous year	Raised during the year	Total realisable demand	Realisation during the year	Arrears at the end of the year	Percentage of realisation to total realisable demand
(In Lakhs of rupees)						
1991 92	182 83	130 97	313 80	85 11	228 69	27
1992 93	228 69	270 27	498 96	208 16	290 80	42
1993-94	290 80	312 79	603 59	239 70	363 89	40
1994-95	363 89	316 28	680 17	252 72	427 45	37
1995 96	427 45	501 41	928 86	206 92	721 94	22

Percentage of realisation of revenue to the total realisable revenue ranged between 22 and 42

Year-wise details of arrears of outstanding audit fee as intimated by the department were as under

Year	Amount (In lakhs of rupees)
Upto 1991 92	187 11
1992 93	97 94
1993 94	117 47
1994 95	164 56
1995-96	154 86
Total	721 94

Out of Rs 721 94 lakhs recoverable an amount of Rs 187 11 lakhs was pending for more than 5 to 17 years. Notices for the recovery of this amount as arrears of land revenue were not issued to the defaulting Societies. There is no provision in the Co-operative Societies Act 1984 and Rules 1989 to penalise the defaulting societies by way of penalty/ interest who do not make timely payment of audit fee

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

Out of Rs 721 94 lacs Rs 671 10 lacs has been recovered. Only Rs 50 84 lacs are remained un recovered. Out of arrears more than 5 17 years Rs 187 11 lacs was outstanding. Out of this only Rs 12 64 lacs remained un-recovered. This para was discussed in PAC meeting dated 10 10 2000

As far as arrears of audit fees more than 5 to 17 years is concerned the case or reduction of rates of audit fee was raised by HAFED. Due to which HAFED was not depositing fee as per audit fees norms from 1979-80 onwards. Now full amount of arrears of audit fees have been deposited by HAFED due from 1980. No arrears of audit fees stands recoverable against HAFED.

There is no provision in Co-operative Act 1984 and Rule 1989 to penalise the defaulting societies by way of penalty/interest in case of late deposit/non deposit of audit fees.

The Committee desired that sincere efforts be made to recover the balance amount of Rs 50.84 lakhs under intimation to the Committee

[85] 5.2.11 *Non deposit of dividend on Share Capital of State Government*

During the audit of dividend accounts of Registrar Co-operative Societies Haryana, Chandigarh and Assistant Registrar Co-operative Societies Ambala City, Hisar, Karnal, Kurukshetra, Sonapat and Yamunanagar for the period 1991-92 to 1995-96, it was noticed (February and March 1997) that 12 societies had been running in profit and their Board of Directors had passed the resolutions for payment of total dividend of Rs 54.04 lakhs to the Government but no amount of dividend was deposited by any of the societies in Government account.

The department while accepting the observation intimated (April 1997) that out of Rs 54.04 lakhs, a sum of Rs 5.40 lakhs had been recovered (March 1997) from four societies. Report on recovery of the balance amount has not been received (September 1997). There was no system to check which Co-operative Society is running in profit/loss for the purpose of ascertaining the accuracy of dividend declared/distributed by the society. No reconciliation is being done in the department with reference to investment made towards share capital, dividend received and dividend actually receivable.

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

It is stated that out of Rs 54.04 lacs of 12 societies, Rs 50.59 lacs has been recovered from 11 societies.

Efforts are being made to recover the balance amount of Rs 3.45 lacs at the earliest. It is pointed out that the list provided by A.G. Haryana contains the names of 11 societies only. A.G. Haryana is requested to inform the name of 12th society and its amount.

Year wise Break up of Amount recovered is as under —

1996-97	9.49 lacs
1997-98	4.93 lacs
1998-99	3.75 lacs
1999-2000	1.00 lacs
2000-2001	31.42 lacs
Total	50.59

Hence, it is requested that the para may be dropped.

During the course of oral examination the departmental representatives assured the Committee that the recovery of balance amount of Rs 3 45 lakh will be effected after obtaining the particulars of the concerned society from A.G.'s Office shortly. The Committee desired that intimation be sent to it after recovering the balance amount within three months for its information.

FINANCE DEPARTMENT

(State Lotteries)

[86] 7/5 Results of Audit

Test check of records in departmental offices relating to revenues of Co operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted in audit during the year 1996 97 revealed under assessments and losses of revenue amounting to Rs 1829 22 lakhs in 8289 cases as depicted below

Heads of revenue	Number of cases	Amount (In lakhs of rupees)
B Finance (State Lotteries)	16	209 43

(b) In the case of State Lotteries the department accepted loss of revenue of Rs 3 40 lakhs in 2 cases which were pointed out in audit during 1996 97 and the entire amount of Rs 3 40 lakhs has also been recovered in October 1996 Besides an amount of Rs 10 38 lakhs has also been recovered during 1996 97 in 13 cases pointed out in earlier years

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

Non deposit of Government Money (A) Rs 35 15 lacs by Shri Rajbir Singh Ex Sales Officer Lucknow

Out of the total value of Rs 35 15 200 00 adjustments of Rs 11 03 978 00 on account of PWT/contingency in respect of draw No 886 of Hari Om scheme have already been made As regards remaining amount of Rs 24 11 222 00 Shri Rajbir Singh the concerned Sale Officer Lucknow camp was asked to deposit the same with the department immediately but he failed to deposit this recovery As such Chandigarh Police was requested to register an FIR against Shri Rajbir Singh Assistant (u/s) vide H O Memo No DOL/HR/HO/99/12644 dated 29 12 1999 Therefore a D O letter was issued to SSP Chandigarh vide No 682 dated 15 5 2001 with a request to direct the Police Authorities to register an FIR against Shri Rajbir Singh as the Headquarter of the official was at Chandigarh Shri Rajbir Singh has already been placed under suspension w e f 29 8 1996 for mis appropriating Government funds for which action is taken separately

The Committee noted that this case pertains to same person (Shri Raj Bir Singh) and for the same period as also shown in para 5 3 of the CAG report, therefore, the Committee made its observations/recommendations with said para 5 3 in the succeeding paragraph No 87 of this report

[87] 5.3 Short deposit of sale proceeds of lottery tickets

As per accounting procedure of the Haryana State Lotteries Department the accounts of sale proceeds of lottery tickets are required to be sent to the Directorate Office of State Lotteries by each sales Officer immediately after the close of the Sale of tickets of each draw or on the date of the draw whichever is earlier. The accounts so received are required to be checked within a week's time. The Section Officer (Incharge) at headquarters office would ensure that Prize Winning Tickets (PWTs) Book Transfers (BTs) vouchers demand drafts and contingent vouchers tally with the value of lottery tickets sold by each Sales Officer in that draw. In case the accounts so received are found to be short, he would bring the facts to the notice of the higher authorities and simultaneously take up the matter with Sales Officer concerned for rendering complete account by pointing out the shortcomings and the recovery of the amount so detected as a result of checking. Sales Officer (concerned) would go through the recovery letter so issued to him and arrange to deposit the amount within 10 days positively failing which the recovery can be effected from his pending dues. He will also be liable for disciplinary action in case shortcomings so noticed are of glaring nature. Further, as per Financial Rules, monthly receipts were required to be reconciled with the total deposits appearing in bank accounts.

During the audit of the records of the office of the Director Haryana State Lotteries Chandigarh, it was noticed (April 1996) that one of the Sales Officers of Lucknow Camp while rendering final accounts in respect of the draws of three schemes (Shri Ganesh, Hari Om, Jai Durga) out of the eight schemes handled by him and held during the period from November 1994 to December 1995 had shown the amounts deposited to the tune of Rs. 10.84 crores in bank accounts of the department opened in Punjab National Bank and Central Bank of India at Lucknow. On verification of the bank scrolls, it was noticed that the amounts aggregating to Rs. 9.43 crores only were actually deposited. This resulted in short deposit of Rs. 1.41 crores consequently led to misappropriation/embezzlement of Government receipts by the concerned Sales Officer to the tune of Rs. 1.41 crores. Had the procedure of accounting the sale proceeds of lottery tickets as laid down by the department been followed properly and reconciliation of monthly figures of receipts/deposits in treasury been done from time to time, the misappropriation of Government revenue could have been avoided.

On this being pointed out (April 1996) in audit, the department, after investigation, accepted (July 1996) the facts of misappropriation of Rs. 1.41 crores. The department, after further checking the accounts of the Sales Officer right from the date of his posting at Lucknow (May 1993 to December 1995), worked out the misappropriation to the tune of Rs. 1.78 crores and lodged an FIR with the Police on 9th September 1996. Final results of the proceedings are awaited (September 1997).

The matter was reported to Government in June 1996; their reply has not been received (September 1997).

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

It is submitted that non verification of final account statements within stipulated period that there was a boom in the sale of Haryana State Lottery tickets during the year 1993-94

Shri Ganesh, Hari Om, Jai Durga, Maha Laxmi, Maha Bali, Jai Vishnu, Jai Durga (Instant) and Maha Laxmi (Instant)

to 1995 96 as would be evident from the following data —

Year	Gross receipt (Rs in lac)	Gross Exp (Rs in lac)	Net Profit (Rs in lac)
1993 94	84015 83	80992 10	3023 73
1994 95	256275 78	249267 77	7008 01
1995 96	148770 77	155795 96	2974 81

The huge sale resulted in a number of administrative problems *inter alia* the verification of account within a period of one week as per accounting procedure. It became impossible to check the accounts manually within the stipulated period.

The accounts for the year 1993 94 were got checked manually and could be finalized only during the year 1994-95 and so on because the accounts were duly finalized after the prize winning tickets received by the Sales Officers in a particular draw are verified. The accounts for the year 1994 95 could be finalised by getting the PWT checked through Computerisation in October 1996.

The sale at Lucknow Camp had been worth of Rs 2 58 crores per day. Against the sale PWTs worth 90 to 95% used to come back for issue of fresh tickets. Further the tickets received in the camps are required to be checked before finalization and submission of accounts by the Sales Officers to the headquarters. Thus it becomes humanly impossible to check the correctness of the details of PWTs lying with the Sales Officers at the time of visit by the officers of this Department. In fact the factual position becomes on actual checking of the PWTs by the Computer agency.

As and when the shortage of Rs 1 41 crores was detected a Committee of Officers under the supervision of the then ADL was deputed to Lucknow to work out the exact amount of shortage against Shri Rajbir Singh Ex Sales Officer. The Committee submitted its report indicating shortage of Rs 177 70 lacs. An FIR No 311/96 against six agents was lodged with the Chandigarh Police.

Thereafter the Accounts were rechecked and found that the exact loss comes to Rs 225 70 lacs. The Police Authorities produced Challan after getting the facts verified from the record against the following Agents besides Shri Rajbir Singh —

Sr No	Name of the Agency	Amount (Rs in lac)
1	M/s S S Lottery Lucknow	—
2	M/s An Lo'ery	4 71
3	M/s J & Co	6 08
4	M/s Khalsa Lottery	13 71
5	M/s Mahalaxmi Lottery	60 70
6	M/s Kamal Lottery	29 59
7	Shri Rajbir Singh	111 21
Total		225 70

Now the case is with District Court U T Chandigarh. The next date of hearing has been fixed as on 17.1.2002. Final outcome shall be intimated to the Committee when the case is finalised by the court.

Shri Rajbir Singh was placed under suspension *w.e.f.* 29.8.1996. The official was charge sheeted under Rule 7 of Punishment and Appeal Rules 1987. The Enquiry Officer had submitted the report in March 2000 making *ex-parte* decision as Shri Rajbir Singh did not attend the enquiry despite observing all formalities required under the Rules. The matter is under process to take final decision on the enquiry report by the competent authority.

This para has already been discussed in sub-para 1 of para 5.1 of CAG Report for the year 1996-97.

After hearing the departmental representatives the Committee recommends that the case pending in the Court be pursued and progress made in this case be intimated to the Committee.

During the course of oral examination, the Committee desired that the opinion of the Law Department be obtained as to whether this case can be clubbed with the criminal case already registered against this Sales Officer (Shri Rajbir Singh). The desired information was awaited till the drafting of this report.

AGRICULTURE DEPARTMENT

[88] 14 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under —

Sr No	Heads of Revenue	Total arrears (Rupees in lakhs)	Arrears more than 5 years old	Remarks
5	Other Taxes and Duties on Commodities and Services			
(i)	Receipts under the Sugarcane (Regulation of Purchase and Supply Act)	518 64	97 49	The arrears of Rs 518 64 lakhs was due to non-deposit of purchase tax by four Sugar Mills of Karnal (41 43 lakhs) Rohtak (147 76 lakhs) Panipat (201 39 lakhs) and Yamunanagar (128 39 lakhs) The department stated in July 1997 that the sugarcane mill owners had been asked to deposit the arrears

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

An amount of Rs 518 64 lakhs as purchase tax was due against the Cooperative Sugar Mills Ltd Rohtak Panipat Karnal and Saraswati Sugar Mills Yamunanagar The mill wise reply is as under —

The entire amount of Rs 41 43 lakh has been deposited by the Cooperative Sugar Mills Ltd Karnal vide challan No 11 dated 1 9-97 and challan No 41 dated 18 10-97 respectively

An amount of Rs 128 39 lakhs has been deposited by Saraswati Sugar Mills Yamunanagar vide challan No 75 dated 14 6 97 and challan No 4&5 dated 6 8 97 respectively

So far as the recovery from the the Cooperative Sugar Mill Rohtak and Panipat is concerned Cane Commissioner Haryana Panchkula has issued certificate to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of section 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide this office Regd Letter No 1750 1751 dated 2 5 2001 respectively It is further added that a D O from Cane Commissioner to the concerned Collectors has been issued on 25 1-2002 for effecting the recovery of purchase tax

The Committee after going through the reply given by the department, re-iterate its earlier observations made in para 141 of its 50th report that the matter be settled with the Government by fixing a meeting at a higher level and the Committee be apprised of the decision taken in the matter

[89] 17/51 Results of Audit

Test check of records in departmental offices relating to revenues of Co operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted in audit during the year 1996 97 revealed under assessments and losses of revenue amounting to Rs 1829 22 lakhs in 8289 cases as depicted below

Heads of revenue		Number of cases	Amount
			(In lakhs of rupees)
C	Agriculture	40	183 36

(C) In the case of Agriculture the department accepted loss of revenue of Rs 175 lakhs in 21 cases which were pointed out in audit during 1996 97 out of which the department recovered an amount of Rs 80 59 lakhs in 13 cases Besides an amount of Rs 0 80 lakh has also been recovered during 1996 97 in 3 cases pointed out in earlier years

The department in their written reply explained the position as under –

ACDO Panipat 1996 97	1	6	30 94	So far as the recovery from the Cooperative Sugar Mill Panipat is concerned Cane Commissioner Haryana Panchkula has issued certificate to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of section 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide this office Regd Letter No 1750 dated 2 5-2001 It is further added that a D O from Cane Commissioner to the concerned Collector has been issued on 25 1 2002 for affecting the recovery of purchase tax
ACDO Rohtak 1996 97 1996-97 1	1	1	3 75	So far as the recovery from the Cooperative Sugar Mill Rohtak is concerned Cane Commissioner Haryana Panchkula has issued certificate to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of section 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide this office Regd Letter No 1751 dated 2 5-2001 It is further added that a D O from Cane Commissioner to the concerned Collector has been issued on 25-1 2002 for affecting the recovery of purchase tax
	2	8	58 95	
	3	9	62 70	

The Committee after going through the reply given by the department, desired that in the cases of ACDO Panipat and ACDO Rohtak efforts be made to recover the balance amount and the Committee be apprised of the progress made in this regard

[90] 5.5 Non recovery of purchase tax and interest

As per the notification issued (October 1977) under the Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 and the Rules made thereunder as applicable to Haryana an occupier or agent of a factory is required to pay tax at Rs 1.50 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 charged for the period of default.

(ii) During the audit of the records of Assistant Cane Development Officer Rohtak it was noticed (July 1995) that a sugar mill had purchased 29 74 620 quintals of sugarcane between November 1994 and April 1995 and deposited purchased tax of Rs 29.34 lakhs against the payable tax of Rs 44.62 lakhs resulting in short deposit of tax of Rs 15.28 lakhs which was due to be paid by 14th of the month following the month of purchase. Interest amounting to Rs 2.08 lakhs (up to 15th March 1996) was also required to be charged thereon for non-payment of tax.

On this being pointed out (August 1995) in audit the department intimated (March 1997) that the sugar mill has been reminded (February 1997) to deposit the amount. Further report on recovery has not been received (September 1997).

The case was reported to Government in August 1995 their reply has not been received (September 1997).

The department in their written reply explained the position as under –

So far as the recovery from the Cooperative Sugar Mill Rohtak is concerned Cane Commissioner Haryana Panchkula has issued certificate to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of section 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide this office Regd. Letter No 1751 dated 2-5-2001. It is further added that a D.O. from Cane Commissioner to the concerned Collector has been issued on 25.1.2002 for affecting the recovery of purchase tax.

The Committee recommends that efforts be made to recover the balance amount and the Committee be apprised of the progress made in recovering the amount.

IRRIGATION DEPARTMENT

[91] 1 7/5 1 Results of Audit

Test check of records in departmental offices relating to revenues of Co operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted in audit during the year 1996 97 revealed under assessments and losses of revenue amounting to Rs 1829 22 lakhs in 8289 cases as depicted below

Heads of revenue	Number of cases	Amount (In lakhs of rupees)
D Public Works (Irrigation)	216	1045 65

(D) In the case of Irrigation the department accepted under assessments etc of Rs 64 22 lakhs in 42 cases which were pointed out in audit during 1996 97 An amount of Rs 0 11 lakh has also been recovered during 1996 97 in 4 cases pointed out in earlier years

The department in their written reply explained the position as under –

However the Department has got settled 187 cases amounting to Rs 844 98 lakhs leaving a balance of 74 cases amounting to Rs 200 67 lakhs as under –

Sr No	Nature of irregularity	No of cases outstanding	Amount	No of Cases cleared	Amount	No of Cases balance	Amount
1	Under assessment of water charges	49	9 30	30	3 39	13	5 91
2	Non recovery of lease/ cultivation charges	45	22 67	37	22 54	8	0 13
3	Mis utilisation of Govt receipts	48	118 74	23	39 71	25	79 03
4	Un authorised retention of Lamberdan fee	–	–	–	–	–	–
5	Other irregularities	119	894 94	91	779 34	28	115 60
Total		261	1045 65	187	844 98	74	200 67

Field offices have been instructed to monitor progress in settlement of outstanding paras through monthly meetings and even Chief Engineer are also monitoring clearance through Accounts arrears meeting

The Committee desired that the outstanding paras be settled at the earliest under intimation to the Committee

MINES AND GEOLOGY DEPARTMENT

[92] 17/51 Results of Audit

Test check of records in departmental offices relating to revenues of Co operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted during the year 1996-97 revealed under assessments and losses of revenue amounting to Rs 1829.22 lakh in 8289 cases as depicted below

Head of revenue		Number of cases	Amount
			(In lakhs of rupees)
E	Mines and Geology	722	102.64

(e) In the case of Mines and Geology the department accepted under assessment etc of Rs 59.54 lakhs in 469 cases which were pointed out in audit during 1996-97 out of which the department recovered an amount of Rs 21.06 lakhs in 221 cases. Besides an amount of Rs 75.76 lakhs has also been recovered during 1996-97 in 435 cases pointed out in earlier years.

The department in their written reply explained the position as under –

As per para 5.1 of the Report of CAG of India for the year 1996-97 a sum of Rs 102.64 lakhs have been shown against 722 cases of the department of Mines and Geology. This para has further been sub divided into following categories

1 Non recovery of contract money and interest

Number of cases	69
Amount involved	Rs 59.55 lakhs

2 Short recovery of royalty from Brick Kiln Owners

Number of cases	535
Amount involved	Rs 27.06 lakhs

3 Non recovery of royalty and interest on the expired/terminated mining leases

Number of cases	28
Amount involved	Rs 14.25 lakhs

4 Non/Short levy of Stamp duty

Number of cases	7
Amount involved	Rs 0.37

5 Other irregularities

Number of cases	83
Amount involved	Rs 1.41 lakhs

Each category has been explained in detail as under –

1 Non recovery of contract money and interest

Mining contracts are given by public auctions for minor minerals like stone and sand for a period of three years and for saltpetre for one year in accordance with Rules 28 to 33 of Punjab Minor Mineral Concession Rules 1964. If in the auction bid is less than Rs 1 000/- then the highest bidder is required to deposit full contract money alongwith 25% security. When the bid is more than Rs 1 000/- and less than Rs 5 lacs per annum the highest bidder is required to deposit 25% bid amount as security and another 25% as advance contract money. In case the bid is more than Rs 5 lac then highest bidder is required to deposit 25% as security and 1/12th of the bid amount as advance monthly instalment totalling to 33% of the bid. In this sub para Rs 59.55 lacs have been shown to be recoverable in 69 cases. According to the latest reports received from field officers out of this amount a sum of Rs 46.13 lacs have been recovered leaving a balance of Rs 13.42 lac for which they have already issued recovery certificate to recover these amounts as arrears of land revenue.

2 Short recovery of royalty from the Brick Kiln Owners

The Brick Kiln Owners are given quarrying permits for a period of two years on a flat rate of royalty depending upon the size of the brick kiln. The brick kilns have been divided into four categories. The amount of royalty payable by them are also mentioned against each.

Category of the Brick Kiln		Annual rates of royalty (in Rupees)
A	Brick Kiln of capacity of 28 ghones or more of kachi bricks	9 400
B	Brick Kiln of capacity of 22 to 27 ghones of kachi bricks	7 850
C	Brick Kiln of capacity below 22 ghones of kachi bricks	6 250
D	Not covered by way of the above category	1 750

A sum of Rs 27.06 lacs have been shown to be recoverable from 535 Brick Kiln Owners out of which a sum of Rs 14.06 lacs have since been recovered and another sum of Rs 64.683 is otherwise not chargeable. For recovering a balance amount of Rs 12.34 lacs efforts are being made by the field officer to liquidate the same expeditiously.

3 Non recovery of royalty/interest on the expired/ terminated mining contracts/ leases

Out of total outstanding amount of Rs 14.25 lacs in 28 cases a sum of Rs 3.34 lac has since been recovered leaving a balance of Rs 10.90 lacs.

4 Non/Short levy of Stamp duty

Prior to the amendment of Mines & Minerals (R&D) Act 1957 on 24 Jan 1994. The Mining leases used to be given for a period of 10 years. With the amendment of Section 8 of the Act the minimum period for which a mining lease for major mineral could be given

was fixed 20 years stamp duties were calculated on the basis of earlier formula relating to 10 years. However from one leasee additional stamp papers worth Rs 8 750/- had already been got submitted. Efforts are being made to get the additional stamp papers worth Rs 28 625/- from remaining six lessees.

5 Other irregularities

In other irregularities in 83 cases a sum of Rs 1 41 lacs has been shown as recoverable out of which a sum of Rs 72 000/- has since been recovered in 50 cases bearing a balance of Rs 69 000/-

During the course of oral examination, the Committee was informed that out of Rs 102 64 lakhs, an amount of Rs 22 38 lakhs remained un-recovered which involved cases of small categories. The Committee recommends that efforts be made to recover the balance amount at the earliest under intimation to the Committee.

PUBLIC HEALTH DEPARTMENT

[93] 1 7/5 1 Results of Audit

Test check of records in departmental offices relating to revenues of Co-operative Societies State Lotteries Agriculture Irrigation Mines and Minerals and Public Health conducted in audit during the year 1997-97 revealed under assessments and losses of revenue amounting to Rs 1829 22 lakhs in 8289 cases as depicted below

Head of revenue	Number of cases	Amount
		(In lakhs of rupees)
F Public Health	7114	164 21

(f) In the case of Public Health the department accepted under assessment etc of Rs 0 89 lakh in one case which was pointed out in audit during 1996 97 An amount of Rs 3 14 lakhs has also been recovered during 1996 97 in 384 cases pointed out in earlier years

The department in their written reply explained the position as under

Latest Progress

			cases cleared		Balance cases		
1	Non/short recovery of water charges	6061	115 66	4569	97 95	1492	17 71
2	Misutilisation of Govt. receipts towards expenditure	216	8 59	196	6 38	20	2 21
3	Other Misc irregularities	837	39 96	50	28 97	787	10 99
Total		7114	164 21	4815	133 30	2479	30 91

After hearing the departmental representatives the Committee recommends that the efforts be made to recover the balance amount of Rs 30 91 lakh at the earliest under intimation to the Committee and the action taken against the officials responsible for the lapses be also intimated to the Committee

During the course of oral examination the Committee desired to have the information of the total case of non/short recovery of water charges mis- utilisation of Govt receipts towards expenditure and other misc irregularities detected during the year 1996 97 The information was still awaited till the drafting of this report.

EXCISE AND TAXATION DEPARTMENT

[94] 14 Arrears in revenue

As on 31 March 1997 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakhs)				
1	Taxes on Sales Trade etc	15614 47	4317 56	Out of Rs 15614 47 lakhs demand for Rs 2587 86 lakhs had been certified for recovery as arrears of land revenue Rs 8506 42 lakhs had been stayed by the Courts and other Appellate Authorities Rs 687 68 lakhs were held up due to dealers becoming Insolvent and demands for Rs 754 68 lakhs were proposed to be written off Specific action taken to recover the remaining amount of Rs 3077 83 lakhs though called for has not been intimated (September 1997)
3	Taxes on Goods and Passengers	1293 22	261 71	Out of arrears of Rs 1293 22 lakhs demands for Rs 10 53 lakhs had been certified for recovery Rs 25 20 lakhs had been stayed by the Courts Rs 0 24 lakhs were proposed to be written off Specific action taken to recover the remaining amount of Rs 1257 25 lakhs though called for has not been intimated (September 1997)
4	State Excise	1211 22	396 81	Out of Rs 1211 22 lakhs demand of Rs 181 42 lakhs was covered under recovery certificate recovery of Rs 654 45 lakhs was stayed by High Court and other Judicial Authorities Rs 46 12 lakhs was proposed to be written off Action regarding remaining amount of Rs 329 23 lakhs was not intimated by the Department (September 1997)
5	Other Taxes and Duties on Commodities and Services			
(ii)	Receipts under the Punjab Entertainments (Cinematograph Shows) Act	20 48	—	Out of Rs 20 48 lakhs recovery of Rs 1 80 lakhs had been stayed by the Courts and Rs 1 14 lakhs were proposed to be written off Action taken to recover the remaining amount of Rs 17 54 lakhs has not been intimated by the Department (September 1997)

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

Taxes on Sales, Trade etc

This para is based on the information supplied by the Department to the Accountant General (Audit) Haryana Out of total arrears in revenue of Rs 15614 47 lakhs Rs 2204 51 lakhs stands recovered upto 31 7 98 leaving a balance of Rs

13409 96 lakhs The reasonwise detail of balance arrears of Rs 13409 96 lakhs are given below -

	(Amount in lakhs)
1 Under stay	7197 73
2 Under instalment	335 64
3 Inter state arrear	2392 92
4 Inter Distt Arrear	88 75
5 Under liquidation	983 87
6 Property attached	295 68
7 Writing off	768.21
8 Net recoverable	1347 16
Total	13409 96

Taxes on Goods and Passengers

This para is based on the information supplied by the Department to Accountant General (Audit) Haryana Out of Rs 1293 22 lakhs Rs 618 13 lakhs stand recovered upto 31 7 98 leaving a balance of Rs 675 09 lakhs The reason-wise breakup of balance arrears of Rs 675 09 lakhs are as under -

	(Amount in lakhs)
1 Under Stay	30 12
2 Writing off	0 37
3 Inter State Arrear	20 49
4 Net recoverable	624 11
Total	675 09

State Excise

This para is based on the information supplied by the Department to Accountant General (Audit) Haryana Out of Rs 1211 22 lakhs Rs 181 42 lakhs have been recovered upto 31 3 98 leaving a balance of Rs 1029 80 lakhs The reason wise breakup of balance arrears of Rs 1029 80 lakhs are as under -

	(Amount in lakhs)
1 Under Stay	654 45
2 Writing off	48 31
3 Net recoverable	327 04
Total	1029 80

Taxes on Entertainments (Cinematograph Shows)

This para is based on the information supplied by the Department to Accountant General (Audit) Haryana Out of total arrears of Rs 20 48 lakhs an amount of Rs 0 18 lakhs stand recovered upto 31 7 98, leaving a balance of Rs 20 30 lakhs, out of Rs 20 30 lakhs an amount of Rs 1 26 lakhs are under process for writing off

leaving a balance of Rs 19 04 lakhs are as under —

		(Amount in lakhs)
1	Under Stay	16 56
2	Net recoverable	2 48
Total		19 04

During the course of oral examination the Committee was informed that out of total recovery amount of Rs 15614 47 lakhs, Rs 4873 29 lakhs stands recovered/ deleted upto 31 12 2001 leaving a balance of Rs 10741 18 lakhs. The Committee desired that effective steps be taken to recover the balance amount and also adopt some foolproof procedure to avoid accumulation of such huge arrears in future. The steps taken in this regard be intimated to the Committee. The Committee further desired that a break up of cases of arrear in revenue upto 1983 84 alongwith their present status be intimated to the Committee for its consideration within a period of three months.

The Committee was also informed that out of Rs 1293 22 lakhs under the Taxes on Goods and passengers a sum of Rs 806 27 lakhs stands recovered leaving a balance of Rs 486 95 lakhs upto 31 12 2001 and a balance of Rs 2 48 lakh under the Taxes on Entertainments and Rs 327 04 under the State Excise. The Committee, therefore, recommends that effective steps be taken to recover the balance amount under these heads at the earliest under intimation to the Committee.

(95) 1 5 *Arrears in assessment*

The details of assessment cases of taxes on sales trade etc and passengers and goods tax pending at the beginning of the year cases becoming due for assessment during the year cases disposed of during the year and the number of cases pending finalisation at the end of each year during 1992 93 to 1996 97 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 Col 5 to Col 4
1		2	3	4	5	6	7
1992 93	ST	110170	129510	239680	158640	81040	66
	PGT	379	322	701	501	200	71
1993 94	ST	81040	136358	217398	126973	90425	58
	PGT	200	135	335	262	73	78
1994 95	ST	90425	261613	352038	161998	190113	46
	PGT	73	191	264	74	117	28
1995 96	ST	190113	269783	459896	158443	301453	34
	PGT	117	509	626	391	235	62
1996 97	ST	301453	228407	529860	169535	360325	32
	PGT	235	1213	1448	691	757	48

The above table shows that the number of pending cases in respect of Taxes on Sales trade etc at the beginning of 1992 93 was 110170 which went up to 360325 at the end of 1996 97 registering an increase of 227 percent while the percentage of finalisation of assessment cases which had gone up to 34 per cent during 1995 96 declined to 32 per cent in 1996 97. The Department had however taken no effective steps to check the increasing trend in arrears in assessment cases.

The department in their written reply explained the position as under

This para is based on the information supplied by the Department for chapter No 1 to the Accountant General (Audit) Harvana. In the CAG report for the year 1996 97 361082 cases (360325 S T + 757 PGT) were shown pending for assessment under Sales Tax and Passengers and Goods Tax Acts. Out of 361082 cases 309258 cases (308701 S T + 557 PGT) have been disposed of upto 31 7 98 leaving a balance of 51824 (51624 S T + 200 PGT) cases. Efforts are being made to clear this pendency at the earliest.

During the course of oral examination the Committee was informed that 6256 cases are still pending as on 1 1 2002. The Committee desired that effective steps be taken by the Department to clear the pending cases at the earliest and some suitable measures be adopted to dispose off assessment cases within reasonable time to avoid accumulation of arrears in future. The progress made in this regard be intimated to the Committee within a period of three months.

[96] 1.6 *Frauds and evasions of taxes/duties*

The details of cases of frauds and evasions of taxes and duties pending at the beginning of the year, number of cases detected by the departmental authorities, number of cases in which assessments/investigations were completed and additional demand (including penalties etc.) of taxes/duties raised against the dealers during the year and the number of cases pending finalisation at the end of March 1997 as supplied (July 1997) by the respective departments are given as under:

Sr No	Name of tax/duty	Cases pending as on 31 March 1996	Cases detected during the year 1996 97	Number of cases in which assessment/ investigations completed and additional demand including penalty raised	Amount of Demand (Rupees in lakhs)	Number of cases pending finalisations as on 31 March 1997
1	Taxes on Sales Trade etc	201	4108	4135	586.23	174
2	Passengers and Goods Tax	65	905	921	25.69	49
3	Entertainments Duty and Show tax	—	13	—	0.25	13

The department in their written reply explained the position as under

Taxes on Sales

This para is based on the information supplied by this department to the Accountant General(Audit) Haryana. Out of the 174 cases 130 cases have been disposed off by creating a demand of Rs 161 49 lakhs. Out of Rs 161 49 lakhs Rs 50 74 lakhs stand recovered leaving a balance of Rs 110 75 lakhs. Efforts are being made to recover the balance amount. 44 cases are under review and concerned Dy Excise and taxation Commissioners have been directed to dispose off these cases early and to recover the balance amount.

Passengers and Goods Tax

All 49 cases have been disposed off by creating a demand of Rs 0 92 lakh and the entire amount stands recovered.

Entertainments Duty and Show Tax

All the 13 cases have been disposed off by creating a demand of Rs 0 66 lakhs and the entire amount stands recovered.

During the course of oral examination, the Committee was informed that out of 174 cases, 163 cases have been disposed off by creating a demand of Rs 193 20 lakhs and out of which Rs 173 83 lakhs stand recovered leaving a balance of Rs 22 37 lakh. The Committee, therefore, desired that efforts be made to recover the balance amount and further desired that 11 cases which are pending with the concerned D E T C may be directed to disposed off these cases within a period of three months under intimation to the Committee.

[97] 1 7/2 1 Results of Audit

Test check of sales tax assessments refund cases and other connected records of 28 units conducted during the year 1996 97 revealed under assessments of sales tax amounting to Rs 1564 60 lakhs in 1365 cases which broadly fall under the following categories

Sr No	Particulars	Number of cases	Amount (In lakhs of rupees)
1	Application of incorrect rate of tax	170	204 93
2	Non/short levy of penalty	84	269 21
3	Under assessment under the Central Sales Tax Act	63	196 69
4	Incorrect computation of turnover	346	192 95
5	Interest not charged on non payment/delayed payment of tax	104	66 47
6	Other irregularities	598	634 35
Total		1365	1564 60

During the course of the year 1996-97 the department accepted under assessment of tax of Rs 208.06 lakhs involved in 188 cases of which 88 cases involving Rs 84.79 lakhs pointed out in audit during 1996-97 and the rest in earlier years. Of these an amount of Rs 53.81 lakhs has been recovered in 131 cases.

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

The audit had raised objections in certain cases during the audit of 1995-96. Out of 1365 cases 599 cases have been reviewed with the following results:-

No. of Cases	Amount pointed out By audit (in lacs)	Result of review
87	67.77	Settled with additional demand
512	350.89	Settled without additional demand
766	1145.94	These cases are under review
1365	1564.60	

During the course of oral examination the Committee was informed that out of 1365 cases, only 523 cases are pending for decision. The Committee desired that these pending cases may also be settled at the earliest under intimation to the Committee.

[98] 2.2 Exemption/deferment from payment of tax to new industries

2.2.1 Introductory

In order to encourage the development of industries in the State, the Government of Haryana introduced (May 1989) a scheme for exemption/deferment of payment of sales tax in respect of new industrial units established and the units undertaking expansion/diversification during the operative period from 1 April 1988 to 31 March 1997 as under:

(i) New industrial units

Name of Zone and area comprised therein	Small scale	Medium/Large scale	Time limit
Zone A comprising central and state notified backward areas	150% of fixed capital investment	125% of fixed capital investment	9 years
Zone B comprising areas other than zone A and C	125% of fixed capital investment	100% of fixed capital investment	7 years
Zone C comprising Faridabad and Ballabgarh complex administration areas	100% of fixed capital investment	90% of fixed capital investment	5 years

(ii) Units undertaking expansion/diversification

Name of the Zone and area comprised therein	Small scale	Medium/Large scale	Time limit
Zone A	100% of additional fixed capital investment	90% of additional fixed capital investment	9 years
Zone B	100% of additional fixed capital investment	90% of additional fixed capital investment	7 years
Zone C	100% of additional fixed capital investment	90% of additional fixed capital investment	5 years

(iii) In the case of electronic industry the benefit of the tax exemption or deferment shall be given equivalent to five times of the capital investment (with effect from 24 January 1991 and prior to this without limit) in such industry for a period of seven years irrespective of location of the unit

In the case of exemption the eligible unit is exempted from levy of tax on its products for the prescribed period. In the case of deferment the eligible unit collects the tax levied on its products and is allowed to retain the tax for the prescribed period. The eligible unit which has availed of the benefit of sales tax deferment shall make payment of the deferred amount after the expiry of the period of five years to the extent of the amount deferred every quarter or month as the case may be within the period specified in the rules.

2.2.6 Irregularities in the grant of eligibility certificates

The eligibility certificates issued by the Industries Department form the basis of concessions of sales tax. Elaborate internal control mechanism comprising receipt of applications in the prescribed proforma, its scrutiny at various levels and a decision by competent officers regarding grant of eligibility or otherwise has been prescribed. It was found in audit that this mechanism did not ensure accurate decision making while granting eligibility certificates. A few illustrations of the failure of this mechanism are narrated below.

(i) Incorrect computation of fixed capital investment

As per Rule 28 A (2) (g) and explanation thereunder fixed capital investment means investment in land under use, new building, new machinery (including generating set), tools and equipments, assets of the unit as erected at site and paid for as on any day falling within 60 days after the date of commencement of commercial production etc.

During test check of records of Director of Industries and General Managers District Industries Centres (D.I.Cs) it was noticed (September 1996 to March 1997) that element of cost not qualifying for inclusion in fixed capital investment was included for allowing sales tax exemption/deferment. This resulted in excess exemption/deferment of tax of

Rs 294 85 lakhs as per details given in the following table —

Sr Office No	No of Cases	Sales tax exemption			Remarks
		Allowed	To be allowed	Excess allowed	
(Rupees in lakhs)					
1 Director of Industries	7	4,28.1	3986.44	141.67	In these cases cost of old machinery payment made after the prescribed period of 60 days cost of repair to old building cost of transformers etc and calculation mistake were included in the fixed capital investment for the purpose of calculating excess amount of exemption/ deferment of Rs 141.67 lakhs
2 D I C Ambala	1	17.95	16.70	1.25	Exemption of Rs 1.25 lakhs was allowed in excess due to calculation mistake
3 D I C Yamunanagar	1	40.49	34.76	5.73	Machinery valuing Rs 4.58 lakhs not procured within 60 days was included to arrive at the amount of sales tax incentive
4 D I C Rohtak	1	37.92	30.23	7.69	Excess cost of building amounting to Rs 7.12 lakhs was including in fixed capital investment
5 D I C Fardabad	4	262.77	143.51	119.26	In these cases either excess cost of land cost of old machinery calculation mistake or cost of assets relating to other party and allowing benefit by treating the expanded unit as new unit was taken into account to arrive at fixed capital investment resulting in excess sales tax incentives
6 D I C Gurgaon	5	167.23	147.98	19.25	In these cases either excess cost of land payment of assets made after 60 days or calculation mistake was taken into account to arrive at fixed capital investment resulting into excess sales tax incentives
Total	19	4654.47	4359.62	294.85	

The department intimated that revised eligibility certificates reducing the quantum of exemption by Rs 5 42 lakhs have been issued in two cases (Karnal 4 17 lakhs Ambala 1 25 lakhs) admitted the observation in three cases and started action and enquiry in three other cases Reply in remaining cases has not been received (September 1997)

(ii) Irregular expansion of industrial units

As per Rule 28 A (2)(d) expansion of industrial unit means a unit set up or installed during the operative period which creates additional production/manufacturing facilities for manufacture of the same product/ products as of the existing unit and

(a) in which the additional fixed capital investment made during the operative period exceeds 25% of the fixed capital investment of the existing unit and

(b) which results into increase in annual production by 25% of the installed capacity of the existing unit in case of expansion

Under the provisions of the Haryana General Sales Tax Rules 1975 eligibility certificate granted to an industrial unit shall be liable to be withdrawn with all consequential effects at any time during its currency by the appropriate screening committee if it is discovered that it has been obtained by fraud, deceit, misrepresentation, misstatement or concealment of material facts.

During test check of records it was noticed that out of five three industrial units (one each of Rohtak, Hisar and Sonapat) did not achieve production up to the installed capacity of the existing unit. One unit of Yamunanagar could not increase annual production by 25% of the installed capacity of the existing unit and in case of the unit at Hisar there was no original unit. These units were allowed irregular sales tax exemption/deferment of Rs. 345.06 lakhs as per details given in the following table.

Sr No	Office	No of cases	Exemption / deferment allowed	Remarks
(Rupees in lakhs)				
1	Director of Industries	2	317.83	In one case of Rohtak the benefit of exemption was granted by the Director of Industries by reducing the original installed capacity from 550 M T to 250 M T and revised eligibility certificate was granted by showing original installed capacity as 250 M T and expanded capacity as 500 M T which was irregular. In another case of Hisar the actual production of the unit was 3338.631 M T and the benefit of exemption was granted by the Director of Industries by reducing the original installed capacity from 7500 M T to 2638 M T by way of amending the original eligibility certificate issued earlier which was irregular.
2	D I C Yamunanagar	1	2.28	The original installed capacity of the unit was 150 M T as per application. After expansion during 1/93 to 12/93 the production was 172.2 M T. Thus the unit did not increase production by 25%.
3	D I C Sonapat	1	19.05	The benefit of exemption was granted by reducing the original installed capacity from 8.40 lakh units to 3 lakh units thereby increasing the production capacity to 7.2 lakh units after expansion.
4	D I C Hisar	1	5.90	As per D E T C report the old unit (Biscuit manufacturing unit) was not in existence as all the chambers of electric oven had been removed and as such the exemption given to expanded unit was irregular.
Total		5	345.06	

The provisions regarding withdrawal of eligibility certificates should have been invoked in all the cases which has not been done

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

(i) M/s Natech Inks and Allied Products, Gurgaon

In this case the LLSC in the meeting under the chairmanship Addl Deputy Commissioner Gurgaon allowed Rs 7 54 380 as cost of land without excluding the cost of vacant land estimated at Rs 125270 by the DETC and eligibility certificate was accordingly issued. The matter is being referred to G M DIC Gurgaon to put up the case before the LLSC for determining the cost of land under use.

(ii) M/s National Metal Industries, Court Road Jagadhari R C No 8844

The unit has since been closed. The exemption certificate already granted stand cancelled vide DETC order dated 4.3.98. Further action as per law is under process.

The final decision taken in both the cases be intimated to the Committee

[99] 228 Non-recovery or tax

(i) Under the provisions of Haryana General Sales Tax Rules 1975 the exemption/entitlement certificate granted to an eligible industrial unit shall be liable to be cancelled by the Deputy Excise and Taxation Commissioner concerned either in case of discontinuance of its business by the unit at any time for a period exceeding six months or its closing down during the period of exemption/deferment. Further under the rules laid down on cancellation of eligibility certificate or exemption/entitlement certificate before it is due for expiry the entire amount of tax exempted/deferred shall become payable immediately in lump sum and the provision relating to recovery of tax interest and imposition of penalty shall be applicable in such cases.

During test check of records (September 1996 to March 1997) in the offices of 9 sales tax districts it was noticed that eleven units after availing exemption of Rs 56.17 lakhs as per details given in the following table discontinued (1991-92 to 1995-96) the manufacturing process. The concerned Deputy Excise and Taxation Commissioners cancelled (between December 1993 and May 1996) exemption certificates of only six units (Faridabad (East) 1, Gurgaon (East) 1, Hisar 2, Sonapat-2). Deputy Excise and Taxation Commissioner Faridabad (East) created demand amounting to Rs 18.73 lakhs but no recovery has yet been made (September 1997). In remaining ten cases no action to recover the amount of Rs 37.44 lakhs representing exemption already availed by these units was taken (September 1997).

S No	Name of the DETC	No of units	Amount of exemption availed (Rupees in lakhs)
1	Sonpat	3	0.72
2	Hisar	6	33.85
3	Faridabad (East)	1	18.73
4	Gurgaon (East)	1	2.87
Total		11	56.17

The Deputy Excise and Taxation Commissioner Faridabad (East) intimated that legal steps for recovery are being taken in the case Deputy Excise and Taxation Commissioner Hisar intimated that no recovery could be effected as the dealer had closed down his business and in another case specific reply was not given No reply was received in the remaining 8 cases

(iii) As per Sub Rule 8 (a) of Rule 28A of Haryana General Sales Tax Rules 1975 the eligibility certificate granted to an industrial unit shall be liable to be withdrawn at any time during its currency by appropriate screening committee if it is discovered that it has been obtained by fraud deceit misrepresentation mis-statement or concealment of material facts discontinuance of its business or closing down its business for a continuous period of six months disposal of assets affecting its manufacturing or production capacity Further under Sub-Rule 8 (b) of Rule 28A of the Rules ibid when the eligibility certificate is withdrawn the exemption/entitlement certificate shall be deemed to have been withdrawn from 1st day of its validity and the unit shall be liable to make payment of tax interest or penalty under the Act as if no entitlement certificate had ever been granted to it

Appropriate screening committee cancelled (between February 1994 and April 1996) the eligibility certificates of four units as per details given in the following table

Sr No	Name of the D E T C	No of Units	Amount of exemption availed
			(Rupees in lakhs)
1	Faridabad (West)	3	145.87
2	Gurgaon (West)	1	0.95
Total		4	146.82

Deputy Excise and Taxation Commissioner Faridabad (West) created additional demand of Rs 145.87 lakhs in three cases but no recovery has yet been effected In the remaining one case department had neither shown national tax liability of exemption availed of nor any action to recover the same was taken

The department in their written reply explained the position as under

(i) M/s Kumar Wood Products Talwandi, Hisar A Y 1991 92 and 92 93

The dealer was granted exemption certificate No 24 for the period from 1.7.91 to 30.6.2000 to the tune of Rs 5,34,000/- The dealer availed exemption of Rs 38,401/- The exemption certificate was cancelled w.e.f 30.6.93 by the DETC Hisar vide his order dated 15.9.93 as the product was not viable and could not catch the market As a result the firm suffered a heavy losses and remained closed A notice for recovery of arrears of Rs 38,401/- was issued on 5.9.94 and the same was vacated on 30.11.94 The DETC Hisar has issued notice u/s 41(3) of the HGST Act 73 to review this order of vacation of notice The R C stands cancelled w.e.f 1.10.95 after framing upto date assessment

M/s Leekha Oxide (P) Ltd Hisar , A.Y 1989 90 to 93 94

In this case exemption certificate No 2 was issued to the dealer for the period from 15.5.88 to 14.5.97 for the sum of Rs 11,19,448/- The exemption

certificate was cancelled vide DETC order dated 31-12-93 on the request of the dealer as the factory was locked out due to losses. The dealer has availed exemption worth Rs 127480/. The recovery proceedings are under process.

(iii) M/s Brindco Sales (P) Ltd, Faridabad A.Y 1992 93 & 1993 94

The unit was enjoying benefit of 28.38 lacs tax exemption under certificate No 19 dt 18.5.92 from 18.5.92 to 17.5.97. The said certificate was cancelled by the DETC vide his order dt 24.8.94 and eligibility certificate was also withdrawn by the L.L.S.C. on 20.4.95 as the unit suspended his business activities. The case for 92-93 and 93-94 during which the unit availed sales tax exemption were reassessed and additional demand of Rs 8,72,715 for 92-93 and 9,99,582/- for the year 1993-94 were created by levying tax interest and penalty etc. The unit entered in appeal before Jt. ETC (A) Faridabad who ordered the appellant to deposit Rs 9,00,000/- by 24.10.96 and for balance amount surety bond was required to be furnished. On appeal Sales Tax Tribunal ordered that the unit may deposit Rs 9 lacs in monthly instalments of Rs One lac each by 15th of every month and first instalment should be deposited by January 1997.

In view of the direction the details of deposits made by the dealer is as under

Sr No	D D No	Dated	Amount
1	3688	14.3.97	3,00,000/-
2	188056	17.4.97	1,00,000/-
3	188596	5-6-97	1,00,000/-
4	188917	5-7-97	1,00,000/-
5	263647	22.12.97	1,00,000/-
			7,00,000/-

M/s D H Wood Head Ltd Gurgaon A.Y 1988-89 to 1996 97

In view of audit observation it is stated that exemption certificate was issued on the surety in the form of second charge on the assets of the Company which was given by Sh. D. K. Sharma M.D. of the Company and he had given personal guarantee of the amount also.

As the unit closed the arrears were declared as arrears under Land Revenue Act on 11.10.95 and consequently the defaulter filed an appeal for grant of stay before Jt. ETC (Appeal) Rohtak. The defaulter pleaded before the Jt. ETC (A) that the unit was closed and had become sick unit and further the case of the unit was pending before BIFR. The Appellate Authority vide order dt 13.10.95 allowed the amount to be deposited in monthly instalments of Rs Ten lacs each starting from 30.11.95 subject to furnishing of surety bond. The defaulter instead of complying with the order dt 13.10.95 preferred an appeal before the Member Sales Tax Tribunal and the Hon'ble Sales Tax Tribunal directed the Jt. ETC (A) to hear the case on merits provided the defaulter/appellant made payment of Rs 10,00,000 in all three months from that day and filed surety bonds for the balance amount by the same period. But the dealer failed to comply with the direction of the Hon'ble Sales Tax Tribunal. Therefore efforts were made to recover the amount by issuing notices to Sh. S. S. Sekhon and to the Company. But when the efforts could not be fruitful the

recovery certificate was sent to the collector Tis Hazari Delhi vide certificate No 3243 dated 6-3-97. Later on keeping in view of the changes made in administrative structure in Delhi State the recovery certificate was sent to Collector Hauz Khas Mehrauli New Delhi vide No 1030 dt 24-6-97. Thereafter reminders are being issued for the recovery of amount.

(iii) **M/s. Dyan + Pheno's (P) Ltd, Faridabad, A Year 1989-90 and 1990-91**

The original assessment in these cases were framed by the then Assessing Authority vide orders dated 30-12-91. The unit had exemption certificate for the period from 8-8-88 to 7-8-93. But subsequently the Lower Level Screening Committee in its meeting dated 21-2-94 withdrawn the exemption certificate. As a result the Assessing Authority vide order dated 29-1-96 levied tax and interest of Rs 8391/- under the H GST Act & Rs 777354/- under CST Act for the year 1989-90 and Rs 2964/- under the H GST Act & Rs 435540/- under the CST Act for the year 90-91 respectively. Copy of orders and tax demand notices were served on 28-2-96 and the demand became due on 15-3-96. The dealer preferred an appeal which was rejected by the Jt. E T C (Appeal). Faridabad. Efforts were also made to recover the amount of additional demand through attachment of immovable property. Estate Officer HUDA Faridabad was also contacted so as to confirm the ownership of House No 1770 Sector 9 Faridabad who informed that the said house is owned by Sh. Arun Kumar Verma one of the directors of the company. But the said house was already mortgaged with Haryana Financial Corporation Haryana. Therefore the said house could not be attached against the outstanding recovery. Therefore efforts are being made to effect recoveries from the sureties of the firm.

The Committee desired that the sincere efforts be made to recover the balance amount involved in above cases within a stipulated period. The progress made in this regard be intimated to the Committee.

[100] 229 (ii) (b) *Under assessment due to irregular exemption*

Under the Haryana General Sales Tax Rules 1975 in the case of exempted/deferred units notional sales tax liability is to be worked out on the sale of finished products only and not on the sale of scrap.

In 13 cases of 7 units tax on the sale of waste and scrap amounting to Rs 316.53 lakhs was allowed towards exemption as per details shown below.

Sr No	Name of the D E T C	No of units	No of cases	Value of scrap	Excess amount of tax exempted
(Rupees in lakhs)					
1	Sonipat	1	1	8.58	0.13
2	Hisar	3	4	11.98	0.47
3	Faridabad (East)	1	4	155.31	6.21
4	Faridabad (West)	1	2	61.18	2.45
5	Rohatak	1	2	79.48	3.18
Total		7	13	316.53	12.44

This resulted in non recovery of Rs 12 44 lakhs. For non deposit of tax due along with the returns the dealers were also liable for interest and penalty as provided in Haryana General Sales Tax Act. The assessing authority Hisar however admitted the observation in two cases and stated that recovery proceedings are in process. In other cases no reply was furnished by the department (September 1997).

The department in their written reply explained the position as under

M/s Khemba Ispat (P) Ltd, Faridabad (W) A.Y 93 94, 94 95

In view of audit observations the Dy Excise and Taxation Commissioner (I) cum Revisional Authority Faridabad (W) took the cases for *suo motu* action. The Revisional Authority Faridabad (W) discussed the issue of tax on iron scrap besides the other issues and remanded the case to the Assessing Authority *vide* his order dated 12 6 96 and further proceedings to decide the remand case are in progress.

The Committee desired that assessing authority may be directed to finalise the case within a period of three months under intimation to the Committee

12.2.9 (ii) (c) Under assessment due to non levy of tax on branch transfers/consignment sale

Explanation given under Sub Rule 2(n) (ii) of Rule 28 A of Haryana General Sales Tax Rules 1975: The branch transfers or consignment sales inside or outside the State of Haryana shall be deemed to be the sale within the State and in the course of inter-State trade or commerce. Further as per condition No (ii) of Rule 11(a) the beneficiary unit after having availed of the benefit shall not make sales outside the State for next five years by way of transfer or consignment of goods manufactured by it.

In four cases branch transfers amounting to Rs 666 21 lakhs out of the State were allowed to the dealers and national tax amounting to Rs 17 21 lakhs was not accounted for towards exemption as detailed in the following table

Sr No	Name of the DETC	No of units	Amount of stock transfer/consignment (Outside the State)	Under assessment of tax/notional tax
(Rupees in lakhs)				
1	Rohtak	1	471 62	9 43
2	Curgaon (East)	2	189 13	7 56
3	Faridabad (East)	1	5 46	0 22
Total		4	666 21	17 21

The assessing authority Rohtak stated that matter is being examined. No reply was received in remaining 3 cases.

In another case of Faridabad (West) branch transfer within the State was allowed amounting to Rs 2 28 lakhs to a dealer of Faridabad (West) and notional tax amounting to Rs 0 20 lakh was not accounted for towards exemption

In another case brach transfer amounting to Rs 79 69 lakhs out of State was allowed to a dealer of Faridabad (West) within five years after availing of the benefit of exemption which resulted in under assesment of tax of Rs 3 19 lakhs

The deprtment in their written reply explained the position as under

M/s Meltax Ceramics Ltd , Gurgaon, A.Y 1989 90

In reply to audit objection it is submitted that the DETC Gurgaon vide order dated 16 6-98 has directed the company for the payment of entire amount of claim of exemption alongwith interest But the company being sick has approached the Board for Industrial Finance and Reconstruction (BIFR) and BIFR has ordered for the winding up of the company No recovery could therefore be made

The final decision taken in the instant case be intimated to the Committee

[102] 2 2 9 (ii) (d) *Under assessment due to non-submission of declaration forms*

As per Sub Rule 2(n)(ii) of Rule 28 A of Haryana General Sales Tax Rules 1975 notional sales tax liability means that amount of tax payable under Central Sales Tax Act 1956 on the sale of finished products of the eligible industrial unit made in the course of inter State trade or commerce computed at the rate of tax applicable to such sales as if these were made against certificate in form C

In one of Gurgaon (East) the turnover under Central Sales Tax Act 1956 during 1988 89 was Rs 219 07 lakhs which was assessed to tax at the rate of 4 per cent as per Sub Rule 2 (n)(ii) of Rule 28 A of Haryana General Sales Tax Rules 1975 Later on the exemption certificate of the dealer was cancelled by the sales tax authorities but enhanced tax on the taxable turnover of Rs 91 25 lakhs (sales without C forms) was not levied The omission resulted in under assesment of tax of Rs 6 39 lakhs

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

M/s D H Wood Head Ltd , Rozka Meo Sohana , Gurgaon, A.Y 88 89

In reply to this para it is submitted that suo-motu proceedings under section 40 have been initiated in this case to remove the irregularity pointed out by the audit DETC Gurgaon has been directed to get it finalised earlv

During the course of oral examination the Committee was informed that the Hon'ble Punjab and Haryana High Court has passed the necessary orders for the liquidation of the company and Shri H S Bawa has been appointed as official liquidator accordingly and the case is pending with the liquidator The Committee desired that the official liquidator may be asked to finalised the case at the earliest under intimation to the Committee

[103] 2 2 9 (iv) Under assessment due to application of incorrect rates of tax

The rates of tax leviable on different commodities have been prescribed and notified by the Government from time to time under Haryana General Sales Tax Act 1973 and Central Sales Tax Act 1956

During the test check of the records relating to exempted/deferred units of Deputy Excise and Taxation Commissioners Nisai Sonapat Ambala Rohtak Karnal and Faridabad (West) it was noticed (between June 1996 and February 1997) that the various assessing authorities calculated (between October 1991 and December 1996) notional tax liabilities at lower rates instead of at the correct rates applicable to corrugated boxes woolen yarn finished casting oil surgical cotton acrylic yarn and blank video cassettes resulting in short levy of tax by Rs 33 80 lakhs and interest of Rs 4 81 lakhs

On this being pointed out in audit (between June 1996 and February 1997) the department created demand Rs 7 39 lakhs in three cases (two of Ambala and one of Rohtak) The case of dealer of Karnal was sent (August 1996) to revisional authority for taking suo motu action Replies in other cases have not been received (September 1997)

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

M/s Alfa Surgical (P) Ltd , Rohtak, A.Y 90 91 to 94 95

Following the decision of Punjab & Haryana High Court in the case of M/s National Scientific Industries Vs State of Haryana wherein it was held that raw cotton and surgical cotton were two distinct commodities the audit raised the objection that tax should have been levied on raw cotton also An additional demand of Rs 85434/- was created in the case pertaining to the year 1994 95 The cases from 1990 91 to 93 94 were sent to the DETC for taking suo motu action The DETC started suo motu proceedings

After hearing the departmental representatives the Committee desired that the DETC (Inspection) may be directed to settle the case at the earliest under intimation to the Committee

[104] 2 2 10 Arrears in assessments

Under the provisions of Haryana General Sales Tax Rules 1975 the assessment of an eligible industrial unit holding exemption/entitlement certificate shall be framed in accordance with the provisions of the Act and Rules framed thereunder as early as possible and shall be completed by 31 December in respect of the assessment year immediately preceding thereto and the additional demand if any shall be paid as per the provisions of the Act and the Rules

During test check of records it was noticed (between October 1996 and March 1997) that in nine sales tax districts 602 assessment cases involving tax exemption of Rs 2789 97 lakhs and 97 assessment cases involving tax deferment of Rs 1351 21 lakhs respectively were pending for assessment as on 31 March 1997 as table below The assessments of these cases were required to be taken up on priority basis

District	Exemption		Deferment	
	Number of assessments	Amount	Number of assessments	Amount
		(Rupees in lakhs)		(Rupees in lakhs)
Ambala	63	127 53	2	3 44
Yamunangar	178	392 76	12	61 04
Rohtar	10	74 75	3	349 37
Sonapat	73	167 58		
Hisar	38	531 84		
Fandabad(East)	44	236 28	22	190 52
Fandabad(West)	31	316 32	11	32 91
Gurgaon(East)	118	853 05	31	299 48
Gurgaon(West)	47	89 86	16	394 45
Total	602	2789 97	97	1351 21

The inordinate delay in assessment of these cases indicates that due priority was not accorded for timely finalisation of the assessment cases

The above cases were reported (May 1997) to Government their replies have not been received (September 1997)

The department in their written reply explained the position as under

The audit had raised this objection during October 1996 & March 1997 In this para there were 602 assessment cases of exemption and 97 assessment cases of deferment out of which 230 cases of exemption and 17 cases of deferment have been disposed off up till now thereby leaving a balance of 372 cases of exemption and 80 cases of deferment Efforts are being made to clear the remaining cases

During the course of oral examination the Committee was informed that out of 602 assessment cases of exemption and 97 cases of deferment 546 cases of exemption and 93 cases of deferment have been disposed off The Committee desired that efforts be made to clear the remaining cases

[105] 23 Evasion of tax due to suppression of purchases

Under the Harara General Sales Tax Act 1973 if a dealer has maintained false or incorrect accounts or documents with a view to suppress his sales or purchases of stocks or 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 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

(i) During the audit of the records of Deputy Excise and Taxation Commissioner Jind it was noticed (July 1994) that two dealers of Jind suppressed purchase worth Rs 454 92 lakhs during the years 1977-78 to 1979 80 and 1981 82. The assessing authority while finalising assessments (January February and November 1993) levied tax of Rs 18 20 lakhs on the suppressed turnovers. Penal action for suppression of sales was proposed to be taken up separately but no such action was taken even after a lapse of more than one year.

On the omission being pointed out (July 1994) in audit the assessing authority created (June 1996) demand of Rs 36 39 lakhs on account of penalty equal to twice the amount of tax levied on the suppressed turnovers of both the dealers. The department further intimated (June 1997) that there was no progress in the recovery of amounts outstanding against both the dealers. From one of the two dealers no recovery is possible as the department has no definite information regarding the possession of any property by the dealer. As regards recovery from the other dealer is concerned the department intimated that the dealer had left the State of Haryana to settle down in Karnataka and therefore the recovery certificate has been issued to Collector Chitra Durg Taluk (Karnataka). Progress in recovery has not been intimated by him so far.

(ii) During the audit of records of Deputy Excise and Taxation Commissioner Faridabad (East) it was noticed (September 1996) that a dealer purchased goods valued at Rs 3 93 lakhs on the strength of his registration certificate by using declaration forms (ST 15) during the year 1992-93 from a dealer of Karnal. The purchases so made were not accounted for in his books and escaped assessment. Failure to detect suppression by assessing authority resulted in short assessment of tax of Rs 45 494 by taking approximate sale value at Rs 4 14 lakhs. Besides minimum penalty of Rs 90 988 was also leviable.

On this being pointed out (September 1996) in audit the department sent (November 1996) the case to the revisional authority for taking *suo motu* action who has raised (February 1997) additional demand of Rs 1 44 lakhs. The department further intimated (July 1997) that the dealer has closed down his business and thus recovery proceedings as arrears of land revenue are in progress. Further report has not been received (September 1997).

(iii) During the audit of records of Deputy Excise and Taxation Commissioner Kurukshetra it was noticed (November/December 1993) that three dealers of Kurukshetra sold electric goods valued at Rs 2 29 lakhs to a dealer Karnal against declaration forms (ST 15) during the year 1990 91 and were allowed deduction as sales to registered dealer. On cross verification made in audit it was noticed that purchases were not accounted for by the purchasing dealer of Karnal whose assessment for the year 1990 91 was finalised (January 1993). This resulted in under assessment of tax amounting to at least Rs 66 633 (including minimum penalty).

On this being pointed out (November/December 1993) in audit the assessing authority Kurukshetra referred the matter to assessing authority Karnal who re opened the case and created (March 1996) additional demand of tax amounting to Rs 83 082 (including penalty). The report on recovery has not been received (September 1997).

(iv) During the audit of records of Deputy Excise and Taxation Commissioner Jind it was noticed (June 1992) that a dealer of Jind purchased paddy valued at

Rs 13.66 lakhs during the year 1987-88 on the strength of his registration certificate against ST 15 declarations forms but accounted for the purchases valued at Rs 9.91 lakhs only in his trading account. The dealer was assessed (March 1992) to tax on the purchases of paddy valued at Rs 9.91 lakhs instead of at Rs 13.66 lakhs. Suppression of purchases of Rs 3.75 lakhs resulted in under assessment of tax of Rs 15,031 besides a minimum penalty of Rs 30,062.

On this being pointed out (June 1992) in audit the assessing authority re-opened the case and created (January 1996) demand of Rs 48,000 including tax and penalty by taking sale value of paddy so suppressed at Rs 4 lakhs. Report on recovery has not been received (September 1997).

The above cases were reported to Government between October 1996 and January 1997. Their replies have not been received (September 1997).

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

(i) **M/s Jain Brothers Jind A.Y. 1977-78 to 1979-80 and 1981-82**

M/s Deep Chand Lal Chand, Jind A.Y. 1978-79

The audit had raised the objection in the cases in July 1994.

There is no progress of recovery in respect of the dealers at Sr No (i) above as the said firm stands closed since long. No property in the name of surviving as well as dead partner is found at Jind. One of the partner of this firm is residing at Karnataka and recovery certificate already stands issued to the Collector Chitradurga Taluk Karnataka and latest reminder issued on 20-3-98. The other partner Sh. Ronak Ram cannot be arrested until the department found any property in his name in view of decision of Hon'ble Punjab and Haryana High Court dated 5-11-93 in C.W.P. No. 13212 of 1989.

As regards the dealer at Sr No (ii) Sh. Ronak Ram is himself the proprietor of the firm and no property has been found in his name. Since no property in his name he cannot be arrested in view of the above Court judgement dated 5-11-93. Therefore the case for writing of the arrear amount is under process.

(ii) **M/s Sai Enterprises, Ballabgarh A.Y. 1992-93**

The audit has raised the objection in this case in September 1996.

In view of the audit objection the case was reopened and decided by then Assessing Authority on 28-2-97 and an additional demand of Rs 1,44,000/- was created. Out of the above additional demand a sum of Rs 25,000/- has been recovered from the sureties and balance amount is still outstanding against the dealer. Since the dealer has closed his business recovery proceedings are in progress under Land Revenue Act.

(iii) **M/s Veena Enterprises, Karnal A.Y. 1990-91**

The audit had raised the objection in November/December 1993.

As regards recovery of Rs 83,082/- it is stated that the firm has since been closed and whereabouts of the proprietor is not known. The recovery proceedings were initiated against the surety who went in appeal before the Jt. E.T.C. (Appeals).

Ambala The Appellate Authority while disposing of stay application vide orders dated 23 7 97 directed to pay the amount in monthly instalments of Rs 15000/- subject to furnishing surety bonds and further ordered that the appeal would be heard after payment of two instalments. The surety challenged these orders before the Sales Tax Tribunal Haryana and the Tribunal decided the case vide his orders dated 25 9 98 with the direction that the appellant shall pay Rs 25 000/- in two equal monthly instalments and further directed to pay the first instalments by 20 10 98 and the second instalment within a period of one month thereafter. On compliance of these directions the Jt E T C (Appeals) Ambala shall proceed to hear and decide first appeal on merits.

(iv) M/s Tara Chand Jai Bhagwan Jind A.Y 1987 88

The audit had raised the objection in June 1992.

The firm stands closed. For the present the recovery is not possible from the proprietor Sh Jai Bhagwan as no property is found in his name. Further out of two sureties one is reported to have expired and other surety has left the station and said to be residing at an unknown place. Efforts are being made to find out the properties in the name of the proprietor as well as the whereabouts of the alive surety.

After hearing the departmental representatives the Committee desired that wherever the recovery is due the same may be effected at the earliest and the case pending before the Tribunal be expedited. The progress made in each case be intimated to the Committee.

[106] 2.4 Under assessment due to incorrect deduction allowed against invalid declaration forms

Under the Haryana General Sales Tax Act 1973 a registered dealer may deduct from his gross turnover sale value of goods sold to registered dealers after furnishing the prescribed declaration forms (ST-15). Further under the provisions of the Act 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 circulated to all the assessing authorities in the State to prevent deductions against such invalid declaration forms being allowed. The department had also issued (December 1991) instructions for checking of invalid declaration forms while framing assessments. Penalty not less than twice and more than three times the amount of tax involved is also leviable for the offence of producing before the assessing authority any account return or information which is false or incorrect.

(i) During the audit of the records of Deputy Excise and Taxation Commissioners Sonapat Jind and Hisar it was noticed (between June 1994 and September 1995) that seven dealers (two of Sonapat four of Jind and one of Hisar) were allowed (between February 1994 and March 1995) deductions of Rs 271 23 lakhs on account of sales to registered dealers against declaration forms (ST-15) between the years 1989 90 and 1993 94. Out of these declaration forms involving sales valued at Rs 79 07 lakhs were those which had been stolen/lost from the office stores of Deputy Excise and Taxation Commissioners Sirsa Faridabad and Bhiwani and had been declared (July 1990 January 1991 and November 1993) invalid by district officers and declarations involving sales

valued at Rs 37.21 lakhs (in five cases out of seven dealers) were those where the purchasing dealers were non-existent and not registered under the Act. Thus out of the total deductions of Rs 271.23 lakhs, deductions of Rs 116.28 lakhs were allowed incorrectly against invalid forms. This resulted in under assessment of tax of Rs 6.93 lakhs. Besides minimum penalty of Rs 13.86 lakhs was also leviable.

On this being pointed out (between June 1994 and September 1995) in audit the Deputy Excise and Taxation Commissioners Sonapat, Jind and Hisar referred (between October 1994 and February 1996) the cases to revisional authorities for taking *suo motu* action. In one case of Jind the revisional authority created (June 1995) additional demand of Rs 50,505 against which the dealer went in appeal before the Haryana Sales Tax Tribunal and the case was pending (December 1996). In the case of a dealer of Hisar Deputy Excise and Taxation Commissioner further stated (April 1997) that there was no definite information available on record at the time of finalisation of the assessment case of the dealer and the claim of sales made to registered dealers had rightly been allowed by the assessing authority. He further stated that in another case the Hon'ble Sales Tax Tribunal Haryana held (March 1993) that it was not mandatory for the selling dealer to enquire whether ST-15 forms had correctly been issued by the purchasing dealer. Reply of the department was not tenable. As per third proviso to Section 27(1) (a)(ii) the genuineness of the sale or declaration is required to be examined by the assessing authority for the purpose of allowing deduction. Further Hon'ble Punjab and Haryana High Court in another case held* that asking proof of declaration is not unconstitutional. The department has again been apprised of these facts. The remaining five cases were pending (December 1996) with revisional authorities for *suo motu* action. Further replies have not been received (September 1997).

(ii) During the audit of records of Deputy Excise and Taxation Commissioners Karnal, Rohtak, Ambala and Jind it was noticed (between June 1994 and September 1996) that five dealers (two of Karnal and one each of Rohtak, Ambala and Jind) were allowed (between June 1993 and February 1996) deductions of Rs 77.96 lakhs on account of sales to registered dealers against declaration forms (ST-15) between the years 1990-91 and 1994-95. Out of these declaration forms involving sales valued at Rs 14.31 lakhs were those which had been stolen/lost from the office stores of Deputy Excise and Taxation Commissioners Faridabad (East) and Bhiwani and had been declared (January 1991 and February 1993) invalid by district offices and declarations involving sales valued at Rs 9.73 lakhs were those where the purchasing dealers were non-existent and not registered under the Act. Thus out of the total deduction of Rs 77.96 lakhs, deductions of Rs 24.04 lakhs were allowed incorrectly against invalid forms. The dealer of Jind had also purchased *Khal* valued at Rs 3.89 lakhs during the years 1990-91 and 1991-92 from a bogus firm (not in existence) of Sirsa on which he was liable to pay tax of Rs 8563. The omission resulted in under assessment of tax of Rs 1.59 lakhs. Besides minimum penalty of Rs 3.00 lakhs was also leviable for producing false/incorrect returns or information by the dealers.

On this being pointed out (between June 1994 and September 1996) in audit the department raised (June 1995, October 1996 and November 1996) additional demand for tax of Rs 1.59 lakhs. Interest of Rs 16,980 was also levied (November 1996) in the cases

of two dealers of Karnal In the case of dealer of Rohtak the department intimated (May 1997) that penalty of Rs 11 869 was levied in February 1997 The amount of tax of Rs 20 134 and penalty of Rs 11 869 has been deposited by the dealer in October 1996 and February 1997 respectively In the case of dealer of Ambala the department intimated (June 1997) that the dealer went in appeal before the Joint Excise and Taxation Commissioner (Appeal) Ambala against the orders of the revisional authority who had created (November 1996) additional demand of tax of Rs 26 417 The dealer had deposited Rs 10 000 and furnished (May 1997) surety bond for the balance amount under the directions of the Appellate Authority The department further intimated (August 1997) that amount of Rs 95 584 has been recovered (between November 1996 and August 1997) from both the dealers of Karnal Report on recovery of balance additional demand of tax interest and on levy of penalties has not been received (September 1997)

The cases were reported to Government between September 1994 and November 1996 their replies have not been received (September 1997)

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

The audit had raised these objections in April June July August and September 1995 respectively

The latest position with regard to each case is enumerated below -

1 M/s Azad Industries, (Sonapat), A Y 1993 94

2 M/s Chawla Timber Store, (Sonapat), A.Y 1993 94

In view of audit objection both the cases have been remanded by the Dy Excise and Taxation Commissioner-cum Revisional Authority Sonapat on 13 10 98 for taking *denovo* action The cases have now been fixed on 4 12 98 for finalising the cases

3 M/s Sham Dal Mills Daulatpur, (Hisar), A.Y 89 90

In view of audit objection the case was sent to Revisional Authority for taking *suo motu* action which is in process and the case is fixed for hearing on 27 11 98

(ii) 1 M/s Geeta Oil Mills, Tepla (Ambala) A.Y 92 93

The case was accordingly re assessed by the Assessing Authority by creating demand of Rs 26417/ vide order dated 15 11 96 The dealer went in appeal against the assessment order and the Appellate Authority quashed the order of Assessing Authority vide order dated 23 6 1997 The matter is under examination as to whether the original order of the Assessing Authority needs to be revised u/s 40 of the Act

2 M/s Bansal Oil Mills, Kissanpura (Jind), A.Y 90 91 and 91 92

The case was sent to Revisional Authority who decided the case by creating an additional demand of Rs 13469/- and 19191/ for the years 1990 91 and 1991 92 respectively In the meantime dealer preferred an appeal against the orders alongwith stay application before the Honble Sales Tax Tribunal The judgement in these appeals stands reserved on 6 8 98 and no orders in this respect have been conveyed so far

(i) The Committee desired that the cases in which recovery certificate has been issued may be pursued with the Collector, Delhi and cases pending with the Revisional Authority be expedited

(ii) The Committee further desired that final decision taken in the cases of M/s Geeta Oil Mill & M/s Bansal Oil Mill be intimated to the Committee

[107] 25 *Incorrect levy of concessional rate of tax*

(a) As per Government notification issued in January 1972 under the Central Sales Tax Act 1956 tax on inter State sale of oils produced from sarson til and taramira but not in hydrogenated form is leviable at the concessional rate of one per cent when these sales are supported by valid declaration in Form C. However concessional rate of one per cent is not admissible in respect of inter State sales of oil produced from oil cakes (i.e. cakes of sarson toria til and taramira) and these are taxable at the rate of four per cent against form C. It has also been held (April 1993) by the Hon'ble High Court of Punjab and Haryana in a different case that oil cake is a raw material used for producing a different kind of oil which is used for different purposes than the oil straightway produced from sarson. Oil produced from oil cakes as such is not included in the aforesaid notification. Besides penalty for non/short payment of tax due along with the returns the dealer is liable to pay interest at the rate of one per cent per months for the first month and at one and a half per cent per month thereafter so long as the default continues.

(i) During the audit of the records of Deputy Excise and Taxation Commissioner Panipat it was noticed (March 1997) that one dealer of Panipat extracted oil from mustard oil cakes and made inter State sale of this oil valued at Rs 292.60 lakhs during the year 1992-93. While finalising (July 1995) assessment for the year 1992-93 the assessing authority erroneously levied tax at the rate of one per cent instead of at the correct rate four per cent. This resulted in short assessment of tax of Rs 8.78 lakhs besides interest of Rs 6.28 lakhs.

On this being pointed out (March 1997) in audit the department intimated (March 1997) that the case was being examined and reply would be given in due course but no further reply has been received (September 1997).

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

(i) M/s Shree Vardhman Solvex Pvt Ltd Panipat, A.Y 1992-93

The audit had raised objection in this case in March 1997.

The case has been examined at Head Office level and it is decided to revise the orders of Assessing Authority Panipat dated 4-7-1995 and orders of Jt Excise and Taxation Commissioner (A) Rohtak dated 18-6-96 u/s 40 of the Haryana General Sales Tax Act. The proceeding are in progress.

After hearing the departmental representatives the Committee desired that the case be decided at the earliest and intimation be sent to the Committee.

[108] 2 6 Inadmissible deduction from turnover

(b) Under the Haryana General Sales Tax Act 1973 tax on iron and steel (declared goods) is leviable at the point of first sale in Haryana and no deduction on account of their sales to registered dealers against declaration in Forms ST 15 is admissible. Further for non/short payment of tax due along with the returns the dealer is liable to pay interest on the amount of tax due at **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. Besides for failure to pay tax due as per returns the prescribed authority may after affording to the dealer a reasonable opportunity of being heard impose a penalty not exceeding **one and a half** times the amount of tax to which he is assessed or is liable to be assessed.

During the audit of records of Deputy Excise and Taxation Commissioner Rewari it was noticed (August 1995) that a dealer of Rewari sold stainless steel sheets and wires valued at Rs 6 78 lakhs to other registered dealers during the year 1992 93. While finalising (May 1994) assessment the assessing authority allowed deduction against declarations instead of levying tax. The mistake resulted in under assessment of tax of Rs 27 102 and interest of Rs 18 563.

On this being pointed out (August 1995) in audit the department referred (December 1995) the case to the revisional authority for taking *suo motu* action. The department further intimated (May 1997) that the revisional authority held (July 1996) that stainless steel sheets and coils are not declared goods as enumerated in Section 14 of Central Sales Tax Act 1956. The reply of the department was not tenable as the stainless steel sheets and wire fall under the category of declared goods under Section 14 of Central Sales Tax Act 1956. Further reference has been made (June 1997) to the Commercial Taxation Commissioner Haryana for taking up the matter with the Deputy Excise and Taxation Commissioner Rewari for further clarification. Reply is awaited (September 1997).

The case was reported to Government in November 1995. Their reply has not been received (September 1997).

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

M/s Naresh Kumar and Brothers, Rewari, A.Y 92 93

The audit had raised the objection in this case in August 1995.

In view of the objection raised by the audit the matter was taken up with Dy Excise and Taxation Commissioner (I) Rewari for review of the earlier order u/s 41(3) of the Haryana General Sales Tax. The Revisional Authority vide order dated 7 10 98 created additional demand of Rs 55024/. Efforts are being made to recover the amount.

After hearing the departmental representatives the Committee desired that the case pending in the Civil Court be pursued and decision be intimated to the Committee accordingly.

[109] 2 8 Non-levy of purchase tax

Under the Haryana General Sales Tax Act 1973 a dealer is liable to pay tax on the purchase of goods (other than those specified in Schedule B) which are purchased from

within the State without payment of tax and used in the manufacture of tax free goods or in other goods which are disposed of otherwise than by way of sale Sales Tax Tribunal Haryana also clarified* (July 1995) that purchase tax is leaviable on machinery and other consumable stores purchased for manufacture of goods Specified in schedule B Futher for non payment of tax along with the returns interest is also chargeable on the amount of tax due at **one per cent** per month for the first month and at **one and a half per cent** per month thereafter so long as the default continues Besides for failure to pay tax due according to returns the prescribed authority may after affording the dealer a reasonable opportunity of being heard impose a penalty not exceeding **one and a half times** the amount of tax to which he is assessed or is liable to be assessed

(i) During the audit of the records of Deputy Excise and Taxation Commissioner Bhiwani it was noticed (June 1995) that a dealer (manufacturer of Vanaspati Ghee) purchahsed empty tins (taxable at last stage of sale) valued at Rs 60 24 lakhs and Rs 104 13 lakhs during the years 1991 92 and 1992 93 respectively and used in the manufacture of goods transferred or sent on consignment bases outside the State While finalising assessments (March 1994 and November 1994) the assessing authority did not levy purchase tax of Rs 2 04 lakhs and Rs 3 69 lakhs respectively for the years 1991 92 and 1992-93 Besides interest and penalty were also not levied for non payment of tax along with the returns

On this being pointed out (June 1995) in audit the department sent the case for revision Revisional Authority revised both the assessment orders and created (March 1996 and February 1996) additional tax demand of Rs 9 97 lakhs (Rs 4 22 lakhs and Rs 5 75 lakhs for 1991 92 and 1992-93 respectively) and stated in both the cases that action to levy interest and penatly will be taken up separately However maximum penatly of Rs 14 95 lakhs and interest of Rs 5 71 lakhs work out for both the years Report on further action taken has not been received (September 1997)

The department in their written reply explained the position as under –

M/s Bhiwani Vanaspati Ltd, Bhiwani, A.Y 1991 92 and 1992 93

The audit had raised the objection in June 1995

The cases for the years 1991-92 and 1992 93 were sent to the Revisional Authority for taking *suo motu* action The Revisional Authority has decided the cases for both the years creating an additional demand of Rs 441881/- and Rs 655070/ respectively The recovery of the amount was stayed by the Hon ble Sales Tax Tribunal Haryana Chandigarh on 6 10-1997

During the course of oral examination the committee was informed that the dealer filed an appeal before the Hon'ble Punjab and Haryana High Court which is still pending The Committee desired that final outcome of the case be intimated to the committee

[110] 2 9 Irregular stay of tax

Under the Haryana General Sales Tax Act 1973 the amount of any tax or interest due and the penalty imposed shall be paid by the dealer in the manner prescribed by such date as may be specified in the notice issued by the assessing authority for the purpose and the date to be specified shall not be less than fifteen days but not exceeding thirty days from the date of service of such notice. The assessing authority may with the prior approval of district incharge in respect of any dealer and for reasons to be recorded in writing extend the date of such payment or allow such dealer to pay the amount due in instalments against an adequate security. Hon ble High Court of Punjab and Haryana in a particular case had granted Stay* (November 1988) for collection of tax on the turnovers relating to purchase of agricultural produce by the dealers directly from the farmers.

During the audit of records of Deputy Excise and Taxation Commissioner Karnal it was noticed (August 1995) that a dealer of Karnal had purchased wheat in auction from outside the State during the year 1989 90 through commission agents and not directly from the farmers. The case was not covered under the aforesaid stay orders issued by the Hon ble High Court. The assessing authority while finalising assessment case of the dealer for the year 1989 90 created (February 1995) demand of Rs 4 14 lakhs under Central Sales Tax Act 1956 but instead of issuing tax demand notice for recovery stayed the demand so created under the wrong impression that levy of tax has been stayed by the Hon ble High Court which was not in order.

On this being pointed out (August 1995) in audit the department admitted the objection and intimated (October 1996 and March 1997) that total demand of tax and interest of Rs 4 41 lakhs was being recovered from the assessee who was allowed to pay the amount in monthly instalments of Rs 10 000 each. Amount of Rs 1 14 199 has been recovered up to February 1997. Particulars of recovery of the balance amount area waited (September 1997).

The case was reported to Government in October 1996 their reply has not been received (September 1997).

The department in their written reply explained the position as under –

M/s Sadhu Ram Jai Pal, Karnal, Assessment Year 1989 90

The audit had raised the objection in August 1995

Out of total amount including interest of Rs 4 14 lakhs a sum of Rs 3 04 Lakhs have been recovered thereby leaving a balance of Rs 1 10 Lakhs which are being recovered in instalments of Rs 10000/- per month.

The Committee desired that intimation be sent to the Committee after recovery the full amount

[111] 2 10 Application of incorrect rate of tax

(a) As per Government notification issued in July 1993 under the Haryana General Sales Tax Act 1973 tax on sale of old used glass containers (bottles) when sold to a

registered dealer for use in packing or processing of goods for sale is leaviable at the rate of **ten per cent** in Haryana with effect from 26 July 1993 and concessional rate of **four per cent** against Form STD 5 is not admissible on such sales after 25 July 1993 further for non/short payment of tax due along with the returns the dealer is liable to pay interest on the amount of tax due at **one per cent** per month for the first month and at **one and a half per cent** per month thereafter so long as the default continues Besides for failure to pay tax due according to the returns the prescribed authority may after affording the dealer a reasonable opportunity of being heard impose a penalty not exceeding **one and a half** times the amount of tax to which he is assessed or is liable to be assessed

During the audit of the records of Deputy Excise and Taxation Commissioner Faridabad (West) it was noticed (August 1995) that the assessing authority while finalising (March 1995) the assessment of a dealer of Faridabad for the year 1993 94 assessed tax on sales of old used glass bottles amounting to Rs 25 48 lakhs at the concessional rate of **four per cent** against Form STD 5 Out of total sales of Rs 25 48 lakhs sales valued at Rs 7 74 lakhs related to period after 25 July 1993 which did not qualify for concessional rate of **four per cent** This resulted in under assessment of Rs 1 40 lakhs (tax Rs 51 091 interest Rs 12 009 maximum penatly Rs 76 636)

On this being pointed out (August 1995) in audit the department sent (December 1995) the case to the revisional authority for taking *suo motu* action who held (January 1996) that tax was correctly levied by the assessing authority On reference made in September 1996 the Commercial Taxation Commissioner Haryana admitted the point and issued (October 1996) directions to Deputy Excise and Taxation Commissioner Faridabad (West) to file an appeal before the Member Sales Tax Tribunal Haryana against the orders of the revisional authority

The case was reported to Government in December 1995 their reply has not been received (September 1997)

The department in their written reply explained the position as under –

M/s Deepak Traders, Faridabad (West), A.Y 1993 94

The audit had raised the objection in this case in August 1995

In view of the direction issued by the Commercial Taxation Commissioner Haryana the appeal against the order of Revisional Authority cum Dy Excise and taxation Commissioner (I) Faridabad (West) dated 29 1 96 was filed before the Member Sales Tax Tribunal Haryana Chandigarh on 29 11 1996 The same was fixed for hearing on 24 6 1998 The next date of hearing/further proceedings on the same has not yet been conveyed

The Committee desired that the decision of the Tribunal be intimated to the committee

[112] 2 11 Non levy of tax

(a) Under the provisions of Haryana General Sales Tax Act 1973 Sale means any transfer of property in goods for cash or deferred payment or other valuable consideration

and includes transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash deferred payment or other valuable consideration Punjab and Haryana High Court also clarified* in February 1992 that transfer of right to use goods *inter alia* includes hiring of buses as effective possession and control of the buses passes to customers (transferee) and loss of it by the transfer or though he provides a driver and a conductor and has to carry out the necessary repairs Hire charges of buses come under the purview of sale and are exigible to sales tax at the rate of **eight per cent plus ten per cent** surcharge

(ii) During the audit of records of the Deputy Excise and Taxation Commissioner Gurgaon it was noticed (March 1997) that a dealer of Gurgaon sold designs valued at Rs 30 92 lakhs during the years 1993-94 and 1994-95 As decided (August 1994) by the appellate Authority in a different case * that sale of designs is taxable at the general rate of **8 per cent** plus surcharge at the rate of **10 per cent** on the amount of tax The assessing authority while finalising (March 1996) the assessments for both the year 1993-94 and 1994-95 and did not levy tax on such sales The omission resulted in non levy of tax of Rs 2 72 lakhs

On this being pointed out (March 1997) in audit the department did not furnish any reply (September 1997)

The above cases were reported to Government between October 1995 and May 1997 their replies have not been received (September 1997)

The department in their written reply explained the position as under –

M/s Stencil Apparels (P) Ltd , Gurgaon, Assessment Year 93-94 and 94 95

The audit had raised the objection in this case in March 1997

The case has been examined in detail and it is observed that the designs and development charges should form part of the turnover and taxed as such Since they have not been excluded from the term "Goods" under Section 2(f) of the Haryana General Sales Tax Act 1973 they are goods and should be taxed in the same manner as software Therefore it has been decided to initiate revisional proceedings u/s 40 of the Haryana General Sales Tax Act 1973 in these cases and Deputy Excise & Taxation Commissioner Gurgaon has been instructed accordingly

After hearing the departmental representatives, the Committee desired that final decision taken in the instant case be intimated to the Committee within a period of three months

[113] 2 11 Short Levy of Tax

(c) Under the Haryana General Sales Tax Act 1973 if a dealer had maintained false or incorrect accounts with a view to suppressing his sales purchases or stocks of goods or

has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act any account return or information which is false or incorrect in any material particular he 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

During the audit of records of Deputy Excise and Taxation Commissioner Hisar it was noticed (November 1995) that in the case of a dealer of Hisar dealing in auto parts the assessing authority while finalising (January 1995) the assessment for the year 1992-93 disallowed sales worth Rs 2 90 lakhs out of total sales of Rs 10 07 lakhs shown as made to registered dealers. The disallowed sales were found by the assessing authority as sales made to bogus (non existent) dealers and thus assessed to tax of Rs 31 962 and penal action was kept pending but no such action was taken till the date of audit. Audit scrutiny further revealed (November 1995) that a sale of Rs 49 880 shown as made to a dealer of Bhiwani against declaration form (ST 15) was not disallowed by the assessing authority as the declaration Form used in the transaction was one of the stolen/missing forms intimated (February 1993) by the district office Bhiwani. The dealer was thus short assessed to tax of Rs 5 487 besides minimum penalty of Rs 10 974. The omission in both the cases resulted in non levy of minimum penalty of Rs 74 898 besides tax of Rs 5 487.

On this being pointed out (November 1995) in audit the assessing authority levied (March 1996) penalty of Rs 74 000 and tax of Rs 5 486. The department further intimated (May 1977) that the assessee was allowed (June 1996) to pay the amount of additional demand in monthly instalments at the rate of Rs 5000 per month. The assessee however preferred appeal against the remand orders and Joint Excise and Taxation Commissioner (Appeals) Hisar stayed the balance payment of Rs 65 000. The regular appeal case is yet to be fixed (June 1997) by the Appellate Authority.

The case was reported to Commercial Taxation Commissioner in February 1996 and to Government in April 1997. Their replies have not been received (September 1997).

The department in their written reply explained the position as under –

M/s Kallash Motors, Hisar A.Y 92-93

The audit had raised the objection in this case in November 1995.

In view of audit objections the case was reassessed by the Assessing Authority vide order dated 25-3-96 by creating an additional demand (tax and penalty) of Rs 94 487. The dealer preferred an appeal against the order of Assessing Authority dated 25-3-96. The Jt ETC (A) Hisar accepted the appeal resulting in quashing of the additional demand. However out of Rs 94 487 a sum of Rs 34 427 already stood recovered. The order of the Jt Excise and Taxation Commissioner (A) Hisar is under examination for taking *suo motu* action u/s 40 of the Haryana General Sales Tax Act 1973.

The Committee desired that the intimation be sent to the Committee after effecting the balance recovery of Rs 60060/-

[114] 2 12 Under assessment due to excess rebate

Under the Haryana General Sales Tax Act 1973 tax on sale of rice is leviable at the point of first sale in the State and on purchase of paddy at the point of last purchase in the State. The sales tax levied on rice is however reduced by the amount of purchase tax paid in the State on paddy out of which such rice has been husked. Further for non/short payment of tax due along with the returns the dealer is liable to pay interest 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.

During the audit of records of Deputy Excise and Taxation Commissioner Jagadhri it was noticed (June 1992) that a dealer of Jagadhri husked 40486 quintals of paddy which was assessed to tax on its purchase value of Rs 79.93 lakhs during the year 1988-89. The average purchase price of paddy thus works out to Rs 197.43 per quintal. While finalising assessment (April 1991) the assessing authority allowed rebate from the tax assessment on the sale of rice by taking average purchase price of paddy at the rate of Rs 212.54 per quintal instead of at Rs 197.43 per quintal. The mistake resulted in under assessment of tax amounting to Rs 24,509. Besides interest of Rs 23,765 was also leviable. Further there was suppression of purchase of paddy valued at Rs 2.63 lakhs on which tax of Rs 10,535 and interest of Rs 10,185 were also leviable. Mistakes on both the counts resulted in under assessment of Rs 68,994 (tax Rs 35,044 interest Rs 33,950).

On the omission being pointed out (June 1992) in audit the department referred (February 1994) the case to the revisional authority for taking *suo motu* action. Who created (June 1994) additional demand of Rs 66,257 against which the dealer had gone (August 1994) in appeal before Haryana Sales Tax Tribunal whose decision is awaited (September 1997).

The case was reported to Government in February 1997. Their reply has not been received (September 1997).

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

M/s Parkash Rice and General Mills Sadhaura, Jagadhari, A Y 1988-89

The audit had raised the objection in June 1992.

In this case the Deputy Excise and Taxation Commissioner (I) cum-Revisional Authority had created an additional demand of Rs 66,257/ on the basis of audit objection. The dealer went in appeal to the Tribunal and the Hon'ble Tribunal vide his order dated 1-2-1995 quashed the order of Revisional Authority on the ground that the difference in purchase account of Paddy is on account of market fees, excess loading/unloading charges and tulari charges etc. In view of order of the Sales Tax Tribunal Haryana Chandigarh the case has been sent back to the Revisional Authority for allowing these deductions as per rules.

The Committee desired that the final decision taken in the instant case be intimated to the Committee.

[115] 2 15 Non-levy of penalty

Under the Haryana General Sales Tax Act 1973 if upon information which has come into his possession the assessing authority is satisfied that any dealer has been liable to pay tax under this act in respect of any period but has failed to apply for registration the assessing authority shall within five years after the expiry of such period after giving the dealer a reasonable opportunity of being heard proceed to assess to the best of his judgement the amount of tax if any due from the dealer in respect of such period and all subsequent periods and in case where such dealer has wilfully failed to apply for registration the assessing authority may direct that the dealer shall pay by way of penalty in addition to the amount of tax so assessed a sum equal to twice the amount of tax so assessed

During the audit of records of Deputy Excise and Taxation Commissioner Sonapat it was noticed (January 1995) that a dealer (Range Forest Officer) of Gohana made sales of dry/dead trees valued at Rs 32 27 lakhs during the years 1988-89 to 1991-92 without getting himself registered with sales tax department The assessing authority on getting information levied (December 1993 and January 1994) tax of Rs 2 84 lakhs for these four years and action to levy penalty in each of these cases was kept pending but no such action was taken till January 1995 when the audit pointed out that penalty of Rs 5 68 lakhs was leviable

On this being pointed out (January 1995) in audit the department created (May 1995) demand of Rs 5 68 lakhs Report on recovery of additional demand on account of penalty has not been received (September 1997)

The case was reported to Commercial Taxation Commissioner in May 1995 and to government in April 1997 their replies have not been received (September 1997)

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

M/s Range Forest Officer, Gohana, Assessment Year-1988-89 to 1991-92

The audit objection was raised in January, 1995 The amounts of additional demand of tax and penalty have not been recovered so far despite the fact the bank account of Forest Department was attached by the Assessing Authority

After hearing the departmental representatives the Committee recommends that the amount be recovered from the Forest Department at the earliest under intimation to the Committee

[116] 2 18 Non reconciliation of revenue deposits into treasury

Under the provisions of Haryana General Sales Tax Act 1973 and the Rules framed thereunder the officer incharge of each district shall maintain a daily collection register in a prescribed form wherein particulars of every challan received in proof of payments made under the Act or the Rules shall be recorded In addition the officer incharge shall also maintain a demand and collection register in prescribed form in respect of dealers registered under the Act showing the payments made with the treasury records of the district

During verification of figures of revenue deposits made as per records of office of Deputy Excise and Taxation Commissioner Faridabad (West) with treasury for the period

1 January 1988 to 31 March 1995 it was noticed (August September 1995 and March May 1996) that in 174 cases amounts shown as deposited in disposal registers of Nehru Ground Circle were either not traceable in treasury records or payments recorded therein were found more than those appearing in the treasury records by Rs 3 24 lakhs In 230 cases amount of Rs 40 09 lakhs pertaining to Haryana General Sales Tax/Central Sales Tax Acts found recorded in daily collection register (DCR) was not appearing in the treasury records In 334 cases amounts recorded in the DCRs were found more than those appearing in treasury records by Rs 66 78 lakhs for the period from February 1988 to March 1995 No reconciliation of payments made was ever conducted with the treasury records This resulted in a possible loss of government revenue of Rs 110 11 lakhs

On this being reported (November 1995 and June 1996) to the Excise and Taxation Commissioner (now Commercial Taxation Commissioner) Haryana the department recovered a sum of Rs 45 479 in 15 cases up to June 1997 The department further reconciled (August 1997) 96 cases (out of 334 cases) involving Rs 22 99 lakhs Further report on reconciliation is awaited (September 1997)

The case has been reported to Government in August 1997 their reply has not been received (September 1997)

The department in their written reply explained the position as under –

The audit had raised this objection during August 1995 and May 1996

Out of 738 cases involving an amount of Rs 110 11 lakhs 147 cases involving an amount of Rs 62 52 lakhs have been reconciled with the treasury records up to 10/98 The remaining cases are under process

During the course of oral examination the Committee was informed that out of 738 cases involving an amount of Rs 110 11 lakhs, 158 cases involving Rs 65 78 lakhs have been reconciled with the Treasury record upto 31 1-2002 The Committee desired that remaining cases be also reconciled at the earliest under intimation to the Committee

[117] 4 1 Results of Audit

Test check of records in departmental offices relating to revenues of Electricity Duty Passengers and Goods Tax State Excise Duty Taxes on Motor Vehicles and Entertainments Duty and Show Tax revealed under Assessment of taxes and duties and loss of revenue amounting to Rs 1176 12 lakhs in 17537 cases as depicted below

Heads of revenue		Number of cases	Amount
			(In lakhs of rupees)
B	Passengers and Goods Tax	625	253 82
C	State Excise Duty	206	392 92
E	Entertainments Duty and Show Tax	12	4 32

(b) In the case of Passengers and Goods Tax the department accepted under assessments etc of Rs 96 85 lakhs in 146 cases which were pointed out in audit during

the year 1996-97 Besides an amount of Rs 35.61 lakhs has also been recovered during 1996-97 in 365 cases pointed out in earlier years

(c) In the case of State Excise Duty the department recovered an amount of Rs 0.80 lakh in one case which was pointed out in 1996-97

Besides an amount of Rs 2.61 lakhs has also been recovered during 1996-97 in 43 cases pointed out in earlier years

(e) In the case of Entertainments Duty and Show tax the department accepted under assessments etc of Rs 1.95 lakhs in 6 cases which were pointed out in audit during the year 1996-97 Besides an amount of Rs 0.46 lakh has also been recovered during 1996-97 in 35 cases pointed out in earlier years

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

Passengers and Goods Tax

All the 625 cases involving the amount of Rs 253.59 lakhs instead of Rs 253.82 lakhs (Rs 0.23 lakhs shown as an excess in totals) have been reviewed with the following results -

- (i) 165 cases involving the amount of Rs 115.03 lakhs have been settled with demand
- (ii) 460 cases involving the amount of Rs 138.56 lakhs are still under active consideration of the Department

State Excise Duty

In the audit observation the audit had shown 206 cases involving Rs 392.92 lakhs out of which 99 cases involving Rs 334.33 lakhs have not been admitted by the department therefore out of the remaining 107 cases 3 cases involving an amount of Rs 2.05 lakhs have been stayed by Courts From the balance 104 cases involving an amount of Rs 56.54 lakhs a sum of Rs 21.72 lakhs have been recovered and sincere efforts are being made to recover the balance amount of Rs 34.82 lakhs

Entertainment Duty and Show Tax

Out of 12 cases involving the amount of Rs 4.32 lakhs 5 cases have been reviewed with the following results -

No of cases	Amount pointed out By audit (Rs in lakhs)	Result of review
4	1.42	Settled with demand
1	0.45	Settled without demand
7	2.45	Cases are under review
12	4.32	

The audit had raised the objection during the review for the year 1995 96 Out of additional demand of Rs 96 85 lakhs an amount of Rs 65 04 lakhs has since been recovered and sincere efforts are being made to recover the balance arrear of Rs 31 81 lakhs

The audit has raised the audit objection during 1996 97

The department has since recovered the entire amount of license fee Rs 75 000/- alongwith the interest of Rs 19 389/- instead of Rs 4 992/-

In this para the audit has raised the objection during the review for the year 1995-96 Out of additional demand in 6 cases amounting to Rs 1 95 lakhs a sum of Rs 1 36 lakhs have been recovered thereby leaving a balance of Rs 0 65 lakhs Sincere efforts are being made to recover the balance amount

During the course of oral examination the Committee was informed that out of 625 cases, 399 cases involving Rs 217 39 lakhs of passengers and Goods Tax have been settled with demand leaving 226 cases involving Rs 36 20 lakhs are still under consideration The Committee was also informed that out of 107 cases of State Excise Duty, 4 cases involving Rs 8 12 lakh have been stayed by Courts and from the balance 103 cases involving Rs 50 47 lakhs, a sum of Rs 24 70 lakhs have been recovered leaving a balance of Rs 25 77 lakhs and out of 12 cases of Entertainment Duty and Show Tax, 7 cases have been settled leaving 5 cases involving Rs 1 75 lakh which are under review

The Committee, therefore, recommends that the balance recovery be affected at the earliest and cases pending in various Courts be pursued and a report be sent to the Committee accordingly

[118] 4 3 Short/non-recovery of passengers tax

As per Government notification issued (July 1994) under the Punjab Passengers and Goods Taxation Act 1952 as applicable to Haryana permit holders for plying buses on link routes of the State under the scheme of privatisation of Passenger Road Transport are required to pay lump sum passengers tax based on the seating capacity of the bus on monthly basis (Rs 13380 for 54 seater Rs 12890 for 52 seater and Rs 7440 for 30 seater bus) the Excise and Taxation Department further clarified (September 1995) that tax will be charged for the whole month and not for the fraction of the month in which the permit is issued

During the audit of records of the Deputy Excise and Taxation Commissioners Rewari Rohtak and Bhiwani for the years 1994 95 and 1995 96 it was noticed (between November 1995 and June 1996) that out of 52 Transport Co operative Societies who were granted route permits (between July 1994 and October 1995) for plying buses on link routes 31 Transport Co operative Societies did not deposit passengers tax at all and the remaining 21 societies made only part payment of passengers tax Failure on the part of the department resulted in short/non-realisation of passengers tax of Rs 29 09 lakhs

On this being pointed out (between November 1995 and June 1996) in audit the department intimated (March 1997) that amount of Rs 22 70 lakhs had further been recovered from the Transport Co-operative Societies as per details given in the table below

Sr No	Name of office	No of buses pilled by Co operative Societies	Period during which payment of passengers tax short made	Tax due	Tax realised	Tax short realised	Remarks
(In lakhs of rupees)							
1	DETC Rewari	20	Between July 1994 and March 1996	11 37	5 18	6 19	Department intimated (March 1997) that out of Rs 619 lakhs amount of Rs 4 89 lakhs had been recovered and efforts were being made to recover the balance amount
2	DETC Rohtak	9	Between Septmber 1994 and March 1996	17 79	—	17 79	Department intimated (March 1997) that amount of Rs 1753 lakhs from that amount eight Co-operative societies had been recovered and the Case of the remaining one society involving passengers tax of Rs 0 26 lakh was underconsi deration
3	DETC Bhiwani	23	Between June 1995 and March 1996	6 34	1 23	5 11	Department intimated (March 1997) that out of Rs 5 11 lakh amount of Rs 0 28 lakh had been recovered

The cases were reported to Government between January and July 1996 thier replies have not been received (September 1997)

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

The audit had raised the audit objection between November 1995 and June 1996

Out of Rs 29 09 lakhs of short/non-relization of passengers tax an amount of Rs 25 80 lakh has been recovered up to 31 8 98 leaving a balance of Rs 3 29 lakhs Efforts are being made to recover the balance amount

During the course of oral examination the Committee was informed that out of Rs 29 09 lakhs, an amount of Rs 28 10 lakhs has been recovered upto 31 12 2001 leaving a balance of Rs 0 99 lakh The Committee desired that efforts be made to recover the balance amount at the earliest under intimation to the Committee

GENERAL**[119] 1 8 Outstanding inspection reports and audit observations**

(i) Audit observations on incorrect assessments short levy of taxes duties fees etc as also defects in intial records noticed during audit and not settled on the spot are communicated to the Heads of Offices and other diepartment authorites thorough inspection reports Serious financial irrregularities are reported to the Head of Departments and Government The Head of Offices are required to furnish replies to the inspection reports through the respective Heads of Department within a perios of two months

(ii) The numebr of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1996 and which were pending settlement by the depatment as on 30 June 1995 1996 and 1997 are given below

Particulatlar	At the end of June		
	1995	1996	1997
Number of inspection reports pending settlement	1918	2165	2447
Number of outstanding audit observations	4305	4982	5775
Amount of revenue involved (Rupees in Crores)	74 34	106 23	226 08

(iii) Year-wise break up of the outstanding inspection reports and audit observations as on 30 June 1997 is given below

Year	Number of outstanding		Amount of receipts involved
	Inspection reports	Audit observations	(Rupees in crores)
Upto 1991 92	741	1043	1 06
1992 93	142	389	4 58
1993-94	428	773	29 04
1994 95	372	820	20 51
1995 96	436	1510	53 12
1996-97	328	1240	117 77
Total	2447	5775	226 08

(iv) Department-wise break-up of the inspection reports and audit observations relating to the year 1988-89 to 1996-97 (upto December 1996) and outstanding as on 30 June 1997 is as follows

Department	Number of outstanding		Amount of receipts involved (Rupees in crores)	Number of inspection reports to which even first replies had not been received
	Inspection reports	Audit observations		
Revenue Department	573	943	5 51	15
Excise and Taxation**	571	2268	112 41	27
Transport	291	423	1 25	30
Forest	176	539	57 06	6
Others**	836	1602	49 85	104
Total	2447	5775	226 08	182

* This includes Stamp Duty and Registration Fees and Land Revenue

** This includes Sales Tax Passangers and Goods Tax Entertainments Duty and show Tax and Prohibition and Excise

The details against Others have been shown in the Appendix II

Appendix-II*[Refer para 18 (iv)]***(Outstanding inspection Reports and audit Observations)**

Sr No	Department	Number of Outstanding		Amount of receipts involved (Rupees in crore)	Number of Inspection reports to which even first replies had not been received
		Inspection Reports	Audit Observations		
1	Co-operation	82	116	3.92	4
2	Food & Supplies	13	22	0.01	9
3	P.W.D. (B&R)	83	130	1.51	8
4	Agriculture	48	115	0.23	2
5	P.W.D. Irrigation	187	406	17.92	23
6	Cane Commissioner	28	33	9.69	2
7	Medical	94	189	0.66	15
8	Industries	32	41	0.35	7
9	Public Health	82	171	3.54	8
10	Animal Husbandry	73	106	0.87	12
11	Lotteries	7	26	2.72	1
12	Electricity	8	19	2.47	1
13	Mines and Metallurgical Industries	87	213	5.92	4
14	Horticulture	12	15	0.04	8
Total		836	1602	49.85	104

The matter was brought to the notice of Government in June 1997 replies regarding steps taken to settle the outstanding inspection reports and Audit observations have not been received (September 1997)

Having gone through the above statement showing the inspection reports and audit observations pending settlement by the departments, the Committee reiterates its earlier recommendations/observations made in para 147 of its 50th report and desired that the instructions issued by the Finance Department vide letter No 18/9/2000-3B&C, dated the 31st May, 2001 in regard to early settlement of outstanding audit objections be followed by each department in letter and spirit the latest position be sent to the Committee for its information

APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decisions

Sr No	Name of Department	Paragraph	Brief Subject
1	2	3	4
			7th Report
1	PWD (B&R)	33	Payment of work done
			9th Report
2	Industries	5(2)	Credit facilities for development of small industries
			11th Report
3	Welfare of SC & BC	26	Loan for Scoal Welfare
			14th Report
4	Industries	16	Purchase of Cotton Yarn
			15th Report
5	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers
			16th Report
6	Industries	2(a) and 2 (d)	Subsidy of setting up industries Units in selected backyard areas (Cases of M/s B K Steel Rolling Mill) Tohana and M/s Modern Industries Charkhi Dadri
			18th Report
7	Co operation	39	Co operative Consumer Stores
			19th Report
8	Public Relations	8	Setting up of an open air theatre in village Kauli (District Kurukshetra)
9	Co operation	25(ii)	Co operative Consumer Store
10	Agriculture	28	Social conservation and water management works
11	Excise and Taxation	40	Loss of duty on excess wastage
			21st Report
12	PWD (Public Health)	12	Outstanding Recoveries against contractor
13	Irrigation	14	Excess payment to Contractor

1	2	3	4
22nd Report			
14	Industries	10(ii)	Industrial Estate
15	Co operation	16	Co operative Consumer Stores
16	Irrigation	18	Remodelling & Lining of the Hansi Branch
17	Irrigation	20	Penal recovery of cost of coal issued to Kila Contractors in excess requirement
18	Revenue	39(6 ii) 8)	Land holding tax
19	Revenue	40	Non levy of registration fee
20	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation
21	Excise and Taxation	53	Loss of duty on excess storage wastage
22	Excise and Taxation	54	Shortfall in duty
23	Excise and Taxation	56	Recovery due from contractor
23rd Report			
24	Irrigation	31	Shortages
25	Co operation	34	Co-operative Consumer Stores
26	Food and Supplies	35	Haryana State Federation of consumer Co operative Wholesale Stores Limited Chandigarh
27	Excise and Taxation	47	Uncollected Revenue
28	Excise and Taxation	55	Result of test audit in general
29	Excise and Taxation	57	Failure to initiate section to recover the licence fee
30	Excise and Taxation	58	Loss of duty on excess storage wastage
31	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
25th Report			
32	Co operation	5	Co operative consumer Stores
33	Colonization	9	Encroachment of Land
34	Colonization	11	Recoveries from plot holders
35	Food and Supplies	15	Abnormal shortage/Quality cuts on damaged wheat stocks
36	Education	30	Embezzlement

1	2	3	4
37	Fisheries	31	Development of Fisheries
38	Excise and Taxation	54	Un collected revenue
39	Excise and Taxation	58	Incorrect computation of tax on interstate sales
40	Excise and Taxation	67	Irregular allowance for wastage
41	Excise and Taxation	69	Failure to enforce licence conditions
26th Report			
42	Revenue	10	Gratuations relief for crops/houses damaged
43	Irrigation	21	Defective Execution of earth work
44	Irrigation	22	Faulty measurement of work resulting in over payment
45	Excise and Taxation	49	Uncollected revenue
46	Excise and Taxation	55 (Food crop-Karnal)	Interest not charged
47	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
48	Excise and Taxation	63	Non recovery of licence fee and interest
28th Report			
49	Education	5	Irregularities on release/utilisation of grant
50	Irrigation	10	Masani Barrage Project
51	PW D (B&R)	14	Shortage of Steel
52	Printing and Stationery	22	Stationery Branch
53	Police	26	Over payment on daily allowance
54	Development	30	Selection of works
55	Excise and Taxation	41	Registration of dealers under Sale Tax Act
56	Excise and Taxation	44	Non recovery of licence fee and interest
57	Excise and Taxation	45	Interest not charged
29th Report			
58	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry

1	2	3	4
59	Irrigation	17	Excess issue of coal
60	Irrigation	21	Misappropriation
61	Irrigation	22	Miscellaneous Public Works Advances
62	Development	32	Forestry sector
63	Excise and Taxation	46	Application of incorrect rate of tax
64	Excise and Taxation	47	Non levy of penalty
65	Excise and Taxation	50	Non levy of penalty
66	Excise and Taxation	51	Non levy of penalty
67	Excise and Taxation	53	Interest not charged
68	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
69	Transport	58	Results of Audit
70	Revenue	62	Results of Audit
71	Revenue	63	Under valuation of immovable property
72	Revenue	68	Short levy of fine on late presentation of documents for registration
73	Mines and Geology	71	Results of Audit
32nd Report			
74	Industries	4	Development of small Industries
75	Industries	6	Outstanding recoveries of loan
76	Irrigation	10	Excess measurement
77	Irrigation	11	Injudicious purchase of machinery
78	Irrigation	12	Misappropriation
79	Irrigation	13	Wasteful expenditure on purchase of tractors
80	Irrigation	14	Recovery due from contractors
81	Irrigation	15	Remodelling of Chandani Drain
82	Irrigation	20	Shortage of stores
83	Revenue	25	Inadmissible payment
84	Town and Country Planning (HUDA)	35	Alleged embezzlement
85	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement

1	2	3	4
86	Public Health	41	Urban water supply and sewerage scheme
87	Public Health	42	Commencement of work without sanction
88	Mines and Geology	47	Uncollected revenue
89	Mines and Geology	48	Results of Audit
90	Mines and Geology	49	Short recovery or non recovery of royalty on bricks
91	Agriculture	56	Embezzlement of licence fee money
92	Excise and Taxation	61	Uncollected revenue
93	Excise and Taxation	69	Irregular levy of tax at concessional rate
94	Excise and Taxation	71	Interest penalty not charged
95	Excise and Taxation	76	Non-pursuance of demand drafts
34th Report			
96	Development and Panchayats	8	Irregular and wasteful expenditure on books
97	Industries	12	Review of the functioning of a few industries
98	Home	25	Absence of area/Project approach
99	Revenue	29	Land reforms
100	Revenue	30	Compensation to landowner
101	Revenue	31	Consolidation of holdings
102	Irrigation	33	Substandard Work
103	Irrigation	42	Shortages
104	Irrigation	43	Shortages of material
105	Food and Supplies	47	Under Storage of wheat
106	Mines and Geology	55	Uncollected revenue
107	Mines and Geology	56	Non recovery short recovery of royalty
108	Excise and Taxation	63	Uncollected revenue
109	Excise and Taxation	66	Short levy/non levy of purchase tax
110	Excise and Taxation	69	Non levy of penalty
111	Excise and Taxation	70	Non filling the quarterly returns

1	2	3	4
112	Irrigation	72	Arrears of revenue
113	Irrigation	73	Short recovery of water charges
114	Irrigation	74	Non raising of demand
115	Chief Electrical Inspector	78	Uncollected revenue
116	Chief Electrical Inspector	80	Arrears of electricity duty
117	Chief Electrical Inspector	81	Reconciliation of treasury receipts
118	Public Health	82	Results of Audit
119	Revenue	83	Results of Audit
120	Revenue	84	Under valuation of immovable property
121	Revenue	86	Short recovery of stamp duty on exchange
36th Report			
122	Local Self Government	3	Non-recovery of Government dues
123	Printing and Stationery	6	Infructuous expenditure
124	Food and supplies	7	Loss due to storage of wheat
125	Transport	9	Irregular payment of overtime allowance
126	Industries	13	Non utilization of loan
127	Town and Country Planning	16	Loss on auction of a shop-cum-flat
128	Revenue	18	Inadmissible gratuitous relief
129	Civil Aviation	19	Procurement operation and maintenance of aircraft
130	Public Health	20	Acceptance of sub standard material
131	Public Health	21	Recovery due from a contractor
132	Public Health	23	Construction of a water tank
133	Public Health	24	Misappropriation of stores
134	Haryana State Lotteries	25	Suspended misappropriation of government money
135	PW D (B&R)	29	Excess measurement
136	PW D (B&R)	31	Misappropriation of stores
137	Irrigation	37	Shortage of stores
138	Power (HSEB)	41	Acquisition of land
139	Revenue	43	Results of Audit

1	2	3	4
140	Revenue	45	Irregular grant of exemption
141	Revenue	46	Misclassification of instruments
142	Revenue	47	Mistakes in calculation
143	Revenue	48	Uncollected Revenue
144	Mines and Geology	50	Non recovery/Short recovery of royalty
145	PWD (B&R)	51	Results of Audit
146	Excise and Taxation	53	Uncollected Revenue (P.G.T)
147	Excise and Taxation	54	Uncollected Revenue (State Excise)
148	Excise and Taxation	58	Results of Audit (Sales Tax)
149	Excise and Taxation	59	Short levy/Non levy of purchase
150	Excise and Taxation	65	Exemption allowed in assessment
151	Excise and Taxation	67	Results of Audit
38th Report			
152	Public Relations	7	Field Publicity
153	Science and Technology	16	Evaluation and monitoring
154	Medical and Health	18	Stores and Stock
155	Revenue	22	Embezzlement
156	Irrigation	26	Sub standard execution of work
157	Irrigation	27	Under utilisation of Crawler Tractors
158	Irrigation	28	Excess payment of Earth Work
159	Irrigation	32	Surplus material
160	Irrigation	34	Other point of interest
161	Irrigation	35	Shortage/Misappropriation of material
162	Irrigation	36	Shortage of tiles
163	Public Health	39	Rural Water Supply Scheme
164	Public Health	41	Excess payment to the contractor
165	Public Health	42	Excess Payment
166	Public Health	43	Shortage of material
167	Mines and Geology	49	Outstanding inspection reports
168	Mines and Geology	50	Results of Audit
169	Mines and Geology	51	Receipts from Mines and Minerals

1	2	3	4
170	Agriculture	56	Interest not charged on belated payments
171	PWD (B&R)	61	Arrears of rent
172	PWD (B&R)	62	Sale of empty bitumens drum
173	Revenue	63	Outstanding inspection reports
174	Revenue	64	Results of Audit
175	Revenue	68	Misclassification of Instrument
176	Revenue	69	Recovery at the instance of audit.
177	Excise and Taxation	70	Assessments in arrears
178	Excise and Taxation	71	Uncollected revenue
179	Excise and Taxation	73	Results of Audit
180	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/ Supreme Court
181	Excise and Taxation	77	Non levy/Short levy of purchase tax
182	Excise and Taxation	79	Suppression of purchases
183	Excise and Taxation	80	Incorrect deduction from turnover
184	Excise and Taxation	81	Irregular stay of tax and interest
185	Excise and Taxation	82	Non levy of penalty
186	Excise and Taxation	83	Non production of assessment/ files
187	Excise and Taxation	84	Results of Audit
188	Excise and Taxation	85	Non recovery of loss on re-auction of Vend
189	Excise and Taxation	86	Loss of Excise Duty due to issue of permit
190	Excise and Taxation	87	Recovery at the instance of Audit
191	Excise and Taxation	88	Non-levy of goods tax on vehicles belonging to State Govt Undertaking
40th Report			
192	Home	15	Non recovery of telephone calls
193	Home	16	Outstanding Inspection Reports
194	Town and Country Planning	18	Non realization of service charges
195	Town and Country Planning	19	Delay in land acquisition cases

1	2	3	4
196	Town and Country Planning	20	Extra contractual payment
197	Hospitality	21	Government dues on account of credit sales
198	Imigation	23	Extra expenditure
199	Imigation	25	Injudicious purchases
200	Public Health	32	Irregular expenditure
201	Public Health	33	Stores and stock
202	Public Health	34	Injudicious purchases
203	Public Health	35	Shortage of matenal
204	PW D (B&R)	37	Extra payment due to incorrect entries in Measurement Books
205	PW D (B&R)	38	Avoidable extra expenditure due to retendering
206	PW D (B&R)	39	Extra expenditure due to sputting up of work
207	Co operation	41	Embezzlement
208	Food and Supplies	47	Damage caused to wheat in Storage
209	Supplies and Disposals	49	Extra expenditure due to retendering
210	Excise and Taxtion	50	Assessment in arrears
211	Excise and Taxtion	51	Uncollected Revenue (Sales Tax)
212	Excise and Taxtion	52	Uncollected Revenue (State Excise)
213	Excise and Taxtion	54	Results of Audit
214	Excise and Taxtion	55	Delay in re asesment of remand cases
215	Excise and Taxtion	57	Appeals entertained without deposit of tax.
216	Excise and Taxtion	59	Other intersting cases
217	Excise and Taxtion	60	Loss of revenue due to delays in assessment and demand of tax
218	Excise and Taxtion	61	Application of incorrect rate to tax
219	Excise and Taxtion	62	Non levy of tax
220	Excise and Taxtion	63	Incorrect computation of taxable turnover
221	Excise and Taxtion	64	Irregular grant of exemption

1	2	3	4
222	Excise and Taxtion	65	Loss of revenue due to deficiency in Sales Tax Law
223	Excise and Taxtion	66	Incorrect deduction on account of sales to registered dealers
224	Excise and Taxtion	68	Non levy of penalty
225	Excise and Taxtion	69	Interest not charged
226	Excise and Taxtion	70	Results of Audit (State Excise)
227	Excise and Taxtion	71	Results of Audit (Entertainment duty of show tax)
228	Excise and Taxtion	72	Working of distilleries and Breweries
229	Excise and Taxtion	73	Loss of excise duty due to redistillation
230	Excise and Taxtion	74	Non recovery of duty on wastage in excess norms
231	Excise and Taxtion	75	Interest not charged
232	Revenue	79	Outstanding Inspection Reports
233	Revenue	80	Results of Audit
234	Revenue	81	Under valuation of immovable property
235	Revenue	82	Misclassifications of instruments
236	Revenue	83	Irregular grant of exemption
237	Revenue	84	Non/Short levy of stamp duty
238	Revenue	85	Irregular registration of supplementary deeds
239	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
240	Revenue	89	Embezzlement of Government revenue
241	Mines and Geology	93	Outstanding Inspection Reports
242	Mines and Geology	94	Results of Audit
243	Cooperation	95	Results of Audit
42nd Report			
244	Irrigation	9	Excess payment of earth work
245	Irrigation	11	Excess payment due to inflated/fictitious measurements

1	2	3	4
246	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
247	Irrigation	16	Unfruitful expenditure due to non energisation of pumps
248	Irrigation	17	Defective execution of work
249	Irrigation	18	Avoidable payment of interest
250	Irrigation	19	Unfruitful expenditure on a incomplete work
251	Transport	26	Performance of minibuses
252	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans
253	Agriculture	38	Unfruitful expenditure on idle equipment
254	Food and Supplies	42	Loss due ot negligence
255	Public Health	52	Funding Pattern
256	Public Health	53	Targets and achievements
257	Public Health	54	Arrears due from municipalities
258	Public Health	55	Others points
259	Public Health	60	Inflated/Fictitious measurement
260	Public Health	61	Outstanding Inspection Reports and Paragraphs
261	Public Health	63	Infructuous expenditure on abandoned work
262	PW D (B&R)	68	Reserve Stock Limit.
263	PW D (B&R)	71	Shortage of Tools and Plant
264	PW D (B&R)	73	Irregular purchase of material at higher rates
265	PW D (B&R)	74	Sub-standard execution of work
266	Education	82	Fraudulent drawal of Leave Travel Concession
267	Education	84	Operation Blackboard
268	Social Welfare	88	Outstading Inspection Reports
269	Medical and Health	93	Misappropriation of stores
270	Cooperation	94	Irregular release of subsidy
271	Cooperation	95	Outstnding Inspection Reports/ Paragraphs

1	2	3	4
272	Cooperation	98	Outstndng Inspection Reports
273	Cooperation	99	Results of Audit
274	Cooperation	100	Short recovery of audit fee
275	Revenue	101	Outstanding Inspection Reports
276	Revenue	102	Land Revenue
277	Revenue	103	Results of Audit
278	Revenue	104	Irregular exemption of stamp duty
279	Revenue	105	Short levy of stamp duty on lease deed
280	Revenue	106	Recovery at the instance of Audit
281	Excise and Taxation	107	Assessments in arrears
282	Excise and Taxation	108	Uncollected Revenue
283	Excise and Taxation	109	Frauds and evasion of taxes
284	Excise and Taxation	110	Outstanding Inspection Reports
285	Excise and Taxation	111	Results of Audit
286	Excise and Taxation	112	Details of appeals pending on 31 3 90
287	Excise and Taxation	113	Delay in taking up of appeal cases
288	Excise and Taxation	115	Stay of SalesTax demands by the Appellate Authorities
289	Excise and Taxation	116	Recovery of Demands in arrears under Salex Tax
290	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
291	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
292	Excise and Taxation	120	Irregular grant of exemption certificate
293	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
294	Excise and Taxation	122	Other interesting cases
295	Excise and Taxation	123	Evasion of tax
296	Excise and Taxation	124	Non-levy of tax on incidental charges
297	Excise and Taxation	125	Application of incorrect rate of tax.
298	Excise and Taxation	126	Non/Short levy of interest

1	2	3	4
299	Excise and Taxation	127	Results of Audit.
300	Excise and Taxation	128	State Excise Duty
301	Excise and Taxation	129	Loss of revenue due to re auction vends
302	Excise and Taxation	130	Short recovery of composite fee
303	Excise and Taxation	131	Non recovery of license fee and interest
304	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
305	Excise and Taxation	133	Interest not recovered
306	Excise and Taxation	134	Non recovery of penalties
307	Excise and Taxation	135	Assessments in arrears
308	Excise and Taxation	136	Uncollected Revenue
309	Excise and Taxation	138	Results of Audit.
310	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
311	Excise and Taxation	140	Under assessments due to short/ non levy of purchase tax
312	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
313	Excise and Taxation	144	Short levy of penalty
314	Excise and Taxation	145	Results of Audit
44th Report			
315	Public Health	3	Sub-Standard execution of work
316	Public Health	4	Recovery due from contractor
317	Public Health	6	Surplus materials
318	Public Health	8	Excess issue of materials
319	Irrigation	11	Extra expenditure due to defective lining
320	Irrigation	12	Surplus materials
321	Irrigation	14	Unnecessary purchase
322	Irrigation	17	Shortage of T&P articles
323	Irrigation	18	Extra expenditure due to change in design

1	2	3	4
324	Labour and Employment	20	Cost of sub-standard medicines not recovered
325	Social Welfare	21	Old Age Pension
326	Social Welfare	23	Payment of pension to ineligible persons
327	Social Welfare	26	Liberation of scavengers
328	Medical and Health	27	Family Welfare programme including India Population Project
329	Local Government and Housing	32	Financial outlay and expenditure
330	Local Government and Housing	33	Scheme of Employment through Housing and Shelter Upgradation (SHASU)
331	Rural Development	35	Non recovery of subsidy misutilised
332	Rural Development	36	Integrated Rural Development Programme
333	Town and Country Planning	38	Unfruitful Expenditure
334	Town and Country Planning	41	Functioning of State Planning Cell
335	Town and Country Planning	42	Idle investment
336	Town and Country Planning	43	Avoidable payment of interest
337	Printing and Stationery	44	Avoidable extra expenditure of bus tickets
338	Revenue	46	Mewat Development Board
339	Sports and Youth Welfare	47	Embezzlement of funds
340	Mines and Geology	48	Uncollected Revenue
341	Mines and Geology	49	Outstanding inspection Reports
342	Mines and Geology	50	Results of Audit
343	Mines and Geology	51	Short recovery of royalty and interest
344	Mines and Geology	52	Loss of revenue due to defective execution of lease deed
345	Mines and Geology	53	Short Calculation of interest
346	Mines and Geology	54	Uncollected Revenue
347	Mines and Geology	55	Outstanding Inspection Reports
348	Mines and Geology	56	Results of Audit
349	Mines and Geology	57	Non realisation of contract money and interest

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350	Mines and Geology	58	Non recovery of dead rent and interest thereon
351	Mines and Geology	59	Interest not charged on delayed payments
352	Mines and Geology	60	Uncollected revenue
353	Mines and Geology	61	Results of Audit
354	Mines and Geology	62	Non recovery of contract money and interest
355	Mines and Geology	63	Non recovery/Short recovery of royalty
356	Mines and Geology	64	Interest not charged
357	Revenue	65	Uncollected Revenue
358	Revenue	66	Uncollected Revenue (Land Revenue)
359	Revenue	67	Result of Audit
360	Revenue	68	Short levy of Stamp duty
361	Revenue	69	Under valuation of immovable property
362	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
363	Revenue	71	Irregular exemption of Stamp duty and registration fee
364	Revenue	72	Misclassification of instruments
365	Revenue	73	Uncollected Revenue
366	Revenue	74	Uncollected Revenue (Land Revenue)
367	Revenue	75	Fraud and evasion of taxes
368	Revenue	76	Results of Audit
369	Revenue	77	Short recovery of stamp duty on mortgage deed
370	Revenue	78	Irregular exemption of stamp duty
371	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
372	Revenue	80	Misclassification of instruments
373	Transport	81	Outstanding Inspection Reports

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374	Transport	83	Review on taxes on motor vehicles
375	Transport	87	Short realisation of registration fee/ transfer of ownership fee/hire purchase agreement fee
376	Transport	88	Short realisation of permit/counter signature fee
377	Transport	89	Results of Audit Permit/Counter signature fee
378	Transport	90	Short realisation of permit/ Counter signature fee
379	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
380	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
381	Prohibition Excise and Taxation	94	Results of Audit
382	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
383	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
384	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding crossverifi cations
385	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
386	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
387	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
388	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
389	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
390	Prohibition Excise and Taxation	103	Other points of interest
391	Prohibition Excise and Taxation	104	Non/short levy of purchase tax
392	Prohibition Excise and Taxation	105	Evasion of tax due to suppression of purchase
393	Prohibition Excise and Taxation	106	Results of Audit
394	Prohibition Excise and Taxation	107	Interest not charged

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395	Agriculture	108	Non recovery of purchases tax and interest
396	Agriculture	109	Non recovery of purchase tax and interest
397	Power	111	Uncollected Revenue
398	Power	113	Shortfall in statutory inspection of electrical installations
399	Power	114	Non-Reconciliation of treasury receipts
400	Irrigation	116	Under assessment of water charges
401	Irrigation	117	Irregular remission of special charges

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402	Home	4	Non recovery of charges in advance for deployment of police personnel
403	Housing	5	Infructuous expenditure
404	Housing	6	Loss owing to construction of houses on unapproved layout plan
405	Agriculture	7	Purchase of reverse rotary rig machine
406	Education	9	Improvement of science education in schools
407	PWD (B & R)	17	Other points of interest
408	PWD (B & R)	18	Extra expenditure
409	PWD (B & R)	21	Avoidable extra expenditure
410	PWD (B & R)	23	Surplus materials
411	PWD (B & R)	25	Short receipt of material
412	PWD (B & R)	26	Fictitious Adjustment
413	PWD (B & R)	27	Procurement of sub standard cement
414	Public Health	29	Unfruitful expenditure
415	Public Health	30	Outstanding Inspection Reports
416	Irrigation	33	Defective lining of Rhajuri distributary
417	Irrigation	34	Procurement of sub standard cement

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418	Animal Husbandry	35	Outstanding Inspection Reports/ Paragraphs
419	Haryana State Lotteries	36	Appointment of main stockists
420	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
421	Haryana State Lotteries	39	Outstandings against Sales Officers
422	Haryana State Lotteries	40	Other points of interest
423	Prohibition and Excise	41	Arrears in revenue
424	Prohibition and Excise	42	Results of Audit
425	Commercial Taxes	43	Arrears in revenue
426	Commercial Taxes	44	Arrears in assessment
427	Commercial Taxes	46	Outstanding inspection reports and audit observations
428	Commercial Taxes	47	Results of Audit
429	Commercial Taxes	48	Sales Tax Check Barriers
430	Commercial Taxes	50	Short levy of Purchases Tax
431	Commercial Taxes	51	Non/Short levy of interest and penalty
432	Commercial Taxes	52	Results of Audit
48th Report			
433	Rural Development	3	Implementation and Achievement
434	Agriculture	4	Arrears in revenue
435	Animal Husbandry	8	Frauds and evasion of taxes/duties
436	Animal Husbandry	9	Outstanding inspection reports and audit observations
437	Animal Husbandry	10	Results of Audit
438	Co operation	11	Arrears in revenue
439	Mines and Geology	14	Arrears in revenue
440	Mines and Geology	15	Outstanding inspection reports and audit observations
441	Public Health	16	Outstanding inspection reports and audit observations
442	P W D (B & R)	17	Outstanding inspection reports and audit observations
443	Industries	18	Outstanding inspection reports and audit observations
444	Transport	19	Outstanding inspection reports and audit observations

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445	Transport	20 (192)	Outstanding audit objections in Internal Audit
446	Transport	21	Results of Audit
447	Agriculture	22	Loss due to late showing of sun flower seed
448	Agriculture	23	Outstanding inspection reports/ paragraphs
449	Printing and Stationery	24	Infructuous expenditure
450	Food and Supplies	25	Extra expenditure
451	Housing	27	Avoidable liability of interest
452	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants
453	Education	29	Purchases without assessment of requirement
454	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
455	PWD (B&R)	32	Outstanding inspection reports
456	Excise and Taxation	33	Arrears in revenue
457	Excise and Taxation	34	Arrears in assessment
458	Excise and Taxation	35	Frauds and evasion of taxes/duties
459	Excise and Taxation	36	Outstanding inspection reports and audit observations
460	Excise and Taxation	37	Results of Audit
461	Excise and Taxation	39	Non/Short levy of tax
462	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
463	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
464	Excise and Taxation	45	Non levy of interest and penalty
465	Excise and Taxation	46	Results of Audit
466	Excise and Taxation	47	Non observance of internal control mechanism
467	Excise and Taxation	50	Short recovery of entertainments duty
50th Report			
468	Finance (Lotteries)	3	Printing of lottery tickets
469	Industries	4	Incentives to Industrial units

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470	Industries	5	Capital investment subsidy
471	Industries	6	Irregular release/nonrecovery of assistance
472	Social Welfare	8	Panjin Plants
473	Home (Jail)	9	Injudicious purchase
474	Finance (Lotteries)	10	Delayed transfer of receipts to Government account
475	Public Health	11	Rural water supply schemes
476	Public Health	12	Other points
477	Public Health	13	Recovery due from contractor
478	Public Health	14	Outstanding audit observations
479	Irrigation	15	Avoidable extra payment of land compensation
480	Irrigation	16	Defective Lining
481	Irrigation	18	Stores and Stock
482	Irrigation	19	Non fixation/Non sanction of Reserve Stock Limit
483	Irrigation	20	Tools and plants returns
484	Irrigation	21	Physical verification
485	Irrigation	22	Surplus materials
486	Revenue	23	Excess payment of grant
487	Town and Country Planning	24	Construction of Building and Roads by HUDA
488	Town and Country Planning	25	Construction of Building
489	Town and Country Planning	26	Test check of records relating to construction of roads
490	Town and Country Planning	27	Other points of interest
491	Town and Country Planning	28	Non recovery of compounding fee
492	Town and Country Planning	29	Avoidable payment of interest
493	Transport	30	Material Management and Inventory control
494	Transport	31	Loss on wreckers
495	Transport	32	Purchase of Sub standard tubes of butyl rubber
496	Transport	33	Excess consumption of tyre retreating material

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497	Transport	34	Avoidable payment of compensation
498	Transport	35	Avoidable payment of compensation and interest thereon
499	Forest	36	Generation of employment
500	Forest	37	Village wood lots
501	Forest	38	Alkali/saline land plantation
502	Animal Husbandry	42	Unfruitful expenditure on poultry marketing
503	Home	44	Unauthorised expenditure
504	Medical and Health	45	Unfruitful expenditure on TB ward
505	Social Welfare	46	Outstanding inspection reports
506	PW D (B&R)	47	Construction of Major Building including Staff Quarters
507	PW D (B&R)	48	Time overrun
508	PW D (B&R)	49	Execution of works without technical sanction of cost estimates
509	PW D (B&R)	50	Work progress control mechanism
510	PW D (B&R)	51	Quality Control
511	PW D (B&R)	52	Undue financial favour to the contractors
512	PW D (B&R)	53	Other points of interest
513	PW D (B&R)	54	Excess payment
514	PW D (B&R)	55	Fictitious debt to work
515	PW D (B&R)	56	Monitoring
516	PW D (B&R)	57	Reimbursement claims
517	PW D (B&R)	58	World Bank and Asian Development bank loan
518	PW D (B&R)	59	Physical targets and achievements
519	PW D (B&R)	60	Execution
520	PW D (B&R)	61	Release of advances not covered by agreement
521	PW D (B&R)	62	Non deduction of un conditional rebate and irregular payment to compensate income tax/sales tax deductions at source

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522	P W D (B&R)	63	Excess payment or price increase on diesel
523	P W D (B&R)	64	Under utilisation/idle machinery
524	P W D (B&R)	65	Irregular adjustment of expenditure
525	P W D (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
526	P W D (B&R)	67	Infructuous expenditure on construction of swimming pool
527	P W D (B&R)	68	Avoidable expenditure due to non observance of codal provisions
528	P W D (B&R)	69	Loss due to defect in enforcement of the agreement
529	Irrigation	70	Loss and avoidable extra expenditure due to non fulfilment of contractual obligations
530	Irrigation	71	Outstanding inspection reports
531	Public Health	72	Stores and Stock
532	Public Health	73	Blocking of Government Funds
533	Public Health	74	Non handing over of charge
534	Rural Development	75	Payment of wages
535	Rural Development	76	Quality Controls
536	Rural Development	77	Other points
537	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
538	Rural Development	79	Non recovery of misutilised subsidy
539	Town and Country Planning	80	Non levy of Penalty
540	Town and Country Planning	81	Non recovery of auction money
541	Town and Country Planning	82	Non transfer of developed sectors
542	Transport	83	Infructuous expenditure on printing of tickets
543	Transport	84	Avoidable payment of compensation and interest thereon
544	Transport	85	Avoidable payment of compensation
545	Transport	86	Avoidable payment of compensation due to delay in renewal of insurance policy

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546	Transport	87	Avoidable payment of compensation due to incorrect filing to affidavit before the tribunal
547	Foods and Supplies	88	Loss due to wrong charging of cost of gunny bags
548	General	90	Write off of losses etc
549	General	91	Final assistance to local bodies and others
550	Revenue	92	Arrears in revenue
551	Revenue	93	Frauds and evasion of taxes/duties
552	Revenue	94	Results of Audit
553	Revenue	95	Internal Audit
554	Revenue	96	Results of Audit
555	Revenue	97	Stamp duty and Registration Fees
556	Revenue	98	High Pendency of cases of undervaluation with Collectors
557	Revenue	99	Misclassification of instruments
558	Revenue	100	Short levy of stamp duty
559	Revenue	101	Pre audit of registrable documents
560	Revenue	102	Arrears in Revenue
561	Revenue	103	Frauds and evasion of taxes/duties
562	Revenue	104	Results of Audit
563	Revenue	105	Outstanding audit objections in Internal Audit
564	Revenue	106	Results of Audit
565	Revenue	107	Short recovery of stamp duty on mortgage deed
566	Revenue	108	Evasion of stamp and registration fees through power of attorney
567	Revenue	109	Evasion of Stamp Duty
568	Chief Electrical Inspector	110	Arrears in revenue
569	Transport	111	Results of Audit
570	Mines and Geology	112	Results of Audit
571	Mines and Geology	113	Non recovery of interest for late deposit of contract money
572	Co operation	114	Arrears in revenue

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573	Animal Husbandry	115	Frauds and evasion of taxes/duties
574	Excise and Taxation	116	Arrears in revenue
575	Excise and Taxation	117	Arrears in assessment
576	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
577	Excise and Taxation	119	Under assessment
578	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
579	Excise and Taxation	121	Under assessment
580	Excise and Taxation	122	Under assessment
581	Excise and Taxation	123	Under assessment
582	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
583	Excise and Taxation	125	Non short levy of purchase tax
584	Excise and Taxation	126	Results of Audit
585	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
586	Excise and Taxation	128	Low yield of spirit
587	Excise and Taxation	129	Loss of spirit due to re distillation
588	Excise and Taxation	130	Non recovery of excise duty where verification reports are not received
589	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
590	Excise and Taxation	132	Other points of interest.
591	Excise and Taxation	133	Interest short charged
592	Excise and Taxation	134	Short realisation of composite fee
593	Revenue	135	Results of Audit
594	Revenue	136	Short levy of stamp duty due to misclassification of instruments
595	Revenue	137	Arrears in revenue
596	Transport	138	Results of Audit
597	Mines and Geology	139	Arrears in revenue
598	Mines and Geology	140	Results of Audit

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599	Agriculture	141	Arrears in revenue
600	Agriculture	142	Results of Audit
601	Agriculture	143	Non recovery of purchase tax and Interest
602	Irrigation	144	Results of Audit
603	Irrigation	145	Short recovery of water charges
604	Finance (Lotteries)	146	Results of Audit
605	General	147	✓ Outstanding inspection reports and audit observations
606	General	148	Recoveries of interest of Loans and Advances

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