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HARYANA VIDHAN SABHA

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PUBLIC ACCOUNTS COMMITTEE

(2002-2003)

(FIFTY FOURTH REPORT)

REPORT

ON THE

REPORT OF THE

Comptroller and Auditor General
of India for the year ended
31st March, 1998

(CIVIL AND REVENUE RECEIPTS)



Presented to the House on 14th March 2003

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
2003

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2002 – 2003)**

CHAIRPERSON

- 1 Shri Nafe Singh Rathr

MEMBERS

- 2 Smt Veena Chhibbar
3 Shri Chander Mohan
4 Shri Dharambir
5 Shri Jai Parkash Gupta
6 Shri Ram Bhagat
7 Shri Pawan Kumar Diwan
8 Shri Balwant Singh Maina
9 Sardar Nishan Singh

SECRETARIAT

- | | | |
|---|-------------------|-----------------|
| 1 | Shri Sumit Kumar | Secretary |
| 2 | Shri Kuldip Singh | Joint Secretary |

INTRODUCTION

1 The Chairperson of the Public Accounts Committee having been authorised by the Committee in this behalf present this Fifty Fourth Report on the Report of the Comptroller and Auditor General of India for the year ended 31st March 1998 (Civil and Revenue Receipts)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 1998 Civil was laid on the Table of the House on 15th November 1999 and Revenue Receipts on 5th February 1999

3 The Committee during its tenure examined the Report of the Comptroller and Auditor General of India for the year ended 31st March 1998 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 projects units and schemes of Irrigation Public Health Industries Agriculture and Social Welfare Departments

4 The Committee considered and approved this Report at their sittings held on 11th 18th and 27th February 2003

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

6 The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to the 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 27th February 2003

NAFE SINGH RATHI
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 18th March 2002 to nominate the Memebbers of the Committee on Public Accounts for the year 2002 2003 on 3rd April 2002

2 The Committee held 87 meetings in all at Chandigarh and other places upto 27th February 2003

Part- I (Civil)

ANIMAL HUSBANDRY DEPARTMENT

[3] 3 1 Working of Animal Husbandry Department

3 1 1 Introduction

The Animal Husbandry Department aims at the genetic improvement of milch animals provision of improved and balanced feed and fodder and to ensure proper health cover for the milch and other animals including poultry piggery sheep etc During 1995-98 the department was implementing 98 schemes out of which 12 were Centrally Sponsored and the rest were funded by the State Government

3 1 2 Organisation Set Up

Commissioner and Secretary to the Government of Haryana Animal Husbandry Department was responsible (at Secretariat level) for ensuring the implementation of the policy decisions plan programmes and other schemes of the Government by the Animal Husbandry Department Director was the Head of the Department as well as Controlling Officer

At District level there was one Deputy Director Animal Husbandry to supervise the implementation of various programmes schemes activities in the field at sub division and village level Besides there was one State Cattle Breeding Project Hisar one Government Live Stock Farm Hisar one Seed Farm Hisar one Veterinary Vaccine Institute at Hisar

3 1 3 Audit coverage

Some aspects of the working of the department and the field formation including Directorate of Animal Husbandry for the period 1995-96 to 1997-98 were reviewed through test check of records in the Directorate of Animal Husbandry and offices of 30 Drawing and Disbursing Officers (DDOs) including the records of 78 Hospitals 113 Civil Veterinary Dispensaries 30 Stockman Centres one State Cattle Breeding Project one Seed Farm and one Government Live Stock Farm in 8 districts (out of 78 DDOs in 19 districts of the State) from October 1997 to May 1998 Of the total 98 schemes 8 State schemes and 4 Centrally sponsored schemes were test checked About 23 per cent of the total expenditure was covered under test-check The audit findings are discussed in the succeeding paragraphs

3 1 7 Non-submission of detailed contingent bills

Director drew Rs 6.58 crore on Abstract Contingent (AC) bills during 1995-98 but did not submit detailed contingent bills

Director had drawn Rs 6.58 crore on 145 Abstract Contingent (AC) bills during 1995-96 to 1997-98 from Haryana Treasury Chandigarh as indicated below but Detailed Contingent (DC) bills in gross violation of rules were not submitted to Accountant General (A&E) as of August 1998 for adjustment of AC bills

* Ambala, Fatehabad Hisar Jhajjar Karnal Panchkula Rohtak, and Yamunanagar

Year	Amount drawn	Purpose of drawal	(Rupees in lakh)
1995-96	121.27	Purchase of	
		Medicines	31.04
		Equipment	59.18
		Fodder/Feed	19.91
		Miscellaneous	11.14
			121.27
1996-97	418.43	Medicines	128.21
		Equipment	42.23
		Fodder/Feed	1.85
		Miscellaneous	246.14
			418.43
1997-98	118.29	Medicines	109.24
		Miscellaneous	9.05
Total	657.99		118.29

Director failed to exercise any checks to ensure adjustment of advances as no register of advances was maintained by the department during 1995-96 to 1997-98. Inordinate delay in submission of detailed bills raises doubt about the genuineness of utilisation of funds. The matter should be investigated by the Government to fix responsibility for this lapse.

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

1. Under Sr No. 1 of the Rule 19.6 of P.F.R. Volume-I Part-I the Head of the Department is competent to sanction/drawal a sum of Rs. 30,000/- (each Drawing & Disbursing Officer) for Non recurring expenditure.
2. Under Sr No. 125A rule 19.6 of P.F.R. Vol. I Part-I the Head of Department is competent (Full powers) to sanction/drawal to the extent of budget available under the above said rule. Director Animal Husbandry Haryana has been drawing funds from the contingent charge/abstract contingent (AC) bills for each order which have already been shown/produced to audit. However these sanctions/record will be shown at the time of next audit or as and when required.

In this regard the statement showing details of A.C. Bills were not previously followed by D.C. Bills/adjustment bills for the year 1995-96 to 1997-98. Major head 2403-Animal Husbandry State Head 2245 amounting to Rs. 6.58 crores except 19497/- alongwith reason has already been sent to A.G. Haryana Chandigarh vide this office letter No. 2109 dated 18-5-98. Now the procedure as suggested by A.G. (Audit) a register for adjustment of advance has been started from 1998-99 onwards. The Detailed Contingent bills/adjustment bills for the whole amount of Rs. 6.58 crores except Rs. 19497/- have been submitted.

During the course of oral examination, the Committee desired the details of yearwise expenditure in regard to purchase of medicines equipment and fodder seed during 1995-96, 1996-97 and 1997-98 amounting to Rs 6.58 crore alongwith the items and name of the firms, but the desired information has not been received till the drafting of the report

The Committee recommends that desired information be sent to the Committee within two months positively

[A] 3.1.10 Breeding Programme

State Cattle Breeding Project

There was a shortfall in providing fodder and feed to the herd strength at State Cattle Breeding Project Hisar by 32 to 41 per cent and 29 to 64 per cent respectively during 1995-98

State Cattle Breeding Project Hisar was set up in 1974 with the main object of producing good quality exotic bulls to meet their demands from within the State and also to supply bulls to other states in India for cross breeding of indigenous cows with exotic breeds. During 1995-96 to 1997-98 Rs 7.12 crore were spent on the project while income from sale of bulls milk fodder etc. was Rs 0.55 crore

(i) Inadequate feeding of herd

The quantities of fodder and mineral concentrate ration (MCR) required and actually provided to the cattle under the Project during 1995-96 to 1997-98 was as indicated below

Year	No. of Cattle at year end	Fodder			Feed mineral concentrate ration (MCR)		
		(a) Requirement	(b) Actually provided	(c) Short feeding	(a) Requirement	(b) Actually provided	(c) Short feeding
		(In thousand quintals)			(In quintals)		
1995-96	607	115	73	42	3830	1535	2295
1996-97	624	122	72	50	4135	1475	2660
1997-98	653	125	85	40	4045	2856	1189

Shortfall in fodder given to cows in milk during 1995-96 to 1997-98 ranged between 32 and 41 per cent and in feed ranged between 29 and 64 per cent

The Project Director stated (September 1998) that the shortfall in supply of fodder and mineral concentrate ration to the herd was due to insufficient production of fodder at the Project. He admitted that lack of optimum level of nutrition resulted in weakness, debility and reduced weight at birth making them prone to various infections leading to their increased death rates

(ii) Deep freezing of semen

Two liquid nitrogen gas (LN2 gas) plants installed in 1980 at the Project had the capacity of providing 6 litres of liquid nitrogen gas per hour. Both these plants remained out of order during 1995-98 and could not be repaired for want of spares. The production of liquid nitrogen

gas therefore was nil during 1995-96 and negligible thereafter i.e. 0.3 litre per hour during 1996-97 and 0.7 litre per hour during 1997-98. To meet the requirement of LN2 gas for deep freezing of collected semen the Project purchased 53,923 litres of LN2 gas from the market at an expenditure of Rs. 4.86 lakh (up to December 1997).

(iii) Milk production

Dairy Section of the Project had 94 to 132 average number of cows in milk during 1994-95 to 1996-97. A scrutiny of annual progress reports of the Project revealed that average milk yield at the Project declined from 2,549 litres per cow per annum in 1994-95 to 2,181 litres in 1996-97. However, in the year 1997-98, the milk yield increased to 2,693 litres per cow. Decline in average milk yield during 1994-97 was attributable as per department mainly to providing feed and fodder concentrate ration to cows in lesser quantities than required as discussed in sub para (i) above.

The Project Director stated (September 1998) that the performance of the Project had suffered mainly due to allotment of less budget and non replacement of worn out farm machinery. The Project Director further stated that there was no monitoring staff (except one Programme Assistant) posted at Project and hence the Project was not monitored.

Thus, the failure to increase the number of calves born, low level of artificial insemination, failure to provide adequate fodder and feed to the cattle and the decline in the yield of the cows indicated all round mismanagement and failure in monitoring of the programme. The matter should require investigation and necessary follow up action to improve the situation.

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

In reply to para 1, it is stated that primary objective of the project has been to supply the outstanding germplasm of exotic and cross bred cows not only within the State but in other parts of the country as well and thus, this being a developmental activity, the income over expenditure always is expected to be less and so was the case during the years under report i.e. 1995-96 and 1996-97. However, keeping in view the significance and its contribution in cattle development of the State is concerned, it has never been funded to the expectation/demand of the department. Although we had been providing fairly good genetic material over the years, certainly there seemed to have been lacking as far as providing better environment is concerned and that too primarily has been because of availability of insufficient funds.

However, reply to the para is being furnished hereunder –

(ii) The achievement exceeded the targets provided during these years. Hence, no comments.

(iii) Undoubtedly, there has been some downfall in average milk production but the reason has been explained by the Review Party itself in Para C that there were shortfall in the fodder and feed given to the cows in milk during the review period. This shortfall in the availability of green fodder and feed was due to unavoidable reasons like shortage of tractors and other farm implements as well as rapid increase in the cost of concentrate feed that was to be supplied to the farm animals.

The Committee recommends that stringent measure be adopted to improve the level of nutrition of the cattle and also to improve the breed of milch animals so as to increase the milk yield in the state.

[5] 3 1 11 Fodder and Feed Development Programme

(a) Fodder and Seed Production

At Seed Farm Hisar shortfall in fodder seed production ranged from 25 to 31 per cent during 1995-98

The department undertook 6 schemes under the Fodder and Feed Development Programme and incurred an expenditure of Rs 7 74 crore during 1995-96 to 1997-98

To popularise green fodder amongst farmers and providing good quality fodder seed the department established a Seed Farm at Hisar with a total area of 700 acres of which an area of 636 acre was under cultivation. The department did not fix production targets of green fodder during the above period. Targets and achievements of fodder seed production and actual production of green fodder of the farm were as under —

Year	Fodder Seed			Fodder
	(a) Targets	(b) Achievements	(c) Percentage of shortfall	
(In quintals)				
1995 96	2 500	1 887	25	7 611
996 97	2 500	1 925	23	8 682
1997 98	2 500	1 729	31	5 284
Total	7 500	5 541		21 577

Shortfall towards achievement of fodder seed production ranged between 25 and 31 per cent during 1995 98. The reasons for shortfall were attributed by the Superintendent Seed Farm Hisar to non availability of proper farm machinery, fund constraints and unfavourable weather conditions. Reply was neither specific nor supported by any documentary evidence and hence not reliable.

(b) Less harvesting of sown area

During 1995 96, 1996-97 and 1997 98 Government Live Stock Farm Hisar (Sectors I & II), State Cattle Breeding Project Hisar and Seed Farm Hisar sown 5 337 5 acre, 1 963 5 acre and 4 427 5 acre area under various crops against which 3 791 acre, 1 545 5 acre and 3 223 5 acre area respectively was harvested. Thus 1 546 5 acre, 418 acre and 1 204 acre area was less harvested during 1995 96, 1996 97 and 1997 98 respectively.

Reasons for less harvesting of cropped area were neither asked for by the Director nor intimated by the concerned Farms/Projects to the Director, Animal Husbandry Department. Though the annual progress reports were submitted to the Director during 1995 96 to 1997 98, he failed to enquire and examine the reasons for low harvesting.

Taking an average per acre yield of 60 quintals for green fodder (obtained at Seed Farm Hisar), production of 1 90 lakh quintals of green fodder was expected from the unharvested area during 1995-96 to 1997 98. Based on the average market rate of Rs 40 per quintal, the loss worked out to approximately Rs 76 lakh. The Project Director, State Cattle Breeding Project Hisar, the Superintendent, Seed Farm Hisar and the Superintendents, Government

Live Stock Farm Hisar attributed (September 1998) short harvesting to only vague and general reasons like damage/destruction by heavy rains drought hail storms etc

The reply was not tenable as it did not clarify the specific reasons of low harvesting of 1 546 5 acre 418 acre and 1 204 acre area during 1995-96 1996-97 and 1997-98 respectively. Since there was nothing on record to show that loss of crops due to natural factors were surveyed or estimated possibility of unauthorised harvesting and its exclusion from accounts cannot be ruled out. The huge loss of the Project was not investigated and responsibility fixed. Government needs to do the same.

(c) Decline in crop yield

Per acre yield of various crops at Government Live-Stock Farm (GLF) State Cattle Breeding Project (SCBP) Hisar and Seed Farm Hisar was less than the production norms fixed by Chaudhary Charan Singh Haryana Agricultural University (CCSHAU) Hisar for the State.

Against the expected total production of 34 63 lakh quintals of fodder (33 85 lakh quintals) and fodder seed (0 78 lakh quintals) as per CCSHAU production norms during 1995-98 actual production was 10 39 lakh quintals (fodder 10 24 lakh quintals and fodder seed 0 15 lakh quintals) 30 per cent. Loss due to short yield of fodder 23 61 lakh quintals and fodder seed 0 63 lakh quintals was Rs 15 88 crore.

The Superintendent GLF Hisar Seed Farm Hisar and the Project Director SCBP Hisar attributed (September 1998) the decline in crop yield to non supply of fertilizers and pesticides according to norms and absence of proper farm machinery. The reply indicated that the Director did not take timely action to investigate the reasons and to arrest the decline. No responsibility was fixed for the huge loss due to low production.

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

(a) As far as reply to Para 3 1 11 is concerned this again broadly comes under the provision of necessary overall environments to the livestock for which necessary/adequate input is essential and as far as the shortfalls in the seed production is concerned this was again due to less availability of input like fertilizers machinery man power other than natural calamities including severe floods of 1995-96 which had badly affected the project under report as well. As shown in reply to para 12(b) and 12(c) below there had been heavy rains in 1995-96 due to which large area sown for producing fodder seeds could not be harvested as either it got destroyed even before germination or due to water logging. Due to repeated rains there were excessive vegetative growth thereby reducing the crop yield.

3 1 11 (b & c) As far as reply to para 3 1 11 (b & c) is concerned the necessary records as asked for have already been submitted to your office in the month of September 1998. In this particular observation it seems that this has primarily been because of the criteria taken in the report for fodder production is different that what is that actually in practice i.e. the production of Rabi and Kharif in a particular given year is taken as the total crop production of that particular year in that cut off financial date we normally calculate. For convenience the reports are again enclosed and it is vehemently made clear that wherever there has been any decline in the production that has been primarily

been again due to financial constraints and as far as the record to total year sown harvested etc is made there is no discrepancy whatsoever

(b)(ii) As indicated above that the decline whatever observed has primarily been because of poor funding pattern and straightway comparing the production of Chaudhry Charan Singh Haryana Agricultural University Hisar vis a vis State Cattle Breeding Project Hisar is like comparing apples and oranges. Since not only the objectives of the two institutions differ but certainly funding pattern as well.

After hearing the departmental representatives the Committee is not satisfied with the reply of the department. The Committee observed that a suitable system should be evolved to improve the fodder and seed production and to increase the yield.

The Committee also desired to know as to whether there be any loss worked out after taking Rabi and Kharif Crops together as total production during the year 1995-98. The said report be sent to the Committee within a period of two months.

[6] 3 1 12 Poultry Development Programme

(a) Supply of chicks/broilers to poultry breeders

At State Hatchery Rohtak not a single chick was hatched during 1995-98 though Rs 38 lakh were spent on staff salaries etc during this period.

Under the Poultry Development Programme there were 3 schemes against which Rs 1.96 crore were spent during 1995-96 to 1997-98. The department was maintaining one Poultry Farm at Ambala and 3 State Hatcheries at Bhiwani, Hisar and Rohtak with the object of producing improved female chicks/broilers for supplying the same to the poultry breeders on subsidised rates. The targets and achievements of these Farm/Hatcheries in terms of supply of chicks/broilers were as under :-

Sr No	Name of Unit Poultry Farm/Hatchery	1995-96		1996-97		1997-98	
		Target	Achievement	Target	Achievement	Target	Achievement
(Figures in lakh)							
1	Ambala	0.80	0.78	0.40	0.26	0.40	0.41
2	Bhiwani	0.20	0.26	0.40	0.24	0.20	0.23
3	Hisar	0.20	0.19	0.40	0.20	0.20	0.18
4	Rohtak	0.20	nil	0.20	nil	0.20	nil

A scrutiny of records of State Hatchery at Rohtak revealed that the Hatching Plant comprised 2 incubators of the capacity of 27,000 eggs each and 2 Hatchers with the capacity of hatching 9000 eggs each. Though Rs 38 lakh were spent on pay and allowances etc of the staff for running the unit during 1995-96 to 1997-98 not even a single chick was produced. The Assistant Director Hatchery Rohtak replied (November 1998) that due to insufficiency of budgetary provision the birds kept at the hatchery were not sufficient to run the hatchery in an economical way during this period.

(b) Marketing of eggs

During 1995-98 at egg marketing unit Ambala there was no egg collection whereas at Karnal the shortfall in egg collection was 33 to 63 per cent. At egg marketing Rohtak egg collection was only 6 per cent of the target.

To help poultry breeders in the sale of their product of eggs and culled birds the department set up five egg marketing units at Ambala, Gurgaon, Karnal, Rohtak and Yamunanagar. Physical targets and achievements towards collecting/marketing of eggs by these units during 1995-96 to 1997-98 were as under:

Name of District	1995-96		1996-97		1997-98	
	Target	Achievement	Target	Achievement	Target	Achievement
(Number in lakh)						
Ambala	0.50	nil	0.50	nil	0.50	nil
Gurgaon	7.00	6.70	7.00	7.30	7.00	7.65
Karnal	7.00	7.92	7.00	4.69	5.0	1.83
Yamunanagar	7.00	18.24	7.00	27.28	10.00	22.51
Rohtak	1.00	0.15	0.20	0.25	5.00	nil
Total	22.50	33.01	21.70	39.52	27.50	31.99

There was no collection of eggs at Ambala unit during 1995-98 whereas at Karnal unit the shortfall was 33 per cent during 1995-98 whereas at Karnal unit the shortfall was 33 per cent during 1996-97 and 63 per cent during 1997-98.

The concerned Project Officer Ambala and Karnal attributed the failure in collection of eggs to non-repair and non-availability of vehicles.

At Rohtak unit against the target of collecting 6.20 lakh eggs only 6 per cent of the target was achieved while Rs. 14.83 lakh were spent during 1995-98 on staff salaries, POL, contingencies, etc. The Marketing Officer Rohtak attributed this slow progress during 1995-96 to floods and absence of poultry marketing activities during 1997-98 due to non-supply of vehicles by the Director Animal Husbandry Department.

The above position indicated that Project was mismanaged and the staff was not utilised for alleged want of vehicles. Director failed to take action to ensure necessary improvement in egg collection.

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

Para 3.1.12 Poultry development programme

At the outset the observation made by the audit are correct to certain extent and the Department is fully aware of the situation. In this context we have already taken a conscious decision wherein the present set up of various hatcheries in the State are to be changed and the decision of the Department already stands submitted to the Govt. for final consideration. It is further made clear that henceforth once the decision is received from the Govt. these hatcheries would be serving more of a techno-regulatory role than running as per their objectives in the past.

Targets and achievements of Poultry Hatchery Ambala shown in the table do not appear realistic as during 1995-96 the targets were 0.80 lacs and achievement was

0.78 lacs. Similarly during 1997-98 the achievement was 0.41 lacs and not 0.06 lacs against the target of 0.40 lacs.

The achievement in Bhiwani and Hisar have been good except in 1996-97 because the present stock for getting eggs for hatching has to be reared in the previous year which could not be done due to rains in 1995-96.

Regarding Rohtak it is obvious that the floods of 1985 caused havoc and the present stock as well as the sheds got completely damaged and it could not be revived in the coming couple of years. However the work has been started but still shortage of budget for all the Poultry Hatchery is forming obstacle due to speedy rise in the cost of feed and thereby overall rise in the rearing cost.

So far as marketing of eggs is concerned this is to be done by District Poultry Co-operative Societies. The Department has been rendering help to these societies in the past two years. Now the societies are doing it at their own. Only at Rohtak Egg & Poultry/Marketing Officer is looking after this job but for the reasons already explained there have been shortfalls.

After hearing the departmental representatives the Committee is not satisfied with the performance of some of the hatcheries. The Committee observed that this all happened due to laxity of staff and mismanagement. The Committee therefore, desired that the matter be investigated and action be initiated against the official/officers posted at these hatcheries and particularly at State hatchery Rohtak where not a single chick was hatched during 1995-98 against the targets of 60,000 chicks and a sum of Rs. 38 lakh were spent on staff salaries and allowances. The report in this regard be sent to the committee within a period of three months.

[7] 3.1.14 Implementation of Centrally sponsored schemes

Machinery and equipment worth Rs. 2.02 crore purchased under two Centrally sponsored schemes were lying idle during 1995-98.

Government of India (G.O.I.) released Rs. 5.41 crore for the implementation of three Centrally sponsored schemes up to 1997-98 to the Animal Husbandry Department. Details of actual expenditure on these is given below —

Sr No	Name of Scheme	Central assistance received upto 31st March 1995	Central assistance received during 1995-96 to 1997-98	Total	Expenditure incurred during 1993-94 to 1997-98	Un spent balance
(Rupees in crore)						
1	National Bull Production Programme	1.86	1.73	3.59	3.56	0.03
2	Extension of Frozen Semen Technology	1.27	0.24	1.51	1.57	(-) 0.06
3a	Establishment of Demonstration Centres at Pundri	—	0.21	0.21	0.18	0.03
b	Holding of Block level shows	—	0.10	0.10	0.05	0.05
Total		3.13	2.28	5.41	5.36	0.05

Following points were noticed

(i) National Bull Production Programme

National Bull Production Programme a 100 per cent Centrally sponsored scheme for development of indigenous cattle was launched in the State in 1993-94. The Programme was to be implemented by State Cattle Breeding Farms and Gaushalas.

Government of India released Rs 3.59 crore during 1993-94 to 1997-98 under the programme.

(c) Director drew Rs 1.10 crore from Chandigarh treasury in March 1997 for disbursement as grant in aid to 22 registered Gaushalas in the State for the implementation of National Bull Production programme. The amount was not promptly disbursed and deposited in April 1997 in the Personal Ledger Account (PLA) of the Chief Superintendent Government Live Stock Farm, Hisar. Ultimately Rs 91 lakh were disbursed during November 1997 and September 1998 and balance of Rs 19 lakh was lying unutilised. Due to delay in release of grants to Gaushalas, the progeny testing on herds in selected breed of cows like Sahiwal, Hariana, etc. kept at Gaushalas was also delayed.

(d) A Liquid Nitrogen Plant purchased (November 1995) for Rs 44.77 lakh under the scheme National Bull Production Programme was lying idle due to inadequate power supply. Department failed to release funds for laying underground feeder cable to the Board. As a result, the Plant installed (November 1995) at the State Cattle Breeding Farm, Hisar was non-functional and the requirement of liquid nitrogen gas worth Rs 4.85 lakh was met from 1995-96 to January 1998 from other sources.

(ii) Establishment of National Demonstration Centres and organisation of training for staff and farmers

Under this scheme Government of India (GOI) released (March 1996) Rs 21.10 lakh to the State Government for organising training programmes for field staff and farmers in piggery and poultry activities. Though department spent Rs 18.39 lakh during 1996-98, no training was imparted as of May 1998. Deputy Director (AH) intimated (March 1998) that since construction work of extension centre was not started, no person could be trained.

(iii) Extension of frozen semen technology scheme

A mention of about the delay in starting this scheme had been made in the Report of the Comptroller and Auditor General of India for the year ended 31st March 1996 (Civil) Paragraph 3.4. A check of records of the scheme revealed that the status of the Project remained as it was. Under this scheme, Central assistance of Rs 1.27 crore was released (January 1994) by GOI to the State Government for setting up of frozen semen bull station at Fatehpur Pundri (Kaithal). The department spent Rs 1.32 crore (March 1997) on machinery and equipment but the construction of bull station had not been started (May 1998) due to a land dispute.

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

In reply to para 14 of the audit observations, it is stated that the four schemes mentioned therein were all 100% Centrally Sponsored schemes and are of paramount significance to the Department. Although majority of funds provided under the programmes have already been utilized, some amount is still lying in the form of RTRs and PLAs.

primarily due to some unavoidable reasons like that (i) an amount of Rs 0 29 crores is lying at the Directorate in the form of RTR because of non supply of some of the items for which orders were placed in time (ii) regarding the amount of Rs 0 24 crores in the shape of PLA it is stated that part of it has already been released and part of it is being released since it was kept for a noble cause to encourage various Goshalas to undertake ECO friendly programme i.e. installation of Gobar Gas Plants which was as per the exclusive directions of the Hon'ble Chief Minister Haryana and (iii) as far as the amount meant for P.W. Department to the tune of Rs 3 5 crores is concerned it has primarily been because certain techno administrative reasons. Now not only the site has been finalised but its structural designs have been approved and work is going to start in due course of time (iii) Under this Programme farmers and the staff involved in various livestock and developmental programmes were to be trained for the infrastructure in terms of building vehicle and other equipment etc. was to be procured. As far as training in sheep and pigs are concerned this has already been undertaken. However training in dairy and poultry could not be started because of infrastructure (Building) could not be constructed due to certain dispute pending in the court. This being a matter which is beyond the scope of the Department. Now it has been decided to tentatively shift this programme to some other suitable place so that the other infrastructure including vehicle and machinery could have been properly utilized in the current financial year onwards.

(iii) (a) As indicated in the draft report of audit this point has already been included in the CAGs report for the year ending 31st March 1996 in para 3 4. Reply to this para has already been given.

Although the Department has taken all necessary steps in this direction by depositing an amount to the tune of Rs 7 3 lacs to the Haryana State Electricity Board in May 1992, however there has been an undue delay on the part of the Haryana State Electricity Board in spite of taking up the matter at the personal level. The efforts are being made to get the issue settled and Haryana State Electricity Board has asked for more money for which revised estimate has been asked for from Haryana State Electricity Board.

During the course of oral examination of the departmental representatives the Committee desired to have some information in regard to purchase of tractors, details of expenditure of 18 39 lakh incurred on the Establishment of Notional Demonstration Centers and Organization of Training for staff and farmers and also detailed reply in regard to extension of frozen semen technology but the desired information is awaited till the drafting of report.

The Committee, therefore, recommends that desired information be supplied within one month, thereafter the Committee would like to visit/inspect the cattle breeding farm at Hisar in near future.

[8] 3 1 17 Opening of veterinary dispensaries without requisite staff

200 new veterinary dispensaries opened in 1990 91 without sanction of any post of VLDAs to run these dispensaries.

Against a proposal for opening of 200 new veterinary dispensaries on the assurance that the work in these dispensaries would be managed by deploying staff from nearby institutions.

out of the existing strength Government accorded (March 1991) sanction for opening of 200 dispensaries with only 35 posts each of sweeper and water carrier and with a provision of medicines worth Rs 14 lakh only In April 1994 the department asked the Government to sanction 200 posts each of VLDAs water carriers and sweeper-cum chowkidars as running of of dispensaries was not possible without staff

The department also stated (February 1997) that the staff diverted to these dispensaries did not take interest to run them properly as their salaries were drawn from places other than the places of their actual posting Working of dispensaries from where VLDAs were diverted also got affected Sanction for required staff had not been accorded by the Government as yet (May 1998)

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

Owing to the over pressing public demand and in the larger interest of the livestock in Haryana 200 new Veterinary Dispensaries were got sanctioned during the year 1991-92 Taking into consideration the extra burden on State exchequer the Department agreed to make only temporary arrangement of staff for these dispensaries by deployment from neighbouring institutions This was only a stop-gap arrangement to be made for the remaining few months of that financial year The Department has been made its strenuous efforts since then to get necessary staff sanctioned for these dispensaries the last correspondence with the Govt having been made vide Memo No 4099-P3 dated 11-6-99 in this regard

In Hisar district along 26 Civil Veterinary Dispensaries were opened out of 200 dispensaries sanctioned by the Govt in March 1991 without staff which were to be managed by deploying staff from nearby institutions out of the existing strength In spite of all the financial constraints coupled with insufficient funding of the Department 11 Veterinary and Livestock Development Assistants are drawing their salary from other districts in larger public interest However efforts are being made to get the posts for these 200 dispensaries sanctioned with a result of which this type of arrangement will go off

After hearing the departmental representatives the Committee desired that latest position of the staff in the newly opened 200 veterinary dispensaries be supplied to the Committee

[9] 3 1 18 Outstanding inspection reports/paragraphs

(a) Audit observations of financial irregularities and defects noticed in the initial accounts and records noticed during local audit and not settled on the spot were communicated to the concerned Heads of Offices and next higher authorities through inspection reports (IRs) A review of the pending IRs relating to Animal Husbandry Department revealed that action towards clearance/settlement of 200 paragraphs contained in 64 inspection reports (issued up to December 1997) was pending as detailed below –

Year of Inspection	Number of	
	(a) R	(b) Paragraphs
1995 96	25	70
1996 97	30	96
1997 98 (issued up to December 1997)	9	34
Total	64	200

Of these 64 IRs even the first replies were not received in audit (as of June 1998) to 43 IRs containing 134 paragraphs from 34 DDOs. The delay in replies ranged for more than two year in 16 cases one to two years in 17 cases and six months to one year in 10 cases. Director failed to ensure that the DDOs furnish replies timely to the Audit observations.

Important irregularities highlighted in these IRs fall under the following categories

Sr No	Nature of irregularities	Number of Paragraphs
1	Irregular purchase of stores	16
2	Excess/overpayments	39
3	Non-disposal of unserviceable/surplus store articles	4
4	Amount held under objection for want of actual payees receipts	24
5	Irregularities in accounting of stores	3
6	Loss/detrachations/mis-appropriations/theft of stores	22
7	Irregular/excess and wasteful expenditure towards wages/salaries/TA and leave travelling concessions etc	42
8	Amount recoverable	9
9	Non-receipt of utilisation certificates	6
10	Miscellaneous irregularities	35
	Total	200

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

Although every effort has been made to settle various outstanding paras reported in the various audit observations in the past and many of them already got settled and reply to most of the outstanding paras reported in the audit under report have already been submitted and fresh instructions to all the Drawing & Disbursing Officers vide letter No 22710-90 dated 7 10 1998 have already been issued in this direction so that consolidated reply again may be submitted in a committee recently constituted by the Chief Secretary Haryana vide his letter No 22/1/97 7 B&C dated 18 8 1998. It is worthwhile to mention here that since the D.A.G. himself is the convenor of this committee most of the paras are likely to be settled in due course of time.

The Committee after hearing the departmental representatives recommends that outstanding paras/inspection reports be settled with the A.G. (Audit), Haryana and report be sent to the Committee within three months.

[10] 3.1.19 Monitoring and evaluation

In the meeting of the Deputy Directors held in September 1996 under the chairmanship of the Commissioner and Secretary to the Government of Haryana Animal Husbandry Department every officer at district level was asked to inspect veterinary institutions under their charge and submit a detailed evaluation report of the activities undertaken by them every month. Scrutiny revealed that none of the officers from the districts submitted such reports to the Directorate during 1996-97 to 1997-98. Thus the Commissioner and Secretary failed to ensure that the necessary reports on inspections are obtained. In view of the gross mismanagement and failure detected during audit such action was urgently called for as the failure of the Secretary contributed to the mismanagement of the department.

3 1 20 Conclusion

The Review highlights the deficient programme management and inadequate monitoring of the various schemes including the Centrally Sponsored Schemes by the Government. Budgetary estimates were deficient and expenditure control systems were ineffective. The Director did not submit detailed bills for Rs 6 58 crore for purchase of medicines, equipment, fodder/feeds and this needed investigation. Production of green fodder was short, achieved to the extent of 25 to 31 per cent. Short yield of fodder and fodder seed in the Government Live Stock farm and seed farms caused huge loss of Rs 16 crore in 3 years. The Artificial Insemination Programme was mismanaged and essential equipment etc. etc. not provided adequately to veterinary institutions/ dispensaries. There was no production of chicks/broilers in the state hatchery and marketing/collection of eggs was negligible. Female calves were grossly underfed. Machinery and equipment purchased for two Centrally Sponsored programmes were lying idle. Two hundred veterinary dispensaries did not have requisite staff and were non-functional. Secretary to the Government failed to ascertain the actual condition of the veterinary institutions from the departmental officers and initiate corrective actions.

These points were referred to the Government in August 1998, their reply had not been received (November 1998).

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

Para No 3 1 19 Monitoring and evaluation

Supervision and monitoring of all the schemes being run by the Department is a regular feature. It is one of the major duty of the Departmental officers from the Directorate as well as from the field to monitor the work of the related schemes and supervise in person the progress whenever they tour the Veterinary Institutions (copy of inspection report date 4-1-1995 enclosed for reference/ Annexure A). Regular monthly meetings are held at sub-divisions and district levels on fixed dates/ days every month. These meetings are attended by all Veterinary Surgeons of the respective area. Progress of individual institution is reviewed and shortfall pointed out. Difficulties if any are also discussed and steps taken to remove them. In 1993, the entire State had been divided into 4 regions, each containing 4 to 5 districts. Each region was allotted to one Joint Director who was to attend District Level meeting in all the districts under his control to review the progress and to remove the difficulties on the spot. Then the Joint Directors were to submit a short note to the Animal Husbandry Minister. They were also intended to visit at least 24 Institutions in a year in person and to submit their reports. The process continued for long till some senior officers retired and these posts could not be filled up. Regular meetings of all the Deputy Directors and Heads of the Offices of other schemes like Poultry, Sheep, Piggery, Epidemiologist, Deputy Director (P and P), Chief Superintendent, Government Livestock Farm, Hissar Project Director, State Cattle Breeding Project, Institute Director, Haryana Veterinary Vaccine Institute, Deputy Director, Wool Grading are held at least once in every three months. These meetings are chaired by the Director, Animal Husbandry himself and occasionally by Financial Commissioner & Principal Secy to Govt. Haryana, Animal Husbandry Department. At a few occasions by Worthy Minister, Animal Husbandry, Haryana himself as well. The concerned officers

have to submit detailed reports and explain the reasons for the shortfalls. After thorough monitoring strict follow up action is taken and the progress reported to Financial Commissioner & Principal Secy to Govt Haryana Animal Husbandry Department / Animal Husbandry Minister

After hearing the departmental representatives, the Committee recommends that effective steps be taken to ensure active and result oriented monitoring and evaluation system. The Committee be apprised of the steps taken in this regard

HOME DEPARTMENT

[11] 3.2 Manpower Management

3.2.1 Introduction

For maintaining law and order in a geographical area of 44 212 square kilo metre (sq km) and a population of 164 641akh (1991 census) in Haryana there were 175 police stations and 287 police posts established in the State as of 31 March 1998. The department's sanctioned strength including operational staff (32 342) was 34 739 against which 32 399 (93.26 per cent) were in position as on 31 March 1998. The Armed Police in the State had a strength of 6 133 constituting 20.24 per cent of the total operational police personnel (30 302).

No ratio between civil police and armed police and staff officer ratio had been prescribed by the department. The strength of police personnel per 100 sq km and as per thousand of population worked out to 68.54 and 1.84 respectively (31 March 1998).

3.2.2 Organisational set up

Financial Commissioner and Secretary Home is the head of Administrative Department. Director General of Police (DGP) Haryana was the overall incharge of Police Department with one Director General (DG) Armed Police and Training, 2 Additional Directors General (ADG), 4 Inspectors General (IG), 13 Deputy Inspectors General (DIG) (including 4 DIG Ranges) and 43 Superintendents of Police (SP)/ Additional Superintendents of Police, incharge of 19 districts of the State. For administration of law and order the State is divided into 4 ranges each headed by a Deputy Inspector General.

3.2.3 Audit coverage

Human resources management of the Police Department was reviewed through test check of records of 15 drawing and disbursing officers (DDOs) covering the period 1995-96 to 1997-98 during April 1998 to July 1998. Important points noticed during test check are discussed in the succeeding paragraphs.

3.2.7 Non-revision of norms for creation of posts and deployment of manpower

In five districts for every 403 to 663 inhabitants there was one police official whereas in other three districts one police official was deployed against 834 to 1210 inhabitants. In 1997 crimes increased by 83 per cent as compared to 1995.

() As per Punjab Police Rules 1934 (adopted for Haryana State) the norms for fixing strength of police stations in rural area were based on incidence of crime. A normal police station with average of seventy five cases a year the minimum staff required was one sub-inspector, one assistant sub-inspector (ASI), one head constable (clerk) and 12 foot constables. In urban areas in towns having population of over 30 000 total strength of police watch and ward staff should not ordinarily exceed one constable for every 450 inhabitants. Supervision over the watch and ward was to be provided at the rate of 1 Head Constable to

DDOs (1) DGP Office (2) CID (3) Telecommunication (4) Police Training College (5) State Crime Record Bureau (6) Forensic Science Laboratory (7) SP Hisar (8) SP Kamal (9) SP Sirsa (10) SP Gurgaon (11) SP Rohtak (12) SP Ambala (13) SP Commando Nawal (Karnal) (14) Commandant 4th Battalion Madhuban (15) SP Railways Ambala

every 10 constables | Assistant Sub-Inspector to every 5 Head Constables and | Sub Inspector to every 100 Constables

Details of all the 19 districts of the State in respect of deployment of staff and average crime reported was as under

Sr No	District	No of operational staff* as on 31st March 1998 under SPs only	Population per police official (Census 1991)	Annual average crimes cases during 1995-97	Average Crimes cases per police official
1	Ambala	1 448	551	3 916	2 70
2	Bhiwani	1 125	1 013	4 063	3 61
3	Faridabad	1 881	785	9 256	4 92
4	Fatehabad	775	807	4 409	5 69
5	Curgeon	1 219	940	5 772	4 73
6	Hisar	1 633	746	7 324	4 48
7	Jhajjar	672	1 053	2 511	3 74
8	Jind	1 022	942	4 642	4 54
9	Kaithal	984	834	3 595	3 65
10	Karnal	1 242	713	4 168	3 35
11	Kurukshetra	1 103	582	4 232	3 84
12	Mohindergarh	771	884	2 385	3 09
13	Panchkula	792	403	1968	2 48
14	Panipat	953	875	3 315	3 48
15	Rewari	515	1 210	2 615	5 08
16	Rohtak	927	1 188	4 368	4 71
17	Sirsa	1 369	660	5 010	3 66
18	Sonapat	1 138	663	3 398	2 98
19	Yamunanagar	1 001	821	3 517	3 51

Operational staff includes SPs DSPs Inspectors SIs ASIs Head Constables and Constables

A review of District wise details of population number of operational staff and crime cases reported during the period 1995-97 revealed that the number of crimes in the State increased from 54 673 in 1995 to 1 01 496 in 1997 i.e. an increase of 86 per cent. The crime incidence in Kaithal Kurukshetra Panipat Rewari and Sirsa districts in the year 1997 registered a steep rise between 112 and 191 per cent as compared to the year 1995.

In Kaithal Rewari and Panipat districts though the crime rate increased by 191 116 and 112 per cent in 1997 as compared to the position in 1995 there was one police official for 834 1210 and 875 persons respectively while in districts of Ambala Kurukshetra Panchkula Sirsa and Sonapat, there was one police official for 403 to 663 personnel. Thus deployment of police personnel had little relation with crime.

In Faridabad and Rewari districts one police official (operational staff) handled 4 92 and 5 08 crime cases on an average during 1995-97 whereas in the districts of Ambala and Panchkula one police official handled 2 70 and 2 48 crime cases on an average. Thus there was a wide variation amongst the districts in number of crime cases handled by operational staff.

Considering the wide variations in the deployment of police manpower with regard to crime rate as discussed above there was a need to review the norms for deployment/supervision of police force as PPRs were made as far back as 1934

(iii) (a) Deployment of staff in variation of the sanctioned strength

In 13 district control rooms and 28 workshops under the jurisdiction of Telecommunication wing staff ranging from 1 to 66 and 1 to 3 respectively were deployed in excess of sanctioned strength and in 11 control rooms/repeater stations and 4 workshops staff ranging from 1 to 55 and 1 to 80 respectively was deployed in short of sanctioned strength. The reasons of variations were not on the record.

(b) Excess posting of DSPs

Similarly in the State Crime Record Bureau (SCRB) Madhuban against one sanctioned post of DSP 3 DSPs were posted as on 31 March 1998. Reasons for excess deployment were not on record.

The department in their written reply explained the position as under

The creation of posts in various cadres is made under the following recruitment policy —

The establishment of a District is fixed on a careful calculation of the actual number of men required for fixed duties which includes contingent and city police rural police stations and the subordinates posts Headquarters establishment Guards Escorts and office and Court duties plus the percentage approved by Govt. as a reserve to provide for casual ties and training in the various ranks. For the investigation as the watch and ward staff no general scale has been laid down. The strength of rural Police Station is based on the incidence of crimes. A Minimum norm of the staff has been fixed one SI one ASI one Head Constable and twelve (12) Constables and in police station where crime is very light a number of constables could be reduced to ten in estimating the beat staff after close study of local conditions the number of day and night beats and patrols required for each town is fixed on a map plot out to cover a considerable area. On the basis of rotation of duties fixed between day and night duties duties lasting through out the 24 hours and intermittent duties supervision over the watch and wards staff is provided at the rate of 1 Head Constables to every 10 Constables 1 ASI to every 5 Head Constables and 1 SI to every 100 Constables. No ratio between police and population is prescribed except that in the case of towns with a population of over 30000 the total strength of police should not exceed 1 Constable to every 450 inhabitants. The strength of rural police stations is based on the incidence of crimes and a normal police station is held to be one registering an average of 75 cases in a year. The minimum staff is required for such police station 1 SI 1 ASI and 1 Head Constables 12 Constables. This standard calculation would be varied for adequate reasons in special cases.

In Headquarter establishment it included all enrolled police personnel of the lines establishment Instructors Orderlies etc. Guards are calculated at the actual strength required to form each guard 4 Constables being allotted to each Sentry Post and a 2nd Head Constables is provided for each guard which furnished more than 2 Sentries. The escorts strength is calculated on the basis of average demands in the district for treasury and prisoner escorts. In addition the establishment is provided on the basis of the average daily number for the escort of under trial prisoners to and from

the courts and for guarding for such prisoners in court where such escorts are required

The reserves in the various ranks are fixed to provide for casualties and training @ 10% of the sanctioned number of Inspector 15% in the rank of SI 14% in the rank of Head Constables and 16.5% in the rank of Constables

However the norms for deployment/supervision of Police Force are being reviewed and appropriate amendments in PPR will be suggested shortly

In reply to this para it is submitted that Govt had sanctioned 12 district control rooms with staff. From 1989 to 1997 no staff was sanctioned for 7 control rooms set up in district Karnal Yamuna Nagar Rewari Panipat Panchkula Faridabad and Jhajjar. On the creation of new police posts Police Stations Nakas Barriers in all these districts it was essential to provide wireless communication system at newly created police stations police posts Nakas barriers etc for the maintenance of law and order duties. Since the required manpower for operation and maintenance of wireless equipment in these seven newly created district control rooms was not sanctioned district control rooms. Due to this adjustment the shortage of manpower at the places from where the staff was withdrawn is being experienced. Thus there was no financial burden on Govt exchequer due to this adjustment of the manpower. As soon as the sanction of staff is received for unsanctioned stations the shortage of manpower at the sanctioned stations will be made good. As regards the deployment of technical manpower it is submitted that the maximum technical staff is sanctioned for the state headquarter workshop for which the staff was not sanctioned by the State Govt. The Govt has sustained no financial loss due to this shifting. As soon as the technical manpower for unsanctioned workshop is sanctioned by the State Govt the technical manpower will be adjusted accordingly to the sanctioned strength.

The post of DSP/Computer and DSP/Research were initially sanctioned for CID Haryana. On the creation of SCRB these posts were transferred from CID to SCRB w.e.f. 1.4.87 as such there is no excess deployment of DSPs against the sanctioned strength.

During the course of oral examination, the Committee considered the wide variations in the deployment of police manpower with regard to crime rate. The Committee, therefore, recommends that norms for deployment/supervision of police force may be reviewed and appropriate amendments be made in the Punjab Police Rules accordingly. The action taken in this regard be intimated to the Committee.

[12] 3.2.10 Recoverable outstanding amounts against additional police supplied

Rs 1.75 crore were outstanding for recovery as on 31 March 1998 against three organisations/parties on account of additional police supplied by SP Ambala during 1988-98.

As per Police Rules the SP of concerned district was to raise bills against the parties and corporate bodies supplied with additional police month by month in advance.

Bills in advance were not raised by SP Ambala. Arrears of Rs 40.57 lakh on account of additional police supplied by SP Ambala during October 1988 to March 1994 were pointed out vide paragraph 3.9 of the Report of the Comptroller and Auditor General of India (Civil) for the

year ended 31 March 1994 which increased to Rs 1 75 crore upto March 1998 as shown below

Sr No	Name of party to whom additional police supplied	Period in which supplied	Amount outstanding (Rupees in lakh)	Letter No vide which bill raised
1	IOC Ambala	31 October 1988 to 30 June 1997	133 30	20631 dated 5 8 1997
2	Punjab Kesari Ambala Cantt	1 March 1994 to 31 March 1998	29 33	23437 dated 7 6 1997
3	BBMB Dhulkot	1 April 1993 to 31 March 1997	12 67	12476 dated 2 6 1997
Total			175 30	

No reasons for not raising the bills in advance were intimated by the department

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

In this connection it is submitted that the matter with regard to recover the outstanding amount from I O C authorities B B M B Dhulkot and Punjab Kesari is already in progress. Efforts are being made to get the arrears cleared from the concerned parties. The cost statement (bill) of I O C Petrol Depot Ambala Cantt for the period from 31-10-88 to 5-2-96 amounting to Rs 70 06 863/- has been sent to the Senior Terminal Manager Ambala Cantt by SP Ambala vide memo No 20006 dated 15 7 98. Similarly the cost statement of BBMB Dhulkot in the revised pay scale from 1 1 96 to 31 3-98 has also been submitted to the BBMB Dhulkot. As regard the payment of outstanding amount against Punjab Kesari the matter has already been taken up with the concerned authority and efforts are being made to recover the outstanding amount. However the Parties to whom additional police is supplied are reluctant to make the payment in advance as such bill on actual cost is raised by SP/Ambala later on.

During the course of oral examination the Committee observed that still a huge amount is to be recovered from the organizations/parties on account of additional police force supplied to them. The Committee therefore, recommends that efforts be made to recover the arrears within a stipulated period from the concerned parties under intimation to the Committee.

[131 '3 2 18 Forensic Science Laboratory

The Forensic Science Laboratory (FSL) Madhuban was established in 1973. Against sanctioned posts of scientists and other technical staff numbering 125 (1995-96) 162 (1996-97) and 165 (1997-98) in various divisions/sections** actual staff in position was 79 (1995-96) 95 (1996-97) and 101 (1997-98) respectively.

As per report for the month of March 1998 7 231 cases were pending for analysis in FSL of which 2 971 cases (41 per cent) were more than one year old. Age-wise details of the cases pending for more than one year and number of cases for which challans were pending in the various courts due to non submission of analysis reports by FSL had not been compiled by Director FSL.

** Ballistics Biology Serology Physics Chemistry and documents division
Footprints Narcotics Drugs Psychiatric substance and Photo section

In a case filed in Punjab and Haryana High Court by an accused in 1991 the court observed (December 1995) that many of the accused were languishing in jails for want of putting up the challans in time. However 32 posts of scientists and other supporting technical staff sanctioned (March 1996) by Government under the decision of the High Court were yet to be filled up (June 1998). Director FSL deposed (December 1995) that there was acute shortage of staff and he had submitted proposal for sanction of more staff in 1991.

It was noticed in audit that against the average receipt of 5 668 cases every year for analysis during the period 1995 to 1997 the average disposal per year was 4 971 (88 per cent).

Director FSL stated (June 1998) that the evidence material become unsuitable for general testing if the case exhibits were examined after a long period. This reply suggested that steps are needed for enhancing the efficiency norms of the FSL for a speedier testing of samples and to fill the existing vacancies.

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

The process of filling up the vacancies in FSL Haryana Madhuban is in progress both at office level as well as through HPSC. Moreover the disposal of less number of cases as against number of receipt depends on the number of staff posted. Unless required staff is posted it is not possible to dispose off more cases and reduce pendency. It may be mentioned here that number of cases disposed off is much higher as compared to the norms fixed by B.P.R. & D. New Delhi. Further compilation and submission of analysis reports is meant for agencies/units and not for FSL.

During the course of oral examination the Committee observed that the number of cases for analysis in Forensic Science Laboratory are more than one year old due to which challans are not put up in the various Courts in time. The departmental representatives informed the Committee that there is an acute shortage of staff in the FSL. The Committee therefore recommends that the process of filling up the vacancies in FSL, Haryana, Madhuban be completed within a stipulated period so that testing of samples be speed up.

FINANCE DEPARTMENT

(Development and Panchayat)

[14] 3 4 Non-submission of utilisation certificates of discretionary grants

For discretionary grants of Rs 94 70 lakh released to 726 institutions in two districts utilisation certificates were not furnished

Financial Rules provide that certificate of proper utilisation of grant should be furnished to Accountant General within 18 months of the closure of financial year by the departmental officer after obtaining the same from the grantee institutions to whom grants were released by him. Before furnishing it the departmental officer should satisfy himself about proper utilisation of grants. Further the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the body or institution concerned to ensure that proper accounts of all moneys spent by grantee institutions are being properly maintained and kept for the purpose of audit. The ceiling limit of discretionary grants was Rs 15 lakh, Rs 7 50 lakh and Rs 6 lakh for Chief Minister, Ministers and others respectively during the years 1996-97 and 1997-98.

Test check of records of Deputy Commissioners (DCs) Fardabad and Rewari revealed (March 1998) that Rs 99 07 lakh of discretionary grants were disbursed by Deputy Commissioners between April 1991 and March 1996 to 792 beneficiaries on behalf of Members of Legislative Assembly and State Ministers. Out of this utilisation certificates (UCs) for Rs 94 70 lakh disbursed to 726 grantee institutions (Fardabad Rs 46 38 lakh, 248 institutions and Rewari Rs 48 32 lakh, 478 institutions) had not been received as of April 1998. Delay in submission of UCs ranged between 7 and 55 months. Further, no portion of grant, if any, which was not ultimately required for expenditure upon that object was surrendered to the Government. In the absence of UCs, utilisation of grants for the intended purposes by the above grantee institutions could not be verified.

Deputy Commissioners stated (April 1998) that reminders were being issued to the grantees for submission of UCs. The replies indicate that grant sanctioning authority did not consider it necessary to ensure that the funds released were utilised for the purpose for which these were released within the prescribed time frame.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

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

This department had been writing to both the Deputy Commissioners to send the utilization certificates since 1998.

Now the Deputy Commissioner, Rewari has sent the UCs of discretionary grants of Rs 47 43 400/- to this department. This department has sent the same to A.G. Haryana vide this department's letters dated 23/3/2000, 4/4/2000, 19/4/2000 and 11/5/2000 for further necessary action. Now UCs of Rs 88 600/- have been got from D.C. Rewari at personal level and the same has been sent to A.G. Haryana. Thus there is no pending UC from D.C. Rewari.

Similarly this department has got U Cs of discretionary grants of Rs 18 42 000/- from Fardabad district and the same has been sent to the Accountant General Haryana Chandigarh vide this department letters dated 7 4 2000 and 12 5 2000. All efforts are being made to obtain the remaining U Cs of Rs 27 96 000/- from the Fardabad district. This department deputed an employee to get the remaining U Cs of discretionary grants of Fardabad district at personal level but they have assured that they would send the same very shortly. As soon as remaining U Cs are received from D C Fardabad the same will be sent to Accountant General Haryana for further necessary action.

After perusing the reply of the department the Committee recommends that latest position in regard to submission of utilization certificate be intimated to the Committee within three months

MEDICAL AND HEALTH DEPARTMENT

[15] 3 5 National Malaria Eradication Programme*

3 5 1 introduction

National Malaria Eradication Programme (NMEP) was an ongoing programme which was modified in 1977 and the Modified Plan of Operation (MPO) was introduced in the State for effective control of malaria and prevention of deaths caused by malaria. The Scheme was extended to urban areas in 1977.

3 5 2 Objectives

The Programme broadly envisaged

Active and Passive surveillance to collect blood smears of fever patients on a large scale and test incidence of malaria

Giving presumptive treatment in anticipation of detection of malaria. Treatment of malaria positive cases

Contact and mass survey in affected areas

Spraying with insecticides like DDT, BHC and Malathion during transmission period in rural areas where Annual Parasite Incidence (API) was 2 and above per 1000 population

Urban malaria control through anti-larva operations by spraying Baytex, Temephos, M L O, Fenthion throughout the year and

Conducting entomological surveys and vector susceptibility test to determine the type of insecticide to be used

3 5 3 Organisational set up

Commissioner and Secretary to the Government of Haryana, Health Department (at secretariat level) was responsible for the overall monitoring and evaluation of the Programme. Director General of Health Services (at departmental level) was in overall charge of the programme. Director of Health Services (Malaria) was to monitor the spray operations through the District Malaria Officers (DMOs). He was assisted by 3 Deputy Directors (Malaria, Entomology and Epidemiology) at Headquarters, 2 Zonal Malaria Officers (ZMOs).

3 5 4 Audit coverage

Records relating to the implementation of NMEP for the period 1992-93 to 1997-98 were test checked in the offices of Secretary, Health Department, Director General of Health Services, Director of Health Services (Malaria), Zonal Malaria Officers at Ambala and Hisar, 6* of the 17 DMOs, 30 of 60 CHCs and 190 or 399 PHCs during October 1997 to March 1998. Results of the test check are discussed in the succeeding paragraphs.

3 5 5 highlights

- * Incidence of malaria steeply increased during 1993 to 1996. As the private medical practitioners did not report malaria cases to the departmental authorities, cases on incidence of malaria were under reported.

(Paragraph 3 5 8 (i))

- * Annual Parasite Incidence (API) in the State was between 0.9 and 6.6 during 1992 to 1997 though it was to be brought down to 0.5 by 2000 A.D. Achieving this target looked a remote possibility

(Paragraphs 3.5.8 (ii) & 3.5.18)

- * Susceptibility test of vector was not conducted by the Zonal Malaria Officers of the State since 1992

(Paragraph 3.5.9)

- * 44 to 94 per cent of the targeted population of the State in the high risk areas where Annual Parasite Incidence (API) was 2 and above remained uncovered by spray operations

(Paragraph 3.5.10)

- * In five districts 9.23 lakh population remained uncovered from fortnightly surveillance by multipurpose health workers for one to six years. Wall stencilling to monitor regular surveillance was not done during the period covered by review

(Paragraph 3.5.13(a))

- * 1.19 lakh population was not covered by collection of blood smears to detect cases of malaria during 1992 to 1995

(Paragraph 3.5.13(b))

- * In two districts results of examination of 1.10 lakh blood smears were delayed from 8 to 30 days during 1992 to 1997

(Paragraph 3.5.13 (c))

- * In six test-checked districts radical treatment to malaria positive cases was delayed

(Paragraph 3.5.14(a))

- * There was reported excessive use of anti malaria drugs worth Rs. 28.45 lakh during 1995 to 1997. No justification of such excessive use of drugs was furnished to audit. Medicines valued Rs. 7.29 lakh was unnecessarily purchased

(Paragraph 3.5.14(b) and (c))

- * Insecticides worth Rs. 48.48 lakh were unnecessarily purchased in excess of requirement. A quantity of 87.828 MT of Malathion valuing Rs. 34.25 lakh had remained unaccounted for by the District Malaria Officer, Karnal

(Paragraph 3.5.12(b) and 3.5.17)

- * Spray operations, entomological survey and prompt treatment of malaria positive cases were not effectively monitored by the Director

(Paragraph 3.5.19)

3 5 6 Funding pattern

NMEP was financed on 50:50 fund sharing basis between Government of India (GOI) and the State Government. Central assistance covered expenditure on material and equipment insecticides drugs procured indigenously microscopes Larvacides etc.

3 5 7 Financial outlay and expenditure

The details of funds contributed by the Central and State Governments and the actual expenditure during 1992-93 to 1997-98 were as under:

Plan

Year	Budget Provision	Budget grant	Funds contributed by State Government	Central assistance	Actual expenditure	Excess (+)/ Saving (-)
(Rupees in crore)						
1992-93	5.42	4.51	2.22	1.79	4.01	(-) 0.50
1993-94	7.63	5.02	2.19	2.26	4.45	(-) 0.57
1994-95	4.63	4.23	1.50	2.78	4.28	(+) 0.05
1995-96	4.21	4.11	1.55	2.24	3.79	(-) 0.32
1996-97	4.11	4.25	2.39		2.39	(-) 1.86
1997-98	6.27	6.40	2.97	4.48	7.45	(+) 1.05
Total	32.27	28.52	12.82	13.55	26.37	(-) 2.15

Following points emerged:

- (i) Overall saving of Rs 2.15 crore during 1992-93 to 1997-98 was due to non adjustment of Central Assistance received in kind from GOI since 1992-93. No steps were taken by the department for adjustment of Central assistance in the year in which material was received.
- (ii) No utilisation certificates for Central assistance of Rs 99.78 lakh received in cash during 1992-93 and 1993-94 were sent to GOI.
- (iii) Against the sanction of Rs 11.38 crore towards value of supply of material like insecticides larvacides and anti malaria drugs during 1992 to 1997, value of the material received was Rs 12.37 crore. The difference of Rs 0.99 crore needs to be reconciled by the State Government or Government of India.

3 5 8 Planning and execution

- (i) Incidence of malaria

The disease of malaria and incidence thereof including Plasmodium Falciparum (PF) cases increased during 1993 to 1996 as tabulated below:

- (i) The value of 2 lakh tablets of Pyrethramine supplied to Haryana State in 1997-98 was not communicated by Government of India.
- (ii) No sanction of Government of India was shown to audit in respect of material (Insecticides medicines etc.) valuing Rs 0.29 crore received in 1995-96 and Rs 1.63 crore in 1996-97 by Health (Malaria) Department and as such this amount had not been included in the above table.

Year	Number of Malaria cases	PF cases	Increase (+)/Decrease () over previous year		Percentage of increase/decrease	
			Malaria cases	PF cases	Malaria cases	PF cases
1992	16 662	1 238	—	—	—	—
1993	22 032	985	(+)5 370	()253	(+)32	()20
1994	29 810	3 709	(+)7 778	(+)2 724	(+)35	(+)277
1995	59 621	11,215	(+)29 811	(+)7 506	(+)100	(+)202
1996	1 28 232	27 869	(+)68 611	(+)16 654	(+)115	(+)148
1997	69 710	2 218	()58 522	()25 651	()46	()92

Above data was based on the results of surveillance conducted in PHCs/CHCs/Hospitals and Malaria clinics run by the department. Though private medical practitioners were also required to refer malaria cases noticed by them to the nearest PHC/CHC/ Dispensary/Hospital etc. no case was reported by any private medical practitioner in any of the 6 districts test-checked. Thus there was a possibility of number of positive malaria cases remaining unreported. Director of Health Services (Malana) attributed (December 1997) increase in incidence of malaria during 1994 and 1995 to heavy rains and floods and to release of flood water by Rajasthan in Mewat area of Gurgaon District in 1996 but furnished no reason in respect of increase in malaria cases (32 per cent) in 1993.

(ii) Increase in Annual Parasite Incidence

Incidence of annual parasite increased from 0.9 in 1992 to 6.6 per thousand population during 1996.

Index of annual parasite incidence (API) was used for determining the area to be brought under spray operation. Under the programme GOI targeted to bring down API to 0.5 case per 1000 population by 2000 AD. The details of API per 1000 population in Haryana during 1992 to 1997 were as under:

Year	Population (In lakh)	Target for reduction of API	Positive Malaria cases (In lakh)	API
1992	179.06	Not fixed	0.17	0.9
1993	180.39	Not fixed	0.22	1.2
1994	184.20	Not fixed	0.30	1.6
1995	188.62	Not fixed	0.60	3.2
1996	193.13	Not fixed	1.28	6.6
1997	196.49	Not fixed	0.70	3.5

API in the State was on the increase continuously from 1993 onwards except in the year 1997. Director of Health Services (Malana) stated (May 1998) that they would bring down API to 0.5 by 2000 AD by adopting measures like early case detection and prompt treatment, residual insecticidal spray in rural areas and anti-larval operations in urban areas and information education communication activities.

(iii) Deaths due to malaria

As per departmental records one death due to malaria occurred during 1992 in Bhiwani District and 26 deaths in 1996 in 3 districts (Ambala 2 Fardabad 4 and Gurgaon 20)

Besides 229 deaths occurred due to mosquito borne diseases like Dengue fever and Japanese Encephalitis (JE) between the years 1992 and 1996 in 14 districts

Director of Health Services (Malaria) stated (December 1997) that JE disease was found where rice cultivation was done and was now under control

3 5 9 Non-conducting of susceptibility test

Entomological surveys for susceptibility test of vector was not conducted by ZMOs since 1992

The programme provided for entomological surveys in regard to susceptibility test of vector by the two Zonal Malaria Officers quarterly by visiting each district once in 3 months to test the effectiveness of insecticide in order to decide the right type of insecticide. It was noticed in audit that no such test was conducted by either of the two Zonal Malaria Officers since 1992. Director of Health Services (Malaria) stated (April 1998) that susceptibility test was carried out by a team from Headquarters (Directorate of Health Services). Verification of reply revealed that such a test of only one insecticide i.e. Malathion 25% (of the two insecticides in use by the department) was conducted once in 1994 in 3 districts. Failure to conduct susceptibility tests by Zonal Malaria Officers at prescribed intervals defeated the possibility of selecting right type of insecticide in each district.

3 5 10 Shortfall in spray operations

44 to 94 per cent of area where API was 2 and above per 1000 population during 1992-97 remained unsprayed.

Spray operations were required to be regular and continuous where the Annual Parasite Incidence (API) was 2 and above per 1000 population. Programme ineffectiveness in this regard was revealed by the fact that 44 to 94 per cent of such population was not covered by spray operations during 1992 to 1997 as tabulated below:

Year	Target	Achievement (Population in lakh)	Shortfall	Percentage of shortfall
1992	61.50	13.49	48.01	78
1993	56.65	3.33	53.32	94
1994	44.86	16.68	28.18	63
1995	19.25	6.95	12.30	64
1996	29.05	7.85	21.20	73
1997	94.75	53.37	41.38	44

Director of Health Services (Malaria) stated (March 1998) that availability of insecticides was short and there was paucity of funds. The reply of Director of Health Services (Malaria) was not tenable as the department had unutilised funds which were surrendered at the end of the year as indicated below:

Financial	Funds surrendered (Rupees in lakh)
1992-93	141.47
1993-94	318.35
1994-95	34.93
1995-96	41.94
1996-97	172.29

An Expert Committee of Government of India decided (1995) that cattle sheds should not be sprayed with insecticides. It was however noticed that 1.15 lakh cattle sheds were sprayed with Malathion 25 % and 3.16 lakh with BHC 50% in 1996 and 6.72 lakh cattle sheds with Malathion 25 % and 1.87 lakh with BHC 50 % in 1997 at a cost of Rs 1.42 crore in 9 districts which could have been used for spray in human dwellings.

3.5.11 Irregularities in spray operation

(a) Irregular spray of area

In 4 districts regular spray instead of Focal Spray was done in 17 sections involving excess consumption of insecticides valuing Rs 9.52 lakh.

Director Health Services (Malana) prepared the spray strategy in the month of February each year for regular spray of different sections in the State. Scrutiny of the spray completion reports in the Directorate for the years 1993 to 1996 revealed that four districts (Bhiwani, Gurgaon, Hisar and Jind) carried out regular spray instead of focal spray in 17 sections in contravention of approved strategy. This resulted in unnecessary excess coverage of population of 1.50 lakh involving excess consumption of BHC 50% and Malathion 25% valuing Rs 9.52 lakh. Director of Health Services (Malana) stated (March 1998) that some times sections already not covered under regular spray were later on included under regular spray on account of sudden high incidence of Malana or availability of insecticides. However no orders in support thereof were shown to audit.

(b) Use of substandard insecticide

Sample of insecticide to be used was to be got first tested from Government Analyst. During June 1996 4856.5 kgs of substandard Malathion 25% supplied by Haryana State Cooperative Supply and Marketing Federation Limited, Chandigarh was sprayed during 1996. However insecticides which was lying unutilised was later on replaced and no payment was made for consumed insecticides by the department.

(c) Irregular Focal Spray

50 houses around a detected malaria case were to be given insecticide focal spray during the transmission period (16 May to 30 September every year) and a record thereof was to be kept in a Register MF-7.

A scrutiny of MF-7 Register of 6 districts (30 CHCs) test checked revealed that details of focal spray carried out was not recorded in any of the 30 CHCs. Reasons for non completion of MF-7 Register were attributed by DMO Gurgaon to heavy load of work. Replies from remaining five DMOs¹ were awaited (May 1998). The reply of DMO Gurgaon was not tenable as without recorded details it was not possible to monitor the spray operations.

1. Ambala, Bhiwani, Hisar, Kamal and Rohtak.

(d) Ineffective mopping up operations

Houses left unsprayed by regular spray teams for one or the other reason were required to be covered immediately in the evening by spray squads. However test check of spray reports received in the Directorate for the period 1992 to 1997 revealed that 12 to 45 per cent of residential dwellings in all the districts were not sprayed fully. On being pointed out in audit Director of Health Services (Malaria) admitted the fact but stated (March 1998) that people did not cooperate and were not interested in spray of their houses as the insecticidal spray left marks on the walls and furniture.

3 5 12 Incorrect and inadequate use of insecticides

(a) According to spray strategy issued in 1995 by the Directorate three rounds of spray in respect of 3 sections of the Gurgaon District were to be carried out with BHC 50% and 24 sections with Malathion 25% whereas 12 sections in 2nd round and 20 sections in 3rd round were sprayed with BHC 50%. Similarly against 24 sections with Malathion 25% 15 sections in 2nd round and no section in 3rd round were covered. Inadequate spray of effective insecticides i.e. Malathion 25% defeated the purpose of spray.

(b) Non accounting of insecticide stock

87 828 MT of Malathion worth Rs 34 251akh was not accounted for.

As per details collected from the office of Director Health Services (Malaria) Haryana 92 828 MT² of Malathion 25% supplied by GOI and purchased by the State Government was issued to the office of DMO Karnal during 1993 to 1996. Scrutiny of the stock register maintained by DMO Karnal revealed that only 5 MT of the material had been accounted for leaving 87 828 MT of Malathion valuing Rs 34 25 lakh (at Rs 39 000 per mt) unaccounted for. Director of Health Services (Malana) stated (January 1998) that the store keeper did not hand over the charge and was under suspension since 1997. Amount of actual loss on verification was not intimated by the department (August 1998).

3 5 13 Surveillance and detection of malaria cases

(a) Surveillance

9 23 lakh population of 5 districts remained uncovered by fortnightly surveillance for 1 to 6 years.

Every Primary Health Centre (PHC) was divided into various sections and each such section assigned to a Multi Purpose Health Worker (MPHW) who was responsible for conducting proper fortnightly surveillance. A test check of the records of five districts revealed that 9 23 lakh population remained uncovered from fortnightly surveillance for one to six years as per details given below –

District	One year	Two years	Three years	Four years	Six years	Total
Ambala	75 314	—	29 047	—	—	1 04 361
Bhiwani	1 84 500	49 000	27 900	—	—	2 61 400
Hisar	90 735	61 462	46 187 00	—	—	1 98 384
Karnal	1 70 114	35 215	5 448	—	—	2 10 777
Rohtak	84 970	29 676	14 941	8 232	10 647	1 48 466
Total	6 05 633	1 75 353	1 23 523	8 232	10 647	9 23 388

2 GOI 28 MT (1994-95) State Government 54 828 MT (1993-94) and 10MT (1995-96)

On this being pointed out the DMO concerned stated that this was due to shortage of MPHWS

Wall stenciling designed to monitor regular surveillance was not done despite instructions from GOI. Therefore the data on surveillance provided by MPHWS was not verifiable by the department.

(b) Shortfall in collection of blood smears

Ten per cent of the population every year was required to be screened in the ratio of 60:40 by active (through surveillance staff) and passive method (by medical institution) of detection respectively. As per district-wise details received from the Directorate office, the department achieved 10 per cent target of the State as a whole in each year during 1992 to 1997. But there was shortfall of 1.19 lakh population in the following four districts during 1992 to 1995 -

Reporting Year	District	Target 10% Population	Coverage	Shortfall	
(population in lakh)					
1992	Gurgaon	1.27	1.03	0.24	
	Hisar	2.11	1.85	0.26	
1993	Gurgaon	1.27	0.98	0.29	
	Hisar	2.11	2.04	0.07	
1994	Gurgaon	1.30	1.21	0.09	
	Rewari	0.70	0.61	0.09	
1995	Faridabad	1.79	1.73	0.06	
	Rewari	0.70	0.61	0.09	

(c) Delay in examination of blood smears

Time lag permissible between collection of blood smears and its examination was one to seven days. Test-check of records in the offices of DMOs Gurgaon and Hisar revealed that results of 1.10 lakh blood smears (4.8 per cent of the total 22.63 lakh blood smears collected) were delayed by 8 days to one month during 1992 to 1997. DMO Hisar stated (March 1998) that the delay was due to shortage of staff.

3.5.14 Radical treatment and drugs

(a) Shortfall and delays in administering radical treatment

Radical treatment (RT) was required to be given to all cases found malaria positive within 7 days from the date of detection. A scrutiny of records of six districts revealed that out of 2.14 lakh cases of malaria, radical treatment in 0.41 lakh cases (19.16 per cent) was given after the prescribed period of seven days, out of which 7,919 cases (3.7 per cent) were treated after 30 days as shown below.

Sr No	District	Year	No of positive cases	Number of cases given RT				No of cases RT not given	Percent age of delayed RT
				within 7 days	Between 8 and 15 days	16 to 30 days	after 30 days		
1	Ambala	1992 to 1997	6 101	5 314	414	194	179	—	12 90
2	Bhiwani	1992 to 1997	40 628	29 926	6 237	2 719	1 746	—	26 34
3	Gurgaon	1992 to 1997	43 586	34 623	4 604	1 464	2 868	27	20 56
4	Hisar	1992 to 1997	30 806	27 052	2 715	303	736	—	12 19
5	Karnal	1992 to 1997	38 624	35 765	2 172	253	434	—	7 40
6	Rohtak	1992 to 1997	54 523	40 423	8 435	3 709	1 956		25 86
Total			2 14 268	1 73 103	24 677	8 642	7 919	27	

Delay in giving radical treatment was attributed (March 1998) by Director of Health Services (Malana) to the patients being infant and pregnant ladies. Correctness of departmental reply could not be verified in audit as no separate record of infants and pregnant ladies was maintained. In 27 cases radical treatment was not given by DMO Gurgaon due to incorrect addresses given by the patients.

(b) Irregular purchases

Following medicines were procured by ZMO Ambala and issued (June 1997) to DMO Gurgaon without any requisition.

Sr No	Particulars of medicines	No of tablets	Date of expiry	Value (Rupees in lakh)
1	Pyraltrin	39 960	August 1998	1 02
2	Albando Zole	2 60 000	August 1998	5 16
3	Hemlavit capsules	1 95 000	April 1998	1 11
Total				7 29

Medicines valued at Rs 7 29 lakh were purchased without requirement.

These medicines were not required to be used for the treatment of malana cases. These were issued to three CHC s* in June 1997 and December 1997 but no report regarding their consumption was called for by DMO Gurgaon.

(c) Excessive use of Anti-malaria Drugs

Chloroquine tablets worth Rs 28 45 lakh were used in excess during 1995-97.

A test-check of the details submitted by the Directorate Office for six years i.e. 1992 to 1997 in respect of blood smear collections, malana positive cases and consumption in Drug Distribution Centres revealed that Chloroquine tablets worth Rs 28 45 lakh were reportedly

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consumed in excess during 1995 to 1997. Director of Health Services (Malana) stated (January 1998) that consumption of Chloroquine was increased during the years 1996 and 1997 in view of the fact that 36 Community Health Centres were declared high risk areas during transmission period. Reasons for excess consumption of tablets in year 1995 and detail of cases in high risk areas justifying excess consumption of anti-malaria drugs was awaited (August 1998).

3.5.15 Urban Malaria Scheme

In Haryana Urban Malaria Scheme was introduced in 1977-78 in 5 towns and subsequently in 12 more towns (5 in 1978-79, 3 in 1979-80, 2 in 1980-81 and 2 in 1989-90). Rs 1.32 crore had been spent on the scheme during the years 1992-93 to 1997-98.

Following points emerged as a result of test-check:

(i) Inadequate anti-larval operations

Total area of mosquito/larva breeding sources in 6 districts increased from 26.17 lakh linear metres in 1992 to 27.95 lakh linear metres in 1997. No target for filling up the pits or minimizing the breeding sources was fixed by the Directorate office.

(ii) Staffing pattern- Anti-larval operations

Anti-larva staff was required to be posted for each sector with one supervisor, Field Worker and three field workers. Similarly, one inspector and one insect collector for each ward was required to be posted. A scrutiny of records maintained for the towns of six districts revealed that against the requirement of 91 sectors based on population, only 58 sectors were covered.

3.5.16 Inadequate number of drug distribution depots

Shortfall in setting up of drug distribution centres in remote areas ranged from 9 to 29 per cent during 1992-97.

Anti-malaria drugs were to be made available in remote and in-accessible areas through drug distribution centres (DDC)/river treatment depots (FTD). It was noticed that no FTD existed in the State and DDCs fell short of targets fixed as indicated below.

Year	Population (in lakh)	Number of DDCs		Shortage	Percentage of shortage
		(a) Required	(b) In operation		
1992	147.27	14727	10977	3750	25
1993	144.09	14409	10907	3502	24
1994	147.09	14709	10520	4189	28
1995	149.86	14986	10688	4298	29
1996	155.76	15576	11763	3813	24
1997	147.53	14753	13388	1365	9

3.5.17 Purchase of Cyfluthrin in excess of requirement

Excess purchase was made of 2 mt of cyfluthrin worth Rs 48.48 lakh.

Director Supplies and Disposals, Haryana placed orders for the purchase of 5 mt of Cyfluthrin at Rs 24.24 lakh per MT with a firm in March 1998 on the basis of indent received.

from the office of the Director Health Services (Malana) As per spray strategy prepared by Health Department in April 1998 for the year 1998 in respect of Gurgaon District only 3 MT of Cyfluthrin were required for spray in Ferozepur Jhirka Block of the district Purchase of 2 MT of Cyfluthrin in excess of actual requirement for Ferozepur Jhirka Block resulted in avoidable expenditure of Rs 48.48 lakh

3.5.18 Monitoring and evaluation

Reports on monthly epidemiological situation, surveillance, blood smears, malana cases, deaths due to malana etc. were required to be submitted by DMOs to ZMOs and Directorate office. Although DMOs submitted monthly report regularly to ZMOs, no suggestions for planning of spray schedule, change of insecticide, conducting of regular spray instead of focal spray on the basis of entomological survey were issued by ZMOs to DMOs.

The various shortcomings and deficiencies detected during audit indicated that the coverage of spray operation, conducting tests and ensuring prompt treatment of malana positive cases was not effectively monitored by the Director which led to steep increase in malana incidence.

3.5.19 Conclusion

While incidence of reported Malana cases had gone up significantly, surveillance, preventive measures, treatment were all tardy and inadequate viz. (i) inadequate coverage of population, (ii) inadequate examination of blood smears, (iii) delay in providing treatment, (iv) insufficient spraying operation, (v) use of substandard insecticides and (vi) lack of effective monitoring of the programme. While the Director Health Services attributed shortfall in spray operations to paucity of funds, every year large funds were surrendered. Consequently, 229 deaths occurred due to mosquito borne diseases during 1992 to 1996 in 14 districts. Annual parasite incidence (malana cases per one thousand population) in the State was 0.9 in 1992 when the programme was started and increased to 3.5 in 1997 as against the target of 0.5 by 2000 AD fixed by the Government of India. Possibility of achieving the target was remote.

The matter was referred to the Government in June 1998. Their reply had not been received (November 1998).

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

- (i) It is true that there was an overall saving of Rs. 2.15 crore during 1992-93 to 1997-98. But this was not due to non-adjustment of central assistance. The 50% central assistance is accounted for on the actual expenditure of audited figures (i.e. 13.18 crore against Rs. 26.37 crore). The Central share was received to the tune of 13.55 crore which was in excess of their 50% share. As such there is no need to take up this matter with Govt. of India.
- (ii) It was not required to furnish the utilisation certificate to Govt. of India regarding any type of central assistance.
- (iii) The supply of material is made by Govt. of India as per calendar year i.e. January to December but the cost of vouchers are issued as per financial years basis. As such there was likely a difference of Rs. 0.99 crore and this matter need not be taken up with Govt. of India for reconciliation.

(i) Incidence of Malaria

The incidence of malaria from 1992 to 1999 (up to Nov) is given in the table below

Year	No of total malaria cases	Pf cases	Inc /dec /previous year		%age of Inc /dec	
			Total	Pf	Total	Pf
1992	16662	1238	17349	+ 96	51.0	+ 7.2
1993	22032	985	+ 5370	253	+ 32.2	20.4
1994	29810	3709	+ 7778	+ 2724	+ 35.3	+ 276.5
1995	59621	11215	+ 29811	+ 7506	+ 100.0	+ 202.4
1996	1 28 232	27869	+ 68611	+ 16654	+ 115.1	+ 148.5
1997	69710	2218	58522	25651	45.6	92.0
1998	12115	305	57595	1913	82.6	86.2
1999 (up to Nov)	2563	180	9552	125	78.4	33.0

It will be seen from the above table that since 1997 there has been significant decline in the incidence of over all malaria cases as well as that of PF cases. During the year 1999 only 2563 cases have been reported and the annual parasite incidence has come down to 0.12 cases per thousand population. This incidence is almost equivalent to that of the incidence reported 35 years ago in the year 1967.

It is true that the Private practitioners are not reporting number of malaria cases detected by them but this was true right from the inception of this scheme from 1952-53. The department has well established network of active and passive surveillance throughout the State and the majority of the cases are screened under this surveillance.

The reason for high incidence of malaria during 1993 was also heavy monsoons. During that year a number of villages in the State were flooded.

(ii) Increase in Annual Parasite Incidence

The annual parasite incidence (API) reported from 1992 to 1999 (up to Nov) is given in the table below -

Year	API
1992	0.93
1993	1.21
1994	1.62
1995	2.16
1996	6.63
1997	3.54
1998	0.60
1999 (up to Nov)	0.12

It will be seen that during the year 1999 API has come down to just 0.12 cases per thousand population which is far below the target of 0.50 fixed by Govt. of India for the year 2000 AD. This could be achieved as a result of measures such as early case detection & prompt treatment, residual insecticidal spray, anti-larval operations and IEC etc.

(III) Deaths due to Malaria

No death due to malaria has taken place during 1997 till date. In the year 1996 there was a massive outbreak of malaria in Mewar region due to release of floodwater by the adjacent Rajasthan State in the low lying region of Gurgaon & Fardapur districts. This water was released at a time when malaria transmission was at its full swing. The flood water inundated low lying areas of Mewar region and created extraordinary mosquito-fertile conditions. The studies further revealed that the nutritional status of the Mewar population was very low as in many cases the hemoglobin was around 2 to 4 grams. The malaria outbreak further resulted in deterioration of Hemoglobin status which might be the cause of death in some cases during that year.

3.5.9

It is true that the susceptibility status of the vector is to be ascertained by Zonal Entomological component. It may be stated that the DDT insecticide was sprayed under this programme at the time of its inception during 1952-53. As a result of susceptibility tests carried out by Entomological Teams, it was observed during 1971 that the vector *Anopheles culicifacies* had developed resistance towards DDT. Consequently use of DDT was discontinued in all those areas from where the resistance was detected and by the year 1984 DDT spray was altogether stopped in the State.

In DDT resistant areas an alternative insecticide BHC was introduced in the year 1973. The susceptibility studies further revealed that in some areas resistance to BHC had also developed and as a result of which Malathion was introduced in the year 1981. Now Govt. of India has altogether stopped use of BHC from the year 1997 and BHC is also not being used in the State.

The susceptibility studies carried out in some areas revealed that the Malathion is still effective and that is why it is still being used. During 1996 the latest groups of insecticides Synthetic Pyrethroid has also been introduced in some parts of Mewar region. Synthetic Pyrethroid are very costly as compared to that of malathion and as per the policy of Govt. of India Malathion is to be continued spraying till the triple resistance is recorded. It is evident from the susceptibility tests and also declining trend in the malaria incidence that wherever Malathion insecticide has been sprayed the incidence of malaria has shown considerable decline.

3.5.10

It is true that during 1997-98 the quantity of insecticide required as per the policy of Govt. of India was not made available but the quantity which was made available was judiciously used. It is also true that the spray is not the only way to control malaria. Besides spray use of anti-malarial drugs is also an effective method to control malaria. Govt. of India is now advocating selective use of insecticides. It will be seen from the epidemiological data given earlier that the State could bring down the incidence of malaria to a very low level through measures such as early case detection & prompt treatment besides spray.

As per the policy of Govt. of India cattle sheds are not to be sprayed because it is apprehended that if these cattle sheds are sprayed then the vectors resting there

may be drifted to the human dwellings. But it has been seen that in Haryana there are many cattle sheds which are in very close proximity to the human dwellings rather these are the mixed dwelling where the human and cattle live in close association. In such cases these structures are sprayed and there is nothing wrong in it otherwise the vectors living in cattle sheds will be able to transmit the disease.

The details of funds provided by the Govt. as per table given below

(Rs. in Crore)

Year	Budget demanded	Budget provision	Budget granted	Actual expenditure
1992-93	12.00	5.42	4.51	4.01
1993-94	8.00	7.63	5.02	4.45
1994-95	11.78	4.63	4.23	4.28
1995-96	12.00	4.21	4.11	3.79
1996-97	11.48	4.11	4.25	2.39
1997-98	31.34	6.29	6.40	7.45
Total	86.60	32.27	28.52	26.37
				Saving (-) 2.15 crore

From the above table it is evident that budget provision of Rs. 32.27 crore has been approved against the required budget of Rs. 86.60 crore. Moreover the budget grant was further given less i.e. Rs. 28.52 crore. The 50% states budget was left only for the payment of staff and freight charges etc. during the year 1993-94 to 1997-98. Hence the overall saving comes of Rs. 2.15 crore which was mainly due to less employment of staff etc. and not due to surrender of budget.

3.5.11

(a) Irregular Spray of Area

The spray strategy is made in the beginning of the year based on the epidemiological data of the previous years but at times the incidence of malaria shows sudden increase in some sections which have not been included in the spray strategy. The District Malaria Officers in such cases are permitted to include these areas as well in the spray strategy as our ultimate goal is to check the spread of malaria in the State. The ex post facto sanction in such cases is given to the concerned District Malaria Officers.

(b) Use of substandard insecticides

It is true that only insecticide which has been declared pass by the test house is to be used. But District Malaria Officer Karnal used 4.856 MT Malathion during 1996 prior to the receipt of lab. results. However, no payment was made to the firm for this insecticide. The departmental action has been initiated. The inquiry has been completed and the case is under action.

(c) Irregular focal spray

Each & every entry of the focal spray is made in MF 6A register whereas in MF 7 register entry of only blood slides collected and positive cases are made. The entries of focal spray can be verified from MF 6A registers available with the District Malaria Officers.

(d) Ineffective mopping up operations

There are standing instructions to the spray supervisors that during the hour of the day's work mopping up is to be done and these instructions are strictly complied with. But in some cases it is seen that some houses are found locked inspite prior intimation to the people and some rooms are not get sprayed by the public because the insecticides sprayed stain their houses and furnishings. Therefore the spray coverage never cent percent. But all out efforts are made by the department to achieve maximum coverage.

3.5.12

(a) During 1995 the spray strategy was prepared keeping in view the epidemiological data for last 3 years. In BHC areas the number of sections were increased during 2nd and 3rd round of spray as the incidence of malaria had increased whereas in Malathion areas many sections could not be covered under regular spray as the required quantity of insecticides was not available. However the available quantity of insecticide was judiciously used and sections recording high incidence of malaria were given priority.

(b) The Storekeeper of the office of District Malaria officer Kamal was absconding for quite some time and had not handed over the charge of the store. The stock of 92.826 MT Malathion as mentioned in the audit para is correct and actually supplied to District Malaria Officer but later on the storkeeper was placed under suspension and has now died.

3.5.13

(a) Surveillance

The entire population of the State is subjected to regular fortnightly surveillance. The MPHWS (Male) have been given 5 to 8 thousand population which is covered by them once every fortnight. No population in the State is left unprotected. In areas where the posts of MPHWS are vacant the blood slides of the fever cases are prepared under the passive surveillance in Govt. Medical Institutions. Besides this the chloroquine tablets are also made available to the fever cases through Drug Distribution Centres established with village Panchayats.

(b) Short fall in collection of blood smears -

The blood slides collection in an area is directly proportionate to the fever rate of that area. As per the instructions of Govt. of India the average blood slide collection rate should be 10% and the State has always achieved this target. The ABER during 1992 to 1999 (up to Nov) is given in the table below -

m	
1992	11.49
1993	11.16
1994	11.95
1995	12.76
1996	16.67
1997	13.20
1998	11.4
1999 (up to Nov)	10.0

(c) Delay in examination of blood slides

Ideally the time lag between the blood slide collection and examination should be 7 days but at times the number of blood slides exceed the daily examination capacity of the LT's. Therefore the time lag between collection and examination exceeds 7 days. However efforts are made to clear these slides at the earliest by deploying additional trained staff.

3 5 14

(a) Short fall & delays in administering radical treatment

It is true that radical treatment should ideally be given within 7 days from the date of examination. In most of the cases radical treatment is given within time but in some cases e.g. pregnancy, infant cases, temporary absence etc. the radical treatment is delayed due to reasons beyond control.

(b) Irregular purchases

During 1996 there was a massive outbreak of malaria in Mewat region and it was observed that people in these areas were mal-nourished. Malaria coupled with mal-nutrition led to many other associated problems and therefore it was desired that these medicines were required for this population. These medicines are therefore purchased in the interest of the health of the people of Mewat region.

(c) Excessive use of Anti Malaria Drugs -

Anti-malaria drugs have not been used in excess. As per the guidelines of Malaria Action Plan 1995 in the high-risk area instead of 4 tablets of chloroquine 10 tablets are to be given as presumptive treatment at the time of preparation of blood slides. The department identified 36 CHCs as high-risk areas and in these areas this regime was followed. The consumption of the anti-malarial is exactly as per the norm. No extra medicine has been used.

3 5 15

(i) Inadequate anti-larval operations -

It is true that the area of towns under UMS have increased many folds since the inception of this scheme. Proposal has been sent to the Govt. for increasing the anti-larval staff proportionately. On receipt of Govt. sanction the staff will be increased. As regards fixing target for filling up of pits, no target can possibly be fixed. However the Biologist I/C of UMS carry out this work in co-operation with local bodies.

(ii) Staffing pattern Anti-larval operations

Reply given in para (i) above

3 5 16

One of the objectives of modified plan of NMEP launched during 1977 was to reduce the morbidity due to malaria. These centres have been established in the villages

with the panchayats. In the absence of MPHWS the fever cases can get chloroquine tablets from these centres which make their peripheral blood free from malarial parasite and the patients get clinical relief. The chloroquine tablets are provided free of cost by the department. There are around of 13000 such centres in the State and District Malaria Officers have been authorized to open new DDcs wherever required.

As regards FTDs it is submitted that both active & passive surveillance in the State is well established and there is no need to open any FTDs in the State.

3.5.17

Cyfluthrin was introduced by Govt. of India in CHC Ferozepur Jhirka of Mewat region of Gurgaon during 1996-97. Since then this insecticide is being used in this area. During 1998 the state procured this insecticide for the CHC. Initially it was proposed to procure 3 MT of Cyfluthrin which has 2 year shelf life but later on 5 MT was procured because it was considered that this spray would have to be carried out during 1999 as well. Now all the insecticide procured has been used in the 1999 spray operations with in shelf life and there is no balance left with the department.

3.5.18

Monitoring and evaluation of malaria is being done at regular intervals at all levels. It is incorrect to say that the incidence of malaria has increased on account of non monitoring and evaluation. It is worth mentioning that during the last 3 years there has been significant decline in the incidence of malaria in the State.

3.5.19

As stated above there has been significant decline in the incidence of malaria. The State has already achieved the target set by Govt. of India for the year 2000 AD.

After going through the written reply submitted by the department and examining the departmental representatives, the Committee is of the view that the National Malaria Eradication Programme did not yield desired results due to lack of seriousness at the level of department and ineffective monitoring. The department failed to utilize the Central assistance properly as a result of which there was increase in the incidence of malaria during 1993-96. The shortfall in collection of blood smears, delay in the examination of blood smears, delay in providing radical treatment and unjustified excessive use of malaria drugs were also noticed. The misutilization of funds in the purchase of medicines and insecticides was also observed by the Committee.

The Committee therefore recommends that the National Malaria Eradication Programme be reviewed by a high level Committee consisting of Financial Commissioner and Principal Secretary Health, the Director General, Health Services and the Director Malaria and preventive measures be taken to minimize the risk of malaria in the state in future. The steps taken in this regard be intimated to the Committee.

[16] 36 *Purchase of defective hydraulic chairs with dental units*

Failure to take timely action against a firm for defective supply of hydraulic chairs resulted in loss of Rs 11 38 lakh

Project Director World Bank Project (PDWBP) Health Department Haryana Panchkula placed (March 1994) a supply order with an Ahmedabad based firm for the purchase of 20 hydraulic chairs with dental units valuing Rs 22 76 lakh for 18 health centres and one MLA dispensary*. The firm deposited (February 1994) earnest money of Rs 51 000 and offered guarantee for the period of one year from the date of installation against any manufacturing defects. Two dental surgeons inspected the 18 hydraulic chairs in August 1994 in the supplier's premises and they did not point out any defects in these chairs during inspection of the chairs. Eighteen hydraulic chairs attached with dental units were installed by the firm at 17 health centres and in one MLA dispensary between August and September 1994. The other two hydraulic chairs attached with dental unit were installed at Panchkula in June 1994. Project Director released 80 per cent payment of Rs 18 21 lakh in October 1994 and the balance payment of Rs 2 86 lakh in March 1995 after deducting Rs 1 69 lakh on account of late supply as penalty/liquidation charges.

Test check of records of PDWBP and its field units between February and June 1997 revealed that out of 20 dental hydraulic chairs 10 chairs (costing Rs 11 38 lakh) were found to have manufacturing defects such as leakage of air pressure non working of ultrasonic scalers air compressors airtors micro motor etc. These defects were pointed out within warranty period to the firm by some of the institutions but these defects were not attended to and the defective chairs were not replaced by the firm up to March 1998.

Project Director stated (March 1998) that the firm had been requested between February 1995 and January 1997 to repair the defective units otherwise action for forfeiting earnest money and blacklisting the firm would be taken. The reply of the Project Director was not tenable as timely action had not been taken against the firm as neither the defective equipment were repaired nor were replaced by them within the warranty period. The department should not have released the balance payment of Rs 2 86 lakh to the supplier till the defective accessories had been replaced by the firm. No responsibility was fixed by the department for the release of balance payment of Rs 2 86 lakh to the firm when it had been established that the equipment supplied were defective and not working satisfactorily.

Thus due to failure of the surgeons to detect the defects during the inspection and of the department to take the timely action against the firm for supply of defective equipment the Government suffered a loss of Rs 11 38 lakh. Besides the purpose of providing these hydraulic chairs to 10 health centres was also not served.

The matter was referred to the Government in May 1998. Their reply had not been received (November 1998).

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

On the demand of Director General Health Services Haryana tenders for the purchase of Hydraulic Chairs with attached dental units were invited through Director Public Relations Haryana. The specifications for these Hydraulic Chairs were prepared by the committee headed by Dr (Mrs) Manju Dutta, Director Health Services (Dental).

The tender were scrutinised by Technical Committee headed by Dr (Mrs) Manju Dutta Director Health Services (dental) The committee after seeing the demonstration of Hydraulic Chairs with attached dental units submitted their recommendations which were placed before the purchase committee headed by Chief Secretary to Government Haryana for consideration and decision After the approval from purchase committee supply orders for the supply of 20 Hydraulic Chairs with attached dental units were placed with M/s Suz Dent (India) Private Limited Ahmedabad vide this office letter No 4/39 WBP(2) 94/1582 dt 28 3 94 Sanction for the purchase of above mentioned equipment was accorded by the Government vide memo No 49/9/94 6 HB II dated 27 6 94 In these supply orders supply period of 8 weeks was mentioned and 80% payment on satisfactory installation and 20% payment after 15 days of the satisfactory working of the equipment was mentioned The equipment in question was inspected by Dr Subash Sharma Dental Surgeon Community Health Centre Mulanna and Dr VK Sharma Senior Dental Surgeon General Hospital Karnal and inspection of two Hydraulic Chairs with attached dental units were conducted by Dr Subash Sharma Dental Surgeon Community Health Centre Mulanna and Dr VK Sharma Senior Dental Surgeon General Hospital Karnal and inspection of two Hydraulic Chairs with attached dental units were conducted by Dr (Mrs) Manju Dutta Director Health Services (Dental) All items were found as per specifications by the inspection teams After the actual receipt of the equipment duly inspected and installation 80% payment was released to the firm as per condition mentioned in the supply orders The firm requested to this office to release balance 20% payment as per condition of supply orders As the firm had supplied the units late therefore actual date of supply and working reports of all the units were asked by this office from field office before releasing the final payment On receipt of the working reports it was found that some of the units were not working properly Therefore the firm was requested to repair the units in question vide this office letter No given below

1	4/39 WBP (2) 95/1129 dated 31 1 95	CHC Ladwa (Kurukshetra) Ferozpur Zhirka (Gurgaon)
2	4/39 WBP (2) 95/1228 dated 9 2 95	PHC Nilokhen (Karnal) MLGH Yamunanagar
3	4/39 WBP (2) 95/1765 dated 6 3 95	CHC Kalayat (Kaithal)
4	4/39 WBP (2) 95/2310 dated 27 3 95	CHC Indri (Karnal) General Hospital Jind CHC Ganaur (Sonapat)
5	4/39 WBP (2) 95/2845 dated 31 1 95	repair of eight units
6	4/39 WBP (2) 95/3213 dated 16 5 95	MLGH Yamuna Nagar
7	4/39 WBP (2) 95/4465 dated 21 7 95	Gurgaon MLA Dispensary Chandigarh Ganaur MLGH Yamuna Nagar
8	4/39 WBP (2) 95/4647 dated 2 8 95	Government Dispensary Sector 8 Panchkula
9	4/39-WBP (2) 95/5808 dated 9 10 95	do
10	4/39-WBP (2) 95/6762 dated 29 11 95	for repair of defective machines for AMC
11	4/39 WBP (2) 95/5918 dated 13 10 99	Gurgaon Yamunanagar Ferozpur Zhirka
12	4/39 WBP (2) 95/8229 dated 20 12 95	Tohana (Hissar)
13	4/39-WBP (2) 95/8275 dated 27 12 95	Gurgaon Ferozpur Zhirka

14	4/39 WBP (2) 95/492	dated 19 1 96	12 units
15	4/39 WBP (2) 95/737	dated 6 2 96	General Hospital Tohana (Hissar)
16	4/39 WBP (2) 95/2944	dated 6 6 96	General Hospital Gurgaon CHC Ferozpur Zhirka
17	4/39-WBP (2) 95/4042	dated 24 6 96	General Hospital Gurgaon CHC Ferozpur Zhirka
18	4/39 WBP (2) 96/3870	dated 31 7 96	General Hospital CHC Ferozpur Zhirka
19	4/39 WBP (2) 96/252	dated 14 1 97	13 Units
20	4/39 WBP (2) 97/1018	dated 19 2 97	General Hospital Jind
21	4/39 WBP (2) 97/2600	dated 29 4 97	13 Units
22	4/39 WBP (2) 97/6536	dated 20 10 97	6 units

In addition to above concerned firm was also requested by the field institutions and Director (dental) to make Hydraulic Chairs with attached dental units functional at their level but inspite of repeated requests the firm has not repaired the all defective units. The firm was again given notice to repair the defective units vide this office registered letter No 4/39 WBP (II) 953844 dt 14 7 99 letter No 4/39-WBP (ii) 95/3099 dt 13 8 99 and No 4/39 WBP (II)-99/5522 dated 8 10 99 to repair the defective units failing which State Government will be requested to black list the firm apart from taking legal action against the firm for supply of sub standard equipment. In response to these registered notice the firm has agreed to repair the defective units failing which State Government will be requested to black list the firm apart from taking legal action against the firm for supply of sub standard equipment. In response to these registered notice the firm has agreed to repair the defective Hydraulic Chairs with attached dental units. The firm has also repaired the following Hydraulic Chairs with attached dental units free of cost

Sr No	Name of Institutions	Date of Repair
1	Nilokheri (Karnal)	dated 26 7 99
2	Laharu (Bhiwani)	dated 29 7 99
3	Bhiwani Khera	dated 29 7 99
4	CH Palwal (Faridabad)	dated 28 7 99
5	CH Balabhgarh (Faridabad)	dated 28 7 99
6	CH Ferozpur Zhirka (Gurgaon)	dated 30 3 99
7	CH Faridabad	dated 28 4 99
8	CHC Mullana (Amabala)	dated 30 7 99
9	CH Gurgaon	dated 19 7 99

The remaining defective units are being repaired by the firm free of cost. The firm is insisting for the upkeep of these units as the warrantee period of one year has already been lapsed but department is insisting the firm that all the units should be made functional first then the action for AMC will be taken. In view of position explained above it is clear that department has taken timely action within warrantee period to get the defective Hydraulic Chair attached with dental units functional by the firm.

The department has released the balance 20% payment to the firm as per terms of the supply orders after imposing a penalty of Rs 1 69 022 25 paise/ the firm due to late supply. However a sum of Rs 51 000/ EMD of the firm has been withheld for want of repair of defective units. The Government had also decided to charge sheet the then Project Director (IPP VII) who had released the balance payment of Rs 2 86 256 30

paisa to the supplier before repair/replacement of defective accessories. The Government has also chargesheeted the following doctors who had inspected the Hydraulic Chair with attached Dental units and failed to detect the defects during the inspection

- 1 Dr (Mrs) Manju Dutta Director Health Services (Dental)
- 2 Dr Suhash Sharma Dental Surgeon
- 3 Dr VK Sharma Senior Dental Surgeon

It will not be out of place to mention here that the balance 20% payment was released on the recommendation of the Additional Director Sh J P Yadav who has since been retired from service. He had recommended that according to the supply orders 20% amount was to be paid after the 15 days satisfactory working of the units. Whereas now about a one year period has passed and warrantee for the units was also of one year and firm is corresponding for release of payment. To avoid any legal difficulty and dispute it will be better that the payment may be released to the firm to the tune of Rs 2 86 256 30 paisa after deducting a sum of Rs 1 69 022 25 paisa on account of penalty due to late supply. The firm has been asked to make the defective units functional. Their machine is repairing the units and some of the units have already been repaired. The proposal may please be approved and sanction to release a sum of 2 86 256 30 paisa be accorded. The sanction of the Govt for this payment has already been taken. This proposal was approved and sanctioned by the then Project Director.

In view of the position explained above the department has taken timely action and written to the firm repeatedly within warrantee period to repair the defective units. The firm is repairing the units free of cost and some of the units have already been repaired. The EMD of the firm has not been released so far on which the Govt is earning interest. The EMD of the firm will be released only when all the units will be made functional by the firm. A sum of Rs 1 69 022 95 paisa has already been deducted as penalty from the bills of the firm for late supply of Hydraulic Chairs with attached dental units. Therefore Government had not suffered any loss for the purchase of Hydraulic Chairs with attached dental units in question. Therefore it is requested that the para may kindly be dropped.

After hearing the departmental representatives the Committee observed that department failed to notice the manufacturing defects in time and also failed to take timely action against the firm within the warranty period for the repair/replacement of the Chairs. Moreover the balance payment of 20% was also released before getting the Chairs repaired. This shows the laxity and lapse on the part of department for which the Govt, suffered a considerable loss. Lack lustre attitude of the department is also evident from the fact that the information assured to be sent during the course of oral examination is still awaited till the drafting of Report by the Committee.

Therefore, the Committee is constrained to recommend that matter be enquired afresh and responsibility be fixed and disciplinary action be taken against the erring officials. The Committee would also like to be informed about the action taken within the period of three months.

REVENUE DEPARTMENT

[17] 3 7 Inadmissible payment of cash compensation to manufacturing units/industry owners

Rupees 8 70 lakh were disbursed as compensation to 51 manufacturing units/ industry owners in violation of Government instructions

To meet the loss of goods destroyed or damaged as a result of heavy floods in the State during August September 1995 State Government issued instructions (November 1995) to pay cash compensation to traders as per norms below

<i>Khoka/Rehn</i> owner	Rs 5 000 each
Small shops with shutters	Rs 10 000 each
Shops with complete pucca structure	Rs 20 000 each

Test-check of records of Deputy Commissioner (DC) Rohtak revealed (August October 1996) that in violation of the above instructions Rs 8 70 lakh were disbursed by one Excise and Taxation Officer (Rs 1 30 lakh) and 4 Assistant Excise and Taxation Officers (Rs 7 40 lakh) as cash compensation to 51 manufacturing units/industry owners between November 1995 and March 1996

The matter was brought to the notice of the Government by audit in May 1997 Financial Commissioner and Secretary Revenue Department stated (December 1997) that the units registered as small scale industries with the District Industries Centre were not entitled to compensation and payment of Rs 5 80 lakh to these 32 units was inadmissible and ordered for recovery either from these units or from the concerned officers. It was further decided to regularise the payment of Rs 2 90 lakh made to remaining 19 units which were not registered with the Industries Department. Sanction to regularise the irregular payment of compensation to 19 units had not been furnished and action to effect recovery not initiated to audit as of July 1998

The department in their written reply explained the position as under

As per audit an amount of Rs 8 70 lacs was paid as compensation to 51 manufacturing units/Industry owners by the Deputy Commissioner Rohtak in violation of Government instructions. The matter was considered by the Government and it was felt that out of 51 units 32 units who have been registered as Small Scale Industries should refund the amount of compensation amounting to Rs 5 80 lacs. Accordingly the Deputy Commissioner Rohtak was directed to recover the amount of compensation from these 32 units or the officers/officials concerned who distributed the compensation contrary to the Government instruction. Regarding the payment of compensation to remaining 19 units amount to Rs 2 90 lacs which were not registered as Small Scale Industries. It was decided to regularise the payment of compensation made to them and the Accountant General Haryana was also informed accordingly vide letters No 6399 I ER 2 97/19354 dated 3 12 97 and No ER 2 97/699 dated 12 1 1998

Now only an amount of Rs 5 80 lacs is to be recovered from 32 units for which the Deputy Commissioner Rohtak has directed the Deputy Excise & Taxation Commissioner Rohtak to recover this amount from these units immediately

After having the department representatives orally examined the Committee is of considered view that the compensation amount worth lakhs of rupees was disbursed to manufacturing units/industry owners contrary to the Government instructions. The Committee also observed that an amount of Rs 5.80 lakh is still outstanding which is required to be recovered from the units to whom the compensation was paid wrongly. It was also intimated by the department that compensation paid to the 19 units has been regularised by the Government.

The Committee, therefore, recommends that action be initiated against the erring officials who have made payment contrary to the Government instructions and the outstanding amount be recovered at the earliest. The Committee would like to be apprised of the action taken within three months.

[18] 3.8 Fictitious Payment of gratuitous relief

Subsidy of Rs 39.34 lakh was paid without following due procedure to 1,659 beneficiaries.

According to instructions of the State Government (September 1995) Rs 5,000 or the actual cost of damage/repair whichever was less was admissible as subsidy for repair of tube wells damaged in the floods during 1995-96. The payment of subsidy was to be made to the beneficiaries after survey and assessment of the damage by a team consisting of 2 or 3 Officers and damage to tube well was to be certified by an officer of Agriculture department. Besides such payment was to be made by a responsible officer in the presence of at least two representatives of the people, members of gram panchayat or panchayat samities in villages and municipal commissioners in cities/towns.

Test check of records relating to flood relief of District Revenue Officers Kaithal and Hisar conducted between July and September 1996 revealed the following lapses:

(i) Rs 38.34 lakh were disbursed between November 1995 and February 1996 for flood relief to 1,634 beneficiaries of 16 villages of Kaithal district. Out of this Rs 35.88 lakh* were disbursed to 1,505 beneficiaries of 11 villages by the Kanungo and Patwari after preparing the survey report by themselves in violation of Government instructions. The list of beneficiaries so identified by them did not indicate the type and extent of damage to the tube wells. Further the disbursement of relief of Rs 22.31 lakh to 1,023 beneficiaries was not made in the presence of representatives of the people as per requirement. The damage to tube wells was also not certified by an officer of the Agriculture Department before disbursement of relief in any case. Hence the payments appeared to be fictitious.

(ii) In Hisar district the admissible limit of Rs 5,000 was not observed by the Additional Deputy Commissioner in case of 25 beneficiaries and the relief of Rs 1 lakh was disbursed in excess.

The matter was referred to the Government in April 1998. Their reply had not been received (November 1998).

Kanungo Rs 24.40 lakh 1,046 beneficiaries of 9 villages and Patwari Rs 11.48 lakh 459 beneficiaries of 2 villages

The department in their written reply explained the position as under

- (i) The Deputy Commissioner Karnal has informed that keeping in view the seriousness of 1995 floods it was necessary to distribute the compensation of damaged tubewells to the affected farmers immediately. Accordingly survey of damaged tube wells was got done through the concerned Block Development & Panchayat Officer and Revenue Staff which was certified by the Flood Relief Officer himself. The compensation of damaged tube wells was paid to the eligible persons on the basis of damage by the Flood Relief Officer himself in the presence of Sarparches/Panches/Nambardars and other responsible persons and no irregularity was committed in the matter.
- (ii) As per information received from the DC Hisar an amount of Rs 3 800/- has been recovered from 2 beneficiaries and efforts are being made to recover the balance amount from rest of the beneficiaries.

After oral examination of the departmental representatives the Committee is not satisfied with the explanation of the department. The Committee observed that the subsidy amount was paid to the beneficiaries without following due procedure. The Committee also observed that the admissible limit of Rs 5000/- was not observed by the ADC in 25 cases and recovery has been effected only in two cases in Hisar District and amount paid in excess is still outstanding.

The information asked for by the Committee during the course of oral examination is still awaited till the drafting of Report.

The Committee, therefore, desired that required information be furnished to the Committee within a period of two months and prompt action be taken to recover the balance amount.

[19] 3.9 Drawal of funds without requirement

Drawal of Rs 29 lakh without immediate requirement led to interest loss of Rs 4.75 lakh.

Financial Commissioner and Secretary to the Government of Haryana Revenue Department allotted (February 1996) Rs 3.64 crore to 62 municipalities and a Municipal corporation in 17 districts of the State for repair of roads and open drains which were damaged by floods during 1995. While releasing the funds the Government directed that amount immediately required for the purpose should only be drawn from the treasury. Deputy Commissioner (DC) Faridabad was allocated Rs 40.50 lakh and the direction that after drawal of funds from the treasury the amount should be placed at the disposal of Additional Deputy Commissioner (ADC). Further ADC was required to release the funds through Executive Officer of Municipal Committee (MC) concerned to the municipalities after the work was executed.

Test check of records of the offices of DC and ADC Faridabad revealed (January 1997) that Rs 40.50 lakh were drawn in February 1996 by DC and was placed at the disposal of ADC Faridabad who in turn distributed Rs 21.50 lakh (out of Rs 40.50 lakh) among 4 MCs and one Municipal Corporation in March 1996 even before the works were executed. Though all MCs submitted the utilisation certificates of funds placed at their disposal Municipal Corporation Faridabad to whom Rs 10 lakh were allotted neither utilised the funds nor refunded.

the same to ADC as of May 1998. The balance amount of Rs 19 lakh (out of Rs 40.50 lakh) also meant for the Municipal Corporation was lying in a saving bank account of ADC as of May 1998.

In response to audit observations for not refunding of Rs 29 lakh to Government accounts the ADC stated (September 1998) that he had released Rs 15.37 lakh out of Rs 19 lakh to Municipal Corporation Faridabad (MCF) on 1 September 1998 against 16 road works for which payments (Rs 25.37 lakh) were released by Commissioner MCF between January 1997 and August 1997. The balance amount of Rs 3.63 lakh was still lying (September 1998) with ADC. The action of ADC to release the amounts without verifying whether these roads were actually damaged by floods during 1995 was not justified. Commissioner MCF intimated (September 1998) that these roads were damaged due to rains and there were no floods in Faridabad.

Thus releasing of Rs 25.37 lakh in March 1996 (Rs 10 lakh) and September 1998 (Rs 15.37 lakh) was in violation of Haryana Government instructions issued in February 1996. Besides, it also resulted in a loss of Rs 4.75 lakh on account of interest (calculated at borrowing rate) during April 1996 - August 1998.

The matter was referred to the Government in June 1998. Their reply had not been received (November 1998).

4. Ambala Rs 26.25 lakh, Bhiwani Rs 43.75 lakh, Faridabad Rs 40.50 lakh, Gurgaon Rs 19 lakh, Hisar Rs 43.75 lakh, Jind Rs 24 lakh, Kaithal Rs 19.25 lakh, Karnal Rs 4.50 lakh, Kurukshetra Rs 11.50 lakh, Mohindergarh Rs 5 lakh, Panchkula Rs 5.75 lakh, Panipat Rs 12.75 lakh, Rewari Rs 21 lakh, Rohtak Rs 34.75 lakh, Sirsa Rs 13 lakh, Sonapat Rs 21.75 lakh and Yamunanagar Rs 17.50 lakh.
5. Faridabad Rs 10 lakh, Hassanpur Rs 1 lakh, Hathin Rs 3 lakh, Hodel Rs 4 lakh and Palwal Rs 3.50 lakh.

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

The Additional Deputy Commissioner, Faridabad has replied that an amount of Rs 40.50 lacs was received from Director Local Bodies, Haryana, Chandigarh for repair of roads and open drains damaged during flood in 1995 for district Faridabad. An amount of Rs 36.86 lacs was released for the same as per details given below:

Sr No		Allocation	Cheque No	Released
1	M C Fbd	29 00 lac	004916 dt 6/3/96 004919 dt 1/9/98	10 00 lacs 15 36 lacs
2	M C Palwal	3 50 lac	004915 dt 21/3/96	3 50 lacs
3	M C Hodel	4 00 lac	004916 dt 21/3/96	4 00 lacs
4	M C Hathin	3 00 lac	004917 dt 21/3/96	3 00 lacs
5	M C Hassaspur	1 00 lac	004918 dt 21/3/96	1 00 lacs
Total		40 50 lac		36 86 lacs

Municipal Committee Palwal, Municipal Committee Hodel, Municipal Committee Hathin and Municipal Committee Hassanpur have submitted the U C for the amount which was released to them. Municipal Corporation Faridabad had submitted the projects of roads damaged in various areas of Corporation during the rainy season in 1995 to the

extent of Rs 28.91 lacs and demanded the special grant equal to this amount vide his Memo No MCF/SE 98/80 dated 20-2-96. The above projects were examined in his office and were approved vide T/o letter No 1628 dated 1-3-96 and accordingly a lump sum grant to the extent of Rs 10.00 lacs were released vide T/o letter No 1634 dated 9-3-96. ADC Fardabad has further stated that M C F Fardabad vide his letter No MCFF/SE/97/73 dated 6-2-1999 intimated to his office that work on the damaged roads could not be started at that time due to election in the State and demanded the funds to the extent of Rs 18.91 lacs against the completed works. He again approached this office vide his letter No MCF/FC/98/246 dated 20-5-1998 that the Corporation has completed the above sanctioned work to the tune of Rs 2536551/- and the said amount is required to make the payment of the contractor. The matter was also referred to the Deputy Commissioner Fardabad for issuing orders for release of Rs 15,36,551/- and after taking the approval this amount was released to MCF Fardabad on 1-9-1998. The amount was not refunded earlier to FC R Haryana Chandigarh due to non receipt of UC from MCF Fardabad upto 20-8-1998 and this amount remained with the DUDA's saving Account No 7305.

The Additional Deputy Commissioner Fardabad allocated an amount of Rs 29.00 lacs to Municipal Corporation Fardabad but actually released an amount of Rs 25,36,551 for which Utilization Certificate has been received from Municipal Corporation Fardabad. The Deputy Commissioner Fardabad/ Additional Deputy Commissioner Fardabad has been requested to refund the balance amount of Rs 3,63,449 along with the interest amount to Calamity Relief Fund immediately.

In view of the position explained by the Additional Deputy Commissioner Fardabad Public Accounts Committee is requested to drop this para.

After hearing the departmental representatives the Committee is of considered view that the amount of Rs 25.37 lakh was released for the maintenance of roads which were not damaged due to floods in Fardabad in violation of Government instructions. The information asked for by the Committee in this regard is still awaited.

The Committee, therefore, recommends that matter be got inquired into keeping in view the instructions and report be submitted for information of the Committee within a period of one month.

TECHNICAL EDUCATION DEPARTMENT

[20] 3 10 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 Technical Education Department (headed by Director Technical Education) revealed that action was pending (April 1998) in respect of 296 paragraphs contained in 79 inspection reports issued up to December 1997 as detailed below.

Year	Number of inspection reports	Number of paragraphs
Upto 1990-91	10	19
1991-92	8	14
1992-93	5	12
1993-94	9	18
1994-95	11	38
1995-96	19	88
1996-97	17	107
Total	79	296

Of these 79 inspection reports issued upto December 1997, the first replies of 35 inspection reports containing 187 paragraphs were received late between 6 and 36 months from the following offices:

Sr No	Name of the Office	Total number of offices/ inspection reports	Total number of paragraphs	Replies of inspection reports received late by		
				6 months to 1 year	1 year to 2 years	2 years to 3 years
1	2	3	4	5	6	7
1	Principal Government Polytechnic for Boys Sirsa	4	15	3	1	
2	Principal Vishav Karma Government Institute of Engineering and Technology Hisar	2	7	1		1
3	Principal Government Polytechnic Nalokheri	4	18	3	1	
4	Principal Government Polytechnic for Women Ambala	2	14	1	1	
5	Principal Government Institute of Engineering and Technology Hisar	2	20	1	1	

1	2	3	4	5	6	7
6	Principal Government Polytechnic for Boys Ambala	3	10	3		
7	Director Technical Education Haryana Chandigarh	4	23	4		
8	Principal Government Polytechnic for Women Sirsa	3	9	3		
9	Principal Government Polytechnic Uttawar	4	19	2		2
10	Principal Government Polytechnic Jhajjar	2	13	1	1	
11	Principal Government Polytechnic Sonapat	3	27	2	1	
12	Principal Government Polytechnic Adampur	1	5	1		
13	Principal B K N Polytechnic Narnaul	1	7	1		
Total		35	187	26	6	3

These replies were required to be submitted within six weeks from the date of issue. In 26 cases delay in receipt of first replies was between six months and one year, in 6 cases between one year and two years and in 3 cases more than two years.

Important irregularities of nine inspection reports relating to eight departments were as under:

Sr No	Name of the Office	No of Inspection Reports	Para No	Nature of irregularities	Amount (Rupees in lakh)
1	2	3	4	5	6
1	Principal Government Polytechnic for Boys Sirsa	1	1 2	Idle Machinery Excess expenditure over budget provision	0.54 0.44
2	Principal Vishva Karma Government Institute of Engineering and Technology Hisar	1	1 2	Irregular purchase of furniture Irregular purchase of machinery	1.28 1.22
3	Principal Government Polytechnic Noida	1	1 2	Purchase of defective machinery Wrong booking of expenditure	1.59 1.51
4	Principal Government Polytechnic for Women Ambala	1	1 2	Irregular purchase of electric equipment Non functional of machinery	2.38 1.94
5	Principal Government Institute of Engineering and Technology Hisar	1	1 2 3	Irregular advance payments Suspected embezzlement Irregular Purchase of office equipment	1.50 1.06 3.88

1	2	3	4	5	6
6	Principal Government Polytechnic Uttawar	2	1	Excess expenditure on procurement of machine	3 47
			2	Blockade of Government money	30 57
			3	Idle Machinery	2 38
			4	Irregular purchase of library Books	0 90
			5	Non functional of machinery	5 48
7	Principal Government Polytechnic Jhajjar	1	1 (a)	Misutilisation of conveyance allowance	1 32
			1(b)	Irregular expenditure due to excess over budget provision	4 02
			c)	Irregular expenditure	0 3
8	Principal Government Polytechnic Sonapat	1	1	Excess expenditure on trainees	11 91
			2	Non utilisation of grant	5 00
			3	Repair of vehicle	0 24
			4	Irregular purchase of stationery	0 28

For the prompt settlement of outstanding objections/ paragraphs an Audit Committee was formed by the department on September 1991 but the Audit Committee meetings could not be held because the department did not submit the annotated replies of outstanding paragraphs in respect of their field offices

The matter was referred to the Government in June 1998 their reply had not been received (November 1998)

The department in their written reply explained the position as under

In the CAG report for the year ended March 1998 against Para No 3 10 it has been pointed out that action was pending in respect of 296 paragraphs contained in 79 inspection reports issued upto Dec 1997. It has also been mentioned in the Para that for the prompt settlement of outstanding objection/paragraphs the Committee was formed but the meeting of the said Committee could not be held because the Department did not submit the annotated replies of outstanding paras in respect of their field offices

In this regard it is submitted that the meeting of Departmental Review Committee was held four times during the period of one year and during that meetings 468 5 paras as per detail given below were settled

Sr No	Date of Review	No of para settled
1	6/7 1 99	181
2	4/5 4 99	218
3	15/16 11 99	51
4	25/26 11 99	18 5
Total		468 5

Out of the 296 number paras as detailed in the CAG report against Para No 3 10 upto 1996-97 214 number of paras have been settled during the last reviews

From the above position it is clear that the Department is very particular for the early settlement of audit paras and the progress during the last one year is quite satisfactory and it is hoped that in the next meeting which is to be fixed shortly after getting the replies of the outstanding paras from the field offices the position will be more satisfactory

Hence in view of the position explained above it is requested that the para may kindly be dropped

After going through the written reply of the department, the Committee recommends that the remaining paras be settled by holding the meetings of Departmental Review Committee at the earliest. The Committee be apprised of the latest position within three months

PUBLIC HEALTH DEPARTMENT

[211 4 1 Urban Water Supply and Sewerage Schemes

4 1 1 Introduction

Safe drinking water and hygienic sanitation facilities are basic essential amenities required by the society for healthy living. To provide safe drinking water to a population of 32.23 lakh in 80* towns and to facilitate proper disposal of sullage etc. in 44 towns (population 27.61 lakh) of the State, 512 water supply schemes and 219 sewerage schemes were taken up during November 1966 (inception of Haryana State) and to the end of 1997-98, 352 and 137 schemes respectively were completed. Norms for water supply in terms of litre per capita per day (lpcd) were fixed (November 1966) as 115 to 180 lpcd according to the population of the town.

As projected in the VIII Five Year Plan of the State Government, the service level in terms of lpcd for water supply in these towns was to be raised to 80 per cent of the norms by the end of VIII FYP in 1996-97. Sewerage facilities in terms of area coverage were targeted to be raised to 50 per cent in 40 towns and 7 new towns were to be covered during VIII FYP. The schemes/ projects were prepared by the Municipal Committees of the concerned towns up to March 1993 and by Public Works Department (PWD) (Public Health Branch) thereafter. The schemes were executed by the PWD Public Health Branch after their approval by the State Sanitary Board.

4 1 2 Organisational set up

Financial Commissioner and Secretary to Government Haryana, PWD Public Health Department was administrative head at Government level and was responsible for implementation of policy decisions, programmes and schemes etc. The Engineer in Chief, Public Works Department (PWD) Public Health

Branch, Chandigarh was in overall charge of the scheme, who was assisted by 10 Superintending Engineers and 39 Executive Engineers in the field for execution of works.

4 1 3 Audit coverage

Mention of certain aspects of Urban Water Supply and Sewerage Schemes was made in the Reports of the Comptroller and Auditor General of India for the year 1985-86 (Paragraph 4.14) and for the year ended 31 March 1991 (Paragraph 4.9).

Records relating to water supply and sewerage schemes for the period from 1992-93 to 1997-98 were test checked in the offices of the State Sanitary Board, Engineer-in-Chief, Public Health Branch (PWD) and 12 (31 per cent) of the 39 Public Health divisions from December 1997 to April 1998. Of the 484 works executed during 1992-93 to 1997-98, 182 works (38 per cent) were checked in audit. Audit findings were supplemented by material available in the inspection reports of Public Health Branch (PWD). Important audit findings are discussed in the succeeding paragraphs.

Excludes Faridabad as water supply and sewerage facilities to this town is under the control of Haryana Urban Development Authority (HUDA).

1. Public Health (PH) Divisions (Dns) I and II Bhawan: Planning and Investigation PH Dn Charkhi Dadri, PH Dn Fatehabad, PH Dn Jind, PH Dn Kaithal, PH Dn Narwana, PH Dn Narnaul, PH Dn Panchkula, PH Dn Rewari, PH Dns I and II Sirsa.

4.1.4 Highlights

Heavy rush of expenditure in last quarter each year during 1992-98 was noted in 12 divisions ranging between 34 and 74 per cent and in the month of March from 20 to 56 per cent of the total expenditure

(Paragraph 4.1.7 (ii))

During 1992-98, against the budget provision of Rs. 19.91 crore for maintenance works, Rs. 51.99 crore were spent. Excess was spent by diverting funds from capital/loan head of accounts without approval of the State Legislature

(Paragraph 4.1.7 (iii))

Outstanding of Rs. 49.61 crore (inclusive of interest of Rs. 36.03 crore) loans advanced by the State Government to the Municipalities for execution of various schemes had not been repaid by them at the end of March 1998

(Paragraph 4.1.8)

Municipalities did not contribute their share of 5 per cent towards expenditure on urban water supply and sewerage schemes. Rs. 9.86 crore are recoverable on this account from the Municipalities

(Paragraph 4.1.9)

The State Sanitary Board did not specify the time frame for completion of schemes. Of the 512 water supply schemes and 219 sewerage schemes taken up since November 1966 to March 1998, 160 and 82 schemes respectively were incomplete

(Paragraph 4.1.10)

140 works involving expenditure of Rs. 38.25 crore were executed during 1992-98 (up to March 1998) for which technical sanction to cost estimates were not obtained

(Paragraph 4.1.11)

Out of 80 towns where urban water supply schemes were in operation, in only 9 towns the targeted service level (in terms of litre per capita per day (lpcd)) was achieved by March 1998. The achievement ranged between 40 and 80 per cent in 62 towns and it was below 40 per cent in remaining 9 towns

(Paragraph 4.1.12(i))

Water supply scheme to Kanina town was constructed during 1995-98 at a cost of Rs. 97.08 lakh but the scheme was not commissioned because of non-availability of adequate water from water source

(Paragraph 4.1.12(ii))

In 12 divisions Rs. 4.40 crore were outstanding on account of water charges and in 8 of the 12 divisions test checked, Rs. 0.43 crore were outstanding on account of sewerage charges for recovery pertaining to the period 1992-98

(Paragraph 4.1.13 (c))

Due to non-acquisition of land by Public Health Division, Jind for sewerage/sullage disposal under sewerage scheme in Patiala chowk area of Jind Town, sullage was being thrown in an open area

(Paragraph 4.1.14 (i))

Public Health Division, Jind executed the scheme providing sewerage treatment plant in Jind Town (excluding Patiala chowk area) under which the sullage was proposed to be disposed of in Forest Department's land without the prior permission. Subsequently, when the Division applied for the permission, the Forest Department did not agree. The sullage was being disposed of in an open area.

(Paragraph 4.1.14 (ii))

Release of sullage water of master sewerage scheme for Sirsa town into Ghaggar river polluted the river water and also that of Southern Ghaggar Canal, a source of drinking water for nearby villages. This resulted in an epidemic in parts of Sirsa District during 1995-98.

(Paragraph 4.1.14 (iii))

4.1.5 Planning

The Public Works Department Public Health Branch undertook 207 water supply schemes with the objective to improve the water supply service level from the existing 65 per cent to 80 per cent for a population of 32.25 lakh in 90 towns in urban areas during the VIII Five Year Plan (FYP) period (1992-97). Out of 207 water supply schemes 95 were completed and the water supply service level was raised to 68 per cent. Thus during VIII FYP period the increase in the water supply service level was only 3 per cent.

Further to improve the hygienic sanitation facilities 72 sewerage schemes were taken up in 44 towns (including 4 new towns to be covered during VIII FYP period) to increase the service level towards providing sewerage facilities up to 50 per cent in terms of area coverage during VIII FYP (1992-97). Out of 72 sewerage schemes 32 were completed and service level in terms of area coverage was raised to 45 per cent in 40 towns (works in 4 towns were still in progress).

4.1.6 Funding pattern

Of the total expenditure on Water Supply and Sewerage schemes 5 per cent was required to be borne by the concerned municipalities and balance 95 per cent was to be met out of loans and grants (Loans 60 per cent and Grant 40 per cent) received from the State Government. Grants and loans are sanctioned by State Government in favour of the concerned municipalities. The municipalities drew the amounts and credited it to the Public Works deposit account in favour of concerned PH divisions who executed the schemes.

4.1.7 Financial outlay and expenditure

(i) During 1992-93 to 1997-98 the budget provision was Rs 54.43 crore for water supply schemes and expenditure was Rs 63.20 crore whereas under sewerage schemes budget provision was Rs 20.00 crore and expenditure was Rs 19.33 crore as discussed below

Year	Budget Provision			Actual expenditure
	Loans	Grants	Total	
(Rupees in crore)				
A Urban Water Supply Schemes				
1992-93	4.35	1.42	5.77	5.85
1993-94	4.73	3.30	8.03	6.20
1994-95	4.26	3.47	7.73	9.98
1995-96	5.50	4.20	9.70	13.66
1996-97	3.80	7.40	11.20	10.56
1997-98	1.70	10.30	12.00	11.95
Total	24.34	30.09	54.43	63.20
B Sewerage Schemes				
1992-93	1.85	0.65	2.50	1.02
1993-94	1.40	1.50	2.90	2.19
1994-95	2.21	1.29	3.50	3.60
1995-96	2.30	1.50	3.80	3.65
1996-97	1.50	1.60	3.10	5.35
1997-98	1.50	2.70	4.20	3.52
Total	10.76	9.24	20.00	19.33
Grand Total	35.10	39.33	74.43	82.53

(ii) Rush of expenditure during last quarter of the year

During 1992-98 under Water Supply and Sewerage works expenditure incurred during last quarters of the respective years ranged between 34 and 74 per cent and in the month of March from 20 and 56 per cent of the total expenditure.

In 12 divisions the expenditure on urban water supply works incurred during the last quarter of the years 1992-93 to 1997-98 ranged between 34 and 72 per cent and in the month of March between 20 and 56 per cent of the total expenditure. The expenditure on urban sewerage works incurred during last quarter ranged between 42 and 74 per cent and in the month of March between 21 and 41 per cent during the same period as indicated below

Year	Total expenditure	Expenditure during		Percentage of expenditure during	
		last quarter	March	last quarter	March
(Rupees in lakh)					
A. Urban Water Supply					
1992-93	87.61	40.37	28.74	46	33
1993-94	101.66	34.84	19.98	34	20
1994-95	131.27	94.64	73.89	72	56

Year	Total expenditure	Expenditure during		Percentage of expenditure during	
		last quarter	March	last quarter	March
(Rupees in lakh)					
1995 96	248 66	107 03	53 80	43	22
1996 97	403 47	228 64	167 14	57	41
1997 98	182 47	62 79	39 31	34	22
B Sewerage Schemes					
1992 93	29 03	19 25	12 01	66	41
1993 94	29 35	12 60	7 37	43	25
1994 95	49 59	36 50	20 22	74	41
1995 96	57 39	24 03	11 98	42	21
1996 97	96 78	58 47	35 19	60	36
1997 98	335 54	150 09	78 85	45	23

Executive Engineers of the concerned divisions attributed (December 1997 March 1998) rush of expenditure at the fag end of the year to release of funds by the Government during last quarter/month of March

(iii) Expenditure on maintenance in excess of budget provision/ LOC

Against budget provision of Rs 19 91 crore for maintenance works during 1992 98 Rs 51 99 crore were spent which was excess by 161 per cent

During 1992-93 to 1997 98 against the budget provision of Rs 19 91 crore for maintenance of water supply and sewerage schemes expenditure of Rs 51 99 crore was incurred as indicated below

Year	Budget	LOC released	Expenditure incurred	Excess with reference to LOC
(Rupees in crore)				
1992 93	2 78	2 78	3 31	0 53
1993 94	3 38	2 25	8 40	6 15
1994 95	3 50	1 17	9 08	7 91
1995 96	3 75	1 62	9 77	8 15
1996 97	3 00	0 90	9 69	8 79
1997 98	3 50	0 85	11 74	10 89
Total	19 91	9 57	51 99	42 42

(a) It was noticed during audit that expenditure figures were not kept separately for maintenance of urban water supply schemes and sewerage schemes

(b) Against the LOC of Rs 9 57 crore released by the Government expenditure of Rs 51 99 crore was incurred involving excess by Rs 42 42 crore

(c) Against the Budget Provision of Rs 19 91 crore the actual expenditure was Rs 51 99 crore excess by 161 per cent

On being pointed out in audit the department replied (August 1998) that the expenditure was met by diverting the funds from capital works under major head 4215 and from the provision for loans having remained unallocated undrawn. The department further stated that the diversion was inevitable as the required funds were not provided under maintenance head of account and supply of drinking water being essential service could not be stopped for want of funds.

Diversion of funds from Capital head/Loan head of accounts to revenue heads (for maintenance works) without approval of State Legislature was irregular. Similar irregularity pointed out under paragraph 4.9 of Report of the Comptroller and Auditor General of India (Civil) Government of Haryana for the year ended 31 March 1991 was discussed by the PAC during March 1996. The Committee recommended that in future non plan expenditure should be fully provided to the department at the time of preparing the budget of the department and diversion of funds made so far may also be regularised from the competent authority. However the irregularity was repeated.

4.1.8 Outstanding loans

Recoverable loan from the Municipal Councils/Committees accumulated to Rs 49.61 crore at the end of 1997-98.

Loans sanctioned to the Municipal Councils/Committees was to bear interest at 12 per cent per annum and was to be charged on the total balance amount of interest payable alongwith the instalment of principal due. It was noticed that recoveries were not made regularly and Rs 49.61 crore (inclusive of interest of Rs 36.03 crore) accumulated as outstanding at the end of the 1997-98.

Outstanding recoveries against loans were also pointed out *vide* paragraphs 4.14 and 4.9 of the Report of the Comptroller and Auditor General of India (Civil) Government of Haryana for the years 1985-86 and 1990-91 which were discussed by the Public Accounts Committee (PAC) during 1991 and 1996 respectively. The PAC recommended for changing the funding pattern by exempting the municipalities from paying any contribution as Government action of sanctioning grants/loans to the municipalities without measuring their financial capacity to bear the burden of even 5 per cent contribution was a futile exercise. Funding pattern however was not changed by the Government (October 1998).

4.1.9 Non contribution of share by municipalities

The municipalities had not paid Rs 6.73 crore towards their share of contribution against expenditure on water supply and sewerage schemes incurred during 1992-98.

Municipalities were required to bear 5 per cent of the total expenditure incurred on water supply and sewerage schemes from their own sources. During the period 1992-98 an expenditure of Rs 82.53 crore was incurred on execution of Urban Water Supply and Sewerage schemes and Rs 51.99 crore were spent on maintenance of these schemes. An amount of Rs 6.73 crore on account of 5 per cent contribution as share of M.C.s was not paid by respective M.C.s due to their poor financial position. An amount of Rs 3.13 crore recoverable on this account was pointed out in paragraph 4.9 of the Report of Comptroller and Auditor General of India for the year 1990-91 Civil Government of Haryana which was discussed by PAC during March 1996. The PAC recommended for changing funding pattern by exempting the

municipalities from paying any contribution as Government action of sanctioning grants/loans to municipalities without measuring their financial capacity to bear the burden of even 5 per cent contribution was a futile exercise. Action on these recommendations was yet to be taken (August 1998)

Programme implementation

4.1.10 Physical targets and achievements

In the absence of any time frame for completion of water supply and sewerage schemes 160 water supply and 82 sewerage schemes were incomplete as of March 1998

For ensuring safe supply of drinking water and for providing sewerage facilities the State Government constituted (January 1967) a State Sanitary Board comprising 19 members with Minister Public Health as its President. The Board's functions are consultative, executive and directive which included giving opinion on matters relating to water supply and sewerage schemes referred by the State Government, according administrative approval to individual water supply and sewerage schemes in the areas and directing general/technical sanitary policy of the State. These schemes were executed as deposit works on behalf of municipalities by various Public Health divisions. The Board was also responsible for seeing that the funds were spent properly.

Number of Water Supply and Sewerage schemes taken up and those remaining incomplete (March 1998) were as under:

Particulars	Water Supply (In number)	Sewerage
Schemes taken up to 31 March 1992	276	130
Schemes taken up during VIII Five Year Plan (1992-97)	207	72
Schemes taken up during 1997-98	29	17
Total Schemes	512	219
Schemes incomplete as of 31 March 1998	160	82

The State Sanitary Board did not specify any time frame for the completion of schemes while according administrative approval. It was noticed in audit that out of 734 schemes taken up since the inception of the State in November 1966 to March 1998 (water supply 512 and sewerage 219) 489 (water supply 352 and sewerage 137) were completed in 3 to 25 years after their commencement/ administrative approval. The remaining 242 schemes (water supply 160 and sewerage 82) were still incomplete (March 1998) as indicated below:

	Water Supply schemes	Sewerage schemes
More than 10 years old	9	nil
More than 5 but less than 10 years old	29	27
More than 3 but less than 5 years old	35	12
Less than 3 years old	87	43
Total	160	82

The reasons for delay in completion of schemes as analysed in audit were:

- absence of any time limit for completion of each scheme in the administrative approvals or Project Documents

- detailed estimates not firmed up while the schemes remained in execution for years and
 - non payment of 5 per cent contribution by municipalities towards cost of construction
- Reasons for 9 specific water supply schemes having remained incomplete for over 10 years were examined in audit and it was noticed that
- two water supply schemes one each for Ellnabad town (sanctioned in August 1983) and Thanesar Town (sanctioned in March 1982) were incomplete as the water distribution system had been partially laid due to non identification of source for drinking water Rs 83 21 lakh were spent on these schemes as of March 1998
 - For one water supply scheme (which was tube-well based) at Cheeka main structures like storage tanks etc were constructed at a cost of Rs 29 60 lakh but additional tube wells envisaged under the scheme had not been drilled as of March 1998

Remaining 6 schemes were incomplete for want of funds as Rs 302 34 crore were sanctioned upto March 1998 against their estimated cost of Rs 733 66 crore

4 1 11 Works executed without the technical sanction/preparation of cost estimate

Technical sanctions to detailed cost estimates for 140 works involving expenditure of Rs 38 25 crore in 12 districts were not obtained

The department undertook execution of 140 works in 12 divisions test checked involving expenditure of Rs 38 25 crore during the period 1992 98 after their administrative approval from the State Sanitary Board However technical sanctions to the detailed cost estimates for these works were not obtained from the Engineer in Chief/ Superntending Engineer

4 1 12 Urban Water Supply Schemes

Against the target of raising service level to 80 per cent for water supply in terms of per capita per day during VIII five year plan service level could be raised to only 68 per cent In 9 towns service level remained below 40 per cent

Up to the end of the year 1997 98 512 water supply schemes were taken up of which 160 schemes were incomplete as on March 1998 Of the 160 incomplete schemes 9 were more than 10 years old and 29 were more than 5 years old

In 20² major towns having population of more than 50 000 each 3 water supply schemes were completed during 1992 93 to 1997 98 and 20 schemes were still incomplete (March 1998) Following irregularities were noticed

(i) Level of water supply facilities

The VIII Five Year Plan (1992 97) originally envisaged that the service level for water supply in terms of litre per capita per day (lpcd) was to be raised to 80 per cent by the end of the plan period in 1996 97 Against this achievement was 68 per cent during the year 1997 98 the service level was targeted to be raised by 2 percent During 1997 98 of the 80 towns actual service level achieved was 80 percent and above in 9³ towns 40 to 80 per cent in 62 towns and below 40 per cent in remaining 9⁴ towns

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- 2 Ambala City Ambala Sadar Bihdurgarh, Bhuwani Gurgron Hansi Hissar Jagadhari Jind Kaithal Karnal Narnaul Panipat Palwal Rohtak Rewari Sonapat Sirsa Thanesar and Yamunotgar
- 3 Population in Bawal 0 09 lakh Hathun 0 09 lakh Indri 0 11 lakh Kalayat 0 13 lakh Ladwa 0 20 lakh Nilokher 0 14 lakh Ratni 0 17 lakh Saffidon 0 20 lakh and Tarori 0 15 lakh
- 4 Population in A sandh 0 17 lakh Barwala 0 25 lakh Cheeka 0 21 lakh Haily Mandi 0 13 lakh Kharkhoda 0 13 lakh Narnaud 0 12 lakh Patudi 0 11 lakh Ramu 0 21 lakh and Siwani 0 11 lakh

(iii) Excess payment to a contractor

Public Health Division Narwana awarded (November 1995) the work of Construction of Storage and Sedimentation Tank for water supply scheme for Narwana Town at a cost of Rs 50 lakh to a contractor. The work was started in December 1995. The contractor was paid Rs 51.81 lakh upto 5th running account bill paid in September 1996. It was noticed that Rs 4.01 lakh were paid excess to the contractor as detailed below.

(a) Payment at higher rates for excavation works in foundations/trenches of underground structures resulted in excess payment of Rs 2.33 lakh.

(b) As per agreement the contractor was required to return 400 cum brick bats received after dismantling the old structures. The contractor did not return the material and the cost of brick bats was recovered at Rs 40 per cum instead of at the rate of Rs 194 per cum provided in the estimate. This resulted in less recovery Rs 0.62 lakh.

(c) The item of work Jungle clearance was executed by the contractor at the existing water works site for constructing one Storage and Sedimentation (S&S) water tank in place of the existing two S&S tanks. The contractor was paid Rs 0.39 lakh on this account without approval from the competent authority.

(d) There was no provision for executing work in mud concrete with brick blast and mud plaster in the estimate and DNIT. The contractor executed these items of works as side slopes of water tanks were damaged by rains. But the contractor was paid Rs 0.67 lakh on this account without approval of the competent authority.

On being pointed out (May 1997) the Executive Engineer replied (August 1998) that the recovery would be made from the final bill. Audit scrutiny however revealed that no action was taken by the department to finalise the bill of the contractor even after lapse of two years since last running payment (September 1996).

(iv) Excess payment due to adoption of incorrect rates

(a) Public Health Division Narnaul got executed the work Providing Supplementary Water Supply scheme in Mohindergarh town during 1994-97. The rate adopted was as per the zonal premium (ZP) on the item of "double layer brick lining" which was 100 per cent on the basic rate specified in Chapter II of HSR. However on 7 September 1993 this item of work was introduced in HSR under Chapter 19 and ZP at the rate of 90 per cent was payable on this item. This resulted in excess payment of Rs 1.15 lakh on account of higher rates of premium.

(b) Due to incorrect application of premium rates i.e. at 100 per cent instead of 90 per cent above basic rates specified in HSR Public Health Division Rewari made an excess payment of Rs 0.92 lakh against the work double layer brick lining under the scheme Providing Water Supply Scheme for Rewari town executed during 1994-96.

Executive Engineer Public Health Division Rewari stated (February 1998) that this item was provided as approved item plus ceiling premium above 100 per cent by taking the premium provided for item under Chapter 11 of the HSR applicable for brick works. The reply was not tenable as this item was payable under Chapter 19 (item No. 19.29 of HSR).

4 1 13 Water/Sewerage tariff

X

X

X

(b) Non realisation of budgeted revenue

Shortfall in realisation of budgeted receipts during 1993-98 ranged between 25 and 75 per cent for water charges and between 93 and 97 per cent for sewerage charges

Upto 31 March 1993 water and sewerage charges were collected by municipalities and by Public Health divisions thereafter. Extent of shortfall in realisation of water and sewerage charges with reference to budget estimates ranged between 25 and 75 per cent (for water supply) and 93 and 97 per cent (for sewerage) for the period 1993-97 and 1994-98 respectively as indicated below

Year	Receipts on account of Water Charges				Receipt on account of Sewerage Charges			
	(a) budget estimates	(b) actual	Shortfall	Percentage shortfall	(a) budget estimates	(b) actual	Shortfall	Percentage of shortfall
	(Rupees in crore)				(Rupees in crore)			
1993-94	5.00	1.27	3.73	75	nil	0.04	nil	nil
1994-95	5.74	1.75	3.99	69	4.00	0.11	3.89	97
1995-96	6.00	3.08	2.92	49	5.00	0.15	4.85	97
1996-97	6.35	4.75	1.60	25	6.50	0.28	6.22	96
1997-98	6.64	7.86			7.00	0.46	6.54	93

Reasons for shortfall were not intimated (August 1998) by the department

A scrutiny of records relating to preparation of these estimates revealed that neither the number of water/sewerage connections provided in the concerned towns nor the water/sewerage rates were taken into consideration. Therefore, the estimates were much higher than realisation. However, the town-wise targets and achievements were not on record with the department.

(c) Outstanding water and sewerage charges

Water/sewerage connections were given by Public Health (PH) divisions. Bills for water/sewerage were raised regularly by the concerned PH divisions. The bills collection centres at division and sub-division level made collection of water and sewerage charges.

The department failed to recover the long outstanding dues against water and sewerage charges. In 12 divisions test checked, Rs 4.40 crore for the period 1992-98 were outstanding against water charges and in 8 of the 12 divisions test checked, Rs 0.43 crore for the period 1992-98 were outstanding for recovery on account of sewerage charges. The divisions attributed (December 1997-March 1998) the arrears to non-availability of consumers at their houses, original consumers having expired in some cases, etc. The reply indicated lack of efforts on the part of concerned divisions towards effecting the recoveries.

Environmental aspects

4 1 14 Sewerage schemes

Service level for sewerage in 40 towns was raised to 45 per cent in terms of area coverage during 1992-97 against the targeted service level of 50 per cent.

During VIII Five Year Plan (1992-97) service level for sewerage in 40 towns with a population of 26.90 lakh (Urban area) was targeted to be raised to 50 per cent in terms of area

coverage Besides sewerage facilities were to be provided in 7 new towns Against this actual coverage/service level achieved was 45 per cent Of the 7 new towns to be covered works were in progress in 4 towns and in the remaining 3 towns works had not been taken up (March 1998) due to financial constraints

In 10⁵ major towns having population of more than 50 000 each 4 sewerage schemes of Hisar Rohtak and Sirsa towns were completed during 1992-93 to 1997-98 and 12 schemes were still incomplete (March 1998)

Following points emerged during the review of audit of sewerage schemes

(i) Non-acquisition of land resulted in improper sullage disposal

The State Sanitary Board accorded (April 1992) administrative approval to the work providing sewerage facility in Patiala chowk area of Jind town for Rs 32.51 lakh (revised in June 1993 to Rs 65.53 lakh) The scheme provided for acquisition of land required for the disposal of sullage water outside the town area through a 6 500 feet sullage carrier and construction of disposal works on Jind Narwana road Public Health Division Jind incurred expenditure of Rs 41.66 lakh up to March 1998 The department initiated no action for acquiring the land for disposal of sullage water Sullage water was being disposed of in the open along the Jind Narwana road Thus non acquisition of land not only resulted in improper disposal of sullage water but also caused environmental pollution in the area inhabited by large number of population

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(iii) Improper sullage disposal resulted in epidemic

For providing sewerage facility to Sirsa Town the State Sanitary Board approved (October 1979) a master sewerage scheme for Rs 64.23 lakh The work was taken up by Public Health Division I Sirsa without obtaining technical sanction from the competent authority Rs 95.84 lakh were spent up to March 1998 The scheme provided for utilisation of sullage water for broad irrigation The excess sullage water during the harvesting/rainy season (there being no demand for irrigation) was proposed to be pumped out in River Ghaggar 18 lakh gallons of sewerage effluent were being released daily into river Ghaggar Release of sullage water into Ghaggar river polluted the water of the river and also that of Southern Ghaggar Canal (SGC) during 1995-98 which originated from river Ghaggar at Ottu weir and was source of water supply to the nearby villages and Ellenabad town

Executive Engineer Ghaggar Water Services Division Sirsa pointed out (April 1995) to the Executive Engineer Public Health Division I Sirsa the increasing pollution level of the water of Ghaggar and SGC which was the source of water supply for drinking purposes No effective steps were taken till the epidemic spread in some villages and Ellenabad town of Sirsa district in 1995-98 In May 1997 a meeting of senior functionaries (Engineer in Chief Superintending Engineers Executive Engineers) of Irrigation and Public Health Branches of PWD was convened by the Commissioner and Secretary Irrigation Haryana to discuss the pollution level of water in Ghaggar river At the meeting the Engineer in Chief Public Health Branch Haryana assured that no additional pollution load would be contributed to Ghaggar

river Accordingly the Public Health Branch decided (June 1997) to take short term measures by streamlining the flow of the surplus sullage water of Sirsa town through the borrow pits top the pumping station near Ghaggar river to act as a storage for sullage water and providing reasonable detention time which could lead to partial treatment of the waste water Therefore the Superntending Engineer PWD Public Health Circle World Bank Project Hisar submitted (June 1997) proposal showing short term/long term measures at an estimated cost of Rs 54 50 lakh and Rs 150 56 respectively for approval Final outcome was awaited (April 1998)

Improper sullage disposal in the river which polluted the water of SGC resulted in spread of epidemic (Jaundice) in parts of Sirsa district during 1995 98

4 1 15 Other points of interest

X X X

(ii) Non-accounting of material in stock registers

In Public Health Division Narnaul one Sub Divisional Engineer (Sub Division I) Narnaul made payments of Rs 6 64 lakh during November 1996 and March 1997 to the suppliers (based at Delhi Hisar and Narnaul) against purchase of material like water proof plastic (WPP) cable steel chairs umbrellas etc Purchases were made without obtaining the sanction of the competent authority and without getting the bills pre audited from the divisional office The material stated to have been purchased was neither accounted for in the stock accounts (goods received sheet bin cards material at site account register etc) nor its consumption shown against any work In the absence of accountal of material the possibility of fictitious payments to the suppliers could not be ruled out

4 1 16 Monitoring

The Monitoring and Investigation cell was functioning at the Headquarters office of the Engineer in Chief Public Health Branch Chandigarh to monitor the progress of implementation of the projects/schemes and collection of information in regard to financial/physical progress for reporting to EIC and other concerned authorities However the quarterly progress reports (physical and financial) received by the cell from the field offices were not scrutinized properly in as much as no follow up action was taken on the deficient progress reports which indicated only financial progress but not the physical progress of works/schemes

4 1 17 Evaluation

No evaluation was conducted to ascertain the impact of Water Supply Schemes and Sewerage Schemes in the identified towns

4 1 18 Conclusion

As the progress of implementation of the schemes was not monitored by the State Sanitary Board one third of the 512 water supply schemes and 219 sewerage schemes taken up since November 1966 were incomplete 38 water supply schemes were lying incomplete since 5 to 10 years Targeted service level for water supply in 71 of the 80 towns was not achieved In a large number of works huge expenditure was incurred though cost estimates

were not technically sanctioned. Budget for maintenance expenditure was overshoot by 160 per cent while capital works suffered. As land was not acquired, sullage/sewerage was disposed in open land in Jind town.

The matter was referred to the Government in June 1998. Their reply had not been received (August 1998).

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

4 1 5

In the approved outlay of 8th five year Plan 1992-97, it was envisaged to improve the service level in the Towns from 50 to 65% instead of 65% to 80%. The figures of 65% to 80% was proposed in the draft 8th five year plan 1992-97. The actual achievement was 68% which is higher than the proposed service level. Out of 207 water supply schemes, 148 have already been completed upto 31.3.2002 and work on balance schemes is in progress.

Similarly out of 72 sewerage schemes taken up in 44 towns, 37 schemes have been completed and work on remaining schemes is in progress.

The percentage area covered in 27 towns is from 50% to 75% and in other towns from 20% to 50%.

In view of position explained above, the Para may be dropped.

4 1 6

The financial position of Municipal Committees is weak. 5% contribution is not being paid in cash. However, land for construction of Water works/Disposal works in most of the cases is provided free of cost by the Municipal Committees. The cost of land in Urban areas is always more than 5% cost of scheme. Thus 5% share to be borne by the concerned Municipal Committees is adjusted in shape of land. For example, land for W/S schemes Narwana, Kaithal, Bahadurgarh has been given free of cost by respective Municipal Committees.

In view of position explained above, Para may be dropped.

4 1 7 (i)

Expenditure on providing water supply schemes is slightly more on account of reason that drinking water supply facilities are to be extended to the Public to obtain larger social benefits. Excess expenditure had to be incurred during floods of year 1995-96 to restore water supply schemes. Thus this variation should be ignored.

As regards to sewerage system, the variation in expenditure in respect to budget is only 3.3% which is a minor variation.

In view of position explained above, Para may be dropped.

4 1 7 (ii)

The expenditure on various works is regulated through LOC system i.e. the funds are released by the Finance Deptt. through LOC. The Finance Deptt. normally releases more funds (LOC) during the last quarter of the year or in month of March, which is the

main reason for rush of expenditure at the fag end of the year i.e. during last quarter/month of March. In fact pending liabilities i.e. works executed in the earlier months of the year are cleared by making payments of pending bill on the receipt of fund in the last months of the financial years which also reflects in the rush of expenditure in the last quarter/month.

4.1.7 (iii)

Prior to 1997-98 the Budget provision available for the repair and Mtc. of the water supply schemes and sewerage system in urban areas was inadequate as detailed in the table given below. Because of the gap between budget provision and the actual expenditure, the department was forced to divert the plan funds to meet with the bare minimum requirement for operation and maintenance works being essential services.

Sr No	Name of year	Urban Scheme	
		Budget Provision	Expenditure
		(Rs. in lacs)	
1	1993-94	350	890
2	1994-95	350	908
3	1995-96	225	976
4	1996-97	300	969
5	1997-98	350	1174
6	1998-99	1245	925
7	1999-2000	1370	975
8	2000-2001	1150	1150

From 1998-99 onwards, the budget provision for Mtc. of urban water supply schemes/sewerage system enhanced substantially to meet with the urgent requirements of the operation and maintenance cost.

With the present level of allocation (which is further off-set by the less flow of LOC on account of tight financial position of the State) the Department is able to maintain the Urban Water Supply & Sewerage Schemes to the barest minimum possible extent.

The diversion of funds has since been stopped from the year 1998-99 from Capital works.

Instructions have been issued to the Divisional Officers to maintain separate figures of expenditure for Urban Water Supply Schemes and sewerage schemes.

4.1.8

Due to weak and lean financial resources of the Municipal Committees, they are neither able to pay back the loan nor interest, that is why in view of this situation, i.e. no recovery is forthcoming, the loan component which used to be about 50% to 60% of grant has now been gradually reduced to about 20% to 30% of the grant in the year 2000-2001. The Government is seized of the matter for recovery of loan from Municipal Committees.

4 1 9

As already explained against Para No 4 1 6 the resources of Municipal Committees are so limited that they are not even able to maintain themselves. The share of 5% by the Municipal Committees not contributed in cash. However 5% share to be borne by the concerned Municipal Committee is adjusted in shape of land which provided free of cost.

In view of position explained above the Para may be dropped

4 1 10

Out of 160 incomplete scheme as on 31 3 1998 101 schemes have been completed and work on remaining schemes is in progress

Out of 82 incomplete sewerage schemes 47 schemes have been completed and work on remaining schemes is in progress

The reasons for delay in completion of schemes was mainly due to limited allocation of funds under state plan

In view of position explained above the Para may be dropped

None of the incomplete schemes 10 years old

However out of 160 incomplete water supply schemes only 59 schemes are 3 to 5 years old and out of 82 incomplete sewerage schemes 35 schemes are 3 to 5 years old

The water supply schemes of Ellanabad Town & Thanesar Town has since been completed with the total expenditure of Rs 111 44 lacs upto March 2000

In view of above Para may be dropped

All the additional tubewells have been installed as per position of the estimate

In view of above Para may be dropped

After administrative approval of the estimate technical scheme of each estimate is approved by the competent authority before taking the work in hand. Further instructions have been issued to all the Superintending Engineers/Executive Engineers to get the estimates sanctioned technically

In view of position explained above the Para may be dropped

4 1 12 (i)

In the Draft 8th Five Year Plan 1992 97 it was envisaged that service level of water supply will be increased from 45% on average to 80%. But in approved outlay it was proposed to improve the service level in towns from 50% to 65%. Against this the achievement is 68%. Out of 160 schemes which were incomplete as on March 1998 101 schemes have been completed. The work on remaining 59 W/S schemes is in progress. None of the scheme is 10 year old whereas only 15 schemes are more than 5 years old

In 20 major towns the water supply schemes of Ambala City Hisar Jagadhri Jind Karnal Narnaul Panipat Rewari Thanesar Sirsa and Yamuna Nagar have since been completed. The work namely Rohtak Palwal Sonapat Gujgaon Hansi Karthai Bhiwani Bahadurgarh and Ambala are in progress and likely to be completed soon.

In towns where the service level was less than 40 LPCD the present status is as under -

1	Assandh	70LPCD
2	Barwala	68LPCD
3	Cheeka	90LPCD
4	Hali Mandi	50LPCD
5	Kharkhoda	35LPCD
6	Narwana	100LPCD
7	Pataudi	70LPCD
8	Rania	80LPCD
9	Siwani	110LPCD

The water supply scheme Kharkhoda & Hali Mandi are in progress.

In view of above para may be dropped.

(iii) It is intimated that a sum of Rs 4 84 425 28 have been recovered from the pending dues of the contractor as per following details -

(i)	Recovery of Excavation work	233454 68
(ii)	Recovery of 400 Cum b ck Bats	61600 00
(iii)	Recovery of Jungle clearance	38793 00
(iv)	Recovery of Mud Plester	30950 30
(v)	Recovery of side slopes	36202 93
(vi)	Recovery of interest	83424 37
		<u>484425 28</u>

The Net amount still due to be paid to the contractor & lying in Misc deposits is Rs 2 01 985 00.

(iv) This Para stands settled and dropped by Accountant General (Audit) Haryana vide his letter No WAD 1/Const /99-2000/34 dated 3 4 2000.

(b) Non-realisation of Budgeted Revenue

Year	Water Charges		Sewerage Charges	
	Budget estimate	Actual Recpt	Budget estimate	Actual Recpt
				(Rupees in Crores)
1998-99	11 24	11 47	9 00	1 18
1999-2000	12 74	10 16	9 00	2 26
2000-01	14 00	10 29	2 00	1 20

The perusal of above chart indicates that from 1998-99 onwards the recovery of water charges has included considerably

However efforts are being made for recovery of outstanding arrears on account of water supply & sewerage charges

(c) The Executive Engineers have been directed vide this office Memo No. 894-960 PH/AC (1) dated 25.5.2000 to recover the outstanding dues on account of water charges/ Sewerage charges

4.1.14

The work of providing sewerage facilities in the towns is a comparatively low on agenda as compared to drinking water facilities. The Budget provision for sewerage schemes is too limited to provide appreciable improvement.

In spite of limited resources 52 Towns have Sewerage System. In 27 Towns percentage area covered with sewer is 50 to 75% & in 25 Towns percentage area is between 20 to 50%.

4.1.14 (i)

The sewage water is not disposed off in open area along Jind Narwara Road now. The pump house has been shifted about 1.5 kms away from the inhabited area by laying sewer. From this point it is further pumped out through a 6" dia rising main of 900 mt. length into an open effluent channel from where this water is being used by the farmers for irrigation purpose.

In view of position explained above the Para may be dropped.

(iii) It is submitted that no sullage water is discharged into the Ghaggar river. It is being disposed off in a sullage carrier, from where it is used by the farmers for irrigation purpose. However to check the overflow of this untreated sullage water into Ghaggar river during rainy season, an estimate for Rs. 49.24 crores for construction of sewerage Treatment Plant and acquisition of 101.60 acres land has been prepared under Ghaggar Action Plan. The project has been submitted to Government of India for approval.

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

4.1.15 (ii)

Three No. officers/officials are involved in this case -

1. Sh. K. K. Singla SDE
2. Sh. B. P. Yadav J.E.
3. Sh. K. P. Sharma J.E.

The charge sheet has been served to all the above named officer/officials.

The Inquiry is under process.

4.1.16

The quarterly physical and financial reports received from the field are scrutinized properly and the reports are submitted to the Govt. of India and State Planning Department.

The quarterly report includes both physical and financial progress. Whenever any deficiency/shortfall is observed, necessary corrective measures are taken and suitable instructions are issued to the field officers to take appropriate remedial measures.

4.1.17

House to house survey/ surveillance is being conducted periodically to find out insanitary connections, leakage in pipe line and accordingly remedial measures are being taken.

During 2001-2002, the 5466 insanitary connections were detected which have either been rectified or have been disconnected.

4.1.18

As explained in the outgoing paragraphs, the water supply schemes and sewerage schemes could not be completed due to insufficient funds. The Department is making every effort to improve the deficiency pointed out in the paragraphs.

4.1

After hearing the departmental representatives and going through the written reply, the Committee is not satisfied with implementation of the Urban Water Supply and Sewerage Schemes. The Committee observed that a number of water/sewerage schemes are pending since a long time and in some cases there is a delay of 5 to 10 years. It is also observed that the schemes are not carried out as per budget provisions and in certain cases without obtaining technical sanction. The Committee also noticed the non-realization of contribution and loan amount from the municipalities. The department attributed it to the weak financial position of the municipalities. The matter of excess payment to a contractor and missing of stock register is taken seriously by the Committee. The Committee feels that improper disposal of sewerage/sullage water is a danger for the environment.

(i) The Committee therefore recommends as under -

- (i) Expedious steps be taken to complete the pending water/sewerage schemes with emphasis on the water supply schemes.
- (ii) Public Health Schemes be executed as per budget provisions and fund be utilized throughout the year to avoid rush of work during last quarter of the year.
- (iii) Proper procedure and prompt action be taken in the execution of schemes.
- (iv) The matter regarding realization of arrears of contribution and loan amount from the municipalities be taken up with the Govt. for early settlement.
- (v) Arrears of water/sewerage charges be recovered from consumers expeditiously.
- (vi) The matter of excess payment to a contractor and loss of stock

register be investigated, responsibility be fixed and action be taken against the concerned officer/officials for the lapses

The Committee be apprised of the action taken within three months

(II) Non-accounting of material in stock registers

The Committee observed that it is a clear case of fraud. Placing of Rs 664 lacs in Misc Pw Advances is no solution. The Committee therefore recommends that action against the officer/officials responsible for the lapse may be completed within a period of three months and report be sent to the Committee for its information.

P W D (Buildings and Roads)

[22] 4 2 Avoidable payment of interest

Penal interest of Rs 17 83 lakh had to be paid since instalments for cost of land and ground rent were not paid on due dates

Land measuring 68 686 square yards was allotted by Chandigarh Administration to Haryana Government in August 1991 at a cost (premium) of Rs 1 15 crore on 99 years lease hold basis for construction of residential accommodation for its employees at Chandigarh. As per terms and conditions of the allotment letter 25 per cent of the cost (premium) was to be paid at the time of allotment and the balance 75 per cent was to be paid either in lump sum within 30 days of the date of issue of the allotment letter or in 3 annual equated instalments of Rs 34 76 lakh each including interest at the rate of 10 per cent per annum commencing from the year 1992. Apart from the cost of land ground rent for first 33 years at the rate of Rs 2 88 lakh per annum was also payable with effect from September 1992. In case of non payment of equated instalments and ground rent on due dates interest at the rate of 15 per cent (revised to 24 per cent from July 1993) was chargeable for the delayed period.

Test check of records of Chandigarh Provincial Division Panchkula revealed (July 1997) that the payments of third instalment for cost (premium) of land and ground rent amounting to Rs 40 52 lakh due for payment in September 1994 and September 1995 respectively were not made to the Chandigarh Administration by due date. The funds allotted by the Engineer in-Chief (EIC) through Letter of Credit (LOC) in October 1994 for payment due in September 1994 were utilised by the division on some other works. The payments towards the third instalment of cost of land and ground rent due for payment by September 1994 and 1995 were made in September October 1996 with penal interest of Rs 17 83 lakh calculated at the rate of 24 per cent. The payment of penal interest could have been avoided had the department made the payments on due dates.

Executive Engineer stated (December 1997) that the payments were delayed as no LOC was provided despite persistent requests and that there was no loss as the amount remained with the Government which saved the interest of like amount during the period. The reply was not tenable as LOC for Rs 46 lakh received for the purpose in October 1994 was utilised for purposes other than for which it was provided. Further the penal interest paid was in addition to the 10 per cent normal rate of interest and was much above the borrowing rates (between 12 5 and 14 per cent) of Haryana Government during 1994 95 to 1996 97.

The matter was referred to the Government in April 1998. Their reply had not been received (November 1998).

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

The contention of the Audit is correct and cannot be denied/ ignored in respect of land measuring 68 686 square yards was allotted to the Haryana Government by the Chandigarh Administration on usual terms & condition laid down in the para for providing residential accommodation for its employees at Chandigarh/Panchkula.

As observation made in the para that third instalment of cost of land & ground rent due for payment was delayed. In this respect it is submitted that total LOC amounting to Rs 62 00 lacs was issued by the EIC vide endorsement No 10191-92 dated 6/10/94.

in favour of Executive Engineer Provl Divn Naraingarh as the account of Panchkula Divn was attached by the Hon ble Court orders. Out of 62 lacs Rs 46 00 lacs were earmarked for land payment. The validity of this LOC was upto 31-10-94. The LOC amounting to Rs 46 00 lacs was received in 10-94 but no demand from Chandigarh Administration (U T) was received and as such the LOC received was utilised for making payment of other works in Panchkula Division. The demand for outstanding dues upto 30-6-96 amounting to Rs 58 35 501/- was made by the Chandigarh Administration. Chandigarh vide letter No 17503 dated 24-6-96 which was received from Commissioner & Secy to Govt of Haryana PWD B&R during 9-96. Accordingly payment was made to Chandigarh Administration amounting to Rs 37 64 318/ & Rs 20 71 183/ during 9-96 & 10-96 respectively.

Any how the payment of the interest was made to the Chandigarh Administration by the Govt. thus there is no scope of any bad intention in making payment of interest. Since the funds remained with the Govt. exchequer for the period of delay in payment resultantly State Govt. has saved/earned the interest of like amount for that period. Otherwise interest was to be made on borrowings. It can be clearly ascertained that there is no financial implication involved in this case.

The concerned officer at that time were Sh. M C Sethi, EE and Sh. A K Chaudhary, SDE who have been retired/resigned and as such no responsibility can be fixed.

In view of the above position, P A C is requested to get the para settled.

After going through the written reply and hearing the departmental representatives, the Committee observed that due to non-deposit of the third installment in time the department had to pay Rs 17.83 lacs extra as penal interest. This fact was also admitted by the departmental representatives during the course of oral examination.

The Committee therefore, recommends that the matter be investigated and action be taken against the erring officers/officials. The action taken in this regard be intimated to the Committee within period of three months.

[23] 4.5 Outstanding audit observations

Financial irregularities and defects noticed in the initial accounts and transactions during local audit and audit of vouchers are communicated to the concerned heads of offices and next higher authorities for rectification of defects and omissions. Serious irregularities are also reported to the head of the department and the Government. Half yearly report of outstanding audit observations is also sent to the Government. Finance Department issued (January 1992) instructions for prompt settlement of audit objections by the Administrative Departments. The audit observations detected in local and central audit and outstanding as on 30 June 1998 were as detailed below —

(a) Local Audit

As of June 1998, 888 paragraphs contained in 344 inspection reports of 59 divisions pertaining to 1979-80 to 1997-98 (issued up to December 1997) remained outstanding. Out of these 37 inspection reports containing 40 paragraphs had not been settled for more than 10 years as detailed below.

Period during which issued	Number of inspection reports	Number of paragraphs
1979-80 to 1987-88	37	40
1988-89	15	18
1989-90	19	28
1990-91	18	29
1991-92	23	40
1992-93	31	51
1993-94	35	69
1994-95	40	88
1995-96	48	135
1996-97	48	171
1997-98 (upto December 1997)	30	219
Total	344	888

Even initial replies were not received in respect of 35 of these inspection reports containing 275 paragraphs issued between January 1997 and December 1997. The pending inspection reports commented on following irregularities:

Sr No	Nature of Irregularity	Number of paragraphs	Amount involved (Rupees in crore)
1	Loss due to theft, misappropriation and embezzlement	31	0.69
2	Recoverable amounts 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 income tax and sales tax	143	9.80
3	Recoverable amounts from Government officials on account of shortages/excess payments	30	0.36
4	Non-observance of rules relating to the custody and handling of cash, maintenance of cash book, reconciliation of withdrawal from treasuries and irregular utilisation of departmental receipts and non observation of codal provisions	35	0.10
5	Extra and avoidable expenditure, excess expenditure incurred on deposit works, non reimbursement of funds, irregular unauthorised, infructuous and unfruitful expenditure	328	48.98
6	Injudicious/irregular purchases	13	0.47
7	Undue financial aid to contractors	5	0.26
8	Execution of sub-standard works	43	2.66
9	Blocking of funds	25	2.40
10	Non-accountal/short receipt of material	20	1.27
11	Non-closing of manufacturing accounts	5	0.78

Sr No	Nature of irregularity	Number of paragraphs	Amount involved (Rupees in crore)
12	Unsanctioned estimates and loss of measurement books/muster rolls	164	59.83
13	Excess consumption of material	15	0.67
14	Irregular allotment of work	5	1.13
15	Fictitious adjustment of stock	26	2.31
Total		888	131.71

Analysis of pending inspection reports and paragraphs revealed that 30 paragraphs were outstanding involving recoverable amounts of Rs 35.73 lakh on account of shortage of material (Rs 15.25 lakh) excess payments (Rs 4.32 lakh) recovery of rent on account of unauthorised occupation of Government quarters (Rs 0.97 lakh) and non furnishing of documents in respect of conveyance advance (Rs 15.19 lakh) from 115 officers/officials as detailed below

Sr No	Officers/ Officials	Number of officers/ officials	Amount recoverable (Rupees in lakh)	Period from which outstanding
1	Executive Engineers	4	3.20	Between March 1992 and July 1994
2	Sub Divisional Engineers	7	8.09	Between May 1980 and July 1994
3	Junior Engineers	36	14.82	Between August 1972 and December 1995
4	Drivers	3	0.71	Between November 1985 and January 1995
5	Others	65	8.91	Between November 1973 and October 1996
Total		115	35.73	

Out of Rs 15.25 lakh on account of shortage of material Rs 7.91 lakh were kept in the "Miscellaneous Public Works Advances" against the concerned officers/officials pending adjustment/ recovery. In two cases action was taken by issuing chargesheets and filing civil suit in the court but no final action in respect of the remaining items had been taken for recovery or adjustment.

Further analysis of the pending inspection reports and paragraphs revealed that while 104 cases pertaining to the period 1979-80 to 1997-98 were pending (June 1998) with courts and arbitrators, the remaining 784 paragraphs were lying with the Head of Department/Circle offices (73 paragraphs) and with the Divisional offices (711 paragraphs). Thus the Government and the department failed to attach due priority to the audit observations for a long period.

In 5 divisions (8 paragraphs) expenditure of Rs 1.70 crore incurred on deposit works in excess of deposits received from the client departments was yet to be recovered as of June 1998.

(b) Audit of vouchers

Audit observations made during audit of vouchers in respect of 3 divisions of Buildings and Roads branch involving Rs 10 lakh pertaining to March 1996 and August 1996 were outstanding as of June 1998.

Others includes Head Clerk Clerks Sub Divisional Clerks Asstt Draftsmen Senior Accounts Clerks Road Inspectors and Peons

Instructions issued by the Finance Department to expedite the settlement of audit objections were not adhered to by the Administrative Department (Engineer in Chief B&R Branch Haryana) resulting in large number of inspection reports and paragraphs remaining outstanding

(i) Engineer in Chief B&R branch Haryana (EIC) was required to maintain a register containing all outstanding objections and the details of action taken thereon the reference made to the subordinate offices replies received from them etc No such register was maintained by the E I C

(ii) Finance Department issued (September 1985 and January 1992) instructions for constitution of Departmental Audit Committees and holding their meetings once in three months for review and settlement of old audit objections/ paragraphs Though the Commissioner and Secretary to Government PW (B&R) Haryana was requested demt officially in July 1995 January 1997 and October 1997 no meeting was held after April 1994

(iii) It was also decided by the Finance Department that the departments should submit regular progress report to the Finance Department on quarterly basis but no such quarterly progress reports had been sent after September 1997

The matter was referred to the Government in May 1998 their reply had not been received (November 1998)

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

Initial replies of all the Inspection Reports have been sent to the A G Haryana by the quarter concerned Out of 888 paras contained in 344 Inspection Reports 678 paras of 261 Inspection Reports were got settled by making strenuous efforts A special Committee was constituted in the month 2/2001 As a result of this exercise Special Committee of A G Haryana office was sent to different circles The special Committee covered Ambala Karnal Rohtak and Hisar circle and lot of paras were got settled For settlement of rest of paras directions have been issued on 6 2 2002 to all the circles to pay special attention to get these paras settled so that its number may be reduced to minimum Proposal for holding next meeting with the special Team of A G Haryana is with A G Haryana as per this office memo No 970/AC dated 26 4 2002

In addition to this a standing Committee has been constituted vide this office memo No 371 390/AC dated 23 2 98 to review the latest position of audit paras from time to time

(i) A register of outstanding audit paras is being maintained in H Q since April 2000

(ii) A departmental Audit Committee to be headed by Nodal Officer to discuss the progress of outstanding audit paras is functioning and the last meeting of the Committee has held on 11-4 2002 under the chairmanship of C E (B) being Nodal Officer

(iii) Quarterly Progress Report is being sent to F D Haryana regularly since March 2001

After hearing the departmental representatives the Committee observed that some of the audit observations are pending since long and recommends that the pending paras be settled within three months

IRRIGATION DEPARTMENT

[24] 4 8 *Failure of the Sprinkler Irrigation Scheme and wastage of Government funds*

Sprinkler Irrigation Scheme executed during 1987 90 at a cost of Rs 3 42 crore was abandoned as the scheme was implemented without finding out the response of the farmers for their maintenance

A scheme for installation of 100 Sprinkler Sets under the World Bank Aided Irrigation Project was prepared for Bhiwani district by the Project Division No II Ambala and approved (July 1986) by the Financial Commissioner and Secretary to the Government of Haryana Irrigation and Power Department at an estimated cost of Rs 5 23 crore for irrigating 4100 hectare area of land Rupees 3 45 crore were spent on the scheme upto March 1992 on the cost of equipment erection of independent electric feeder line and construction of pump cum attendant rooms etc for 79 sets installed between 1987 and 1990 for irrigating 3239 hectare (proportionately) area of land

The project provided for formation of Sprinkler Irrigation Associations (SIAs) to enhance co ordination and co operation among farmers as per requirements of World Bank Government therefore decided in March 1992 to transfer the running and maintenance of uninstalled 21 sprinkler sets to the farmers by entering into agreements with them The existing 79 sprinkler sets being maintained by the department were also to be covered under this decision To implement the decision the farmers were to form SIAs and get them registered with the Registrar Co operative Societies The maintenance cost of the sets so transferred for first two years from the date of installation was to be borne by the Government

Test-check (September 1997) of records of Executive Engineer (EE) Lift Water Services (Mechanical) Division Bhiwani and subsequent enquiry (July 1998) revealed that only 6 SIAs could be formed by the farmers and 6 sprinkler sets (costing Rs 26 24 lakh approximately) out of 79 sets were transferred to them (July 1992) Department continued running and maintenance of 73 sprinkler sets during 1992 93 to 1996 97 and Rs 41 lakh were spent on them Since the farmers were unwilling to form SIAs despite persuasion the electric connections to the sprinkler sets were disconnected (April 1997) and material taken into store The remaining 21 sprinkler sets valuing Rs 23 00 lakh were not also installed and remained unused

Thus the scheme failed as it was ill planned and feasibility of running the scheme through SIAs was not considered before implementation Ultimately the scheme had to be abandoned and Rs 3 42 crore spent on the scheme were wasted

The matter was referred to the Government in June 1997 their reply had not been received (November 1998)

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

A scheme for installation of 100 sprinkler sets under the World Bank Aided Project for Bhiwani Distt was approved by the Govt of Haryana at an estimated cost of Rs 523 26 lakh during the year 1985 86 for irrigating sand dune areas which was not possible to be irrigated through gravity flow Out of 100 No sprinkler sets 79 sets were installed during 1987 90 and an expenditure of Rs 440 86 lakhs incurred These sprinkler sets remained in operation upto the year 1996 97 and were quite fruitful The use of sprinkler sets in the undulated area of Bhiwani Distt have benefited the farmers to a

great extent and have improved their livelihood as on an average 5783 acres irrigation was achieved each year through sprinkler sets on all these lift schemes

In the year 1992 Haryana Govt issued instructions vide No 1/4/91-W dated 17 3 92 that running and maintenance of 21 No sprinkler sets be transferred to the farmers by entering into agreement. The Govt agreed to maintain pumps and motors alongwith accesseries for a initial period of two years from the date of installation. Efforts were made by the department to form sprinkler irrigation associations for 21 sprinkler sets not installed by that time. However inspite of all out efforts only 6 SIAs were formed by the farmers and sprinkler sets transferred to them. 79 sets already purchased were also covered under the scheme. However since only 6 SIAs were formed by the farmers only 6 sprinkler sets were utilised. After disconnection of 79 sprinkler sets efforts were made to transfer the material to other Govt Deptt /Agencies. So far no department has come out for transfer/utilisation of these sprinklers sets except material amounting to Rs 3 44 340 has been transfer to Public Health Department/ other Division of I B. So action for sanction under S No 27 of rule 19 14-A of PFR Vol I condemnation and disposal was submitted and is under process side by side. Efforts are being made to transfer sprinkler set alongwith spare parts to other Department. It is also stated that in case the material of sprinkler sets whose book value is Rs 133 57 lacs is disposed off it is likely to fetch more than the book value and hence there is no financial implication.

Thus in view the scheme was not ill planned and there is no financial implication.

During the Course of oral examination the Committee observed that the aforesaid scheme failed as it was ill planned and feasibility of running the scheme through Sprinkler Irrigation Associations (SIAs) was not considered before its implementation and ultimately the scheme had to be abandoned and Rs 3 42 crores spent on the scheme were wasted.

During the course of oral examination, Committee was informed that a proposal is under consideration with the Government to handover these sprinkler sets to the Haryana Agriculture University, Hisar. The Committee, therefore, recommends that these sets may be immediately handed over to the Haryana Agriculture University, Hisar so that, these sets may be used for providing better irrigation facilities in the newly set up R D S farm at Hisar. The action taken in the matter be intimated to the Committee.

[25] 4 10 Unfruitful expenditure on silt clearance

Unsystematic execution of silt clearance in the Western Jamuna Canal between two control points resulted in unfruitful expenditure of Rs 76 59 lakh.

Specification 6 1 of Punjab P W D Specification as applicable to Haryana State *inter alia* states that clearance of slit which may be deposited in the channel or drain shall be taken up in a systematic way such clearances being carried out in long lengths. Work of slit clearances between two control points of a channel shall be completed during one closure to avoid resiling.

Continued deposit of sand in Western Jamuna Canal (WJC) main branch reduced the designed section resulting in reduction of capacity of the canal. For maintaining minimum

pond level of 7.6 an estimate for Silt clearance of WJC main branch RD 1 26 430 to 1 52 715 between two control points (Picholia and Munak head regulators) was prepared in haste without ascertaining the work involved. The estimate was sanctioned (February 1995) within a period of 7 days by the Chief Engineer (CE) IB for Rs 64.78 lakh and was revised to Rs 1.46 crore in November 1995 due to higher tendered rates. The work was allotted (November 1995) by the Executive Engineer (EE) Construction Division 17 Karnal to a contractor for completion in four months. The contractor started (December 1995) the work in reaches from RD 1 44 000 to 1 52 715.

For assessing the actual work involved cross sections were observed (December 1995) while work by the contractor was in progress. It was found that useable sand was available between RD 1 26 430 and RD 1 44 000 which if auctioned could earn revenue in addition to the clearance of the channel. The work was therefore suspended and after correspondence with the contractor his contract was terminated (March 1996). The contractor in the meanwhile had cleared 2 35 667 cum of silt from RD 1 44 000 to 1 52 715 (down stream) and finally paid (June 1996) Rs 76.59 lakh.

Test check of records of Construction Division No 17 Karnal revealed (August 1997) that desilting which as per specification 6.1 of PWD specifications was required to be done between two control points in one closure to avoid resilting was not done. Thus the portion between two control points from which silt had been cleared would get resilted.

Commencement of the work without actual assessment availability of useable sand and preparation of estimate in haste resulted in suspension of work midway and rendering expenditure of Rs 76.59 lakh as unfruitful.

Executive Engineer in reply (October 1997) stated that as per working schedule or contractor work in lower reaches upto RD 1 44 000 was taken up in the first phase and work in upper reaches upto RD 1 26 430 was to be taken up in the second phase. The reply was not tenable as the availability of useable sand was not ascertained while preparing the estimates and also execution of work was not carried out as per PWD specification which lays down that silt clearances shall be completed during one closure to avoid re-silting.

The matter was referred to the Government in June 1998 their reply had not been received (November 1998).

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

The work on silt clearance of WJC Main Branch from RD 1 26 430 to 1 52 715 was taken in hand after sanction of estimate of Rs 64.78 lacs by the competent authority and also getting concurrence from Water Service Unit Karnal. The revised estimate for Rs 145.51 lacs was also got sanctioned from competent authority on tender rate. The work was executed through contractor under agreement. It is correct that as per PWD specification 6.1 clearance of silt is to be taken up systematically and further to be completed in one closure to avoid re silting. In this connection it is explained that it was not possible to take up the entire work in whole reaches i.e. 1 26 430 to 1 52 715 in one closure because WJC was to be run continuously to feed Delhi for drinking water without any interruption so it was necessary to take up the work in two segments as Delhi is being fed from escape channel at RD 1 43 825 L/S as such the work was taken up in two Zones. The work was taken up in reach RD 1 43 900 to 1 52 715 first being tail

portion i.e. between two control point as the desilting of the channel is done either between two control points or tail to head and was completed as per PWD specification at the cost of Rs 76.59 lacs. Further the execution of the work in second zone RD 1 43 700 to 1 26 430 was started when the WJC was running with minimum discharge for feeding Delhi. Hence the estimate were prepared by keeping two points into consideration and not in haste. No recovery is to be made from contractor and he was only paid for the actual work of site.

During survey it was found that unsaleable sand was available in this zone. The water services unit has never auctioned the sand in such in question though the sand use to be auctioned by water services unit. However the auction of sand in reach 1 25 000 to 1 54 000 WJC main Branch was done by Mining Officer Panipat. The Mining Officer Panipat has intimated that this deptt. is auctioning WJC Main Branch as a whole i.e. all the four following reaches of WJC are auctioned as one unit.

- 1 Indri to Ramba RD 0 to 40 500
- 2 Ramba to Uchana RD 40 500 to 59 500
- 3 Uchana to Karnal RD 59 500 to 75 000
- 4 Picholia Head regulator to Munak RD 1 25 000 to 15 45 000

From 16 2 97 to 31 3 99 the contract of WJC Main Branch was granted to M/s Haryana Sand Company @ Rs 16.00 lacs per annum and total revenue earned during the period is Rs 34 00 017/. After that the contract of WJC was granted to M/S Sagwan & Co. for the period 16 7 99 to 31 3 2001 @ Rs 34 25 000/- per annum and upto 30 4 2001 the revenue earned from this contract is Rs 17 12 502/. It is added that the Mining Deptt. has not auctioned the sand in this particular reach separately but auctioned sand from WJC Main RD 0 to 1 54 000 as a whole which also included this Branch.

In view of above it is submitted that the work was done in systematic manner in two zones as per position prevailing at site. The estimate were also properly sanctioned and nothing was done in haste. The sand was auctioned and revenue earned by auctioning the four reaches by the Mining Officer Panipat. As such there is no unfruitful expenditure. Hence the para may be dropped.

After going through the additional reply given by the department the Committee desired that final action taken in the matter in the light of the decision given by the arbitrator be intimated to the Committee.

[26] 6.6 Command Area Development Programme

6.6.1 Introduction

The Command Area Development Programme (CADP) was launched in 1974-75 in Haryana as a Centrally Sponsored Scheme on matching basis. The main objective of CADP was to bridge the gap between the irrigation potential created and that utilised and also to increase agricultural productivity/production in selected irrigated commands on sustainable basis. As on 31 March 1992 the following seven irrigation projects selected and approved by the Government of India (GOI) were under implementation in the State.

- (i) Gurgaon Canal Command in Gurgaon and Faridabad districts
- (ii) Jui Lift Irrigation (JUI) Command in Bhiwani District
- (iii) Rewari Lift Irrigation (RLI) Command in Rohtak and Bhiwani districts
- (iv) Jawahar Lal Nehru (JLN) Lift Irrigation Command in Rohtak Bhiwani and Mohindergarh districts
- (v) Dulhera Distributary in Rohtak
- (vi) Hansi Area in Hisar and
- (vii) Bond Distributary in Bhiwani

During VIII Five Year Plan period 1992-97 following three additional command areas/schemes were sanctioned

- (i) Agra Canal Command (renamed as Gurgaon Agra Canal in July 1996) falling in Haryana in Faridabad District from March 1993
- (ii) Western Jamuna Canal (WJC) Command from May 1993 and
- (iii) Additional area of WJC Command Phase II from October 1996

The Programme broadly envisaged on farm development selection and introduction of suitable cropping pattern development of ground water to supplement surface irrigation development and maintenance of the main and intermediate drainage system and modernisation maintenance and effective operation of the irrigation system up to the outlet of one cusec capacity

6.6.2 Organisational set up

Secretary to the Government of Haryana Irrigation Department was administrative head and incharge of CADP at Secretariat (Government) level CADP was implemented by Command Area Development Authority (CADA) Haryana set up in August 1974. The Administrator CADA was in overall charge of the programme with Headquarters at Panchkula. At district level (in 8 districts) the programme was implemented through Command Area Development Agencies registered under Societies Act 1960. There were eight Command Area Development Agencies with Additional Deputy Commissioners (ADCs) as Chief Project Officers (CPOs) to assist CADA in implementing the activities of the programmes.

6.6.3 Audit coverage

A review on the Command Area Development Programme was included in paragraph 3.3 of the Report of the Comptroller and Auditor General of India (Civil)-Government of Haryana for the year ended 31 March 1991. In their 42nd Report (March 1996) Public Accounts Committee (PAC) while reviewing the position regarding irrigation potential created and utilised had recommended (March 1996) that the department should stop wasteful expenditure on the construction of water courses in those areas where there was no feasibility of adequate water and the activity of land levelling and shaping be disbanded as the farmers took less interest in it.

This review aimed at updating and evaluation of its activities for the period 1991-92 to 1997-98. Records pertaining to the implementation of the programme were test-checked in

the office of the Administrator CADA Panchkula 6 of the 13 divisions of CADA and 4 of the 8 Command Area Development Agencies at district level during October 1997 to April 1998 Important points noticed during test check of records are discussed in the succeeding paragraphs

6 6 7 Creation and utilisation of Irrigation potential

Against irrigation potential of 329 71 thousand hectares created up to 1996-97 in Command areas potential up to 187 74 thousand hectares (57 per cent) was utilised in 1996-97

Command Area Development Authority was created to improve water utilisation in major and medium irrigation projects The position of irrigation utilised vis a-vis the potential created (cumulative figures) was as under

Sr No	Name of command/ Project	Potential created upto 1996-97 (In thousand hectares)	Potential utilised during 1996 97	Percentage of utilisation
1	Gurgaon Canal	81 00	22 18	27
2	Jui Lift Irrigation Command	18 70	15 48	83
3	Jawahar Lal Nehru Lift Irrigation Canal Command	49 98	15 56	31
4	Rewan Lift Irrigation Command	14 95	3 02	20
5	Bond Distributary in Bhiwani	4 53	2 33	51
6	Dulhera Distributary in Rohtak	27 22	10 62	39
7	Hansi Area in Hisar	7 53	7 65	102
8	Western Jamuna Canal Command	81 80	71 16	87
9	Agra Canal Command in Fardabad district	44 00	39 74	90
Total		329 71	187 74	57

Year wise position in regard to irrigation potential utilised vis a vis created under the programme during 1991-92 to 1996 97 was as indicated in Appendix-XXII Information in regard to the creation of irrigation potential and its utilisation during 1997-98 had not been furnished (November 1998)

Reasons for short utilisation of irrigation potential in Gurgaon Canal Command JLN Canal Command and Rewan Lift Irrigation Command are as discussed below

Gurgaon Canal had water discharge capacity of 2 200 cusecs against which availability of water ranged between 250 and 350 cusecs during 1992-98 Water on the lift channels could not be lifted as per norms due to power shortage Damaged water courses not repaired limiting the length of WCs for the purpose of water flow

JLN Canal had a designed capacity of 927 25 cusecs water discharge against which water availability ranged between 3 and 268 cusecs during 1992 98 Shortage of power for operation of pump stations change of cropping pattern by the farmers non maintenance/ repair of damaged WCs led to short utilisation of irrigation potential created in the command area

In Rewari Lift Irrigation Command area low utilisation was attributable mainly to less availability of water change in cropping pattern in the command area by farmers and shortage of power for pump houses installed for lifting water. Following further points emerged as a result of test-check of records of the divisions

(i) For JLN Canal Command CADA reported to GOI that irrigation potential of 49 98 thousand hectares (ha) was created whereas JLN Command divisions intimated that irrigation potential of 68 65 thousand ha had been created up to 1996-97. For Gurgaon Canal Command CADA reported that 81 thousand ha irrigation potential was created up to 1996-97 whereas Gurgaon Canal Command Lining Division Faridabad intimated that irrigation potential of 61 52 thousand ha was created. These discrepancies remained to be reconciled by CADA.

(ii) In JLN Command Lining Division CADA Narnaul irrigation potential for 18 100 ha area was created upto 1990-91 of which potential up to 1 610 ha only (9 per cent) was utilised upto March 1991 due mainly to less availability of water shortage of power etc. During 1991-92 to 1996-97 CADA invested Rs. 21 75 crore on creation of additional irrigation potential of 50 550 ha. Of the total irrigation potential of 68 650 ha created upto 1996-97 potential upto 6 471 ha (9 per cent) only could be utilised. The low utilisation was due to short availability of water change in cropping pattern and lack of power. Thus the expenditure of Rs. 21 75 crore without ensuring its feasibility in terms of water supply was not justified.

Similarly in Gurgaon Canal Command Lining Division CADA Faridabad irrigation potential up to 1991-92 was 52 052 ha of which 24 900 ha (48 per cent) was utilised. Despite low utilisation of this potential CADA created additional potential of 9 475 ha during 1993-97 at a cost of Rs. 8 53 crore without solving the problem of water scarcity. Of the total irrigation potential of 61 527 ha upto 1996-97 only 22 180 ha (36 per cent) could be utilised. Reasons for shortfall stated by the Executive Engineer Gurgaon Agra Canal Lining Division was less availability of water. Reply of JLN Canal Lining Division Narnaul was awaited (November 1998).

APPENDIX -XII

(Refer paragraph 6.6.7 page 183)

Details of irrigation potential created and utilised upto 1996-97

Sr No	Name of command/ Project	1991-92		1992-93		1993-94 (In thousand hectares)		1994-95		1995-96		1996-97		Percentage or utilisation during 1996-97 to potential created up to 1996-97
		PC*	PU**	PC	PU	PC	PU	PC	PU	PC	PU	PC	PU	
1	Gurgaon Canal	81.00	24.90	81.00	23.42	81.00	22.61	81.00	22.26	81.00	20.67	81.00	22.12	27
2	JUI	18.70	10.22	18.70	7.74	18.70	12.38	18.70	15.48	18.70	15.48	18.70	15.48	83
3	JLN	49.98	22.65	49.98	14.98	49.98	15.44	49.98	11.25	49.98	11.25	49.98	15.56	31
4	RLI	8.25	5.16	8.25	4.29	8.25	4.24	8.25	4.94	8.25	4.94	14.95	3.02	20
5	Bond Distributary	3.68	2.82	3.68	2.77	3.68	2.61	3.68	2.33	3.68	2.33	4.53	2.33	51
6	Dulhera Distributary	16.87	15.68	16.87	14.03	16.87	14.60	16.87	11.99	16.87	11.99	27.22	10.62	39
7	Hansi Area	7.53	12.38	7.53	12.58	7.53	12.52	7.53	12.57	7.53	12.57	7.53	7.65	102
8	WJC	-	-	-	-	4.76	3.98	14.33	3.69	14.33	13.69	81.80	71.16	87
9	Agra Canal	-	-	43.96	32.16	45.08	35.39	45.08	37.90	44.00	39.74	44.00	39.74	90
Total		186.0	98.8	186.97	111.87	186.97	123.77	186.97	112.41	186.97	112.41	186.97	112.41	57

PC Potential created

PU Potential utilised

The department in their written reply stated as under —

The utilization of irrigation potential depends upon various factor which are beyond the control of CADA viz

- Quantum of water available in the parent channels and running channels which are under the control of irrigation department and not upon the expenditure or physical infrastructure created alone
- Change of cropping pattern from low water requirement crop to high water requirement crop
- Shortage of electricity and erratic power cuts also adversely affect running of water especially in the lift areas i.e. JLN Command and Rewari Lift irrigation schemes

Moreover the main work under CAD activity is construction of field channels by lining where only the water which is being waste on the account of seepage losses in katcha watercourses is saved and utilised additionally and thus the potential created

does not depend upon the extent of Physical lining carried out by CADA. The apparent advantages of creating physical infrastructure i.e. lining of water courses are as under —

- 1 Seepage losses are reduced by about 20%
- 2 Uniform well defined strong and durable section is formed
- 3 Flatter slopes are permissible in lining which raises the bed and consequently bring more area under command
- 4 Bharai and Jharai time is reduced. More equitable distribution can be ensured
- 5 Water logging is reduced
- 6 Less maintenance is needed
- 7 Rural employment is generated

As such the test check of the record as pointed out by the audit does not have relevancy with regard to potential created and utilised. With regard to watercourses lined under JLN Command the actual availability of water is limited to about 15% of the projected allocation due to statement over the share of water from SYL.

During the course of oral examination, the Committee observed that the Command Area Development Authority was created to improve water utilization in medium and major irrigation projects and the Committee did not agree with the Department that utilization of 'irrigational' potential are beyond the control of CADA. The Committee, therefore, desired that a list of water courses constructed/lined alongwith the details of water courses in which water is flowing at present in the State of Haryana, may be supplied to the Committee for its information. Accordingly, the Deptt. supplied a list of water courses constructed/lined by CADA in the State after 1996 and after going through the said list, the Committee found that the information is incomplete. The Department vide its letter dated 25.2.2003 intimated that the 61 number of water courses were lined in JLN Canal after 1996. Therefore the position of supplies in these water courses will be sent by the Irrigation Department. The Committee therefore, desired that the required information be sent to the Committee within a period of three months for its information.

INDUSTRIAL TRAINING AND VOCATIONAL EDUCATION DEPARTMENT

[27] 5.1 Stores and Stock

Record relating to procurement issue and utilisation of stores were test checked for the year 1993-94 to 1997-98 in Directorate and 50 institutes (22 ITIs and 28 VEIs) of 184 Institutes (76 ITIs and 108 VEIs) in the State during December 1997 to May 1998. Important points noticed during audit are discussed in the succeeding paragraphs.

(c) Purchases

(i) Purchases of machinery and equipment in excess of prescribed norms

* * * * *

(ii) Machinery and equipment such as Transmission units, Photocopiers, Bajaj, Kawasaki Motorcycles, Tractor Trolleys, Tractors, Power Hacksaw Machines, etc. not provided in the syllabus of the concerned trades were purchased for Rs 81.12 lakh for 61 institutes (26 ITIs and 35 VEIs) during 1980-98 by the Director.

On being pointed out in Audit (May 1998) the Director replied (October 1998) that purchase of new transmission units and Motor Cycles was made for imparting training to trainees. The reply of the Director was not tenable as there was a provision in the syllabus for purchase of one old and used tractor and one Motor Cycle engine for these trades which were already available and in working order with the institutes. Reply in respect of remaining items of machinery and equipment was not furnished by the department.

Thus the purchase of above mentioned machinery and equipment was unjustified.

(iv) Purchase of defective machinery

Defective machinery worth Rs 19.78 lakh purchased during February 1990 to February 1998 was neither got rectified nor replaced.

It was noticed in 9* Institutes that machinery valuing Rs 19.78 lakh purchased during February 1990 to February 1998 was found defective by the concerned institutes on their receipt though the machinery was inspected by various inspecting officers at suppliers' premises. However, payments of 98 per cent against cost of machinery as provided in the supply orders were made to the suppliers on receipt of delivery. Director admitted (October 1998) that machinery could not be put to use due to minor defects.

Neither the suppliers rectified the defects nor any action was initiated against the inspecting officers by the department (November 1998).

(e) Surplus machinery due to closure of trades

Surplus M&E worth Rs 14.58 lakh on account of closure of trade in 14 institutes during 1993 to 1998 could not be transferred/disposed of.

Trades like Creche, Ophthalmic Technician, Laboratory Technician, Scientific Instruments, Hosiery and Receptionist had been closed by the department. Machinery and Equipment worth Rs 14.58 lakh meant for these trades were rendered surplus due to closure of trades during 1993-94 to 1997-98 by 14 Institutes. Department had not taken any action to dispose of/transfer these surplus machinery and equipment as of May 1998.

(f) Unserviceable machinery and equipment

In 19 Institutes (15 ITIs and 4 VEIs) machinery and equipment valuing Rs 30.11 lakh were rendered unserviceable between 1987 to 1997. No action to make them serviceable or get them declared condemned by the Condemnation Board was taken by the department.

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

C-(ii)

It is further intimated that transmission unit is a part of tractor which is essential for imparting training to the trainees. As far as the purchase of motor cycle is concerned, motor cycle/scooter petrol engine have been provided in the syllabus. By purchasing motor cycles in place of engines, driving practice is also given to the students which is the part of training provided in the syllabus of this trade. As far as purchase of photocopiers is concerned, it is intimated that photocopiers purchased for VEIs are as per syllabus of Office Secretaryship English and Hindi (Commercial trade).

For ITIs, it is purchased under the Vocational training project assisted by World Bank for the Draftsman Civil and Mechanical and this purchase was made as per Project no. 128 sent by Govt. of India (DGE&T) to this Department.

In the view of above reply kindly drop this para.

(iv) Concerned Principals have been directed to get these machines repaired and use these machines for training purpose and it is also directed to issue these machines to the concerned instructors which is lying idle in the store. Principals have intimated that they have taken action accordingly and these machines are being used in training. So, you are requested to drop this para.

e

Regarding surplus machinery, it is intimated that most of the machinery has been utilised in other trades where necessary. Efforts are being made to start such vocations in other institutions so that the surplus machinery can be utilised properly. So you are requested to kindly drop this para.

f

Regarding unserviceable machinery and equipment, a committee has been constituted for the disposal of unserviceable machinery and equipment. Out of 19 Institutes, 10 Institutes i.e. Narwala Fardapur, Sirsa, Jhajjar, Gurgaon, Ambala City, Ambala Cantt., Mahendergarh, Kamal, Rohtak have disposed off the unserviceable items and regarding other Institutes condemnation of items is under process. Keeping in view para may please be dropped.

After hearing the departmental representatives and going through the additional information supplied by the department the Committee recommends as under

- (i) The position of Stock and Store be updated and thereafter the Committee will visit the institutions in near future
- (ii) The Committee feels that most of the items were purchased during the year 1994-95 and were put to use in the year 1999-2000 and 2000-2002 respectively. The Committee, therefore, apprehensive that whether these machines are working in a perfectly order or not. The Committee, therefore, observed that the department should inspect all these machines and send a status report in respect of these machines.
- (iii) The Information regarding disposing off the surplus/ unserviceable machinery be sent to the Committee

Agriculture Department
(Haryana State Agricultural Marketing Board)

[28] 6.2 Wasted expenditure on defective road works

Improper survey and defective execution of road works caused a loss of Rs 26.90 lakh to HSAMB.

The work Special repairs/improvements of Kamal Kaithal road from Mall road near PWD Rest House to Railway over bridge via Sessions Marg Railway road and Hansi Chowk including construction of storm water drains on two sides of this road in Karnal city was administratively approved (January 1994) by the Chief Administrator Haryana State Agricultural Marketing Board (HSAMB) for Rs 52.96 lakh. No provisions for dismantling the existing road, removal of earth mixed with soil, stone which became slushy due to standing water and excavated earth from the drains were made in the estimates. The work was split into three sub-works viz. Water Bound Macadam (BM), Laying of BM Mix seal and premix carpet and Construction of drains.

The detailed estimates of these sub-works were technically sanctioned by the Chief Engineer (CE) HSAMB in May 1994 and June 1995 for Rs 11 lakh, Rs 13.60 lakh and Rs 28.03 lakh respectively. These sub-works were allotted to three agencies between February and September 1994 and completed between December 1994 and May 1995 at a cost of Rs 10.85 lakh, Rs 13.55 lakh and Rs 28.18 lakh respectively.

Superintending Engineer (SE) HSAMB Karnal inspected the work in March 1995 and found that some portions of the road were damaged and had become slushy under the wearing course of road. SE ordered for the repair of the road. The repair work was taken up in March 1996 and completed in April 1996 after spending Rs 2.50 lakh.

Since there was no improvement in the condition of road it was decided (May 1996) by the State Government to reconstruct the same from Public Works Department as a deposit work of HSAMB. An estimate for Rs 41.86 lakh to set right the damaged road was prepared by the Executive Engineer (EE) Provincial Division No. 1 Karnal in May 1996 on behalf of HSAMB and sent to Engineer in Chief PWD B&R for approval. As per the report of this estimate, the main reason for failure of the road was that while raising and reconstructing the road in 1994, HSAMB had not dismantled the old existing road and side drain was constructed all along the road. Because of this, the sub-grade water did not drain off properly and the road structure crumbled due to traffic load. HSAMB had deposited Rs 39.44 lakh (January 1997 Rs 25 lakh and March 1997 Rs 14.44 lakh) with EE Provincial Division No. 1 Karnal against which Rs 23.16 lakh had been spent as of February 1998.

Thus due to improper survey of the actual condition of the road and defective estimates and execution of a technically unsound work, HSAMB had suffered a loss of Rs 26.90 lakh (road works Rs 24.40 lakh, repair works Rs 2.50 lakh).

The matter was referred to the Government in May 1998, their reply had not been received (November 1998).

The department in their written reply explained the position as under

As regards non provision for dismantling the existing road removal of earth mixed with soil stone etc as reported by PWD B&R in the report of estimate for Rs 41.86 lacs it is submitted that initially the work was to be executed by PWD (B&R) Provincial Division No. 1 Karnal and accordingly the estimate was prepared by that Division. The report of the estimate was given as under

Due to plying of heavy traffic and constant use by the local traffic the existing crust has been badly damaged and there are few signs of road crust and also the local water of drain is standing on the road and as such dismantling of existing road has not been taken. Later the work was transferred to HSAM Board and same provision was followed by Board and no need for dismantling of existing road was found necessary.

The shortcoming pointed out by the S.E. during his inspection in March 1995 was got set right from the original contractor before finalisation of the work. It is relevant and significant to point out that during the meeting held on 2.9.93 between B&R, Public Health and Drainage Department it was confirmed by Public Health Deptt. that drinking water pipe line and sewerage line had been shifted in the Kutcha portion abutting the metalled road and thus the road is not likely to be damaged by the water supply and sewerage lines. This position is also confirmed from the D.O. (reference No. 1670 dt. 9.9.93) from DC, Karnal to Commissioner & Secretary PWD Deptt.

However in Sept. 1995 PWD (PH) Deptt. without coordination with PWD (B&R) and HSAM Board dug out 16 feet deep sewer line in the central width of the road on one side from Hans chowk to ROB. As a result of this digging whole of the traffic from Karnal to Kaulhal, Hissar, Sirsa, Jind, Bhiwani etc. was diverted to a single road. There was seepage of monsoon rain water through the 16 feet deep trench and seepage of water through the one of the sewerage was also noticed in the trench. Thus seepage of water through the trenches and heavy traffic due to diversion of traffic to one side of the road caused havoc and failure of road. This is the real root cause for the damage to the road structure. Because of extensive damage the road was reconstructed by PWD (B&R) as a deposit work of HSAM Board.

However as per orders of Govt. Haryana State Vigilance Bureau conducted (vide inquiry no. 10 of 1996) investigation of the work and observed number of irregularities and malpractice in carrying out/execution of the aforesaid work and recommended to initiate disciplinary action against erring officers/officials of the board besides charge sheeting concerned SE of HSAMB under rule 7 of HCS (Punishment and Appeal) Rules 1987. Pursuant to Government decision which was confirmed and communicated by the Govt. vide no. 3095 dated 10.2.1998 the competent authority (Disciplinary Action Committee) has decided (23.4.2001) to charge sheet concerned SE for major penalty.

Further action in the matter is under process.

During the course of oral examination, the Committee was informed that the matter regarding defective execution of road work was investigated by the Haryana State Vigilance Bureau and concerned S E who was held responsible for the loss was chargesheeted. The departmental representatives also explained that the concerned S E was not actually responsible/guilty for the loss. But the Committee did not agree with the explanation of department and recommends that a fresh departmental enquiry be conducted in the matter and guilty be punished and report be sent to the Committee for its information.

[29] 6.4 Unfruitful expenditure due to non acquisition of land and execution of work without transfer of land

Allotment of work without acquisition of land rendered Rs. 5.99 lakh on road unfruitful since it was not put to public use.

(A) The work Construction of link road from village Seria to Beri in a length of 3.825 km was administratively approved (August 1989) by the Chief Administrator Haryana State Agricultural Marketing Board (HSAMB) for Rs. 13.24 lakh including Rs. 2.64 lakh for acquisition of additional land (area 5.28 acre) required for the road. The work was allotted to a contractor in November 1989 without acquiring the land.

The contractor executed the work in the length of 2.56 km for Rs. 5.99 lakh upto March 1993. The remaining portion of road had not been constructed as the department could not arrange the land. Executive Engineer HSAMB Rohtak (EE) took up the case of acquisition of land with the Senior Town Planner HSAMB Panchkula in January 1995 after a lapse of more than 5 years after allotment of work to the contractor. The matter for acquiring of land was however still under process with the competent authority as stated (July 1998) by EE.

Chief Engineer HSAMB stated (March 1998) that the *kachcha* portion of the road was being used by the farmers. The reply was not tenable as EE had stated (February 1993) that no consolidated path was available on either side of the unmetalled road at two ends.

Thus due to non acquisition of land prior to the allotment of work Rs. 5.99 lakh spent on the construction of two disjointed portions of the road became unfruitful as the same could not be put to public use.

The matter was referred to the Government in May 1998 their reply had not been received (November 1998).

Due to allotment of work without acquisition of land expenditure of Rs. 5.28 lakh was rendered unfruitful

(B) The work Development of Fodder Market at Tohana consisting of sub-works Supply of earth for filling and construction of road and parking common platform public toilet cooler room central verge and boundary wall was administratively approved by the Chief Administrator Haryana State Agricultural Marketing Board (HSAMB) Panchkula in February 1994 for Rs. 20.15 lakh. The Municipal Committee (MC) Tohana had offered the land free of cost in June 1993. The availability of land and its proper transfer in favour of Market Committee Tohana was not ascertained before the work was allotted by the Executive Engineer HSAMB Tohana to a contractor in February 1995. After carrying out the sub work supply of earth for filling in Fodder Market for Rs. 5.03 lakh the work was stopped by the contractor as the land was not transferred to the Market Committee by MC and also some portion of it had been encroached upon by religious societies and Block Development and Panchayat Department. The work was finalised in March 1997 without executing any other item of work.

Thus due to the allotment of work without transfer of land in favour of Market Committee Tohana Rs. 5.28 lakh (earthwork Rs. 5.03 lakh and contingent expenditure Rs. 0.25 lakh) were rendered unfruitful.

The matter was referred to the Government in May 1998 their reply had not been received (November 1998).

The department in their written reply explained the position as under

6.4 (A)

Though the road could not be constructed in the length of 220 towards Sena side and length of 660 (out of total length of 3.83 kms) towards Beri side but the entire length of road is being utilized by farmers and villagers of both the villages and others for carrying their food grain to the nearest Grain and Veg Market. Such facilities were not available prior to construction of this road. The total length of the roads is 3.83 km and it can not be assessed that wasteful expenditure has been incurred on the ground that small pieces of land remained unmetalled. Since the payment has been made against the work done by the contractor and the total road (including Kutcha Path) is being utilised, the expenditure incurred on the work cannot be termed as wasteful expenditure.

6.4 (B)

In fact the piece of land in question belonged to Municipal Committee Tohana and A/A was obtained from Board authorities in view of mutual agreement/understanding between the Municipal Committee and the Market Committee Tohana as expressed in their resolution No. 22 dt. 18.12.92 and No. 3 dated 2.6.93 and accordingly the work was allotted to the contractual agency vide the Executive Engineer HSAM Board Fatehabad memo No. 2647 dt. 23.5.95. The agency started the work and when the earth filling was almost complete, the local Ramlila Committee, the Ravidass Mandir Trust and the B.D.P.O. Tohana made encroachment over the piece of land. The structure could not be developed as the aforesaid encroachment was not got removed by the Municipal Committee Tohana and pending clearance of site by Municipal Committee, the final payment was made to the contractual agency for the work actually executed at site. However, the competent authority has ordered (Sept. 2000) investigation of facts and if any officer/official being found responsible for loss to the board, action will be taken as per rules in force. Further the matter is also being investigated by Haryana State Vigilance Bureau vide enquiry no. 5/2001/Pkl Haryana and finding thereof are awaited.

(A) After hearing the departmental representatives, the Committee recommends that immediate steps be taken by the Board to construct the remaining portion of the road and report be sent to the Committee.

(B) The departmental representatives intimated the Committee that the matter has been handed over to the Haryana State Vigilance Bureau for investigation. The Committee, therefore, recommends that the further action be taken as per report of the Vigilance Bureau under intimation to the Committee.

(Commercial Activities)**[30] 7 1 General**

The Chapter deals with the audit of departmentally managed Government commercial and quasi commercial undertakings. There were 6 departmentally managed Government commercial and quasi commercial undertakings in the State as on 31 March 1998. The extent of arrears in the submission of *proforma accounts* by these undertakings was as under

Sr No	Name of Undertaking	Extent of arrears
1	Transport Department (Haryana Roadways)	1996 97 and 1997 98
2	Printing and Stationery Department (Nationalised Text Books Scheme)	1995 96 to 1997 98
3	Animal Husbandry Department (Haryana Veterinary Vaccine Institute)	1996 97 and 1997 98
4	Food and Supplies Department (Grain Supply Scheme)	1997 98
5	Agriculture Department (Purchase and distribution of pesticides)	1980 81 to 1997 98
6	Agriculture Department (Seeds Depot Scheme)	1985 86 to 1997 98

In June 1996 the Agriculture Department intimated that purchase and distribution of pesticide scheme and Seeds Depot scheme were dropped after 1985 86 and 1983 84 respectively. The schemes are being operated now as informed (June 1998) by the Government.

The summarised financial results of these undertakings on the basis of latest accounts as of July 1998 were as under

Sr No	Name of Undertaking	Period of accounts up to which finalised	Turnover	Profit (+)/Loss ()
(Rs. in Lakh)				
1	Agriculture Department (Purchase and distribution of pesticides)	1979 80	103 27	(+)5 65
2	Agriculture Department (Seeds Depot Scheme)	1984 85	31 51	(+) 0 11
3	Transport Department (Haryana Roadways)	1995 96	26 993 42	() 1 985 21
4	Printing and Stationery Department (Nationalised Text Books Scheme)	1994 95	682 84	(+)44 91
5	Animal Husbandry Department (Haryana Veterinary Vaccine Institute)	1995 96	11 04	() 1 29
6	Food and Supplies Department (Grain Supply Scheme)	1996 97	25 337 27	(+) 2 659 44

The matter was referred to the Government in August 1998 their reply had not been received (November 1998)

The department in their written reply explained the position as under

Purchase and Distribution of Pesticides

As Haryana State came into existence on 1.11.1966 the audited figures were not available. The proforma for preparation of accounts has also not been prescribed in the past years. The decision on these two points was taken late i.e. in 1979 when proforma accounts of more than 12 years were already due. By that time the record scattered at various units had become old and non available. This rendered difficult leading to misclassification and errors in books keeping. Since then the proforma accounts from 1966-67 to 1981-82 had got been audited by the Accountant General Haryana. Proforma Accounts for the year 1982-83 has been completed and sent to Accountant General Haryana for audit. Steps have been initiated to prepare proforma account for the year 1983-84.

However the work is old and time consuming even then all possible and strenuous efforts are being made for making proforma account upto date. From 1986-87 onwards no major purchase has been effected under this scheme by the Department and now the purchases are made through institutional agencies.

Seed Depot Scheme

Proforma accounts for the period from 1966-67 to 1984 have already been got audited from Accountant General Haryana.

Proforma account for the year 1985-86 has also been submitted to Accountant General Haryana vide this office letter No. 818/Seed Depot dated 24.4.2001 for audit. So far as pending proforma account from 1986-87 and onwards are concerned information is being collected from the field officer. This work is time consuming however best efforts are being made to finalise the remaining accounts and get it audited from Accountant General Haryana.

After hearing the departmental representatives, the Committee recommends that the matter regarding Proforma Accounts be settled at the earliest in liaison with the A.G. (Audit) Haryana and the Committee be informed accordingly.

~~Education Department~~

[31] 6 5 Nugatory expenditure due to payment of idle wages

Non adherence to the provisions of the Industrial Disputes Act 1947 resulted in payment of idle wages of Rs 6 82 lakh

(A) Section 25 F of the Industrial Disputes Act 1947 (Act) *inter alia* lays down that a workman who has been in continuous service for one year can be retrenched after giving one month's notice in writing indicating reasons for retrenchment or in lieu thereof payment of one month's wages. The workman at the time of retrenchment shall be paid compensation which shall be equivalent of 15 days average pay for each completed year of continuous service or any part thereof in excess of six months. Besides Section 25 B of the Act *ibid* provides that a workman shall be deemed to be in continuous service for one year if the workman has actually worked for not less than 240 days during a period of 12 calendar months.

During audit of records of Maharshi Dayanand University Rohtak it was noticed (January to May 1997) in audit that 13 daily wage workers were engaged on muster rolls between February 1988 and June 1991 against various works and their services were terminated between September 1990 and June 1992 without assigning any reasons even when they had worked more than 240 days in 12 calendar months.

Against these termination orders the daily wage workers filed cases before the Industrial Tribunal cum Labour Court (ITLC) Rohtak between March 1991 and June 1993. ITLC announced the award between June 1995 and January 1996 in favour of the workers on the ground that their services were not terminated in accordance with Section 25 F of the Act. The court ordered the management to reinduct the workers in service with continuity of service alongwith full back wages. Accordingly Rs 6 82 lakh were paid to the workers during August-September 1996.

Thus failure of department to adhere to the relevant provisions of Industrial Disputes Act 1947 before terminating the services of daily wage workers resulted in an avoidable payment of idle wages of Rs 6 82 lakh.

The University stated (December 1997) that an enquiry had been initiated (July 1997) and responsibility would be fixed on receipt of inquiry report. Findings of the inquiry report were awaited (July 1998).

The matter was referred to the Government in March 1998. Their reply had not been received (November 1998).

MDU suffered a loss of Rs 4 34 lakh in the case of lecturer who was paid salary on court orders without assigning him any work.

(B) On a request (July 1991) of Maharshi Dayanand University (MDU) Rohtak the State Government had placed (September 1991) the services of a lecturer in Fine Arts of a Government College of Education at the disposal of MDU on deputation basis for one year. On the recommendation of MDU the period of deputation was extended by one more year (upto 10 September 1993).

The lecturer requested (November 1992) MDU for his absorption in the University services which was agreed to (December 1992) by the Executive Council of the University (ECU) subject

to approval by the State Government. The case of absorption was sent to the Government for sanction in January 1993 but the same was not approved (March 1993) as there was a ban on recruitment in the University. Later when the Government allowed (January 1994) absorption of the lecturer in MDU after voluntary retirement from the date of absorption, the University changed its decision and ordered (March 1994) the reversion of the lecturer to his parent department. The University also requested (April 1994) the State Government to issue posting orders of the lecturer to some other place or college. Government did not issue such orders.

The lecturer filed (March 1994) a case in the Punjab and Haryana High Court against MDU. During admission of the case in April 1994, MDU argued through University counsel before the Court that the University did not want the services of the petitioner and was willing to pay salary without assigning any work for the time being. On the basis of this statement, the Court gave an open order (April 1994) to MDU to pay salary including other allowances to the petitioner regularly along with other members of teaching staff. The petition was pending in the Court as of May 1998. Meanwhile, MDU stated (February 1998) that the lecturer was taken back on work in MDU from 23 December 1997.

The unjustified stand taken by the University during hearing resulted in payment of salary of Rs 4.34 lakh for the period April 1994 to 22 December 1997 to the lecturer without assigning any work.

The matter was referred to the Government in March 1998. Their reply had not been received (November 1998).

6.5 (B)

Sh. R. M. S. Malik, Lecturer, Fine Arts, was sent on deputation to MDU, Rohtak, in the year 1991 and is still on deputation. The MDU, Rohtak, refused to absorb him and relieved him of his duties in the year 1994. Though Sh. R. M. S. Malik continues to be in Govt. service in the absence of absorption by the University, but he is very much on deputation with MDU, Rohtak, from 10.9.91 onwards.

The perusal of University Resolution No. 66 dated 28.12.92 vis-a-vis resolution 52 dated 17.3.94 clearly establishes the whimsical attitude of the University.

Had the University not resolved to absorb Sh. Malik in the University service in the year 1992, this problem would not have cropped up. It is quite understandable that when Sh. Malik could be absorbed in University service in the year 1992 under Universities rules, why the same could not be done in 1994.

It is wrong on the part of the University to state that Sh. Malik reported to his parent deptt. because Sh. Malik challenged University orders dated 17.3.94 in the Hon'ble Punjab & Haryana High Court on 20.3.94 by way of filing CWP No. 3602 of 1994 and obtained the stay order on 5.4.94. Since the Hon'ble High Court granted stay against the implementation of the order dated 17.3.94 on 5.4.94, the request of the Registrar, MDU, Rohtak, dated 8.4.94 could not be accorded to because this would have tantamount to contempt of Court.

As is evident from the reply of the University that Sh. R. M. S. Malik is being paid salary

since 1994 without assigning any work on the basis of statement given by its Counsel. The Court took the cognizance of this statement and on 15.4.94 directed the University to regularly pay the salary along with allowances to the lecturer.

In view of the stay granted by the Hon'ble High Court Sh. Malik could not be post-transferred; therefore, it was not appropriate on the part of the University to expect that Sh. Malik could be given posting in one of the Govt. Colleges by July 1994.

In these circumstances, since the lect. was paid without work, it has resulted into this audit para. So far as the writ filed by the lect. is concerned, it is still admitted in the court. It is imperative to mention here that MDU Rohtak is fully responsible for this loss to the exchequer.

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

6.5 (a) As was brought to the notice of the Govt. earlier, a departmental inquiry into the matter of 11 daily wages was ordered and the Inquiry Officer has already submitted his report in this regard. Based on the findings of the Inquiry Report, the University administration has issued show cause notices to twelve officials and officers who have been held responsible for pecuniary loss amounting to Rs. 5,48,22/- resulting from various awards announced by the Labour Court on account of non-adherence to provisions of Industrial Disputes Act while dispensing with the services of 11 workmen at different times. Replies to the show cause notices are being received from all the respondents.

The process of fixing responsibility on the defaulting officers/officials and effecting recoveries from them is being pursued and it is expected that the amount of Rs. 5,48,222/- will be made good in the near future. The details of individuals and the amount to be recovered from each are given below:

Sr No	Name of Designation S/Shri	Amount to be recovered (Rs.)
1	Late H C Gupta Executive Engr	124388.60
2	M S Tyagi Ex S D E	167452.51
3	Nirajan Kumar Jr Engineer	80090.40
4	Kehar Singh Ex S D E	26654.28
5	Satish Vis S D E	5647.73
6	Baljit Singh Jr Engineer	18281.69
7	Mahesh Kumar Executive Engineer	68002.78
8	J D Mittal Executive Engineer	7363.14
9	Ram Rikh S D E	32784.71
10	Late R S Malhotra Ex S D E	4546.06
11	K K Bansal S D E	5647.73
12	M R Balian S D E	7363.14
Total Rs		548222.77

Besides the above 11 daily wages two more persons namely Sh Jai Singh Beldar and Sh Ram Kumar Mason Grade II on daily wage basis have also been taken back in the University service as per orders of the Court and they have been paid an amount of Rs 55901/ and Rs 78345/ respectively (total Rs 134246/) as back wages Thus total amount paid to all the 13 daily wagers comes out to Rs 6 82 468 50 (Rs 5 48 222 50 + Rs 1 34 246)

This matter is also being looked into

(a) After hearing the departmental representatives the Committee is not satisfied with the reply of the department The Committee observed that non-adherence of the provision of the Industrial Disputes Act, 1947 resulted in payment of idle wages of 6 82 lacs to the workers The Committee, therefore, recommends that the matter be investigated and action be taken against the delinquent officers/officials held responsible for pecuniary loss and the recovery be effected expeditiously The action taken be intimated to the Committee

(b) The Committee further observed that due to unjustified stand taken by the University during the hearing of case resulted in payment of salary of Rs 4 34 lacs to the lecturer without assigning any work The Committee recommends that action be taken against the officers/officials responsible for the loss and the Committee be apprised of the action taken within a period of three months

**Town and Country Planning Department
(Haryana Urban Development Authority)**

[32] 6 9 Land Acquisition transfer of land and utility thereof

6 9 1 Introduction

In Haryana land for the purpose of developing residential sectors/colonies industrial estates and for commercial activities in urban areas is acquired by Haryana Urban Development Authority (HUDA) set up in the year 1977 for planned development of urban areas through four Land Acquisition Collectors (LACs) located at Fardabad Hisar Gurgaon and Panchkula which function under the Department of Urban Estates Haryana

6 9 2 Organisational set up

The Department of Urban Estates Haryana acquires land for HUDA through LACs located at Gurgaon Faridabad Hisar and Panchkula For Public Works Department Land Acquisition Officers at Ambala Bhiwani Gurgaon and Hisar acquire land for Buildings and Roads Branch whereas Land Acquisition Officers at Ambala and Narnaul acquire land for Irrigation Branch

* * * * *

6 9 6 Interest payments

Due to delayed payment of compensation referring landowner's applications to the courts handing over possession of plots to allottees etc HUDA and PWD had to pay interest of Rs 13 crore

For acquiring land for public purposes an award of compensation is made by the Collector under Section 11 of the Land Acquisition Act 1894 (Amended in 1984) If the compensation is enhanced by the Court interest at prescribed rates is payable under Section 28 of the Act

A scrutiny of records in the offices of HUDA and PWD in the districts/divisions test checked revealed that Rs 13 crore were paid towards interest due to delay in the payment of compensation to the landowners incorrect application of interest rates delay in referring landowners applications to the courts delay in handing over possession of plots to allottees etc as discussed below

(i) Avoidable payment of interest due to delay in releasing payment

According to the provisions of Land Acquisition Act 1894 LAC was to pay interest on the enhanced compensation awarded by courts at the rate of 9 percent for the first year and 15 per cent per annum for the subsequent years from the date on which the Collector took possession of the land to the date of payment in the court

Test-check of records of LACs for HUDA and Buildings and Roads and Irrigation Branches of PWD revealed that in 356 cases (HUDA 125 and PWD 231) pertaining to the years 1981-82 to 1995-96 the courts enhanced the compensation awarded by LACs but the payment of enhanced compensation to the landowners was delayed between 4 and 54 months The delay resulted in avoidable payment of Rs 1.63 crore (HUDA Rs 1.50 crore and PWD Rs 0.13 crore) on account of interest on delayed payments

Scrutiny of reasons for delay in 15 cases of PWD (B&R) Division I Gurgaon showed that the court awarded the enhanced compensation on 25 March 1991 and the division sent these cases to LAO Gurgaon in May 1993 for assessing the payable amount. LAO intimated the payable amount (in form B) to the division in February 1994. The division could not make the payment to the landowners for want of LOC in the year 1993-94 and sent the cases back (August 1995) to LAO Gurgaon for updating the interest and the payable amount. LAO revised the payable amount and returned the cases in August 1995 to the division which made payment to the landowners in March 1996. The delay entailed avoidable payment of interest of Rs 2.57 lakh in these cases.

In 9 cases LAC Gurgaon sent demand in September 1995 to HUDA but the payments were delayed by 10 to 12 months (1 case in June 1996 and 8 cases in October 1996). The landowners submitted claims for payment of interest for the period between the date of raising demand by LAC Gurgaon and the date of actual payment by HUDA. This would entail avoidable extra liability of Rs 41.41 lakh.

HUDA replied (June 1998) that delay in payment of compensation/enhanced compensation occurred as legal and financial formalities were to be met before making payments and also the cases were received late from LAOs due to shortage of staff.

(ii) Un-authorised payment of interest on statutory benefits

The amount of compensation for the land for which an award is made under Section 11 of the Land Acquisition Act 1894 (as amended in 1984) is determined on the basis of the marked value of the land in the manner provided in Section 23 (1) of the Act. In addition following statutory benefits in respect of each award announced by Land Acquisition Collectors are also awarded under Section 23 (1) (A) and 23 (2) of the Act by the courts.

(a) An amount calculated at the rate of 12 per cent per annum on the market value of land from the date of publication of notification under Section 4 to the date of taking possession or the date of award whichever is earlier.

(b) An amount calculated at the rate of 30 per cent on the market value of land as charges for compulsory acquisition.

The Supreme Court ruled that interest payable on the enhanced compensation under Section 28 of the Land Acquisition Act was not payable on the statutory benefits under Section 23 (1) (A) and 23 (2) *ibid*. It was however noticed in audit that HUDA and PWD (B&R) had paid interest of Rs 12.08 lakh (HUDA Rs 5.54 lakh and PWD Rs 6.54 lakh) in 155 cases (HUDA 1 PWD 154) even after the Supreme Court decision in 1995.

(iii) Payment of interest due to delay in sending landowner's objections to the courts

Under Section 18 of the Land Acquisition Act 1894 any person interested who did not accept the award may by written application to the Collector require that the matter regarding his objection to the measurement of the land, the amount of the compensation, the persons to whom it is payable or the apportionment of the compensation among the persons interested be referred by LAC to the court. HUDA had issued instructions in April 1990 that reference to District Courts should be made by LACs within 3 months of the date of receipt of such references from the interested persons to avoid an unnecessary burden of interest.

Test check of records of LACs at Faridabad Gurgaon Hisar and Panchkula (who acquired land for HUDA) revealed that in 149 cases (Panchkula 58 Gurgaon 48 Faridabad 34 Hisar 9) during 1993-94 to 1997-98 the applications of landowners (interested persons) were forwarded to the courts after a delay of 3 to 44 months (after excluding prescribed period of 3 months) by the concerned LACs. The landowners had accepted the awards under protest. Delay in sending applications to the courts resulted in avoidable payment of interest of Rs 7 crore * (Panchkula Rs 0.17 crore Gurgaon Rs 5.52 crore Faridabad Rs 1.18 crore and Hisar Rs 0.13 crore) which could have been avoided had the applications been referred to the courts within the prescribed time limit of 3 months.

Further 1,941 applications (Panchkula 704 Gurgaon 284 and Faridabad 953) received from landowners under Section 18 were lying pending in the concerned LACs Offices for a period ranging from 1 to 6 years as indicated below:

Applications pending (In number)	Year since when pending
360	1992
389	1993
171	1994
744	1995
138	1996
139	1997
1,941	

Reasons for delay in sending these applications to the courts were not intimated (August 1998)

Due to delay in sending these applications for enhancement to the courts HUDA would have to bear extra liability in the shape of interest payments for the period of delay in cases where court decided in favour of landowners.

The department in their written reply explained the positing as order:

(i) In this connection it is submitted that when a case is decided by District Court or High Court the opinion of the District Attorney Advocate General and Legal Remembrancer and Secretary to Govt. Haryana is necessary for further action i.e. whether the case is fit for filing appeal or not or for marking payment which takes 2 or 3 months minimum time. If the case is not found fit for filing of appeal as per opinion of the above authorities the amount is calculated by the patwaris and after checking by Kanungo Tehsildar and Section officer the demand is sent to the HUDA for releasing the amount. On receipt of amount from HUDA the same is deposited. Due to shortage of staff i.e. patwaris Kanungos and heavy load of work and in some cases opinion of the Advocate General and Legal Remembrancer and Secretary to Govt. Haryana receive late and due to these unavoidable reasons delay occurs in these cases.

1993-94 3 cases (Rs 0.005 crore) 1994-95 6 cases (Rs 0.030 crore) 1995-96 7 cases (Rs 0.050 crore) 1996-97 75 cases (Rs 0.940 crore) and 1997-98 58 cases (Rs 5.980 crore)

So far as in 9 cases of Gurgaon is concerned it is submitted that U/s 18 of the L A Act these cases were decided by the Distt Judge on 29 04 1995. The opinion of Legal Remembrancer received in LAO Gurgaon on 31 07 1995. LAO Gurgaon filed R F A against the orders of the Distt court. The claim of enhanced compensation were sent to H Q HUDA on 19 10 1995. Before the High Court decided stay application Hon ble Supreme Court decided the cases of Sh P Yadrao Pathade through L R s V/s State of Maharashtra in Jan 1996 that no interest is payable on solatium and additional principal amount. HUDA asked LAO Gurgaon to send the demand in the light of Supreme Court Judgement. The revised demand was sent to HUDA (HQ) on 09 08 96 by deducting the amount of interest on solatium and additional principal amount and saved Rs 230 04 717/

In the meantime Hon ble High court decided C M No 2556 CI of 1995 in RFA No 1921/95 titled State of Haryana V/s Shiv Charan on 23 07 1996 with the following order

- (i) HUDA would deposit 100% of the amount with the trial Court within a period of 3 months
- (ii) The land owners shall be at liberty to withdraw the amount subject to their furnishing adequate security for the amount
- (iii) In case the appeal filed by the state are succeeding without even the land owners shall return the amount alongwith interest @ 15% P A
- (iv) That in case HUDA fails to deposit the amount in that case the land owners shall be entitled to withdraw money in execution without furnishing security

The amount was deposited as per direction of the Hon ble High Court within 3 months from the date of the orders passed by the High Court

The decretal amount was deposited on 29 8 96 and 12 09 96 within 3 months of the orders passed by the High Court. The land owners had to furnish adequate security to release their amount

(iii) Payment of interest due to delay in sending landowner's objection to the courts

Under Section 18 of the Land Acquisition Act 1894 any person interested who did not accept the award may by written application to the Collector require that the matter regarding his objection to the measurement of the land the amount of the compensation the persons to whom it is payable or the apportionment of the compensation among the persons interested be referred by LAC to the court. HUDA had issued instructions in April 1990 that reference to District Courts should be made by LACs within 3 months of the date of receipt of such references from the interested persons to avoid unnecessary burden of interest

Test check of records of LACs at Faridabad Gurgaon Hisar and Panchkula (who acquired land for HUDA) revealed that in 149 cases (Panchkula 58 Gurgaon 48 Faridabad 34 Hisar 9) during 1993 94 to 1997 98 the application of landowners (interested persons) were forwarded to the courts after a delay of 3 to 44 months (after excluding prescribed period of 3 months) by the concerned LACs. The landowners had accepted the awards under protest. Delay in sending applications to the courts resulted in avoidable payment of interest of Rs 7 crore (Panchkula Rs 0 17 crore Gurgaon

Rs 5.52 crore Faridabad Rs 1.18 crore and Hisar Rs 0.13 crore) which could have been avoided had the applications been referred to the courts within the prescribed time limit of 3 months

Further 1941 applications (Panchkula 704 Gurgaon 284 and Faridabad 953) received from landowners under Section 18 were lying pending in the 1993-94 3 cases (Rs 0.005 crore) 1994-95 6 cases (Rs 0.030 crore) 1995-96 7 cases (Rs 0.050 crore) 1996-97 75 cases (Rs 0.940 crore) and 1997-98 58 cases (Rs 5.980 crore) concerned LAC's offices for a period ranging from 1 to 6 years as indicated below

Application pending	Year since when pending (number)
360	1992
389	1993
171	1994
744	1995
138	1996
139	1997
1941	

Reasons for delay in sending these applications to the courts were not intimated (August 1998)

Due to delay in sending these applications for enhancement to the courts HUDA would have to bear extra liability in the shape of interest payments for the period of delay in cases where court decided in favour of landowners

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 19 districts of State. In addition to this court cases in respect of land acquisition have increased manifold and such cases are also being attended by the same revenue staff i.e. Patwaries and Kanungos in the Hon'ble High Court and Supreme Court. 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 some time occurs. Now all the old pending reference 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 Distt. Courts is 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 forwarding of the case to the Distt. Courts and upto the decision of the Court does not pertain to LAO offices.

After hearing the departmental representatives, the Committee recommends that action be taken in the matter as per decision of the Supreme Court under intimation to the Committee. However, effective steps be taken to minimize the procedural delay in deciding the case of compensation, statutory benefits and sending the landowner's objections to the Courts to avoid payment of interest in delayed payments.

[33] 6 9 10 (i) Non allotment and non handing over of land

5 165 20 acres of land acquired by HUDA for residential industrial commercial purposes were still not developed (July 1998) Of this 5 14 16 acres were acquired in 1991 92

Of the total land of 30 921 acres acquired in the State *by HUDA during 1977 1988 5 165 20 acres of land to be developed for residential industrial and commercial purposes was still (July 1998) lying with HUDA in the following districts

District	Land area (In acres)
Faridabad	3 042 91
Panchkula	70 00
Karnal	4 00
Kurukshetra	548 83
Ambala	276 81
Panipat	420 03
Hisar	688 12
Sirsa	114 50
Total	5 165 20

Of the 5 165 20 acres of land 1 010 64 acres of land could not be transferred/handed over to the allottees or the prospective allottees as the layout plans had not been approved by HUDA and 264 94 acres were under orders of stay from the courts. Reasons for not transferring/handing over or non allotment of the remaining 3 889 62 acres of land to the concerned allottees/beneficiaries (for whom the land was acquired) were not intimated by HUDA (August 1998)

Out of the land mentioned above 514 16 acres of land was acquired in Faridabad as far back as 1991 92 for which compensation of Rs 22 06 crore was paid. Despite lapse of more than six years the land had not been handed over for the purpose it was acquired due to non finalisation of layout plans.

The department in their written reply explained the position as under

In this connection the estate wise position of land transferred/handed over to the allottees is as under

Panchkula

As per records available in Urban Estate Panchkula approx. land 91 57 acres of land is under stay order.

Ambala

In reply to this para it is submitted that 276 81 acres land was proposed to be acquired for Sector 10 and 11 Ambala Cantt. for which notification under section 4 was issued. Out of the land only 150 acres land has been acquired for HUDA and balance land has been either released to Govt. or notification has been cancelled by Hon'ble Punjab & Haryana High Court for which no compensation was paid. Out of the 150

acres of land acquired by HUDA. 60 acres land has been sold to Haryana State Agriculture & Marketing Board Panchkula and amount of Rs 177.14 lacs has been received from them. Balance land about 90 acres will be utilised as early as possible.

Karnal

In this connection it is intimated that this land is low lying areas and all the sewerage waste water and rain water from adjoining colonies are disposed off into this low lying area. The matter has already been taken up with Public Health Department Municipal Committee and Distt. Administration for the improvement of this area.

Panipat

Out of the 420.03 acres land was acquired during 1991-92 for the development of sector 6, 7 and 8 Panipat. It is submitted that 197.03 acres land was acquired for Sector 6 which have been sold in the year 1994. Remaining land measuring 223 acres was acquired for development of Sector 7 and 8 Panipat. Out of this land 90 acres land is under stay orders. The balance land could not be utilised because initially the land was acquired for industrial purposes and due to poor demand for industrial plots it was proposed to develop for residential purpose but the same could not be finalised due to various reasons. Now it has been decided to float the area for industrial purposes.

Kurukshetra

Out of the total land under audit objection the land of sector 4 residential Kurukshetra have been allotted in the month of Feb. 2001 and land for Sector 8 residential Kurukshetra has also been allotted on 10.05.2001. So far as the land in Sector 2 Commercial is concerned all formalities have been completed and these will be auctioned very shortly.

Hisar

In this connection it is submitted that the position of land acquired is as under:

Sector	Land acquired	
9 and 11	304.28	1995
1 and 4	227.44	1995
Fatehabad	156.40	1996
	688.12	

Except land of Sector 1 and 4 Hisar all above acquired land have been utilised. The case of floatation of Sector 1 and 4 is under process the same will be floated very soon.

After hearing the departmental representatives the Committee recommends that court cases be pursued vigorously for finalization at the earliest so that land could be transferred/handed over to the allottees/beneficiaries.

[34] 6 9 11 Non utilisaton of land

(ii) Non removal of encroachment

It was noticed in audit that there were encroachments on 161 17 acres of land of HUDA in Gurgaon Hisar and Panchkula districts for a period ranging from 4 to 30 years Due to encroachment the land had not been developed/ allotted

No action was taken for the removal of encroachments in Gurgaon district Whereas in Panchkula out of 8 cases of encroachments 6 cases were under stay by the courts and in remaining 2 cases no action was on record In case of Hisar district also no action was on record

The matter was referred to Governemnt (July 1998) their reply had bot been received (Novedmber 1998)

The department in their written reply explained the position as under

In this connection estate wise position of encroachment and encroachment removed in as under

(i) Panchkula

In Urban Estate Panchkula there is encroachment on 202 57 acres of HUDA land including encroachment as pointed out in the above para Encroachment on 88 50 acres has been got removed during 1998 99 to 2000-2001 and 91 57 acres land falls under stay orders Efforts are being made to get the encroachment removed from* the rest of the area i e 22 43 acres

(ii) Gurgaon

The detailed portion of encroachments in respect of Urban Estate Gurgaon is enclosed Annexure B

Hissar

The position of area under encroachment and encroachment removed is as under

Sr No	Name of M T	Removed area in			Since which	Presert Pos*ion
		Kanal	Marla	Sqd		
(1)	M T Narwana	3	10	6 13	1990 91	Out of the total area under encroachment on 0 03 acre removed on 30 06 2001 and in one case encroachment could not be removed due to court case In 8 Cases notice under section 18 issued
(2)	M T Sirsa			229546 66	25 30 years	Encroachment removed on 120 sqs yds and for balance area notice have been issued to vacate the encroachment
(3)	M T Kalawali			26720	10 15 years	Notice to vacate the encroachment* have been issued but encroachment could not be removed due to court case
(4)	M T Dabwali			221	3 4 years	Encroachment made at the time to colonization Deptt and action is being taken to removed the encroachment
(5)	M T Ellenabad			4031	10 12	Encroachment removed

After hearing the department representatives and also going through the details supplied by the department the Committee recommends that progress report in regard to removal of encroachments be sent to the Committee within a period of three months

[35] 6 10 Loss due to non recovery of rebate

HBH availed of rebate without fulfilling conditions due to failure of HUDA to issue corrigendum to allotment letter

According to decision (March 1990) Haryana Urban Development Authority (HUDA) allotted (June 1991) 9.5 acre land in Sector 14 Panchkula to Housing Board Haryana (HBH) for construction of multi storeyed houses for the employees of Boards/Corporations of Haryana State. Rebate of Rs 86.75 lakh (20 percent on the cost of land Rs 4.34 crore) was given to HBH at the time of allotment with the condition that the building work was to be completed within 3 years failing which concession amount with defaulted rate 18 rate percent of interest would be charged. The condition of rebate was later on changed (August 1996) by the Chief Administrator (CA) HUDA as the rebate of 20 per cent and 10 per cent to be given only if allottee constructs the site within 3 years and 4 years respectively and asked Estate Office (EO) HUDA to issue corrigendum to original allotment letter of June 1991. No corrigendum to the allotment letter giving effect to the revised condition of rebate was issued by EO HUDA Panchkula. Physical possession of land was given in February 1992. After making full payment of land cost/enhanced land compensation the Chief Engineer (CE) HBH Requested (September 1996) to EO HUDA for issue of no due certificate and title documents.

Test check of the records of EO HUDA Panchkula revealed (July 1997) that neither no due certificate and title documents of requisite land were issued to HBH nor any action to recover the amount of rebate of Rs 86.75 lakh from HBH was initiated when the period of 4 years had already elapsed and HBH could not complete the construction.

At the instance of Audit EO HUDA lodged (February 1998) a claim of Rs 2.64 crore (part of Rs 3.12 crore)* (Rebate Rs 0.87 crore and interest Rs 1.77 crore) with the CA HBH on the basis of original condition of the allotment letter. The matter was referred to HBH by Audit in May 1998 regarding the claim of Rs 2.64 crore raised by HUDA. HBH stated (May 1998) that it was decided in the meeting of Standing Coordination committee held in July 1994 that 20 per cent rebate in the land cost was granted to the Board at the initial stage and as such the question of releasing of any amount on account of rebate including penalty did not arise. The version of CA HBH was not correct since as per decision taken in the meeting of July 1994 HBH was to seek clarification in regard to rebate from HUDA. Clarification was sought for between August 1994 and June 1996) by HBH which was not conveyed by EO HUDA even on direction (August 1996) from CA HUDA.

Thus due to failure to issue the revised conditions of rebate and clarifying the position to HBH recovery of Rs 2.64 crore worked out by HUDA as of February 1998 could not be effected.

The matter was referred to the Government in June 1998 their reply had not been received (November 1998).

The department in their written reply explained the position as under

* Includes Rs 45 lakh as interest on delayed payments of instalments made by HBH and Rs 3 lakh of enhanced compensation with interest.

In these connection it is submitted that HUDA allotted 9.5 acres land in sector 14 Panchkula in June 1991 to the Housing Board Haryana for construction of multi storeyed houses @ 45.66 lacs per acres. A rebate of 20% in the cost was given worth Rs 86.75 lacs to the Housing Board Haryana at the time of allotment with a condition No. 25 that the rebate of 20% is subject to complete the building within 3 years failing which the concession with defaulted rate @ 18% of interest shall be recovered. Though the Chief Administrator HUDA vide letter No. 22196 dated 8.8.96 issued direction that cost of plot in the instant case is chargeable at the Group Housing rate and the rebate of 20% and 10% is to be given only if allottee constructs building within 3 years or 4 years respectively. Accordingly a corrigendum to the allotment letter was desired to be issued. In this connection it is submitted that the rebate of 20% was subject to completion of building within three years as made clear in condition No. 25 of the allotment letter issued to Housing Board vide memo No. 5577 dated 13.06.91. Hence corrigendum was not issued.

The Housing Board Haryana requested HUDA to issue no dues certificate entitle document in September 1996. In this regard it is stated that as per HUDA policy no dues certificate cannot be issued till the payment of over due amounts. Many letter were issued to deposit the payment due amounts. Housing Board failed to deposit the amount. However efforts are being made to recover the amount from Housing Board Haryana.

After having the departmental representatives orally examined, the Committee noted with concern that the department failed to lodge the claim even after the lapse of three years. The claim of Rs 2.64 crore was lodged in February, 1998 at the instance of audit party. The Committee therefore, recommends that the matter be settled by holding a meeting at the Commissioners level of both the department at the earliest and intimation be sent to the Committee for its information.

Printing and Stationery Department

[36] 7 2 Pilferage of Paper

Excess drawal of paper and non return of un consumed paper by Printing Branch resulted in pilferage of paper valuing Rs 48 72 lakh

The Manager Government Text Book Press (Press) of Printing and Stationery Department at Panchkula carries out the printing jobs of the Government departments. On receipt of printing job order the Section Holder (computing branch) of the Press after making assessment of paper required issues form C to Section Holder (printing branch) for drawal of the required quantity of paper from the store. The Manager was to reconcile every month the paper issued and utilised on every job completed during the month.

Test-check of records of Press revealed (between June 1994 and January 1998) that in 17 job orders received between January 1983 and October 1996 the computing branch assessed the requirement of paper as 7 28 lakh kg cream wove paper and 76 ream 242 sheets of cover paper including prescribed percentage of wastage. Against this the printing branch drew 10 03 lakh kg cream wove paper and 82 ream of cover paper. Out of 2 75 lakh kg (10 03 lakh kg 7 28 lakh kg) excess paper drawn only 11 536 kg in the form of *thaba* was returned to the store in May 1995. All the 17 jobs were completed between July 1983 and August 1997. Of these two jobs (Job Nos 3285 and 3286) for which paper was issued in August 1993 the printing work could not be executed in Press due to rush of work and these jobs were got completed from private firms by issue (June 1994) of fresh paper from the store 2 63 lakh kg cream wove paper and 5 ream 258 sheets of cover paper valuing Rs 48 72 lakh drawn in excess of requirement was not returned to the store as of April 1998. The excess drawal of paper by the printing branch was facilitated by excess assessment of requirement for issue of paper against the actual requirement and the persistent non reconciliation of quantities issued and utilised.

On this being pointed out in June 1994 May and June 1995 the Controller Printing and Stationery Haryana Chandigarh stated (September 1998) that the matter in regard to non-return of excess paper to store was under scrutiny.

As these jobs were excuted long back the chances of return of paper to store were very bleak. Thus due to non reconciliation of paper issued and utilised on completed jobs every month by the Manager papers valuing Rs 48 72 lakh were pilfered.

The matter was referred to the Government in June 1998 their reply had not been received (November 1998).

The department in their written reply explained the position as under

This para pertains to the paper drawn in excess of the requirement against jobs undertaken in Panchkula Press. Audit had checked 17 jobs which have been printed between January 1983 to October 1996. Against the 17 jobs paper drawn in excess in respect of job No 2157 DHS No 2519 TB and No 2876 TB has been returned to the Stores. Thus 240 451 Ton out of 266 629 Ton Paper shown excess remained under objection. It is pertinent to mention that reel paper which was used to be drawn for jobs in Panchkula Press also included specified amount of wastage. The paper of torn out

reels used to be cut in standard sizes for further use contained huge wastage. Upto the year 1994-95 the aforesaid process continued resulting excess drawal of paper on these jobs. All these jobs have already been completed & material supplied to the concerned quarters. The difficulty experienced in connection with cutting of Reel thabas into the proper sizes was discussed by the deptt. The then Commissioner & Secretary to Govt. Haryana Printing & Stationery Deptt. (Smt. Deepa Jain Singh IAS) herself inspected Panchkula Press and assessed the factual position. A departmental committee was constituted comprising the following officers:

- 1 Sh. B. K. Saini, Manager Panchkula Press
- 2 Sh. I. S. Chahal, Asstt. Controller Karnal Press
- 3 Sh. S. L. Puri, Asstt. Controller (Cell) Panchkula
- 4 Sh. N. K. Gupta, Supdt. Typewriter Branch

The Committee got cut the reel thaba in their presence and found that 32% average salvage worked out if the paper is cut in standard sizes for printing purpose. The committee further worked out the salvage of 207.3 MT @ 32% in regard to the jobs undertaken by Panchkula Press from 1974 to 1994 keeping in view the paper returned to the Store. Therefore, the benefit of 207.3 MT becomes due to be given to the printing section besides the benefit of having more than 60 GSM grammage of paper accepted by the deptt. should also to be given. For instance, paper of 62 GSM containing weight of 16,231 KG per ream instead of 60 GSM having weight of 15,708 KG per ream. Therefore, the difference in weight is 0,523 Kg per ream extra. As per report of Stationery Branch, the benefit of 73.079 Ton paper in respect of difference in grammage should be given to Printing Section. In this way, total benefit of 280 Ton (207+73) paper due to difference in grammage should be given to Panchkula Press.

So, no irregularity has been committed in view of above explanation. The Govt. has been requested to allow the above benefit to the Press in view of position stated above. It is therefore requested that the para may kindly be dropped.

After hearing the departmental representatives, the Committee desired that the para may be kept pending till the decision of the Court and the department should be more vigilant so that no such irregularity is repeated in future. Thereafter, the department informed that this criminal case has been disposed off by the Court of Additional Sessions Judge (I) Panchkula wherein the Court has discharged all the accused without prejudice to the lawful rights of the police to investigate afresh with all seriousness subject matter of the complaint. The Committee, therefore, desired to know whether the fresh investigation has been done in the matter by the Haryana Vigilance Bureau. If so, the report of the enquiry be sent to the Committee within the stipulated period.

TRANSPORT DEPARTMENT (HARYANA ROADWAYS)

[37] 7.3 Accidents in Haryana Roadways

7.3.1 Introduction

Haryana Roadways a commercially run undertaking of the Transport Department has the objectives of providing efficient economical adequate and coordinated transport service to the public. As on 31st March 1998 the department had a fleet of 383 buses including 182 vehicles condemned or involved in accidents.

Under Section 165 of the Motor Vehicles Act 1988 (the Act) Haryana Government set up Motor Accidents Claims Tribunals at district level (one in each district) for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of or bodily injury to persons arising out of the use of motor vehicles or damages to any property of a third party so arising or both.

As laid down in Section 168 of the Act *ibid* on receipt of applications for compensation from the claimants (under Section 166 of the Act) the concerned claims Tribunal after giving notice of the application to parties gives an opportunity of being heard holds an inquiry into the claims and make an award determining the amount of compensation appeared to be just.

7.3.2 Organisational set up

Commissioner and Secretary to Government of Haryana Transport Department is the administrative head of the Department of Transport. The Transport Commissioner (TC) is the head of the Transport Department. A State Road Transport Board (the Board) which comprises three members and one chairman (Transport Minister is the ex-officio Chairman) disposes of all cases pertaining to the Transport Department except the establishment cases. There were 20 Depots each headed by a General Manager.

7.3.3 Audit coverage

Records pertaining to traffic accidents involving the buses of the Haryana Roadways during 1992-93 to 1997-98 were test-checked in the offices of the Transport Commissioner (TC) Transport Board (Board's records maintained in TC's office) and 11* of the 20 Depots in the State during January 1998 to April 1998. Results of the test check are discussed in the succeeding paragraphs.

* Depots at Ambala Chandigarh Faridabad Fatehabad Hisar Jind Karnal Katheri Rohtak Sonapat and Yamunanagar

[38] 734 Accidents

Percentage of accidents to number of vehicles during 1992-93 to 1997-98 ranged between 18 and 24 causing loss of 2 224 human lives and substantial revenue loss

(i) The details of the fleet of vehicles with Haryana Roadways and the number of accidents during 1992 93 to 1997 98 were as under —

Year	Number of vehicles at year end	Number of accidents	Persons	
			Killed	Injured
1992 93	3 758	722	416	736
1993 94	3 799	922	391	788
1994-95	3 764	919	353	788
1995 96	3 884	818	352	665
1996-97	3 840	795	388	853
1997 98	3 831	704	324	716
Total		4 880	2 224	4 546

The percentage of accidents to the number of vehicles during 1992 93 to 1997-98 ranged between 18 and 24 Compared to 1992-93 the accidents steeply increased in 1993 94 and thereafter remained at a high level These accidents caused loss of 2 224 human lives injured 4 546 persons and led to substantial loss of revenue avoidable expenditure on repairs of the accidented vehicles and on payment of compensation to the victims involved in such accidents

Of the 4 880 accidents during 1992 98 the highest number of accidents involved Ambala Depot (390) followed by Karnal Depot (321) Kaithal Depot (320) Kurukshetra Depot and Hisar Depot (302 each) as indicated in Appendix-XXIII The aspect of accidents was not discussed in any of the meetings of the Board during 1992-98 Scrutiny of relevant records in the depots test checked revealed that the accidents were attributable mainly to (a) excessive working hours of the drivers and (b) rash and negligent driving and failure to finalise the disciplinary cases as discussed below

(a) Excessive working hours

In 23 cases examined in audit the drivers performed duties for 4 to 17 months without any weekly rest in violation of Motor Transport Workers Act

Section 19 of the Motor Transport Workers Act 1961 requires that a day's rest may be provided in every period of seven days to all motor transport workers Further an employer may in order to prevent any dislocation of transport service require a worker to

work on any day of rest which is not a holiday so that the worker does not work for more than ten days consecutively without a holiday

A review of attendance registers maintained by the Depots test-checked revealed that in most of the cases either the depot authorities did not allow or the workers did not avail themselves of weekly rests. The weekly rests were carried over to subsequent weeks/months and accumulated/indicated in the attendance registers as rest days due even though there were no provisions for such accumulation of due rests. Further examination of 23 specific cases of 6 Depots test-checked disclosed that the drivers performed duties for the periods ranging from 4 to 17 months without any weekly rest.

In Ambala Depot one driver remained on duty without weekly break during July 1996 to November 1996 and during this period the buses driven by him got involved in three accidents. The concerned Depots replied (January-February 1998) that weekly rest could not be allowed due to shortage of staff as some drivers were wilful absentees involved in union activities or handicapped. The replies were not tenable as the management has the responsibility of observing the statutory provisions of the Motor Transport Workers Act and ensuring the safety/security of passengers against unsafe driving.

(b) Rash and negligent driving-disciplinary action

Accidents against which 2 472 Compensation Claim cases (in 11 depots) were decided by Motor Accident Claim Tribunals during 1992-93 to 1997-98 occurred due to negligence of drivers.

(i) Section 184 of the Motor Vehicle Act 1988 prohibits driving dangerously (which includes *inter alia* rash and negligent driving). In 2 472 compensation claim cases decided by the Motor Accident Claim Tribunals (the Tribunals) during 1992-98 in the depots test checked the accidents occurred due to human error and the drivers were found negligent in the performance of their duties.

(ii) According to departmental instructions issued from time to time (reiterated in June 1997) General Manager of the depot on receipt of information about an accident was required to depute a gazetted officer to conduct enquiry to find out the fault of driver concerned. If the driver repeated accidents action was required to be taken under Rule 7 of Haryana Civil Services Rules 1987. It was noticed in audit that disciplinary action against the defaulting drivers had not been finalised in any of the pending disciplinary cases in the depots test checked except in 78 cases in Ambala Depot during the period covered under review. The Commissioner and Secretary to the Government of Haryana Transport Department replied (July 1998) that deterrent punishment was being given to the drivers found negligent in driving vehicles involved in accidents. Reply of the Government was not based on facts as the disciplinary action cases had not been finalised as revealed from the scrutiny of records in the depots test checked.

Appendix XXIII*(Refer Paragraph 7 3 4 page 215)***Details of depot wise accidents**

Sr No	Name of Depot	1992 93	1993 94	1994 95	1995-96	1997 97	1997 98	Total
(in number)								
1	Ambala	19	79	80	54	78	80	390
2	Bhiwani	34	39	44	31	41	32	221
3	Chandigarh	70	22	63	36	47	44	282
4	Delhi	41	54	51	54	33	23	256
5	Dadri	15	29	22	28	25	13	132
6	Fardabad	39	36	44	41	43	43	246
7	Fatehabad	31	28	29	41	31	31	191
8	Gurgaon	13	35	37	48	32	35	200
9	Hisar	53	68	42	54	47	38	302
10	Jind	57	52	39	39	37	37	261
11	Kamal	70	74	49	35	47	46	321
12	Kaithal	60	51	66	61	40	42	320
13	Kurukshetra	48	59	54	47	55	39	302
14	Narnaul	—	—	—	—	—	18	18
15	Panipat	5	40	40	41	31	27	184
16	Rohtak	32	48	51	42	46	37	256
17	Rewari	37	46	53	31	31	15	213
18	Sonapat	43	64	53	34	45	47	286
19	Sirsa	26	44	43	36	34	19	202
20	Yamunanagar	29	54	59	65	52	38	297
Total		722	922	919	818	795	704	4880

The Depot came into existence from April 1997

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

It is correct that number of accident increased during 1993 94 as compared to the number of accidents during the year 1992 93 But due to implementation of instructions/directions issued by the department from time to time to the depots there was regular decrease in the number of accidents and number of accidents have come down to 515 during the year 2000 2001

Instructions have been issued to all the depots for allowing weekly rest to the crew in time The department has introduced new over time policy vide letter No 530 554/SA III/ACC dated 30 1 2001 which is enclosed at flag B It is assured that due rests are being given to the crew and now it is being reviewed

On receipt of information about major accidents responsible officer and mechanical staff are deputed to visit the site to submit Fact Finding report and the report about the loss sustained due to accident and to fix responsibility of

the person at fault for the accident. On the submission of accident report departmental action is initiated against the defaulter under Punishment and Appeal Rule 1987 and suitable action is taken against the defaulters.

After hearing the departmental representatives and also going through the information sent by the Department, the Committee is very much concerned with the increasing number of accidents. The Committee also observed that undue delay is being caused in deciding the cases of disciplinary action against the drivers who were found guilty for the accidents.

The Committee, therefore, recommends that effective steps be taken to minimise the accidents and cases pending for disciplinary action be finalised expeditiously and Committee be informed after finalizing the pending cases within a period of three months.

[39] 7.3.5 *Payment of compensation*

Due to large number of accidents payment of compensation increased from Rs 1.69 crore in 1992-93 to Rs 10.65 crore in 1997-98 (increase by 530 per cent).

(i) Large number of accidents resulted in heavy financial burden on Transport Department in the shape of compensation awarded by the Tribunals to accident victims against their motor accident claims. Compensation paid during 1992-93 to 1997-98 was as under:

Year	Compensation paid (Rupees in crore)	Effective kilometres (kms) covered (In crore)	Per km amount of compensation paid (In Rupees)
1992-93	1.69	40.87	0.04
1993-94	2.49	43.05	0.06
1994-95	6.03	43.78	0.14
1995-96	8.70	41.71	0.21
1996-97	12.07	41.92	0.29
1997-98	10.65	40.56	0.26
Total	41.63	251.89	

Effective coverage by Haryana Roadways vehicles decreased from 40.87 crore kms in 1992-93 to 40.56 crore kms in 1997-98 (decrease by about one per cent) whereas the payment of compensation increased from Rs 1.69 crore in 1992-93 to Rs 10.65 crore in 1997-98 (increase by 530 per cent). Of the total compensation of Rs 41.63 crore paid during 1992-98 the highest amount of compensation was paid by Chandigarh Depot (Rs 4.15 crore in 389 cases) followed by Yamunanagar Depot (Rs 3.31 crore in 322 cases) and Rohtak Depot (Rs 3.05 crore in 201 cases) vide Appendix XXIV. Increase in the award/payment of compensation amount was attributable to the fact that the department had been losing almost all accident claim cases filed by the victims in Motor Accident Claim Tribunals. Reasons for

losing accident claim cases in the Tribunals in large number were mainly as discussed below

(a) * * * * *

(b) * * * * *

(c) *Absence of insurance of vehicles*

Due to abnormal increase in the number of accidents the Insurance Companies refused to insure buses of the Transport Department after 1991-92

(i) Under the provisions of Section 146 of Motor Vehicle Act 1988 insurance of vehicles against third party risks is mandatory unless exempted by the State Government. The department had been getting their vehicles insured upto 1991-92. However, due to abnormal increase in the number of accidents resulting in heavy payment of compensation, the Insurance Companies refused to insure the buses of the Transport Department after 1991-92. In the absence of third party risk insurance of buses, the entire amount of awarded compensation became the liability of the department.

(ii) The Transport Department was required to contribute Rs. 500 per year per bus towards Motor Transport Accident Reserve Fund (MTARF) to meet the liabilities towards payment of compensation awarded by various tribunals to the motor accident victims. Because of increased number of accidents and consequential higher amount of compensation awarded, the balance in MTARF fell much shorter than the requirement as indicated below:

Year	Amount of compensation paid	Balance in MTARF at year end	
		As per Finance Account	As per Balance Sheet
(Rupees in crore)			
1992-93	1.69	0.23	0.31
1993-94	2.49	0.26	0.35
1994-95	6.03	0.28	0.40
1995-96	8.70	0.31	0.42
1996-97	12.07	0.35	0.46*
1997-98	10.65	0.39	0.50*
Total	41.63		

The department had not reconciled the discrepancies in the figures of MTARF appearing in the Finance Accounts and the Balance Sheets.

During 1992-98, the department paid compensation of Rs. 41.63 crore by drawing Rs. 0.92 crore from MTARF and balance Rs. 40.71 crore from regular expenditure head of account after obtaining special sanction to this effect from the Transport Commissioner. The

These are tentative figures as the accounts were yet to be certified.

department did not make adequate provision under MTARF to meet the liability which arose as a result of compensation announced by the tribunals in accident claim cases

Appendix XXIV

(Refer Paragraph 7.3.5 page 218)

Details of depot wise Compensation

Sr No	Name of Depot	1992 93	1993 94	1994 95	1995 96	1996 97	1997 98	Total
(Rupees in lakh)								
1	Ambala	14 98	27 80	72 04	55 22	80 38	35 81	286 23
2	Bhiwani	8 54	9 25	24 11	21 53	76 25	27 63	167 31
3	Chandigarh	13 03	37 80	68 77	96 56	115 46	83 82	415 44
4	Delhi	10 19	Nil	19 66	34 84	29 43	69 21	163 33
5	Dadri	3 78	3 28	2 86	20 94	26 92	21 24	79 02
6	Fardabad	Nil	Nil	Nil	52 48	50 96	79 63	183 07
7	Fatehabad	7 20	17 32	23 98	44 04	21 71	35 17	149 42
8	Gurgaon	Nil	12 36	30 67	24 70	134 56	88 75	291 04
9	Hisar	19 92	17 07	40 96	58 70	51 47	42 32	230 44
10	Jind	28 65	16 49	29 91	65 99	38 93	61 91	241 88
11	Kamal	7 65	35 48	7 09	61 02	34 82	51 55	197 61
12	Kaithal	3 30	8 05	25 38	34 64	35 84	30 20	137 41
13	Kurukshetra	5 63	3 84	30 23	64 07	66 70	55 04	225 51
14	Narnaul	-	-	-	-	-	-	-
15	Panipat	0 78	1 68	7 30	23 49	28 04	11 20	72 49
16	Rohtak	6 51	12 27	57 04	46 55	104 93	77 75	305 05
17	Rewari	9 25	6 23	19 67	37 34	93 08	46 42	211 99
18	Sonapat	9 40	10 82	72 42	30 57	51 73	66 86	241 80
19	Sirsa	11 97	7 80	20 86	48 55	87 45	56 65	233 28
20	Yamunanagar	7 90	21 52	49 82	48 79	78 80	124 27	331 10
Total		168 68	249 06	602 77	870 02	1207 46	1065 43	4163 42

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

Now the buses of Haryana Roadways are got insured from year 1999-2000 to protect the department for payment of compensation

On account of quick efforts of the department discussion/negotiations held with the insurance Companies at Govt level the Insurance Companies have started the insurance of buses of Haryana Roadways since 1999 2000 The policy is being renewed every year

All the vehicles of this department have been insured against the third party risk since 1999

The Depot came into existence from April 1997

After hearing the departmental representatives the Committee recommends that department should reconcile the figures of MTRAF appearing in the Finance Accounts and the Balance Sheets in liaison with the A.G. Office at the earliest. The Committee further recommends that Transport vehicles be insured timely in future to minimize the liability of the Govt, in the accidental cases.

[40] 736 *Loss of operational revenue due to accidents*

During 1992-93 to 1997-98 2,907 vehicles were involved in accidents causing their detention in workshops for 61,492 days and entailing an expenditure of Rs 6.44 crore on their repairs and operational revenue loss of Rs 7.14 crore.

Higher incidence of accidents resulted in loss of operational revenue as the buses were off the road being under repair. Besides substantial expenditure was incurred on the repair of the vehicles involved in accidents. The information about total revenue loss and expenditure incurred on repair of such vehicles for the department as a whole was not made available by the department. However, in the depots test checked, the operational revenue loss and the expenditure incurred on repair of vehicles involved in accidents during 1992-98 was Rs 7.14 crore and Rs 6.44 crore respectively.

Number of vehicles involved in accidents and the detention period of such vehicles in workshops for repairs increased every year during 1992-98 as indicated below:

Year	Number of vehicles involved in accidents	Detention period in workshops for repairs
1992-93	407	8,822
1993-94	442	9,644
1994-95	420	9,619
1995-96	506	10,397
1996-97	592	11,803
1997-98	540	11,207
Total	2,907	61,492

The department had not taken effective measures to reduce incidence of accidents, minimise detention periods in workshops for the accidented vehicles and check operational revenue loss.

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

All accidented vehicles are promptly attended to. No trips are missed due to accident. Spare buses are sent to cover the trips of accidented buses. Hence no loss is being suffered by the department due to detention of buses on account of accidents. However, the efforts are being made to reduce the accidents in future.

After hearing the departmental representatives the Committee noted with concern that considerable loss of revenue is being caused due to detention of vehicles in workshops involved in the accidents. The Committee, therefore, recommends that prompt action be taken to minimize the operational losses and action taken in this regard be intimated to the Committee.

[41] 7 3 7 Training of drivers in safe driving

The department had a Driving Training Institute (DTI) at Murthal (Sonapat District) to impart training in safe driving to all in service drivers in 1992-93. During review of records of DTI for the period 1992-98 it was noticed that 129 refresher courses were arranged to educate 4 807 drivers in safe driving. However only 3 673 drivers (76 per cent) attended the course. Reasons for not deputing the prescribed number of drivers to the courses were not on record. In June 1998 the General Manager of the Training Institute reported to TC that the training had not been proved beneficial as he was not being given feed back about the shortcoming of the drivers deputed for training.

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

The drivers of the various depots of Haryana Roadways are being deputed regularly to attend refresher course at Driver Training school Murthal to learn about traffic rules and for smooth and safe driving.

After hearing the departmental representatives the Committee desired that steps be taken to ensure that all the drivers be given training in the refresher courses once in two years at Driver Training School Murthal to learn about traffic rules and for smooth and safe driving.

[42] 7 3 8 Motor accident claim pending cases

There were 2 006 motor accident claim cases pending decisions in various Tribunals as of June 1998. The department/depots were not maintaining records/details of these cases and therefore the period since when these were outstanding could not be ascertained.

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

The instructions have been issued to all the General Managers Haryana Roadways to maintain the record/register of MACT cases in future.

After hearing the departmental representatives and perusing the list of cases which are pending in the various Courts/Tribunals, the Committee recommends that pending cases be pursued vigorously so that these may be finalized at the earliest.

[43] 7 4 Purchase of sub-standard engine oil

Purchase of engine oil of grade other than that recommended by the manufacturer of chassis resulted in loss of Rs 1 50 crore to State exchequer.

Transport Department had been using engine oil (Servo Pride 30/40) supplied by Indian Oil Corporation (IOC) in their buses for several years. A manufacturer of engine oils (firm A) approached (July 1993) the State Transport Commissioner (STC) and offered to supply engine oil of a particular brand at a rate cheaper by 47 paise per litre as compared to rate of engine oil supplied by IOC. The firm A had also informed (September 1993) STC that this engine oil was recommended for both TATA and Leyland chassis. STC placed three supply orders for the supply of 18 95 lakh litres of engine oil valuing Rs 8 20 crore with the firm A between November 1993 and August 1994.

In April 1994 Fatehabad Depot of Haryana Roadways reported about poor quality of the new brand of engine oil supplied by the firm A and increase in consumption by 15 per cent. The department took no cognizance of it and placed (August 1994) third supply order with the firm. When two more depots* made similar complaint in December 1994 the department worked out the excess consumption of 1.65 lakh litres of engine oil valuing Rs 69.42 lakh in all the depots of Haryana Roadways. With the use of this oil the department had suffered a total loss of Rs 1.50 crore including excess consumption of engine oil, repeated services, failure of engines and other invisible losses.

The department issued notice to the firm A in September 1995 and July 1996 to compensate the loss of Rs 1.50 crore. The department also made (November 1997) an application with the Chandigarh Police to register criminal case against the firm. The police informed (August 1998) STC that from the enquiries made by them no cognizable offence had been made out and it was a civil matter. As per terms and conditions of supply orders the engine oil was liable to be tested at CIRT Pune or any other Government approved laboratory. But no such test was got conducted to ascertain grade and specifications of the product supplied by the firm. STC stated (June 1998) that the firm A was relied upon being a reputed firm. Scrutiny of records (December 1997) revealed that bulk supply order of the new brand of Engine oil of firm A was placed by STC in November 1993 without ensuring whether the engine oil was of the grade and specification as recommended by the manufacturer of chassis. In response to enquiry made by STC, Ashok Leyland Limited intimated (July 1994) that the new brand of oil of firm A had never been recommended by them. They further stated that the use of wrong grade of oil could be one of the contributing factors for increase in consumption of engine oil/complaint of bearing rotation.

Liquidated penalty against the performance of supply and quality existed in the supply order but it was not invoked.

Thus by purchasing non suitable engine oil the department suffered a loss of Rs 1.50 crore.

The matter was referred to the Government in April 1998. Their reply had not been received (November 1998).

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

In this connection it is pointed out that earlier the Transport Department had been using engine oil Servo Price 30-40 of MIL L 2104 C Specifications which was being supplied by the Indian Oil Corporation (IOC) for its buses and this practice had been continuing for a long period. However M/s Castrol India Ltd (CIL) approached the then Transport Commissioner Haryana sometime in July 1993 and offered to supply engine oil (CRD30) at lower rates as compared to the IOC rates. M/s CIL has also informed the Transport Department that the engine oil exceeds MIL L 2104C specifications & recommended by both Tata and Leyland vehicles.

As regard Para No 1 of the observations it is mentioned that on the strength of the representations made by M/s CIL regarding viability and reliability of the product and further keeping in view the savings on account of the lower rates and the reputation of the Castrol in the Automobile Lubricants Industry the order was placed on M/s CIL

So far as placing the third order on M/s CIL after receiving the complaints from Haryana Roadways Fatehabad the complaint was attended wherein CIL advised to use CRD 40 instead of CRD 30 in view of the change of temperature/season The matter was looked into by the then Transport Commissioner Haryana and also discussed with M/s CIL on 22.8.94 M/s Castrol gave an assurance that in no case there would be any increase in the consumption of lubricating oil as compared to the earlier supplied made by the IOC

As regard Para No 2 of the observation regarding testing of the product before being used no such condition was laid down As per supply order the product was supposed/liable to be tested at CIRT Pune or any other Govt approved Laboratory and M/s CIL was relied upon being a reputed firm

However after finding complaints and analysing the excess consumption immediate necessary steps were taken by the department to stop the supplies and the matter was taken up with the Company till the date of stopping the supplies M/s CIL had supplied the engine oil of valuing Rs 55 crores (Apprx) against the total order of valuing Rs 800 crores (Approx) placed to the firm In the meeting held on 2-1-95 6-2-95 M/s CIL was asked to explain their position In the meeting CIL agreed to conduct trial in two depots of Haryana Roadways In case the trial proved with M/s CIL product lead to higher consumption of engine oil then to the extent of the higher consumption CIL would reimburse the loss on account of the product supplied by them since January 94 In the meanwhile the supplies from CIL were discontinued and were to be reconsidered after trial reports The firm conducted trial at Haryana Roadways Delhi unilaterally and claimed lower consumption at their own as well as asked for the restoration of the order Having found the trials at Haryana Roadways Delhi unreliable M/s CIL was asked to conduct repeat trials at Haryana Roadways Delhi as well as trial at Haryana Roadways Faridabad When the firm failed to conduct the repeat trials at Haryana Roadways Delhi trial at Haryana Roadways and Faridabad to prove the reliability of the product the department has taken a strong note of these lapses and false assurance on the part of M/s CIL When the firm did not come up for the repeat trials at Haryana Roadways Delhi and trials at Haryana Roadways Faridabad repeat notices were also served on the firm *vide* notice dated 7-9-95 and notice dated 2-7-96 to make good the loss for supply of sub standard product and dishonestly obtaining the order by making the false representations that engine oil is recommended by Ashok Leyland and assurance that oil consumption will not be higher than the earlier supplies by IOC

Although M/s CIL kept lower rates than IOC and also passed a bulk discount through credit note to the extent of Rs 22 76 372 for lubricants yet in view of the luke warm response by M/s CIL the department took a strong note for these lapse and false assurances on the part of the CIL. Besides non restoration of the supplies the matter was also reported to the Association of State Road Transport Undertaking an Apex Body of the State Road Transport Undertaking ASRTU also warned the firm. When no action was taken by CIL ultimately a criminal case was got registered against the CIL at Chandigarh by way of lodging complaint with the Chandigarh Police. In reference to the complaint lodged with the Chandigarh Police the Senior Superintendent of Police Union Territory Chandigarh vide Memo No 1905/23004/98 99/UT/E 6 dated 31 8-98 intimated this office that from the examination of contents of your letter and enquiries made by Local Police no cognizable offence has been made out. This is a Civil Matter. The matter was again reviewed and on the basis of legal opinion given by the Legal Section of the Department Police Department of UT Chandigarh was asked to lodge the criminal case against the firm M/s CIL Ltd vide this office Memo No 114/Steno/DTC (Tech) dated 15 1-99 and the case has been registered by the Police against FIR No 63 dated 26 2-99. The matter is under investigation by the Chandigarh Police.

After hearing the departmental representatives the Committee is not satisfied with the reply and recommends that enquiry be conducted by the State Vigilance Bureau in the matter. Later on it is intimated by the Govt , that matter has been referred to the State Vigilance Bureau for investigation

The Committee, therefore, desired that enquiry report be sent to the Committee at the earliest alongwith action taken report for its consideration

GENERAL*[44] 3 12 Misappropriations defalcations etc*

Cases of misappropriations, defalcations etc of Government money reported to Audit upto the end of March 1998 on which final action was pending at the end of June 1998 were as under

	Number	Amount (Rupees in lakh)
Cases reported up to the end of March, 1997 and outstanding on 30 June 1997	300	119 65
Cases reported between April 1997 and March, 1998	7	5 76
Total	307	125 41
Cases disposed of between July 1997 and June 1998	12	0 79
Cases outstanding as on 30 June 1998	295	124 62

The department wise break up of the cases in which final action was pending at the end of June 1998 was as indicated in Appendix XVIII

Of the pending cases 238 cases (Rs 86 12 lakh) were outstanding for more than 5 years 186 cases involving Rs 89 39 lakh were outstanding in the department of Education (Before 1993 94 26 cases Rs 12 78 lakh and 1993 98 9 cases Rs 3 51 lakh) Forest (Before 1993 94 15 cases Rs 3 95 lakh and 1993 98 7 cases Rs 11 86 lakh) Irrigation (Before 1993 94 77 cases Rs 15 47 lakh and 1993 98 10 cases Rs 0 32 lakh) Medical (Before 1993 94 12 cases Rs 18 21 lakh and 1993-98 5 cases Rs 0 41 lakh) and Transport (Before 1993 94 20 cases Rs 9 66 lakh and 1993 98 5 cases Rs 13 22 lakh)

Further scrutiny of pending cases revealed that 157 cases (Rs 38 39 lakh) and 27 cases (Rs 8 74 lakh) were under departmental/Police investigation 34 cases (Rs 36 91 lakh) were pending in the courts 47 cases (Rs 25 49 lakh) were sent to Government for write off and in 30 cases (Rs 15 09 lakh) full recovery had not been made (November 1998)

On this being pointed out (June 1998) in audit the Government stated (July 1998) that administrative departments were requested to minimise these cases

APPENDIX - XVIII

(Refer paragraph 3 12, page 130)

Statement showing cases of misappropriations, defalcations, etc under investigation

Sr No	Department	Departmental investigation cases Pertaining to				Criminal Prosecution pertaining to				Grand Total	
		1992 93 and earlier years		1993 94 to 1997 98		1992 93 and earlier years		1993 94 to 1997 98			
		Num ber	Amount (Rupees in lakh)	Num ber	Amount (Rupees in lakh)	Num ber	Amount (Rupees in lakh)	Num ber	Amount (Rupees in lakh)	Num ber	Amount (Rupees in lakh)
1	Agriculture	—	—	1	0 15	1	0 37	2	0 81	4	1 33
2	Animal Husbandry	9	1 59	—	—	1	0 20	2	2 93	12	4 72
3	District Administration	1	0 25	—	—	—	—	—	—	1	0 25
4	Education	16	5 28	2	0 76	10	7 50	7	2 75	35	16 29
5	Excise and Taxation	—	—	—	—	—	—	1	0 65	1	0 65
6	Fisheries	3	0 39	—	—	—	—	—	—	3	0 39
7	Food and Supplies	4	4 87	1	1 23	1	0 27	—	—	6	6 37
8	Forest	15	3 95	3	3 16	—	—	4	8 70	22	15 81
9	Industries	1	1 44	—	—	—	—	—	—	1	1 44
10	Irrigation	56	12 17	10	0 32	21	3 30	—	—	87	15 79
11	Labour and Employment	4	0 42	—	—	—	—	2	0 55	6	0 97
12	Medical and Health	10	13 81	2	0 13	2	4 40	3	0 28	17	18 62
13	Panchayat	—	—	1	1 28	—	—	—	—	1	1 28
14	Police	1	0 25	—	—	—	—	—	—	1	0 25
15	Printing and Stationery	—	—	1	0 10	—	—	—	—	1	0 10
16	Public Health	30	5 56	4	0 24	4	1 15	—	—	38	6 95
17	Public Works (Buildings and Roads)	19	5 93	5	1 00	2	0 41	—	—	26	7 34
18	Social Welfare	5	2 92	—	—	—	—	—	—	5	2 92
19	Town and Country Planning	1	0 02	—	—	—	—	—	—	1	0 02
20	Transport	17	5 49	1	0 09	3	4 17	4	13 13	25	22 88
21	Treasury and Accounts	1	0 01	—	—	—	—	1	0 24	2	0 25
Total		193	64 35	31	8 46	45	21 77	26	30 04	295	124 62

The Committee observed that the cases of misappropriations, defalcation, etc of the departments mentioned against Sr No 1, 2, 3, 4, 5, 6, 8, 11, 12, 16, 17, 18, 20 and 21 are still pending for settlement. Some of the cases are very old. The Committee, therefore, recommends that expeditious steps be taken by the concerned departments to settle the pending cases at the earliest. The progress report be sent to the Committee within a period of three months.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

[45] 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 mainly 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 1997-98, the Government provided financial assistance of Rs 314.26 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 Education Institutions	101.55
2	Municipal Corporation and Municipalities	102.46
3	Zila Parishads and Panchayati Raj Institutions	1.44
4	Development Agencies	48.67
5	Hospitals and other Charitable Institutions	5.63
6	Other institutions (including statutory bodies)	54.51
Total		314.26

(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 (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of 3,321 utilisation certificates due in respect of grants and loans of Rs 812.30 crore paid during 1986-87 to 1996-97, only 2,013 utilisation certificates for Rs 172.37 crore were furnished to AG by 30 June 1998 and 1,308 certificates for Rs 639.93 crore were in arrears. Department wise and age wise

break up of outstanding utilisation certificates was as under

Department	Upto 1993 94		1994 95		1995 96		1996 97	
	Num ber of certi ficates	Amount (Rupees in crore)	Num ber of certi ficates	Amount (Rupees in crore)	Num ber of certi ficates	Amount (Rupees in crore)	Num ber of certi ficates	Amount (Rupees in crore)
Education	—	—	6	7 20	16	39 44	32	64 49
Medical	17	2 91	19	2 43	11	0 90	7	0 25
Agriculture	2	0 03	4	28 63	12	33 43	15	44 02
Development and Panchayat	25	5 55	72	5 48	17	6 03	72	6 47
Command Area Development Agency	38	11 64	12	10 65	12	12 35	10	24 8 6
Economical and Statistical Advisor	45	16 38	38	12 89	57	11 70	34	5 00
Revenue Training	21	4 64	7	1 65	9	2 02	12	1 89
Social Security and Welfare	—	—	2	0 02	3	0 03	66	8 25
Civil Aviation	—	—	—	—	—	—	1	0 01
Technical Education	—	—	—	—	—	—	22	3 42
Sports	44	1 70	16	1 12	24	2 27	18	2 99
Public Health	—	—	1	9 39	57	56 17	57	170 70
Science and Technology	5	0 02	10	1 07	17	1 03	6	0 24
Animal Husbandry	—	—	—	—	—	—	1	0 04
Art and Culture	—	—	—	—	—	—	2	0 05
Non Conventional Sources of Energy	2	0 02	3	0 08	6	0 38	3	0 09
Housing	—	—	—	—	2	0 17	15	4 38
Urban Development	75	3 35	42	4 86	14	2 61	172	2 54
Total	274	46 24	232	85 47	257	168 53	545	339 69

Out of the 18 departments 13 departments were not furnishing utilisation certificates continuously for the last three years viz 1994 95 to 1996 97

(c) *Delay in submission of accounts*

The status of submission of accounts by autonomous bodies and submission of Audit Reports thereon to the State Legislature as of July 1998 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	Haryana Khadi and Village Industries Board Mani Majra Chandigarh	1997 98	1996 97	1995 96	1993 94	Replies of audit observations on Separate audit report for the year 1996-97 were awaited from the department (October 1998) From 1997 98 the audit had not been entrusted
2	Haryana Labour Welfare Board Chandigarh	1997 98	1996 97	1996 97	1993 94	—
3	Haryana Urban Development Authority Panchkula	1997 98	1993 94	1993 94	1989 90	Accounts for the years 1994 95 to 1996-97 had not been submitted and from 1997 98 the audit had not been entrusted (October 1998)
4	Housing Board Haryana Panchkula	1997 98	1996 97	1993 94	1992 93	Accounts for the years 1994 95 to 1996 97 are under scrutiny
5	Haryana State Agncultural Marketing Board Panchkula	1997 98	—	—	—	Accounts for the years 1995 96 and 1997 98 not submitted
6	Haryana Prathamik Shiksha Panyojna Parishad Chandigarh	1997 98	1995 96	1995 96	—	Accounts for the years 1996-97 and 1997 98 not submitted
7	Haryana Forest Development Board (Defunct)	1982 83 to 1985 86	—	—	—	Incomplete accounts for the period 1982 86 received during (November 1996) were returned with audit objections in January 1997 These were awaited (July 1998)

The audit of accounts of the following bodies had 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 entrus:ment
1	Haryana Khadi and Village Industries Board Mani Majra 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 Prathmik 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 *Panchayat 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.

Sixty bodies/authorities whose accounts for 1996-97 were received attracted audit by Comptroller and Auditor General of India. Of these 41 bodies/authorities were audited during 1997-98. The audit of the remaining 19 bodies/authorities had not fallen due.

One hundred thirty three annual accounts for 77 bodies/authorities for 1997-98 and earlier years had not been received as of July 1998 by the Accountant General (Audit). The details are given in Appendix-XX. Of these bodies/authorities Municipal Committees Bhiwani and Rohtak did not submit accounts for 5 years. Municipal Committees Bahadurgarh and Karnal for 4 years and Municipal Committee Narnaul Municipal Corporation Faridabad and Haryana Sahitya Academy Chandigarh for 3 years.

These points were referred to the Government in August and September 1998. Their reply had not been received (November 1998).

The audit of these autonomous bodies had not been entrusted for 1997-98 and onwards. Matter had been taken up (October 1997) with them. Their consent was awaited (July 1998).

APPENDIX XX*(Refer paragraph 6 1 (d) page 170)***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	35 93
		1993 94	34 08
		1996-97	50 00
		1997 98	25 95
2	Municipal Committee Bhiwani	1987 88	36 40
		1988 89	35 25
		1989 90	36 00
		1995 96	50 00
		1997 98	27 56
3	Municipal Committee Kamal	1982-83	7 00
		1988 89	32 61
		1992 93	45 50
		1997 98	52 53
4	Municipal Committee Narnaul	1988 89	25 30
		1989 90	28 63
		1997 98	36 12
5	Municipal Committee Rohtak	1987 88	34 00
		1988 89	37 61
		1989 90	32 35
		1996 97	25 08
		1997 98	78 44
6	Municipal Corporation Fardabad	1995-96	39 38
		1996-97	50 00
		1997 98	30 00
7	Municipal Committee Patwal	1995 96	50 00
8	Municipal Committee Sonapat	1997 98	69 93
9	Municipal Committee Charkhi Dadn	1995 96	33 33
10	Municipal Committee Rewari	1996 97	50 00
		1997 98	38 82
11	Municipal Committee Jagadhri	1996-97	50 00
12	Municipal Committee Panipat	1996 97	65 00
13	Municipal Committee Hisar	1996 97	50 00
		1997 98	48 31

1	2	3	4
14	Municipal Committee Barwala	1996-97	33 33
15	Municipal Committee Gurgaon	1996-97 1997 98	31 69 42 78
16	Municipal Committee Thanesar	1997 98	31 81
17	Municipal Committee Jind	1997 98	37 12
18	Municipal Committee Hansi	1997 98	46 97
19	Agriculture Research and Education Hisar	1996 97 1997 98	1 069 00 4 273 80
20	Integrated Women s Empowerment and Development Project Haryana Chandigarh	1996 97 1997 98	330 03 152 00
21	Sainik School Kunj Pura Kamal	1996-97 1997 98	43 92 92 89
22	Shri Bhuteshwar Temple Tirath Jind	1994 95	25 29
23	Haryana Sahitya Academy Chandigarh	1994 95 1995 96 1997 98	26 00 30 00 30 21
24	Haryana Institute of Rural Development Nilokheri	1994 95	36 39
25	Aravali Vikas Sangathan	1995 96	100 00
Private aided Colleges			
26	MDSD College for Girls Ambala City	1996-97 1997 98	26 30 29 90
27	Guru Nanak Khalsa College Yamunanagar	1996 97 1997 98	77 60 89 50
28	Guru Nanak Khalsa Girls College Yamunanagar	1996 97 1997 98	57 45 72 50
29	Hindu Girls College Jagadhri	1997 98	43 30
30	Vaish College Bhiwani	1996 97 1997 98	74 50 82 52
31	Adarsh Mahila MV Bhiwani	1996 97 1997 98	53 05 54 80
32	JVM GRR College Charkhi Dadri	1996 97 1997 98	62 50 67 30
33	YM Degree College Nuh	1996 97 1997 98	27 60 36 90
34	Nirankar Baba Gurbachan Singh Memorial College Sohna (Gurgaon)	1996 97 1997 98	30 60 33 30
35	GG DSD College Palwal (Fardabad)	1996 97 1997 98	69 80 67 80
36	Aggarwal College Ballabgarh (Fardabad)	1996-97 1997 98	44 10 46 30

1	2	3	4
37	DN College for Women Faridabad	1996-97 1997-98	44 10 66 80
38	CRM Jat College Hisar	1996-97 1997-98	85 40 98 80
39	DN College Hisar	1997-98	129 50
40	MM College Fatehabad	1997-98	47 50
41	CR Kishan College Jind	1996-97 1997-98	47 20 55 30
42	Hindu Kanya MV Jind	1996-97 1997-98	32 20 35 20
43	DAV College Karnal	1996-97 1997-98	29 20 33 80
44	Guru Nanak Khalsa College Karnal	1996-97 1997-98	32 40 38 30
45	Dyal Singh College Karnal	1996-97 1997-98	95 70 103 50
46	DAV College for Women Karnal	1996-97 1997-98	48 35 59 80
47	Arya College Panipat	1997-98	63 10
48	SD College Panipat	1997-98	76 00
49	IB College Panipat	1997-98	70 10
50	Gandhi Adarsh College Smalkha (Panipat)	1996-97 1997-98	25 40 27 79
51	RKSD College Kaithal	1996-97 1997-98	78 70 96 40
52	IG Mahila MV Kaithal	1997-98	32 10
53	DAV College Pehowa (Kaithal)	1996-97 1997-98	32 60 31 90
54	IG National College Ladwa	1996-97 1997-98	34 40 41 80
55	DN Mahila MV Kurukshetra	1997-98	42 90
56	MN College Shahbad (Kurukshetra)	1996-97	35 90
57	Arya Kanya MV Shahbad	1997-98	34 20
58	BRA Janta College Kaul (Kurukshetra)	1996-97 1997-98	31 30 36 00
59	Viveka Nand MV Nangal Choudhry (Mohindergarh)	1996-97	26 29
60	KLP College Rewari	1997-98	103 83
61	Ahri College Rewari	1997-98	46 30
62	All India Jat Hero's Memorial College Rohtak	1996-97 1997-98	96 80 102 00

1	2	3	4
63	GB Degree College Rohtak	1996 97 1997 98	29 90 31 70
64	Sh LN Hindu College Rohtak	1996 97 1997 98	44 70 51 10
65	Vaish College Rohtak	1997 98	66 90
66	Vaish College for Girls Rohtak	1996 97 1997 98	32 80 34 50
67	CRA College Sonapat	1997 98	78 10
68	Hindu College Sonapat	1997 98	128 50
69	Hindu Mahila MV Sonapat	1996 97 1997 98	96 10 105 30
70	Gita Vidya Mandir Sonapat	1996 97 1997 98	46 90 56 10
71	SD College Ambala Cantt	1997 98	117 50
72	Arya Girls College Ambala Cantt	1997 98	35 80
73	MLN College Yamuna Nagar	1997 98	119 50
74	SJK College Kalanaur	1997 98	40 00
75	CMK National Girls College Sirsa	1997 98	37 20
76	MP College for Girls Dabwali (Sirsa)	1996 97 1997 98	26 80 32 30
77	BPSM Girls College Khanpur Kalan (Sonapat)	1997 98	38 50

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 66 of its 52nd report and desired that the remaining/outstanding utilisation certificates and accounts of the various bodies/institutions be furnished to A.G. (Audit) office without further delay and the latest position be intimated to the Committee.

Part - II (Revenue Receipts)

ANIMAL HUSBANDRY**[46] 1 6 Arrears in revenue**

As on 31 March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sl No	Heads of Revenue	Total arrears (Rupees in lakhs)	Arrears more than 5 years old	Remarks
9	Animal Husbandry	34 88	30 26	Out of Rs 34 88 lakhs a sum of Rs 1 52 lakhs was due from Chief Superintendent Government Live stock Farm Hisar Rs 28 92 lakhs were due from Project Director State Cattle Breeding Project Hisar and Rs 4 44 lakhs were due from Director Haryana Veterinary Vaccine Institute Hisar

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

The Detail position of recovery of revenue receipt amounting to Rs 34 88 lacs is as under —

	Due	Amount Received	Balance	Remarks
Chief Superintendent Government Livestock Farm Hisar	1 52 lacs	1 23 lacs	0 29 lac	A D C Hisar Rs 27194 56 Sheep Breeding Farm Hisar Rs 1723 00 on account of cost of seed
Project Director State Cattle Breeding Project Hisar	28 92 lacs	28 92 lacs	—	Recovered & adjusted against the cost of Semen Straws
Instt Director Haryana Vety Vaccine Institute Hisar	4 44 lacs	3 44 lacs	1 00 lac	Efforts are going to recover this amount.

After hearing the departmental representatives the committee desired that balance amount be recovered at the earliest and Committee be informed within three months

[47] 1 8 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 1998 as supplied (July 1998) by the respective departments are given as under

Sl No	Name of tax/duty	Cases pending as on 31 March 1997	Cases detected during the year 1997 98	Number of cases in which assessments/ investigations completed and additional demand including penalty raised	Amount of Demand (Rupees in lakhs)	Number of cases pending finalisation as on 31st March 1998
4	Animal Husbandry	1	—	—	0 65	1

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

On checking of cash chest of Sh Rajinder Singh Clerk (the then Cashier) office of Project Director State Cattle Breeding Project Hisar a sum of Rs 0 65 lacs was found short After due formalities regarding explanation etc FIR lodged The Trial Court on 24 9 99 sentenced the accused for 18 months imprisonment alongwith fine of Rs 500/ On filing an appeal against the judgement of Trial Court in Hon ble Court of Additional Session Judge Hisar Hon ble Court accepted the appeal and released the accused on bail On 21-4-2000 Hon ble Court acquitted the accused from all charges framed against him On the recommendation of Distt Magistrate Hisar vide No 926 Dated 2 6 2001 an appeal was filed in Hon ble High Court

Hon ble Court after necessary hearing dismissed the case In view of the judgement of Hon ble High Court Legal Remembrancer Haryana was approached for seeking advise to move the case in the Supreme Court The Legal Remembrancer Haryana advised that there is no needs to file an appeal but there has also no hitch to keep the proceeding continued as the employee has already been charge sheeted under rule 7 of Punishment & Appeal Rules

Proceeding of enquiry is adwaited from Enquiry Officer

During the course of oral examination, the Committee was informed that departmental action is being taken against the official responsible for the fraud and the Committee desired that enquiry report be completed within a period of two months and report be sent to the Committee

The Committee, therefore, desired that enquiry report be sent to the Committee without any further delay

CHIEF ELECTRICAL INSPECTOR**(Power Department)****[48] 1 6 Arrears in revenue**

As on 31 March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under

SI No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakhs)				
2	Taxes and Duties on Electricity	3572 71	2569 82	Out of arrears of Rs 3572 71 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 Dadn Cement Factory Dadn 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 3372 37 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 3572 71 lakhs upto 31 3 98 The arrears of Electricity Duty is Rs 2160 29 lakhs ending 31-3 98 as intimated by Chief Engineer (Commercial) HVPNL under section 4 of Punjab Electricity (Duty) Act 1958 the Electricity Duty is levied and collected by HVPNL and as such they are responsible for proper maintenance of the Record The Chief Electrical Inspector on behalf of the State Govt only complies the statement as supplied by HVPNL field offices

After going through the written reply of the department the Committee observed that a huge amount on account of electricity duty is still pending to be recovered

The Committee, therefore, recommends that the outstanding amount be recovered at the earliest and Committee be informed within a period of three months

REVENUE DEPARTMENT

[49] 1 6 Arrears in revenue

As on 31st March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under —

Sl No	Heads of Revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakhs)				
8	Land Revenue	4 81	—	Out of Rs 4 81 lakhs recovery of Rs 0 97 lakh was proposed to be written off Recovery of Rs 0 18 lakh was stayed by High Court and other Judicial Authorities demand of Rs 0 17 lakh was covered under recovery certificates Action regarding remaining amount of Rs 3 49 lakhs was not intimated by the department (October 1998)

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

Latest position of arrears of Land Revenue is as under —

	Total Arrears	Arrears more than 5 years old	Percentage of recovery achieved
1 Amount recovered by department	2 48 850	—	75 47
2 Amount yet stayed by Court	18 000	—	
3 Amount written off	97 000	—	
4 Amount recovered by Recovery certificate	17 000	—	
5 Balance amount	1 00 150	—	
Total	4 81,000	—	

The balance amount of recovery relates to Deputy Commissioners Ambala Narnaul Hisar Kaithal and Kurukshetra These Deputy Commissioners are being stressed upon to recover the balance amount

The Committee after hearing the departmental representatives recommends that balance recovery be effected promptly The Committee further recommends that cases pending in the various courts be pursued vigorously by the department for early settlement

[50] 19 Results of Audit

Test check of the records of the departmental offices relating to revenues of Taxes on Sales Trade etc Stamp Duty and Registration Fees Entertainments Duty and Show tax Taxes on Motor Vehicles Passengers and Goods Tax Mines and Geology Co operation Public Health State Lotteries Agriculture Home (Police) and Irrigation conducted during the year 1997-98 revealed under assessment/non/short levy of taxes and duties and losses of revenue amounting to Rs 125 64 crores in 22109 cases During the course of the year 1997-98 the concerned departments accepted under assessment etc of Rs 8 92 crores involved in 2603 cases of which 2453 cases involving Rs 8 19 crores had been pointed out in audit during 1997-98 and the rest in earlier years An amount of Rs 1 52 crores was recovered in 308 cases during 1997-98 of which Rs 0 67 crore recovered in 233 cases related to earlier years

The Report contains 38 paragraphs including 3 reviews relating to "Delay in assessments reassessments and their impact on revenue and delay in collection of sales tax demands in arrears Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue and Recovery of Water rates from canal water" involving Rs 61 94 crores The departments accepted audit observations involving Rs 3 11 crores out of which Rs 0 26 crore had been recovered up to June 1998 No replies have been received in other cases

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

Out of 22109 cases involving Rs 125 64 crores 1353 cases involving Rs 518 12 lacs relate to Stamp Duty and Regn Fee Latest position of such 1353 cases is given as under —

	No of cases	Amount involved (Rs in lacs)	Progress in %
(i) Amount recovered by Deptt	395	53 10	Rs 330 00 lacs recovered/dropped out of Rs 407 77 lacs which comes to 80 93% Leaving a balance of Rs 77 77 lac to be recovered and Rs 110 35 lac pending in various Courts
(ii) Amount dropped by DCs/ Collectors	216	59 89	
(iii) Amount dropped by A G in the subsequent audit	166	196 50	
(iv) Amount not accepted by D C Jhajjar	33	20 51	
(v) Amount pending in various Courts	179	110 35	
(vi) Balance cases/amount	364	77 77	
Total	1353	518 12	

Efforts are being made to recover the balance amount of Rs 77 77 lacs on 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 (S D O (C) & D R O) 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 recommends that expeditious steps be taken to recover the balance amount The progress report be sent to the Committee within three months

STAMP DUTY AND REGISTRATION FEES

[51] 3 1 Results of Audit

Test check of records of the District Registrars and Sub Registrars conducted in audit during the year 1997-98 revealed short levy and non levy of stamp duty and registration fees amounting to Rs 518 12 lakhs in 1353 cases which broadly fall under the following categories —

Sl No	Nature of irregularities	Number of cases (In lakhs of rupees)	Amount
1	Irregular exemption of stamp duty and registration fees	692	340 07
2	Loss of stamp duty due to under valuation of properties	310	83 76
3	Non/short levy of stamp duty and registration fees	158	26 61
4	Evasion of stamp duty and registration fees	99	26 00
5	Loss of stamp duty due to misclassification of deeds	46	23 90
6	Other irregularities	48	17 78
Total		1353	518 12

The department accepted under assessments of Rs 253 66 lakhs in 161 cases which were pointed out in audit during 1997-98 Out of which the department recovered an amount of Rs 4 17 lakh in 10 cases Besides an amount of Rs 3 32 lakhs in 59 cases had also been recovered during 1997-98 relating to earlier years

A few illustrative cases involving Rs 86 68 lakhs highlighting important observations are given in the following paragraphs

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

Latest position of 1353 cases involving 518 12 lakhs categorywise is given as under —

1 Irregular exemption of Stamp duty and Registration Fee

	No of cases	Amount (Rs in lacs)
1 Amount recovered by the Department	161	8 39
2 Amount dropped by DCs/ Collectors	155	43 66
3 Amount dropped by A G in the subsequent audit	131	188 76
4 Amount pending in various Courts	22	62 41
5 Balance cases/amount	223	36 85
Total	692	340 07

2 Loss of Stamp duty due to under valuation of properties

1 Amount recovered by Department	85	21 87
2 Amount dropped by DCs/ Collectors	49	13 22
3 Amount dropped by A G in subsequent audit	—	—
4 Amount pending in various Courts	120	38 39
5 Balance cases/amounts	56	10 28
Total	310	83 76

3 Non/Short levy of Stamp duty and Regn Fee

	No of cases	Amount (Rs in lacs)
1 Amount recovered by Department	83	10 91
2 Amount dropped by DCs/ Collectors	4	0 62
3 Amount dropped by A G in the subsequent audit	27	1 94
4 Amount pending in various Courts	5	1 76
5 Balance cases/amount	39	11 38
Total	158	26 61

4 Evasion of Stamp duty and Regn Fee

	No of cases	Amount (Rs in lacs)
1 Amount recovered by the Department	41	8 62
2 Amount dropped by DCs/ Collectors	5	2 18
3 Amount dropped by A G in the subsequent audit	1	0 27
4 Amount pending in various Courts	19	5 04
5 Balance cases/amount	33	9 89
Total	99	26 00

5 Loss of Stamp duty and Misclassification of deeds

1 Amount recovered by Department	9	0 16
2 Amount dropped by DCs/ Collectors	—	—
3 Amount dropped by A G in the subsequent audit	1	1 37
4 Amount not accepted by D C Jhajar	33	20 51
5 Balance cases/amount	3	1 86
Total	46	23 90

6 Other irregularities

1 Amount recovered by Department	16	3 15
2 Amount dropped by DCs/ Collectors	3	0 21
3 Amount dropped by A G in the audit	6	4 16
4 Amount pending in various Courts	13	2 75
5 Balance cases/amount	10	7 51
Total	48	17 78

Efforts are being made to recover the balance amount of Rs 77 77 lacs on 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 (S D O (C) & D R O 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

During the course of oral examination of the departmental representatives, the Committee was informed that out of the total cases 71% cases have been settled, 18% cases are pending in various Courts and in the 11% cases recovery have been effected

The Committee, therefore, recommends that the remaining cases be settled at the earliest and cases pending in the Courts be pursued vigorously for early settlement. The progress report be sent to the Committee within three months

[52] 3 2 Non/short recovery of stamp duty

(a) The Indian Stamp Act 1899 as applicable to Haryana and the Registration Act 1908 provide that where any instrument relating to properties situated in Haryana has become chargeable in any part of India other than Haryana with duty under the Act or under any other law for the time being in force in any part of India and thereafter becomes chargeable with a higher rate of duty in the State the amount of duty chargeable on such instruments shall be the amount chargeable on it in the State less the amount of duty if any already paid on it in any part of India. Government of Haryana in Revenue Department also clarified (March 1994) that deference of stamp duty in respect of the documents registered at Delhi pertaining to the properties situated in Haryana is to be recovered. In Haryana stamp duty on conveyance deeds is chargeable at the rate of **twelve and a half per cent** of the amount of consideration. Additional stamp duty at the rate of **three per cent** is also leviable on transfer of immovable properties situated within the limits of Municipalities.

During the audit of records of 16* registering Offices it was noticed (between August 1997 and December 1997) that 213 instruments relating to properties situated in Haryana were registered in the Central Registry offices at Delhi and Mumbai between April 1992 and September 1996 and the same were subsequently received in the respective registering offices of the State. On scrutiny of those instruments it came to notice that stamp duty was charged by the Registering Authorities at Delhi and Mumbai at lesser rates than at rates applicable in Haryana. In all the 213 cases stamp duty amounting to Rs 33.42 lakhs was charged instead of chargeable amount of Rs 90.28 lakhs resulting in non recovery of stamp duty of Rs 56.86 lakhs levied less at the time of initial registration of instruments from the concerned parties. Further instead of initiating action for recovery of deficient amount of duty the rights of properties in 36 cases (out of 213 cases) have also been transferred on the basis of mutations.

On this being pointed out (between August and December 1997) three Sub Registrars intimated (September and October 1997) that notices for recovery in 64 cases (Sonapat 2, Karnal 10 and Narwana 52) were issued to the concerned parties. Sub Registrars Faridabad, Karnal and Sonapat also intimated (September 1997, February 1998 and June 1998) that amount of Rs 4.65 lakhs (Faridabad Rs 3.99 lakhs in 10 cases, Karnal Rs 46.425 in 2 cases and Sonapat Rs 20.000 in one case) has been recovered. Sub Registrars Gurgaon, Kurukshetra, Faridabad, Ballabhgarh and Saffidon intimated (between August and December 1997) that efforts were being made to recover the deficient amounts of stamp duty in remaining cases. Further report on action taken/amount recovered has not been received (October 1998).

Panipat, Karnal, Nilokheri, Gharaunda, Narsing, Assandh, Faridabad, Ballabhgarh, Gurgaon, Kurukshetra, Bhiwani, Sonapat, Jind, Narwana, Saffidon and Hisar.

The cases were reported to Government in December 1997 and January 1998 their replies have not been received (October 1998)

(b) The Indian Stamp Act 1899 as applicable to Haryana provides that if in an instrument immovable property is transferred or sold by one person to another the stamp duty is chargeable as a conveyance deed on the consideration equal to the value of immovable property as set forth in such instrument. An additional duty at the rate of *three per cent* of the consideration is also leviable on instruments of conveyance in respect of property falling within the limits of Municipal Corporation.

During the audit of records of the Sub Registrars Sohna (Gurgaon) Faridabad and Rania (Sirsa) it was noticed (between July 1997 and January 1998) that immovable properties in four cases were sold/transferred for a consideration of Rs 11.22 lakhs for which conveyance deeds were registered between April 1996 and January 1997. The property situated in Faridabad was falling under Municipal Corporation limits. As the documents evidenced sale of immovable property stamp duty was leviable on all the four conveyance deeds but the same were exempted or were levied short without recording any reasons. The omission resulted in short levy of stamp duty amounting to Rs 1.01 lakhs in all the four cases.

On this being pointed out (between July 1997 and January 1998) the department accepted the audit observations. In two cases of Sohna Sub Registrar stated (July 1997) that notices for recovery of stamp duty would be issued. Sub Registrar Faridabad recovered (February 1998) the whole amount of Rs 31,000 and Sub Registrar Rania issued (March 1998) notice for recovery of stamp duty. The reasons as to why the stamp duty was not levied in the first instance have been enquired (May 1998) from the Sub Registrars but replies have not been received (October 1998).

The cases were reported to Government between November 1997 and March 1998 who have directed the concerned Sub Registrars (between December 1997 and April 1998) to recover the amount of stamp duty not levied earlier. Their reply has not been received (October 1998).

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

(a) 213 instruments involving Rs 56.86 lacs were registered in the Central Registry Offices Delhi and Mumbai and latest position of these cases is given as under —

	No. of cases	Amount in (Rs in lacs)
1 Amount recovered by the Department	36	12.51
2 Amount dropped by DCs/ Collectors	12	7.99
3 Amount pending in various Courts	32	17.67
4 Balance cases/amount	133	18.69
Total	213	56.86

Concerned Deputy Commissioners are being asked to recover the balance amount of Rs 18.69 lacs in order to settle the CAG's para. Deputy Commissioners have been asked to bring down the number of cases pending in Collector's court and get the decision expedited.

(b) The latest position of four cases is as under —

	No. of cases	Amount in (Rs. in lacs)
1 Amount recovered by Department	1	0 31
2 Amount pending in Civil Court Sirsa	1	0 20
3 Balance amount	2	0 50
Total	4	1 01

Efforts are being made to recover the balance amount of Rs. 0 50 lacs as arrears of land revenue by the Deputy Commissioner Gurgaon

- (a) **After hearing the departmental representatives, the Committee desired that the remaining cases be settled at the earliest and the process of recovery be speed up**
- (b) **During course of oral examination the Committee desired that details of cases, wherein additional stamp duty of 3% has not been charged on the registration of property within the municipal limits be supplied to the Committee. But the desired information is still awaited by the time of drafting the Report. The Committee, therefore, recommends that the desired information be supplied at the earliest for the information of the Committee**

[53] 3.3 Incorrect exemption of stamp duty

The Haryana Government vide notification issued in August 1995 remitted stamp duty leviable on the deeds of conveyance to be got executed by the farmers whose land is acquired by the Government for public purpose and who purchase agricultural land in the Haryana State within one year of the amount of compensation received by them for the acquired land. The Government in Revenue Department further clarified (March 1998) that the benefit of exemption of stamp duty was not available for House Building Co-operative Societies.

(i) During the audit of records of the Sub Registrar Hisar, it was noticed (May 1997) that a House Building Co-operative Society of Barwala (Hisar) whose land was acquired by Government in May 1995 purchased (May 1996) agricultural land within the same district against the amount of compensation received by them in June 1995. Two conveyance deeds were got executed by the society in May 1996 without the levy of stamp duty under the impression that purchase of agricultural land by the House Building Co-operative Societies is also exempt from stamp duty under the notification of August 1995. As per clarification issued in March 1998, agricultural land purchased by the House Building Co-operative Societies against the compensation received by them for their acquired land was not exempt from levy of stamp duty. The incorrect exemption granted to the society resulted in non levy of stamp duty of Rs. 16 49 lakhs.

The case was pointed out to the department in May 1997 and reported to Government in August 1997. Their replies have not been received (October 1998).

(ii) During the audit of records of Sub Registrar Chhachhrauli and Nuh, it was noticed (April and July 1997) that two farmers whose land was acquired by the Government received compensation in September 1993/February 1994 and June 1995 respectively purchased agricultural land in the State and got the conveyance deeds registered in August 1996 and

September 1996 respectively without payment of stamp duty i.e. after one year from receipt of compensation. This resulted in loss of stamp duty of Rs. 1.24 lakhs.

On this being pointed out (April 1997 and July 1997) the department intimated (April 1997 and July 1997) that notices of recovery were being issued to the concerned parties.

The cases were reported to Government in June 1997 and November 1997. Their replies have not been received (October 1998).

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

(i) Earlier an amount of Rs. 16,49,180/- was imposed on the party (i.e. House Building Co-operative Society of Barwala (Hisar) which was declared as an arrears of Land Revenue. When proceedings for recovery were initiated the party filed a civil suit and obtained stay order. On the ground that imposed order of recovery has been passed without hearing the party and was thus violative of principle of natural justice. The Public Prosecutor appearing for State and asked impugned order/notice be deemed as withdrawn and fresh notice will be issued according to law. On the basis of assurance of Public Prosecutor withdrawn the suit. Efforts for serving of fresh notice were made but party avoided service upon which notice was got served through pasting at gate of said party. Even Tehsildars/Sub Registrar Hisar tried to contact party personally but no response was given by the party to deposit the amount. After that case was again declared as arrears of land revenue for recovery and strenuous efforts are being made to recover the amount of Rs. 16,49,188/- from party concerned.

(ii) The latest position in respect of four cases involving Rs. 1.24,375/- is as under —

	No. of cases	Amount in (Rs in lacs)
1. Amount recovered by Department	1	21.250/
2. Amount dropped by Collectors	2	88.516/
3. Balance amount	1	14.609/
Total	4	1,24,375/

Efforts are being made to recover the balance amount of Rs. 14,609/ by D.C. Yamunanagar.

After hearing the departmental representatives the Committee observed/recommended as under —

(i) The matter be pursued promptly and enquiry be conducted against the Tehsildar who has wrongly given the benefit of stamp duty to the House Building Co-operative Society of Barwala.

(ii) Besides, taking departmental action against the erring Tehsildar, strenuous efforts be made to effect the recovery at the earliest and Committee be apprised of the action taken within three months.

[54] 3.4 *Evasion of stamp duty due to undervaluation 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 of 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 records of 9* registering offices it was noticed (between July 1994 and October 1997) that twelve conveyance deed were registered (between May 1993 and January 1997) on account of sale of immovable properties The total value of properties set forth in all conveyance deeds was Rs 29 73 lakhs whereas as per agreements executed between the affected parties during the period from November 1992 to July 1996 and found recorded with the various document writers the total sale value in all these cases worked out to Rs 63 44 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 4 21 lakhs Besides penalty not exceeding Rs 60 000 for under valuation done with intent to defraud the Government was also leviable in all 12 cases

On this being pointed out (between July 1994 and October 1997) the department accepted the objections and stated (between July 1994 and October 1997) that notices for recoveries in 12 cases were being issued Report on recovery has not been received (October 1998)

The cases were reported to Government between November 1994 and January 1998 their reply in all except two cases has not been received (October 1998) The Government intimated (February 1998) that the whole amount of Rs 0 49 lakh in two cases of Sub Registrar Ferozpur Jirkha has been recovered

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

The latest position in respect of 12 cases involving Rs 4 21 372/- is as under —

	No of cases	Amount in (Rs in)
1 Amount recovered by Department	4	1 17 626/
2 Amount dropped by A G in the subsequent audit	3	86 188
3 Amount pending in Court	1	85 125/
4 Balance cases/amount	4	1 32 433/
Total	12	4 21,372/-

Strenuous efforts are being made to recover the balance amount of Rs 1 32 433/- on priority basis by concerned Deputy Commissioners

Ferozpur Jirkha Rewari Pehowa Indri Nolkhen Karnal Pillukhera Palwal and Rohtak

After hearing the departmental representatives the Committee feels that the matter of short levy of stamp duty, due to under valuation of immovable property is a serious one. The Committee recommends that action be taken against the registering authorities, if they are at fault. The Committee further observed such type of frauds are being done by the Document Writers in Connvance with the registering authorities, Therefore, the Committee recommends that action against such Documents Writers be also taken by the department and efforts be made to effect the balance recovery within stipulated petiod. The action taken in the matter be intimated to the Committee

[55] 3 5 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 schedule I A of the Act *ibid* every instrument is chargeable with duty at the rates prescribed therein. The correct classification of instrument keeping in view the nature of transaction is therefore essential with a 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 records of Sub Registrar Gurgaon it was noticed (August 1997) that two industrial firms of Gurgaon secured loans/cash credit facilities of Rs 92.971 lakhs and Rs 45.66 lakhs from two scheduled banks at Gurgaon and New Delhi respectively after mortgaging their properties in favour of the banks. Stamp duty of Rs 40 (Rs 20+Rs 20) was levied instead of leviable duty of Rs 2.08 lakhs on both the deeds. As both the instruments were executed (July 1996 and November 1996) with consideration for securing loans/cash credit facilities against security of immovable properties these were correctly classifiable as mortgage deeds without possession and were chargeable with stamp duty at the rate of **one and a half per cent** of the amount of loan/cash credit facility. The misclassification of instruments as security bond/indemnity bond instead of as mortgage deeds resulted in short levy of stamp duty of Rs 2.08 lakhs.

On the omissions being pointed out (August 1997) the Sub Registrar Gurgaon intimated (August 1997) that notices for recovery were being issued to the concerned parties. Further reply in the matter has not been received (October 1998).

The cases were reported to Government in November 1997 who have further directed (December 1997) the Registrar Gurgaon to expedite reply after effecting recoveries of short levy of stamp duty. Further reply has not been received (October 1998).

(ii) Similarly during the audit of records of Sub Registrar Fatehabad (Hisar) it was noticed (April 1995) that an industrial concern secured (November 1991) a loan/cash credit facilities of Rs 24.90 lakhs from a scheduled bank by mortgaging immovable property of an agriculturist family of Fatehabad. Subsequently the loanee further secured an enhanced

limit of loan/cash credit facilities of Rs 13 40 lakhs aggregating to total loan of Rs 38 30 lakhs from the same scheduled bank by further mortgaging the same property Simultaneously another agriculturist family of Fatehabad stood additional surety by binding herself for the payment to the bank the sum of Rs 38 30 lakhs being the aggregate of the above said loan/ cash credit facilities and created a collateral security thereon by mortgaging her agricultural land situated in village Basti Bhiwan district Hisar All the three deeds (one for the original loan and other two for enhanced limit as well as for additional surety) were got registered in November 1991 and October 1994 respectively as security bonds in favour of the bank by paying stamp duty of Rs 50 (20+15+15) instead of as mortgage deeds (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 61 805

On this being pointed out (April 1995) the department intimated (April 1995) that notices would be issued to the concerned parties for effecting recovery

The case was reported to the Government in July 1995 who accepted the audit observation and directed (May 1996) the Registrar Hisar to recover the stamp duty levied short Further report on the action taken has not been received (October 1998)

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

(i) Latest position of 2 mortgage deed involving Rs 2 08 lakhs is as under -

	No of cases	Amount (Rs In lakhs)
1 Amount settled/dropped by AG in the subsequent audit	1	1 66
2 Balance case/amount	1	0 42
Total	2	2 08

Efforts are being made to recover the outstanding amount of Rs 0 42 lac by Sub Registrar Gurgaon

(ii) The latest position in respect of recovery of Rs 61 805 is that the recovery is still pending inspite of issuing of recovery notices Now this amount is being recovered as arrears of land revenue by Deputy Commissioner Fatehabad

The Committee desired that 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

[56] 3 6 Incorrect refund of stamp duty

As per provisions of the Indian Stamp Act 1899 as applicable to Haryana the Collector may on application made within the period prescribed in the Act and if he is satisfied as to the facts make allowance for impressed stamps spoiled in the cases namely the stamp used for an instrument executed by any party thereto which by reason of the refusal of any person to act under the same or to advance any money intended to be thereby secured or by the refusal of any person to execute the document The application for relief shall be made within two months of the date of instrument Further in any case where allowance is made for spoiled or misused stamps the Collector may give in lieu thereof at his discretion the same value in money deducting **ten paise for each rupee** or fraction of a rupee

During the audit of records of Sub Divisional Officer (Civil) Gurgaon and Bahadurgarh (Rohtak) it was noticed (August and July 1997) that three vendors purchased non judicial stamp papers of the value of Rs 1 12 502 Rs 18 750 and Rs 55 000 on 25 8 1995 6 9 1996 and June 1996 from Gurgaon and Bahadurgarh Treasuries respectively for executing conveyance deeds in respect of their land. The deeds were executed but could not be got registered and were cancelled as land in the one case of Gurgaon was sold to some other party deal for purchase of land could not be materialised in the second case and the land in Bahadurgarh case was under litigation. Accordingly the vendors applied on 9 11 1995 10 1 1997 and September 1996 respectively for refund of stamps valued at Rs 1 86 252. The Collectors allowed refund of Rs 1 18 126 (Rs 1 01 251+ Rs 16 875) in two cases of Gurgaon and Rs 49 500 to vendor of Bahadurgarh after deducting ten *per cent* of the value of stamps. As the vendors applied for refund of stamps after expiry of the prescribed period of two months action of the collectors in allowing the refund was not in order.

On this being pointed out (August 1997 and July 1997) the department intimated (December 1997 and July 1997) that the entire amount Rs 1 18 126 has been recovered from the vendors of Gurgaon in November 1997 and notice was being issued to vendor of Bahadurgarh. Report on action taken has not been received (October 1998).

The cases were reported to the Government in October 1997 and March 1998 their reply has not been received (October 1998).

The department in their written reply explained the position as under

Latest position of 3 cases involving Rs 1 67 626/- is as under —

		No of Cases	Amount (in Rs)
1	Amount recovered by Department	2	1 18 126
2	Amount pending in Court	1	49 500
Total		3	1,67,626

Necessary action will be taken after the Court decision by Deputy Commissioner Jhajjar

During the course of oral examination, the departmental representatives intimated that the matter is pending in the Court of Deputy Commissioner, Jhajjar. The Committee, therefore, recommends that the Deputy Commissioner may be asked to decide the case at the earliest and intimation be sent to the Committee.

[57] 3.7 Evasion of stamp duty and registration fees through power of attorney

The Indian Stamp Act 1899 and the Indian Registration Act 1908 as applicable to Haryana require that where power of attorney is given for consideration and it authorises the attorney to sell any immovable property the deed is liable to stamp duty and registration fees as if it is an instrument of conveyance for the amount of consideration set forth therein.

During the audit of records of Sub Registrars Rewari and Panchkula it was noticed (December 1997) that two agreements to sell immovable properties were registered in July 1996 and October 1990 after receiving full considerations of Rs 3.25 lakhs and Rs 6.50 lakhs respectively by sellers and handing over the possession to the purchasers. Simultaneously power of attorneys authorising the family members of the purchasers to dispose of the properties in any manner and to sign the sale deeds were also given (July 1996 and October 1990) by the sellers. Stamp duty of Rs 15 only was levied on the instrument of power of attorney in one case instead of leviable stamp duty and registration fees of Rs 1.22.875. This resulted in evasion of stamp duty and registration fees of Rs 1.23 lakhs.

On the omissions being pointed out (December 1997) the concerned Sub Registrars intimated (December 1997) that notices for recovery would be issued. Further reply in the matter has not been received (October 1998).

The Government in one case directed the department to recover the amount and reply in another case has not been received (October 1998).

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

Latest position in respect of Rs 1.22.875 is given as under —

		No of cases	Amount (in Rs)
1	Amount not accepted by D C Rewari	1	41 125
2	Balance amount	2	81 750
Total		3	1 22,875

Efforts are being made to recover the outstanding amount of Rs 81.750 by Deputy Commissioner Panchkula on priority basis.

After hearing the representatives of the department the Committee recommends that the matter be settled in liaison with the A.G.(Audit), Haryana

[58] 3.8 Short recovery of stamp duty on exchange deeds

As per article 31 of Schedule I-A to the Indian Stamp Act 1899 as applicable to Haryana an instrument of exchange of immovable property is chargeable with duty as a conveyance under article 23(a) of schedule 1-A of the Act *ibid* for a consideration equal to the value of the property or the greatest value as set forth in such instrument as clarified (September 1985) by Haryana Government in Revenue Department.

During the audit of records of Sub Registrars Palwal (Faridabad) and Pehowa (Kurukshetra) it was noticed (October 1997 February 1998) that three instruments of exchange of properties registered May 1996 and December 1996 were charged to stamp duty at the rate applicable to other conveyances instead of at the rates applicable to conveyance by sale of immovable properties. The mistake resulted in short levy of stamp duty of Rs 1.26 lakhs.

On the mistakes being pointed out (October 1997 and February 1998) the department intimated (October 1997 and February 1998) that notices for deposit of stamp duty would be issued to the concerned parties. Further reply on action taken has not been received (October 1998).

The cases were reported to Government in January 1998 and March 1998 which directed (February 1998 and April 1998) the department to recover the amount

The department in their written reply explain the position as under

Latest position of 3 cases involving Rs 1 26 lakhs is as under —

	No of cases	Amount (Rs in lac)
1 Amount recovered by the Deptt	2	0 99
2 Amount pending in Court	1	0 27
Total	3	1 26

The necessary action will be initiated by D C Faridabad after the Court decision

During the course of oral examination of the departmental representatives, the Committee was informed that out of the total amount of Rs 1 26 lakh, Rs 99,000/ have been recovered and the case is pending in the Court at present The Committee therefore, recommends that further action in the matter be taken as per decision of the Court under intimation to the Committee

[59] 4 1 Results of Audit

Test check of records in departmental offices relating revenues of Passengrs and Goods Tax Taxes on Motor Vehicles Entertainments Duty and Show Tax and Land Revenue revealed under assessment of taxes and duties and loss of revenue amounting to **Rs 1548 30** lakhs in 5958 cases as depicted below

Heads of revenue	Number of cases (in lakhs of rupees)	Amount
A Land Revenue	2627	1241 63

(a) In the case land revenue 2627 cases involving non recovery of arrears of land revenue amounting to Rs 1241 63 lakhs were pointed out No recovery was made during the year 1997 98

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

Out of 5958 cases involving recovery of 1548 30 lakhs 2627 cases involving non recovery of arrears of Land Revenue amounting to Rs 1241 63 lakhs relate to Revenue Department So far amount of Rs 632 75 lakhs in 1311 cases has been recovered leaving a balance of Rs 608 88 lakhs in 1316 cases This shows 51 *per cent* progress The balance amount relates to Districts Faridabad Kaithal Ambala for which efforts are being made

After hearing the departmental representatives, the Committee desired that the process of recovery be speed up and progress report be sent to the Committee within three months

[60] 4.2 Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue

* * * * *

4.2.5 Demand in arrears

Year-wise position of recoverable demand cases returned without recovery recovery made and arrears during the five years ending 1996-97 obtained from the eight districts test-checked is tabulated below —

(a) In terms of numbers/monetary terms

Year	Opening balance	Fresh demand	Recoverable demand	Cases returned	Recoveries made	Balance
1992-93						
Number of RRCs	4153	4097	8250	2095(25)	1112(14)	5043(61)
(%age)	620.62	1280.68	1901.30	1146.37(60)	140.92(8)	614.01(32)
Amount (Rs in lakh)						
(%age)						
1993-94						
Number of RRCs	5043	5865	10908	3351(31)	2068(19)	5489(50)
(%age)	614.01	2204.86	2818.87	2165.26(77)	183.87(6)	469.74(17)
Amount (Rs in lakh)						
(%age)						
1994-95						
Number of RRCs	5489	4808	10297	3386(33)	1716(17)	5195(50)
(%age)	469.74	1405.43	1875.17	1171.18(62)	189.64(11)	514.35(27)
Amount (Rs in lakh)						
(%age)						
1995-96						
Number of RRCs	5195	4160	9355	2298(25)	1703(18)	5354(57)
(%age)	514.35	1433.33	1947.68	1046.53(18)	280.09(14)	621.08(32)
Amount (Rs in lakh)						
(%age)						
1996-97						
Number of RRCs	5354	4586	9940	2377(24)	1743(17)	5820(59)
(%age)	621.08	1680.76	2301.84	1290.24(6)	380.34(17)	631.26(27)
Amount (Rs in lakh)						
(%age)						
Total						
Number of RRCs	4153	23516	27669	13507(49)	8342(30)	5820(21)
(%age)	620.62	8005.08	8625.70	6819.58	1174.86	631.26
Amount (Rs in lakh)				(79)	(14)	(7)
(%age)						

The above table shows that in terms of cases the rate of recovery has been quite low in comparison to cases returned without recovery. In terms of money the rate of recovery was still lower (6 per cent and 17 per cent) as compared to cases returned without recovery (54 per cent and 77 per cent). The reasons for higher rate of return of cases without recovery could not be ascertained as in majority of the cases no reasons were recorded for return either in tehsils or in collectorates.

Age-wise pendency of arrears of land revenue in tehsils was not available either with Financial Commissioner (Revenue) or with respective Collectors. In 7 out of the 21 tehsils test checked 132 cases involving recovery of Rs 10.98 lakhs (including 19 cases of Rs 0.93 lakh relating to the year 1982-83) were pending recovery for more than five years. Thus due to lack of proper monitoring mechanism recovery cases remained lingering on without tangible action and the higher authorities had no check on such pending cases.

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

As per information gathered from the Deputy Commissioners the reasons for return of cases included stay orders from Courts, wrong addresses of loanees and no property being in their names.

As against 5820 cases involving Rs 631.26 lakhs outstanding as on 31.3.1997 recovery in 5393 cases involving Rs 535.89 lakhs stands made (84.89%) leaving a balance of 427 cases involving Rs 95.32 lakhs as per details given below.

Name of the District	No. of cases	Amount
Yamunanagar	326	77.55.230
Ambala	4	8.000
Kaithal	87	12.08.000
Panipat	10	5.61.366
Total	427	95.32.596

During course of oral examination of the departmental representatives the Committee observed that a number of cases regarding demands in arrears are lying pending since a long. The Committee desired that the recovery process be expedited and progress report be sent to the Committee within three months.

[61] 4.2.6 Procedure for receipt and disposal of revenue recovery cases

The Collector or any other officer to whom powers have been delegated either on receipt of a request from the Government departments, local bodies, boards, corporations, banks and other institutions or on receipt of a revenue recovery certificate from a Collector of another district after satisfying himself that the revenue or sum has fallen due and has not been paid may order recovery of any sums due as arrears of land revenue from a person declared as defaulter who either as principal or as surety is liable to make the payment under any Act for the time being in force.

The Revenue Recovery Certificates (RRCs) are issued and processed by the Collector and Tehsildar respectively after recording them into Running Register II required to be maintained sub-headwise such as Education, Light/Misc, Stamp, Industry, Sales Tax, Bodies, Corporations, Banks, etc. at district as well as tehsil levels.

The test check of records of revenue recovery revealed the following deficiencies at various levels.

(A) In collectorates**I Receipt of requisitions****(a) Absence of prescribed procedure**

There was no well defined procedure for the maintenance of records relating to receipt and recording of the requisitions. Requisitions received in five collectorates were being entered in a register meant for recording miscellaneous papers. Institutions like banks, Haryana Harjan Kalyan Nigam, Haryana Housing Board, Municipal Corporations etc. used to send more than one requisition under a single covering letter. However, a single diary number was allotted to these requisitions by the department instead of diarising them requisitionwise. In the remaining three collectorates, the requisitions were not recorded in any register. It was noticed that deficiencies in diarising in Ambala and Kurukshetra led to non-accounting of thirteen requisitions worth Rs 5.17 lakhs received in the month of March 1995, October 1996 and February, March and July 1997.

* * * * *

III Issue of RRCs**Lack of Control over RRCs sent to other Collectors**

A test check revealed that the land Revenue Department had no control over the RRCs sent to other Collectors and officers of other departments delegated with the powers of Assistant Collector. 98 RRCs worth Rs 83.52 lakhs were sent by the Collector, Ambala to other Collectors during the five years from 1992-93 to 1996-97. However, 48 cases for Rs 61.79 lakhs were not received back so far (December 1997) after recovery. Similarly, the fate of 72 RRCs worth Rs 41.34 lakhs issued by the Collector, Panipat to the designated Recovery Officers of other departments was not known to the Collector as no recovery was reported back by the officers concerned. However, in the remaining 6 collectorates, no register for recording outward RRCs was maintained due to which recovery thereof could not be watched.

(B) Non/delayed accounting of RRCs in Tehsils

The codal provisions require immediate accountal of Revenue Recovery Certificates (RRCs) by tehsils where these are received for initiating the recovery process. The following discrepancies in the accountal of RRCs were noticed during test check.

In the records of Faridabad collectorate, 387 RRCs for Rs 229.68 lakhs under Miscellaneous head (excluding Banks) were shown as issued to Faridabad tehsil during the year 1996-97 whereas only 7 RRCs for Rs 24.74 lakhs were found recorded in the records of the tehsil resulting in non-accounting of 380 cases for Rs 204.94 lakhs.

In Faridabad, Ballabhgarh, Palwal and Hodal tehsils, 234 RRCs for Rs 57.55 lakhs were pending without entry in Running Register II. In Panipat tehsil, 11 RRCs for Rs 3.49 lakhs were not accounted for in Running Register II though in district records, these were shown as issued to the tehsil.

There was a delay ranging from two months to over a year in the accountal of RRCs in 106 cases involving Rs 173.24 lakhs pertaining to seven tehsils.

The above discrepancies were not pointed out to the tehsils by the respective Collectors which attributed to lack of internal controls in the collectorates

(C) Financial Commissioner (Revenue)

There was no effective system of monitoring of the cases at Government/Financial Commissioner level except compiling the monthly statements of demand recovery and balances received from the Collectors. However the monthly returns in respect of bank dues were not received regularly from all the collectorates. The yearwise position of demand recovery and balances of the state as a whole though called for (November 1997) was not supplied (October 1998)

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

(I) In Collectorates Receipt of Requisitions

(a) Absence of prescribed procedure

In this para Accountant General Haryana has objected that DC Ambala and Kurukshetra had not dealt the recovery amounting to Rs 5 17 lacs satisfactorily. In this connections it is stated that in these districts order for Recovery certificates could not be obtained. Due to huge number of cases of banks and Ligh/Migh these recovery certificates remained without stamp and for which neither these cases could be entered in the register nor these recovery certificates have been ordered by the Collector. In this regard concerned official has been warned. Now on receipt of a recovery certificate as an arrear of Land Revenue its entry in the diary Register is made at once.

III Issue of Revenue Recovery Certificates

Lack of Control over RRCs sent to other Collectors

As reported by DC Ambala out of 98 RRCs involving Rs 71 52 lakhs Rs 4 52 lakhs in respect of 14 cases have been recovered and 52 cases involving Rs 27 40 lakhs have been returned back to concerned Departments. Thus out of 98 cases Rs 39 60 lakhs in 32 cases are pending for recovery. With regard to Panipat District recovery in almost all 72 cases worth Rs 41 34 lakh has been made.

(B) Non/delayed accounting of RRCs in Tehsils

DC Faridabad had sent 387 RRCs to tehsil Faridabad which were not entered in the running register No II. All RRCs have now been entered in current register. Similarly 234 RRCs have also been registered in running register No II in Faridabad Ballabgarh Palwal & Hodel Tehsils.

(C) Financial Commissioner (Revenue)

Monthly statement on arrear of Land Revenue of Bank dues are received regularly at Financial Commissioner level. Instruction have been issued to Deputy Commissioners for early recovery of bank dues and recover arrears immediately so as to reduce the number of cases.

I During the course of oral examination of the departmental representatives the Committee observed that deficiencies in diarising in Ambala and Kurukshetra led to non-accounting of thirteen requisitions worth Rs 5 17 lakhs

The Committee, therefore, recommends that a fool proof set procedure be adopted in dirng and disposing off the RRCs

III After hearing the departmental representatives, the Committee recommends that pending case be settled within a period of three months under intimation to the Committee

[62] 4 2 7 *Return of RRCs*

No procedure has been laid down for return of RRCs without effecting recovery but as per prevalent practice RRCs are returned when requisitioning authority withdraws the requisition or the defaulter becomes insolvent. During test check of records it was noticed that in majority of the cases reasons for return of RRCs without recovery were not recorded. In a few cases as discussed below the reasons for return of RRCs though recorded were not valid.

(iv) **Return of LIGH/MIGH cases**

In Jagadhari tehsil 141 cases for recovery of LIGH/MIGH loans totalling Rs 17 06 lakhs were returned without action (except issuing summons once at the time of their receipt) after a lapse of one to three years. No reason for the return was found recorded in Running Register.

Three RRCs issued prior to 1992-93 by Collector Ambala for recovery of LIGH/MIGH dues of Rs 7 30 lakhs from co-operative housing societies were shown as returned (September 1997) without recovery. On inquiry it was stated (December 1997) that these RRCs were sent to Sub-Divisional Officer (Civil) Naraingarh for eviction of the tenants but the files had been misplaced in that office.

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

In tehsil Jagadhari 141 cases of recovery of Ligh/Migh were returned in which either loanees had no property of their own or left their houses for other unknown places. Besides this RRCs were returned without recovery on issuing stay orders by Civil Courts to some defaulters.

In district Ambala in 3 RRCs Rs 7 30 lacs was to be recovered. In this connection eviction of the tenants of co-operative housing societies has been done by the SDO(C) Naraingarh and Rs 0 48 lacs has been recovered leaving balance Rs 6 82 lacs.

The Committee recommends that the concerned authorities may be directed to effect the balance recovery of Rs 6 82 lakhs within a stipulated period under intimation to the Committee.

EXCISE AND TAXATION

[63] 1 5 Impact of prohibition on Revenue of the State

The Government of Haryana vide its notification dated 1st June 1996 prohibited —

- (i) import or export of any intoxicant into or from the State of Haryana or any part thereof
- (ii) transport manufacture sale purchase consumption and possession of any intoxicant w e f 1st July 1996

After remaining in force for 21 months prohibition was lifted with effect from 1 4 1998 The State Government estimated excise revenue loss of Rs 375 crores for 1996 97 and Rs 495 crores for 1997 98 based on an average of 14 per cent annual increase in excise revenue from 1991 92 to 1995 96 No new taxes were levied by government to offset the loss in revenue anticipated due to imposition of prohibition in the State However efforts were made to plug the leakage of revenue by better enforcement intensive checking and by rationalisation of present tax structure The anticipated loss of revenue as compared with enhanced actual collection is tabulated below

Year	Anticipated Loss (Rupees in crores)	Enhanced Collection (Rupees in crores)
1996-97	375	373 32
1997 98	495	10

Thus it can be seen that during the year 1996 97 the anticipated loss of revenue consequent upon prohibition was overcome by improving the efficiency of revenue administration and rationalising of tax structure in the State whereas during the year 1997-98 the prohibition policy lead to a loss of revenue of Rs 485 crores

After going through the reply submitted by the department the Committee desired to know as to why additional resources mobilization through enhanced rates of taxation and rationalization of tax structure were not planned to meet the revenue loss from prohibition

[64] 1 6 Arrears in revenue

As on 31 March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sl No	Heads of Revenue	Total arrears	Arrears more than 5 years old (Rupees in lakhs)	Remarks
1	Taxes on Sales Trade etc	18562 29	4930 34	Out of Rs 18562 29 lakhs demand for Rs 2142 64 lakhs had been certified for recovery as arrears of land revenue Rs 6618 47 lakhs

				had been stayed by the Courts and other Appellate Authorities Rs 772 31 lakhs were held up due to dealers becoming insolvent and demands for Rs 734 22 lakhs were proposed to be written off Specific action taken to recover the remaining amount of Rs 8294 65 lakhs though called for has not been intimated (October 1998)
2	Taxes on Goods and Passengers	1277 12	151 48	Out of arrears of Rs 1277 12 lakhs demands for Rs 26 93 lakhs had been certified for recovery Rs 41 08 lakhs had been stayed by the Courts Rs 81 58 lakhs were held up due to rectification/review applications Rs 05 40 lakhs were held up due to dealers becoming insolvent and demands for Rs 0 61 lakh were proposed to be written off Specific action taken to recover the remaining amount of Rs 1121 52 lakhs though called for has not been intimated (October 1998) by the department
3	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 48 31 lakhs was proposed to be written off Action regarding remaining amount of Rs 327 04 lakhs was not intimated by the department (October 1998)
4	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 (October 1198) The same position was reported in the Report for the year 1996-97

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 18562 29 lacs Rs 2785 59 lakhs stands recovered upto 31-7-99 leaving a balance of Rs 15776 70 lakhs

The reason wise details of balance arrears are given below —

	(Amount in lakhs)
1 Under stay	7069 75
2 Under Liquidation	1931 63
3 Inter State arrear	2650 94
4 Inter district arrear	197 68
5 Writing off	1052 02
6 Property attached	505 89
7 Under instalment	342 05
8 Net recoverable	2026 74
Total	15776 70

Taxes on Goods and Passengers

This para is based on the information supplied by the Department to Accountant General (Audit) Haryana Out of Rs 1277 12 lakhs Rs 530 25 lakhs stand recovered upto 31-7-99 leaving a balance of Rs 746 87 lakhs The reasonwise break up of balance arrears are as under —

	(Amount in lakhs)
1 Under stay	35 73
2 Writing off	0 37
3 Inter state arrears	4 48
4 Net recoverable	706 29
Total	746 87

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 20 03 lakhs have been recovered upto 31-7-99 leaving a balance of Rs 1191 19 lakhs The reason wise break up of balance arrears of Rs 1191 19 lakhs are as under —

	(Amount in lakhs)
1 Under stay	478 29
2 Writing off	48 08
3 Under instalment	53 80
4 Inter District arrear	112 25
5 Interstate arrear	16 22
6 Property attached	55 33
7 Net recoverable	427 22
Total	1191 19

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 1 31 lakhs stands recovered upto 31-7 1999 leaving of Rs 19 17 lakhs. Out of Rs 19 17 lakhs an amount of Rs 1 26 lakhs is under process for writing off leaving a balance of Rs 17 91 lakhs details of which are as under —

	(Amount in lakhs)
1 Under stay	16 56
2 Net recoverable	1 35
Total	17 91

During the course of oral examination, the Committee was informed that out of total recovery of Rs 18562 29 lacs Rs 5641 99 lacs stands recovered upto 31-12-2002 leaving a balance of Rs 12920 30 lacs the Committee desired that more effective steps be taken to recover the balance amount and also adopt some fool proof procedure to avoid accumulation of such huge arrears in future. The steps taken in this regard be intimated to the Committee.

The Committee was also informed that out of Rs 1277 12 lacs under the Taxes of Goods and Passengers a sum of Rs 750 46 lacs stands recovered leaving a balance of Rs 526 66 lacs upto 31 12 2002 and a balance of Rs 1167 52 under the State Excise and 17 91 lacs under Taxes on Entertainment. The Committee recommends that effective steps be taken to recover the balance amount under these heads at the earliest under intimation to the committee.

[65] 1 7 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 1993 94 to 1997 98 as furnished by the department are given below

Year		Opening Balance	Cases due for assessment during the year	Total	Cases finalised durng the year	balance at the close of the year	Percent ge of Col 5 to Col 4
1		2	3	4	5	6	7
1993 94	ST	81040	136358	217398	126973	90425	58
	PGT	200	135	335	262	73	78

	1	2	3	4	5	6	7
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
1997 98	ST	360325	147059	507384	194116	313268	38
	PGT	757	628	1385	688	697	50

The above table shows that the number of pending cases in respect of Taxes on Sales Trade etc at the beginning of 1993 94 was 81040 which went up to 313268 at the end of 1997-98 registering an increase of 287 *per cent* while the percentage of finalisation of assessment cases which had gone up to 32 *per cent* during 1996 97 increased to 38 *per cent* in 1997-98. The department had however taken no effective steps to check the 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) Haryana. In the CAG Report for the year 1997 98 313965 cases (313268 S T +697 PGT) were shown pending for assessment under Sales Tax and Passengers and Goods Tax Acts. Out of 313965 cases 259239 cases (258836 S T +403 PGT) have been disposed off upto 31-7 99 leaving a balance of 54726(54432 S T +294 PGT) cases. Efforts are being made to clear the pendency at the earliest.

During the course of oral examination, the Committee was informed that 12492 cases are still pending as on 10-2-2003. The Committee desired that effective steps be taken by the department to clear the pending cases at the earliest and some effective 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 3 months.

[66] 1.8 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 1998 as supplied (July 1998) by the respective departments are given as under:

Sl No	Name of tax/duty	Cases pending as on 31 March 1997	Cases detected during the year 1997 98	Number of cases in which assessments/investigations completed and additional demand including penalty raised	Amount of Demand	Number of cases pending finalisation as on 31 March 1998
(Rupees in lakhs)						
1	Taxes on Sales Trade etc	174	6373	6396	708 88	151
2	Passengers and Goods Tax	49	2917	2925	90 61	41
3	Entertainments Duty and Show tax	13	39	33	0 73	19

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

Taxes on sales

Out of 151 cases 134 cases have been disposed off by creating a demand of Rs 104 23 lakhs out of which a sum of Rs 88 30 lakhs stands recovered leaving a balance of Rs 15 93 lakhs. Remaining 17 cases are still under review and concerned Deputy Excise and Taxation Commissioners have been directed to dispose off these cases early.

Passengers and Goods tax

All 41 cases have been disposed off by creating a demand of Rs 1 61 lakhs which stands recovered.

Entertainment Duty and Show Tax

Out of 19 cases 14 cases have been disposed off by creating a demand of Rs 2 80 lakhs which stands recovered. Remaining 5 cases are under review.

During the course of oral examination, the Committee was informed that out of 151 cases 143 cases has been disposed off by creating an additional demand of Rs 105 76 lacs, which stands recovered and the remaining 8 cases are still under review. The Committee, therefore, desired that these remaining cases be also settled within a period of 3 months under intimation to the Committee.

Taxes on Sales Trade etc

[67] 2 1 Results of Audit

Test check of sales tax assessments refund cases and other connected records of 29

units conducted during the year 1997-98 revealed under assessments of sales tax amounting to Rs 5 813 29 lakhs in 3 690 cases which broadly fall under the following categories

Sl No	Particulars	Number of cases	Amount (In lakhs of rupees)
1	Incorrect computation of turnover	498	662 93
2	Application of incorrect rate of tax	245	283 42
3	Interest not charged on non payment/delayed payment of tax	107	108 13
4	Non/Short levy of penalty	47	76 98
5	Under assessment under the Central Sales Tax Act	30	24 19
6	Other irregularities	923	810 36
7	Impact of delay in assessments on collection of tax	1840	3847 28
Total		3690	5813 29

During the course of the year 1997-98 the department accepted under assessment of tax of Rs 107 lakhs involved in 242 cases of which 92 cases involving Rs 33 91 lakhs were pointed out during the year 1997-98 and the rest in earlier years. Of these an amount of Rs 53 14 lakhs has been recovered in 168 cases during the year 1997-98 of which Rs 37 01 lakhs recovered in 122 cases related to the earlier years.

A few illustrative cases involving Rs 157 00 lakhs and a review on Delay in assessments reassessments and their impact on revenue and delay in collection of sales tax demands in arrears involving Rs 3847 28 lakhs are mentioned in the following paragraphs.

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

Out of total 3690 cases 1850 cases involving an amount of Rs 1966 01 lakhs have been reviewed with the following results

Number of cases	Amount pointed out by Audit (Rs in lakhs)	Result of review
157	40 24	Settled with additional demand
474	520 24	Settled with out demand
1219	1405 53	Cases are under review
1850	1966 01	

As regards the remaining 1840 cases involving an amount of Rs 3847 28 lakhs per Sr No 7 is given in succeeding paras 2 2 7 2 2 8 2 2 9 and 2 2 11 respectively

During the course of oral examination, the Committee was informed that only 552 cases involving an amount of Rs 749 93 lacs are pending for decision. The Committee desired that these pending cases may also be settled at the earliest under intimation to the Committee

[68] 2 2 7 Disposal of appeal cases

Aggrieved with the decision of the assessing authority- the dealer is entitled to file an appeal before the Appellate Authority for the redressal of grievances. No time limit has however been prescribed for finalisation of appeal cases by the Appellate Authority either in the Act or rules framed thereunder

The position of appeal cases filed and disposed of in respect of all the four Appellate Authorities during the period 1995 96 to 1997 98 is detailed below

Year	Opening Balance	No of appeals filed during the year	Total	No of appeals disposed of during the year	Balance at the close of the year	Percentage of cases disposed of to the total no of cases
1995 96	989	2885	3874	2926	948	75 53
1996-97	948	3439	4387	3152	1235	71 85
1997 98	1235	3501	4736	2585	2151	54 58

The above table shows that the percentage of cases disposed of decreased from year to year. While the number of appeals filed from 1995 96 to 1997 98 increased, the number of their disposals fell considerably during the year 1997-98 as compared to the preceding years.

During the course of audit of records of two Appellate Authorities (Hisar and Fandabad) out of four, it was noticed (October 1998) that 1212 appeal cases were pending as on 31 March 1998. The detail of appeal cases received, disposed of and in balance for the years 1994 95 to 1997 98 is as under —

Year	Appellate Authority	Number of cases				
		Opening Balance	Received During the year	Total	Cases disposed of	Balance
1994 95	Hisar	307	321	628	469	159
	Fandabad	307	948	1255	960	295
	Total	614	1269	1883	1429	454

1995 96	Hisar	159	404	563	525	38
	Fandabad	295	1183	1478	949	529
	Total	454	1587	2041	1474	567
1996 97	Hisar	38	460	498	343	155
	Fandabad	529	1406	1935	1289	646
	Total	567	1866	2433	1632	801
1997 98	Hisar	155	583	738	457	281
	Fandabad	646	799	1445	514	931
	Total	801	1382	2183	971	1212

1212 cases involved disputed amount of tax of Rs 20 63 crores created at the time of finalisation of original assessments. Non fixing of time limit for disposal of appeal cases by Appellate Authority has resulted in delay in realisation of revenue

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

In this para the audit has pointed out heavy tendency of 1212 appeals with the Joint Excise and Taxation Commissioner (A) Hisar and Fandabad at the end of 1997 98. The audit also reported that there has been considerable fall in disposal of appeals during the year 1997 98 as compared to previous years. In this regard it is pointed out that no time limit for disposal of appeals can be prescribed as the entertainment of appeal is subject to payment of admitted tax and furnishing of surety bond etc. These conditions are imposed by the Appellate Authority at the time of entertainment of appeal in view of Section 39(6) of H G S T act. Fulfillment of these conditions takes time and in some cases the dealers file appeal before the Tribunal against the interim order of Jt Excise and Taxation Commissioner (A). Till the appeal is disposed of by the Tribunal the cases remain pending with Joint Excise and Taxation Commissioner. Thus litigation is a continuous process and no time limit in this regard can be fixed. However the disposal of appeal by the Jt Excise and Taxation Commissioner (A) in the State of Haryana is reviewed every month by the Prohibition Excise and Taxation Commissioner Haryana in the monthly meetings and they are asked to dispose of the appeal quickly. At present there are 21 appeals with Joint Excise and Taxation Commissioner (A) Hisar and 16 appeals with Joint Excise and Taxation Commissioner (A) Fandabad pertaining to the year 1997 98. In this way out of 1212 appeals pending upto the year 1997 98 as mentioned in this para there are 37 appeals pending with Joint Excise and Taxation Commissioner (A) Hisar and Fandabad for disposal.

Out of 37 pending appeals with Joint Excise and Taxation Commissioner (A) Hisar and Fandabad for the year 1997 98 35 appeals have been disposed off only 2 appeals are still for disposal with Joint Excise and Taxation Commissioner (A) Fandabad which are pending because the dealer has gone in appeal to the Sales Tax Tribunal Haryana against interim order.

During the course of oral examination the Committee was informed that out of 37 pending appeals, 35 appeals have been disposed off and only 2 appeals are still pending for disposal with Joint Excise and Taxation Commissioner (A), Faridabad. The Committee desired that these appeals be also disposed off at the earliest under intimation to the Committee.

[69] 2 2 8 Delay in finalising assessments

As per provisions contained in Haryana General Sales Tax Act 1973 and rules framed thereunder the assessing authority if satisfied with the returns filed by the dealer shall assess the amount of tax due from him. If not satisfied with the returns filed by the dealer the assessing authority shall serve on such dealer a notice in the prescribed manner requiring him on a date and a place to attend in person or to produce or cause to be produced any evidence on which such dealer may rely. The assessing authority shall assess the amount of tax due from the dealer after hearing such evidence as he may produce or required to be produced. If a dealer fails to comply with the terms of the notice the assessing authority shall within five years after the expiry of such period proceed to assess to the best of his judgement the amount of tax due from the dealer.

Out of 923 cases test checked in nine sales tax districts, it was noticed (between November 1997 and April 1998) that in 144 cases involving tax demand of Rs 609.06 lakhs there was an abnormal delay exceeding 12 to 48 months in the finalisation of assessments as tabulated below —

Assessments taken up	No. of cases	Amount (Rupees in lakhs)
After 12 months but up to 24 months	47	92.77
After 24 months but up to 36 months	43	201.75
After 36 months but up to 48 months	33	93.51
After 48 months	21	221.03
Total	144	609.06

It was further noticed that in 29 cases pertaining to the assessment year 1988-89 to 1994-95 involving tax demand of Rs 528.42 lakhs (part of 144 cases) the dealers had closed down their business during the pendency of assessments and demand created could not be recovered. Some interesting cases are illustrated below —

(i) Assessments of a dealer of Sonapat for the year 1988-89, 1989-90 and 1990-91 were framed *ex parte* in December 1993, August 1995 and March 1996 creating additional demands of Rs 4.96 lakhs, Rs 7.42 lakhs and Rs 16.05 lakhs respectively under both Acts. It was noticed (March 1998) that assessment proceedings were initiated for the years 1988-89, 1989-90 and 1990-91 with the issue of first notice to dealer on 1 June 1991, 17 November 1994 and 5 December 1995 respectively. Additional demand of Rs 58.78 lakhs and Rs 10.84 lakhs were further created on 18 May 1992 and 21 February 1997 in the provisional assessment.

decided for the period from April 1991 to December 1991 and regular assessment for the period from January 1992 to March 1992 respectively Total demand of Rs 98 05 lakhs could not be recovered as the dealer had closed down his business during the pendency of the assessments Recovery certificates for Rs 58 78 lakhs and Rs 7 40 lakhs relating to the period from April 1991 to December 1991 and assessment year 1989 90 were issued to the Collector Delhi in November 1993 and December 1995 respectively The detail of recovery certificates issued in respect of demands of Rs 4 96 lakhs Rs 16 05 lakhs and Rs 10 84 lakhs for the years 1988 89 1990 91 and 1991 92 (January 1992 to March 1992) was not available in the assessment files for the concerned period A consolidated recovery certificate for Rs 98 05 lakhs under both the Acts was however issued to the Collector New Delhi in January 1998 Further progress has not been received (October 1998) The abnormal delay in issuing first statutory notices as well as finalisation of assessments resulted in non recovery of demand of Rs 98 05 lakhs due to closure of business of the dealer

(ii) *Ex parte* assessments of two dealers of Faridabad (East) for the year 1990 91 in case of one dealer and 1990 91 and 1991 92 in case of other dealer were finalised in February 1995 August 1994 and April 1995 respectively creating additional demands of Rs 6 88 lakhs and Rs 6 08 lakhs for both the dealers respectively

Demand created could not be recovered in case of one dealer as he had closed down his business during the pendency of assessment and the company had gone in liquidation Position of recovery was called for (March 1998) but the same has not been intimated (October 1998) In case of other dealer on being pointed out (April 1998) the department stated (April 1998) that out of total demand of Rs 6 08 lakhs amount of Rs 4 08 lakhs could not be recovered as the company had gone in liquidation and the claim was lodged (January 1995 and September 1995) with the official liquidator Ministry of Company Affairs Calcutta Late finalisation of assessments resulted in non recovery of revenue of Rs 10 96 lakhs

(iii) Assessments of three dealers one each of Jagadhari Karnal and Sonapat for the years 1988 89 to 1994 95 were framed (between April 1994 and March 1997) creating additional demand of Rs 33 30 lakhs under both the Acts (detail given below)

Name of district	Date of issue of first notice	Assessment year and date of order	Delay in finalisation of case (in months)	Additional demand created (Rupees in lakhs)
1	2	3	4	5
Jagadhari	16 October 1992	1988 89/27 12 1995	69	14 35
	15 December 1992	1989 90/27 12 1995	57	0 50
Karnal	10 March 1997	1992 93/27 3 1997	48	4 78
	10 March 1997	1993 94/27 3 1997	36	4 80
	11 March 1997	1994 95/27 3 1997	24	2 39
	6 August 1992	1988 89/25 4 1994	49	2 57
Sonapat	7 March 1994	1989 90/29 9 1994	54	2 22
	22 February 1994	1992 93/29 3 1996	36	1 69
Total				33 30

The dealers had already closed down their business and their whereabouts were not known. It came to notice (December 1997) that the dealer of Jagadhan was doing job in a private firm on monthly salary of Rs 1500. Warrants of arrest were issued (September 1997) but the assessing authority did not execute them on humanitarian grounds. Further the dealer had no assets to effect recovery.

The delay in assessment resulted into non-recovery of revenue of Rs 33.30 lakhs.

(iv) Additional demands of Rs 5.30 lakhs and of Rs 0.66 lakhs were created under the Acts for the year 1990-91 to 1992-93 between September 1994 and March 1996 on best judgement basis against two dealers of Fandabad (East) (One for 1990-91 to 1992-93 and other for 1991-92). Of two, one dealer had applied (June 1993) for cancellation of his registration certificate under both the Acts as he had closed down his business and also sold out plant and machinery besides stock of finished/semi-finished goods. His registration certificate was cancelled (April 1994) with effect from 31 March 1993. Registration certificate of other dealer was also cancelled (October 1993) with effect from 31 March 1992. It was ascertained by the department that the former dealer left for Bihar on closure of his business. The recovery certificate for Rs 5.30 lakhs were issued (September 1996 and November 1996) to Collector Siwan (Bihar). Position of recovery was called for (March 1998) and it was intimated (May 1998) by the department that no recovery could be made so far.

In case of one dealer, it was noticed (March 1998 and April 1998) that assessment proceedings for the years 1990-91, 1991-92 and 1992-93 were initiated in November 1992, March 1993 and January 1994 respectively and in the case of other dealer the proceedings to finalise the assessment for the year 1991-92 were initiated on 8 July 1994 (though his registration certificate was cancelled in October 1993). Neither any recovery was made from the dealers nor any recovery certificates were issued in respect of second dealer. The delay in initiating assessment proceedings as well as finalisation of cases resulted into non-recovery of revenue of Rs 5.96 lakhs.

(v) *Ex parte* assessments of a dealer of Fandabad (West) for the years 1992-93 and 1993-94 were finalised (November 1996 and March 1997) creating additional demand of Rs 6.70 lakhs under both the Acts. The demand created could not be recovered as the dealer had closed down his business during the pendency of assessment. The recovery of Rs 6.70 lakhs was declared (February 1997) as arrears of land revenue but the details of sending recovery certificates to the Collector were not made available to audit. Assessment proceedings for the year 1993-94 were initiated late in October 1996. Lapse of the department in not initiating assessment proceedings in time resulted in non-realisation of revenue of Rs 6.70 lakhs.

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

M/s Kanishka Tyres and Tubes Ltd Sonapat, A Y 1988-89 to 1990-91

The amount of Rs 98.05 lakhs for the assessment years 1988-89 to 1990-91 has not been recovered so far as the firm stands closed and efforts are being made to recover the amount.

M/s S R Udyog, Jagadhri R C No JAG 5610, A Y 1988-89 and 1989-90

The firm stands closed and recovery is not possible for the present. The case is being submitted for writing off to the Competent Authority.

M/s Vinayak Food Land, Indri, R C No KAR 25125, A Y 1992-93 to 1994-95

The additional demand so created has been declared as arrear of Land Revenue & warrant of arrest have already been issued against both sureties i.e. (1) Sh. Roshan Lal Goyal Prop. M/s. Goyal and Sons Indri (2) Sh. Mukesh Gupta S/o Jai Parkash Prop. M/s. Maha Kali Trader Kamal. Efforts are made to execute the same. Letters have already been issued to Tehsildar Kamal Indri and President Municipal Committee Karnal to intimate the details of immovable property of Smt. Anjali Gupta Prop. of the firm. Further action is in progress.

M/s R P Foundry Village Saveli Sonapat R C No SON 4629 A Y 1988-89, 1989-90 and 1992-93

The firm stands closed and the owner of the firm is residing in Delhi. The recovery certificate has been sent to Collector Delhi and nothing has been recovered.

M/s Arun Packing Industries Faridabad (East), R C No 1202311, A Y 1990-91 to 1992-93

The firm closed its business during the year 1992-93. A notice in Form St 25 was issued in time. Due to closure of the firm the case was decided *ex parte* for the year 1990-91 and 1991-92 on 15-9-1994 and for the year 1992-93 on 26-3-1996 creating additional demand of Rs. 5.30 lakhs. No recovery has been made so far.

M/s Bottle Traders Faridabad (East) R C No 1203865 A Y 1991-92

The firm is lying closed since long and whereabouts of the dealer are not known. Efforts are being made to trace the dealer and to recover the amount of Rs. 0.66 lakh.

M/s Delhi Sales Corporation, Faridabad (W) R C No 1310487 A Y 1992-93 to 1993-94

The firm stands closed and nothing has been recovered for A Y 1992-93. Notices were served by way of substituted service and thereafter the assessment for the A Y 1993-94 was finalised by Sh. Ashok Sharma Assessing Authority on 21-3-97 creating an additional demand of Rs. 52353/- under H G S T Act and Rs. 5275/- under CST Act respectively. A sum of Rs. 13148/- has been recovered from one surety and the second surety closed down his business. A notice has also been served on him for recovery. The balance arrears which is unrecoverable is being recommended for write off to the competent authority.

The Committee desired that sincere efforts be made to recover the amount involved in above cases within a stipulated period. The progress made in this regard be intimated to the Committee.

[70] 2.2.9 Delay in finalisation of remand cases

An appeal against every original order passed under HGST Act 1973 and rules made thereunder shall be filed before the Appellate Authority who may pass such order as it deems to be just and proper. The Appellate Authority can reject or decide the case after expiry of the period of notice issued to authority against whose order the appeal had been made. Every order passed by the Appellate Authority shall be communicated to the appellant and the

authority against whose order the appeal was preferred. No time limit has been laid down either in the Act or in Rules for completing re-assessments of remanded cases. Instructions issued by the Excise and Taxation Commissioner in October 1984 however emphasize decision in the remanded cases within the financial year itself in which these are remanded.

During the course of test check of records in nine** districts it was noticed (between November 1977 and February 1998) that out of total 2339 cases (including opening balance of 311 cases as on 1 April 1994) remanded by Appellate Authorities during the years 1994-95 to 1996-97 479 cases were awaiting re-assessments (April 1998). The delay in re-assessments has resulted in blockade of revenue of Rs 870.22 lakhs as tabulated below.

Year	Opening balance	Remand cases received during the year	Total	Cases decided	Balance
1	2	3	4	5	6
1994-95	311	546	857	538	319
1995-96	319	501	820	414	406
1996-97	406	981	1387	908	479

(Rs 870.22 lakhs)

The assessment of three dealers of Fardabad (East) for the year 1991-92 to 1992-93 and 1994-95 were framed in March 1996 and April 1996 creating additional demand of Rs 93.97 lakhs (Rs 2.34 lakhs, 88.85 lakhs and 2.78 lakhs respectively). In the case of one dealer additional demand was reduced (July 1996) from Rs 88.85 lakhs to Rs 48.98 lakhs in rectification. On appeal all the three cases were remanded by appellate authority in November 1996 with the directions to assessing authority to decide the first two cases within two months and third one within one month. It was however noticed (March-April 1998) that the remand cases were not decided though a period of over 14 months had elapsed. The delay in decision of remand cases resulted in non-recovery of Rs 54.10 lakhs created at the time of original assessments.

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

Out of 479 remand cases 372 cases have been decided leaving a balance of 107 cases. All the assessing authorities have been directed to decide the balance remand cases on priority basis.

(i) M/s Rahul Associates, Ballabgarh, Fardabad (E) R C No 1206772 A Y 1991-92

The remand case is still pending for decision. The Deputy Excise and Taxation Commissioner has been directed to get it decided immediately.

(ii) M/s Victor Cable Industries, Fardabad (E) R C No 1202304, A Y 1992-93

The remand case is still pending as the firm stands closed. The Deputy Excise and Taxation Commissioner has been directed to get it decided early.

Gurgaon Panipat Jagadhari Kaithal Karnal Hisar Sonapat Fardabad (East) and Fardabad (West)

During the course or oral examination, the Committee was informed that out of 479 remand cases, 438 cases have been decided leaving a balance of 41 cases which are under process. The Committee desired that assessing authority may be directed to finalize these cases within a period of three months under intimation to the Committee.

(i) M/s Rahul Associates, Ballabgarh (Faridabad)

(ii) M/s Victor cable Industries, Fandabad

The Committee recommends that Joint ETC(A)/D E T C, Fandabad may be directed to decide the cases within three months under intimation to the Committee.

[71] 22 10 Collection of sales tax demands in arrear

The arrear of sales tax demands showing various stages of action as on 31 March 1997 was as under

Sr No	Stage	Amount (in lakhs of rupees)
1	2	3
1	Arrear of land revenue	2587 86
2	Stay by Court	8506 42
3	Liquidation	687 68
4	Written off	754 68
5	Under recovery	3077 83
Total		15614 47

Out of total arrear of Rs 15614 47 lakhs arrears of Rs 4317 56 lakhs were for more than five years old.

Two interesting cases of sales tax demands in arrear are illustrated below

(i) Assessment of a dealer of Fandabad (West) for the year 1992 93 was framed (January 1996) *ex parte* creating additional demand of Rs 1 21 crores under both the Acts (Rs 0 06 crore under Haryana General Sales Tax Act and Rs 1 15 crore under Central Sales Tax Act). A demand of Rs 2 51 lakhs was also created (May 1996) on the basis of audit objection raised in May 1996. The dealer had closed his business in the year 1993 94 during the pendency of the assessment. On being pointed out (April 1998) the assessing authority stated (April 1998) that no recovery had been made as the case was pending before Board for Industrial and Financial Reconstruction (BIFR) for recovery. A reminder to intimate the latest position in the case was issued in September 1997. Further progress has not been received (April 1998). Late finalisation of the case by 32 months between May 1993 to December 1995 resulted in non collection of Rs 1 24 crores.

(ii) On receipt of information from various quarters the assessing authority held that a dealer of Fandabad (East) was indulging in Uchanti sales (unaccounted) in connivance with

the local transporters. Consequent upon raiding of one transport company and examination of some documents impounded therefrom as well as cross-examination of the account books of the dealer the assessing authority finally held that the dealer had conducted Uchanti Sales of Rs 4 32 crores in the course of inter State trade or commerce. An additional demand of Rs 1 40 crores was accordingly created (August 1994) by making re assessment under Sections 31 of HGST Act 1973 and 9 (2) of CST Act 1956. Aggrieved with the decision of the assessing authority the dealer went in appeal before the Appellate Authority for stay of recovery and entertainment of appeal without payment of tax. The Appellate Authority did not entertain the appeal without payment of tax and the dealer was directed (January 1995) to deposit the entire sum by 31 January 1995. It was noticed (April 1998) that no recovery was made. The department was asked to intimate the latest position of the case which was not intimated. Non recovery of additional demand despite lapse of over 38 months from the orders of the Appellate Authority resulted in delay in collection of demand of Rs 1 40 crores.

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

M/s Toshiba Industries (India), Faridabad (E) R C No 120285 A Y 1988-89

The dealer instead of depositing the additional demand of Rs 1 40 crore has gone in appeal before the Member sales tax tribunal Haryana against the order dated 5 11 98 of Joint Excise and Taxation Commissioner (A) which is still pending.

The Committee recommends that Joint ETC(A) Faridabad may be directed to decide the case at the earliest under intimation to the Committee

[72] 2 2 11 Recovery certificate cases

Section 34 of Haryana General Sales Tax Act 1973 provides that the amount of any tax interest and penalty levied under the Act which remains unpaid after the due date shall be recoverable as arrears of land revenue. Against 144 recovery certificates issued up to 1996-97 (including 126 cases for Rs 3 52 crores outstanding as on 1 April 1994) for Rs 4 33 crores in six districts an amount of Rs 3 86 crores in 120 cases remained unrecovered (March 1997) as detailed below.

Year	Opening balance		Recovery certificates issued during the year		Cases decided during the year		Cases pending at the end of the year	
	Number of cases	Amount of tax (In lakhs of rupees)	Number of cases	Amount of tax (In lakhs of rupees)	Number of cases	Amount of tax (In lakhs of rupees)	Number of cases	Amount of tax (In lakhs of rupees)
1	2	3	4	5	6	7	8	9
1994-95	126	351 62	5	34 03	12	43 86	119	341 79
1995-96	119	341 79	7	15 38	7	3 05	119	354 12
1996-97	119	354 12	6	32 34	5	0 82	120	385 64
Total			18	81 75	24	47 73		

The above table indicates that pace of recovery was very slow which shows non pursuance of cases effectively with the concerned Collectors

The above points were reported to Government in may 1998 their reply has not been received (October 1998)

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

Out of arrear of Rs 385 64 lakhs Rs 11 69 lakhs has been recovered leaving a balance of Rs 373 95 lakhs Efforts are being made to recover the balance amount

During the course of oral examination the Committee was informed that out of total arrears of Rs 385 64 lacs Rs 15 19 lacs have been recovered leaving a balance of Rs 370 45 lacs The Committee, therefore recommends that strenuous efforts be made to recover the balance amount at the earliest under intimation to the Committee

[73] 2 6 Incorrect levy of concessional rate of tax

As per Government notification issued in January 1972 under the Central Sales Tax Act 1956 tax on inter State sales of oils produced from sarson toria 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 declarations in Form C However concessional rate of **one per cent** is not admissible in respect of inter State sales of sunflower oil and oil produced from mustard oil cakes (i e oil 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 that oil cake is a raw material used for producing a different kind of oil which is used for different purposes than the oil produced straight from sarson Besides penalty for non/short payment of tax due alongwith the returns the dealer is liable to pay interest at the rate of **one per cent** for the first month and at the rate of **one and a half per cent** per month thereafter so long as the default continues

(a)(i) During the audit of records of Excise and Taxation Officer Ambala City it was noticed (February 1997) that a dealer extracted oils from sarson seeds as well as from sarson oil cakes and made inter State sales of those oils valued at Rs 412 90 lakhs during the years 1992 93 and 1993 94 The sales included sale of oil produced from mustard oil cakes valued at Rs 165 35 lakhs While finalising (December 1995 and January 1996) assessments the assessing authority erroneously levied tax at the rate of **one per cent** instead of at the correct rate of **four per cent** This resulted in short assessment of tax of Rs 4 96 lakhs

On this being pointed out (February 1997) the assessing authority stated that the cases were referred for taking *suo motu* action to revisional authority who created (July 1997) an additional demand of Rs 4 96 lakhs and the recovery was being made in monthly instalments of Rs 20 000 each

(a)(ii) During the audit of records of Deputy Excise and Taxation Commissioner Rewari it was noticed (April 1997) that a dealer of Rewari extracted oil from mustard oil cakes and made inter-State sales of that oil valued at Rs 89 29 lakhs during the year 1993 94 While finalising (October 1995) assessment for the year 1993 94 the assessing authority erroneously levied tax at the rate of **one per cent** instead of at the correct rate of **four per cent** This resulted in short assessment of tax Rs 2 68 lakhs

On this being pointed out (April 1997) the department intimated (June 1998) that an additional demand of Rs 2.68 lakhs has been created in January 1998. Further report on recovery has not been received (October 1998).

The cases were reported to Government in May 1997. Their replies have not been received (October 1998).

(b) During the audit of records of Deputy Excise and Taxation Commissioner Karnal, it was noticed (July 1997) that a dealer of Karnal extracted oil from sunflower seeds and made inter-State sale thereof valued at Rs 102 lakhs during the years 1991-92 and 1992-93. While finalising (September 1996 and November 1996) assessments for the years 1991-92 and 1992-93, the assessing authority erroneously levied tax at the rate of **one per cent** instead of at the correct rate of **four per cent**. This resulted in short assessment of tax of Rs 3.06 lakhs besides interest of Rs 2.11 lakhs.

On this being pointed out (July 1997) the department intimated (May 1998) that case has been sent to revisional authority for taking *suo motu* action notice. Further report on action taken has not been received (October 1998).

The case was reported to Government in September 1997. Their replies have not been received (October 1998).

(c) under the Central Sales Tax Act, 1956, tax on inter-State sales of declared goods shall be calculated at twice the rate applicable to the sale or purchase of such goods inside the state and in the case of goods other than declared goods, tax shall be calculated at the rate of **ten per cent** or at the rate applicable to the sale or purchase of such goods inside the state, whichever is higher, when such sales are not supported by Form C.

During the audit of records of Deputy Excise and Taxation Commissioners Sonapat, Rewari, Jind, Hisar, Sirsa and Excise and Taxation Officer Fatehabad, it was noticed (July 1994 to February 1998) that seven dealers made inter-State sales of goods valued at Rs 554.87 lakhs without Form C during the years 1991-92 to 1995-96. While finalising assessments (April 1993 to March 1997) the assessing authorities levied tax on these sales at the lower rates instead of correct rates. This resulted in short levy of tax of Rs 7.30 lakhs as detailed below —

Sr No	Name of Office	Period/ month of assessment	Name of commodity	Value of goods	Tax leviable	Incorrect rate of tax levied	Tax short levied	Remarks
1	2	3	4	5	6	7	8	9
1	DETC Sonapat	1992-93/ June 1995	Mustard oil	13.67	10%	1%	1.23	The department created (July 1997) an additional demand of Rs 1.96 lakhs including interest and penalty and recovered (September 1998) the whole amount.

1	2	3	4	5	6	7	8	9
2	DETC Rewari	1991 92/ February 1995	Air Condi tioners	316.89	11%	10%	3.17	The department created (February 1998) an additional demand of Rs 3.17 lakhs. Report on recovery has not been received (October 1998)
3	DETC Jind	1991 92/ April 1993	SW Pipes Sanitary goods	8.48	11%	10%	0.81	The department created (January 1996) an additional demand of Rs 0.81 lakh. Report on recovery has not been received (October 1998)
4	DETC Hissar	1995 96/ August 1996	Sarson	21.82	8%	4%	0.87	The department created (January 1998) an additional demand of Rs 0.87 lakh. Report on recovery has not been received (October 1998)
5	DETC Sirsa	1994 95/ January 1997 1995 96/ March 1997	Gram Dal	38.49	2%	1%	0.38	No reply from the department/assessing authority has been received (October 1998)
			Gram Dal	71.92	2%	10%	0.72	
6	ETO Fatehabad	1993 94/ September 1995	Gram Dal	11.60	2%	1%	0.12	The assessing authority stated (July 1998) that the case was being sent to revisional authority. Further report on action taken has not been received (October 1998)
Total				554.87			7.30	

The cases were reported to Government between September 1994 and April 1998. Their replies have not been received (October 1998).

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

M/s India Cerolids Ltd, Unit No -II, Rewari A Y 1993-94

In view of the audit objections the original order dated 9.10.1995 was revised by the Revisional Authority Rewari vide order dated 28.1.1998 and demand of Rs 4,86,339/- was created. This additional demand also includes additional demands of Rs 2,67,869/- on account of levy of tax @ 3% (Difference 4% (-) 1% already assessed) on I S S of oil extracted from mustard oil cakes.

The amount of additional demand could not be recovered as the company stands closed and whereabouts of its directors are not known

2 M/s Utility Engineer India Ltd , Dharuhera (Pewar) A Y 1991-92

In view of audit objection assessment order dated 28-2-1997 has been rectified *vide* order dated 18-2-1998 creating an additional demand of Rs 3 16 885/

m/s India Ceramics Ltd , Unit No II Rewari

After hearing the departmental representatives, the Committee recommend that efforts be made to trace the Directors of the firm and recovery be made under intimation to the Committee

m/s Utility Engineer India Ltd Dharuhera, Rewari

During the course of oral examination, the Committee was informed that the companies are under liquidation and the claim has been lodged with the official liquidator, Delhi. The Committee, therefore, desired that further action be taken as per the decision of liquidator under intimation to the Committee

[74] 2.9 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. Further besides penalty for non/short payment of tax due alongwith 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 so long as the default continues

(i) During the audit of records of Deputy Excise and Taxation Commissioners Sirsa, Karnal and of Excise and Taxation Officer Tohana it was noticed (March 1995, June 1997 and July 1997) that five dealers (three of Sirsa and one each of Karnal and Tohana) were allowed (between February 1995 and March 1997) deductions of Rs 259.52 lakhs on account of sales made to registered dealers against declaration Forms (ST-15 and ST 14) during the years 1989-90 to 1994-95. However it was found that declaration forms involving sales valued at Rs 1.15.30 lakhs were those which had either been stolen/lost from the office stores of Deputy Excise and Taxation Commissioners Fardabad (East) and Bhiwani and had been declared (January 1991 and February 1993) invalid by district offices or submitted by bogus dealers. The deduction allowed against those declaration forms was not in order. Incorrect deduction allowed resulted in under assessment of tax of Rs 5.92 lakhs.

On this being pointed out (March 1995 and July 1997) additional demand of Rs 1 77 lakhs (including demand of Rs 46197 for 1995-96) was created (June 1996 and August 1996) in respect of a dealer of Tohana and cases of two dealers of Sirsa were referred (December 1997) to revisional authority for taking *suo motu* action. In respect of the dealer of Karnal it was stated (June 1997) that case was being referred to revisional authority for taking *suo motu* action. As regards reply in respect of remaining one dealer of Sirsa the assessing authority intimated (February 1997) that neither the declaration forms submitted by the purchasers were declared stolen by any of the offices nor those were bogus and thus deduction allowed was valid and genuine. The reply of the assessing authority was not tenable as the firms who submitted the declaration forms to the assessee were declared bogus and their registration certificates stood cancelled by the department.

(ii) During the audit of records of Deputy Excise and Taxation Commissioners Gurgaon and Karnal it was noticed (January to July 1996) that four dealers (Karnal 3 Gurgaon) were allowed (between February 1995 and March 1996) deductions of Rs 120 65 lakhs during the years 1992-93 to 1994-95 on account of sale of goods made to registered dealers against declaration forms (ST 15). However it was found that declaration forms involving sales valued at Rs 17 90 lakhs were those which had been declared (January 1991 and February 1993) invalid by assessing authorities Fardabad (East) and Bhiwani. In the case of Fardabad (East) F.I.R. was also lodged with the Police besides circulating details of declaration forms to all the assessing authorities in the State. Allowing deductions against invalid declaration forms resulted in under assessment of tax of Rs 1 79 lakhs besides interest of Rs 0 39 lakh and penalty.

On this being pointed out (June 1996 and July 1996) the department admitted the objection and created (October 1996 and November 1996) additional demand of Rs 1 14 lakhs including interest and penalty in three cases of Karnal out of which an amount of Rs 0 46 lakh was recovered (between October 1996 and March 1997) in two cases. In the third case monthly instalments of Rs 6000 were allowed (February 1997) by revisional authority and amount of Rs 36 685 (out of Rs 66 685) had been recovered upto June 1997. Further report on recovery of the balance amount has not been received (October 1998). In the case of dealer of Gurgaon the assessing authority referred (May 1996) the case to the revisional authority for taking *suo motu* action who created (October 1997) additional demand of Rs 1 04 lakhs. Interest and penalty was however not levied for which reference was made (December 1997) and the department created (March 1998) an additional demand of Rs 0 97 lakh. Report on recovery has not been received (October 1998).

The cases were reported to Government between March 1996 and November 1997 their replies have not been received (October 1998).

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

1 M/s Malhotra Wire Netting and Allied Inds, Karnal, A Y 1993-94 to 1994-95

In view of the audit objection the cases were reassessed creating an additional demand of Rs 66 685/ which stands recovered. However the order has been set aside in appeal by Joint Excise and Taxation Commissioner (A) Ambala vide order dated 30-3-1998 on the ground that the case cannot be re-opened u/s 31 of the HGST Act, 1973. Now the case has been taken up in *suo motu* by Revisional Authority under Section 40 which is pending.

During the course of oral examination, the Committee was informed that the dealer has filed an appeal alongwith stay application before the Tribunal and the matter is pending with Tribunal at present. The Committee, therefore, desired that further action be taken in the instant case as per the decision of the Tribunal.

[75] 2 10 Inadmissible deduction from turnover

As per Government notifications issued in December 1987, April 1989 and November 1992 under the Haryana General Sales Tax Act, 1973, tax on petroleum products components made wholly or principally of iron and steel when sold to a manufacturer for use in the manufacture of goods and consumer plastic goods is leviable at the first stage of sale in the State with effect from 1 January 1988, 7 April 1989 and 27 November 1992 respectively.

The Commercial Taxation Commissioner, Haryana clarified (January 1993 and February 1998) that plastic containers are covered under consumer plastic goods. Further, Sales Tax Tribunal Haryana in a case of Faridabad clarified (April 1997) that petroleum product remains petroleum product even after its use. Thus black oil which is petroleum product is taxable at the first stage of sale. The deduction from turnover on account of sale of such goods to registered dealers against declarations in Form ST-15 is not admissible. Besides penalty for non/short payment of tax due alongwith 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 so long as the default continues.

(i) During the audit of records of the Deputy Excise and Taxation Commissioners, Karnal and Faridabad (East), it was noticed (between June 1997 and December 1997) that four dealers (two each of Karnal and Faridabad) were allowed (between May 1996 and March 1997) deduction of Rs 22.24 lakhs during the years 1993-94 to 1995-96 on account of sale of goods made by registered dealers against declaration forms (ST-15). Out of Rs 22.24 lakhs deduction of Rs 21.47 lakhs related to sale of used oil (black oil) and components made of iron and steel sold to manufacturer for use in the manufacturing of goods which were not admissible as used oil remained petroleum product even after its use and was taxable at the first stage of sale. Incorrect deduction resulted in under assessment of Rs 2.01 lakhs.

On this being pointed out (between June and December 1997), the assessing authority, Faridabad, stated (July 1998) that the case has been sent for taking *suo motu* action. In the case of one dealer of Karnal, the assessing authority intimated (August 1997) that the item or waste used oil has not been defined in the list of goods leviable to tax at the first stage of sale in the State. The reply of the assessing authority is not tenable in view of Tribunal decision dated 17 April 1997. The case of another dealer of Karnal was referred (September 1997) to revisional authority for taking *suo motu* action. Further report on action taken has not been received (June 1998). The reply in respect of remaining one dealer of Faridabad has not been received (October 1998).

(ii) During the audit of records of Deputy Excise and Taxation Commissioners, Gurgaon and Yamunanagar, it was noticed (December 1997 and January 1998) that in the cases of two dealers (one each of Gurgaon and Yamunanagar) the assessing authorities, while finalising

(January 1997 and March 1997) assessments for the years 1992-93 to 1994-95 allowed deduction of Rs 15.24 lakhs (in respect of sales made from 27 November 1992 onwards) from the gross turnovers on account of sale of plastic containers to registered dealers against declarations in Form ST-15. The inadmissible deduction resulted in short assessment of tax of Rs 1.34 lakhs besides interest of Rs 0.64 lakh.

On this being pointed out (December 1997 and January 1998) the department replied (December 1997) in the case of Gurgaon dealer that deduction on account of sales made to registered dealers was rightly allowed but the reply was not tenable in view of clarification given by Commercial Taxation Commissioner. As intimated (June 1998) the case of Yamunanagar dealer has been sent (May 1998) to Revisional Authority for taking *suo motu* action.

The cases were reported to Government between September 1997 and February 1998. Their replies have not been received (October 1998).

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

2 M/s Polyware Ind Area, Yamunanagar, A Y 1992-93 and 1993-94

In view of audit objection, case was sent to Revisional Authority for taking *suo motu* action u/s 40 of the HGST Act, 1973. The Revisional Authority remanded the case back to the Assessing Authority who vide order dated 7-10-99 created an additional demand of Rs 17,851 for the year 1992-93 and Rs 75,361 for the year 1993-94. The recovery proceedings are underway.

The Committee recommends that the intimation be sent to the Committee after effecting full recovery from the firm.

[76] 2.11 Short levy of tax on sales to Non government bodies

Under the Haryana General Sales Tax Act, 1973, sales to Government departments are taxable at the concessional rate of four *per cent* when such sales are supported by valid declarations in Form STD-1 furnished by the authorised officers of the Government departments. The concession is not admissible in respect of sales made to autonomous bodies or other non Government institutions. These are liable to pay tax at the full rate. Further, for short payment of tax along with the returns, besides penalty, the dealer is also liable to pay interest 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.

(i) During the audit of records of Deputy Excise and Taxation Commissioner, Panchkula, it was noticed (January 1997) that a dealer constructed residential houses for Haryana Police Housing Corporation during the year 1993-94 and used therein building material valued at Rs 58.37 lakhs. The assessing authority while finalising (March 1996) assessment for the year 1993-94 levied tax at the concessional rate of four *per cent* plus surcharge instead of at the correct rate of eight *per cent* plus surcharge though Haryana Police Housing Corporation is not a Government department. This resulted in under assessment of tax of Rs 2.57 lakhs besides interest and penalty.

On this being pointed out (January 1997) the department accepted the observations and referred (October 1997) the case to the Revisional Authority for taking *suo motu* action. Further report on action taken has not been received (October 1998).

(ii) During the audit of records of Deputy Excise and Taxation Commissioner Panchkula it was noticed (January 1997) that a dealer made sales of Karyana goods valued at Rs 1.45 lakhs and Rs 9.40 lakhs during the years 1993-94 and 1994-95 to Officer Commanding Army Wives Welfare Association Chandimandir (Panchkula). The assessing authority while finalising (January 1996) assessments for the years 1993-94 and 1994-95 levied tax at the concessional rate of four *per cent* plus surcharge against the production of declaration forms instead of at the correct rate of eight *per cent* plus surcharge as the Army Wives Welfare Association is not a Government department. The mistake resulted in under assessment of tax of Rs 47,733 besides interest and penalty.

On this being pointed out (January 1997) the department admitted the objection and referred the case (October 1997) to the Revisional Authority for taking *suo motu* action. Further report on action taken has not been received (October 1998).

The cases were reported to Government in June 1997. Their replies have not been received (October 1998).

M/s A K Gupta Contractor (P) Ltd, Panchkula, A Y 1993-94

In view of audit objection the case was sent to Revisional Authority taken in *suo motu* action who *vide* order dated 13-1-99 remanded the case to Assessing Authority for *de-novo* assessment. The proceedings of remand case are in progress.

The Committee desired that intimation be sent to the Committee after effecting the recovery from the concerned firm.

[77] 2.14 Excess refund due to incorrect exemption from payment of tax

Under Haryana General Sales Tax Rules 1975 a registered dealer may reduce the amount of tax paid under the Haryana General Sales Tax Act 1973 at the first stage of sale of goods purchased by him from the amount of tax payable by him on such goods or goods manufactured or processed therefrom when sold within state or in the course of inter State trade or commerce or in the course of export outside India. Further the full amount of tax paid at the first stage if the sale is exempt from tax shall be refundable to the dealer.

During the audit of records of Deputy Excise and Taxation Commissioner Panchkula it was noticed (January 1997) that a dealer who was granted exemption from payment of tax on goods manufactured from tax paid wheat made purchases of 13850 MT wheat from Food Corporation of India for a total value of Rs 549.85 lakhs during the year 1994-95. The procurement price of wheat fixed by Government of India during the year 1994-95 was Rs 3500 per MT. Thus the first purchase value of wheat on which tax was paid by Food Corporation of India worked out to Rs 484.75 lakhs. While finalising (May 1995) the assessment the assessing authority for the purpose of allowing refund on account of tax paid on wheat determined the first purchase value at Rs 549.84 lakhs instead of the correct value at Rs 484.75 lakhs. The mistake resulted in excess refund of Rs 2.60 lakhs.

On the mistake being pointed out (January 1997) the assessing authority referred (October 1997) the case to Revisional Authority for taking *suo motu* action. Further report on action taken has not been received (October 1998).

The case was reported to Government in June 1997 their reply has not been received (October 1998)

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

M/s Rattan Flour Mills (P) Ltd , Panchkula, A Y 94 95

In view of audit objection the case was sent to Revisional Authority for taking *suo-moto* action who vide order dated 24.12.99 created an additional demand of Rs 2 58 790/. Recovery proceeding is in progress

During the course of oral examination, the Committee was informed that the instant case is pending with the Tribunal. The Committee therefore, desires that final decision taken in the case be intimated to the Committee

[78] 2.16 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. 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 besides penalty 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.

(a) During the audit of records of the Deputy Excise and Taxation Commissioner Panipat it was noticed (March 1997) that a dealer of village Jatal (Panipat) purchased 10425.29 quintals of paddy valued at Rs 40.29 lakhs from outside the State of Haryana and 2404.72 quintals valued at Rs 8.95 lakhs from within the State during the year 1993-94. The entire quantity of paddy was milled. While finalising (March 1996) the assessment for the year 1993-94 the assessing authority erroneously allowed tax rebate on paddy valued at Rs 41.51 lakhs instead of on paddy valued at Rs 8.95 lakhs. The mistake resulted in excess rebate on Rs 32.56 lakhs involving tax of Rs 1.30 lakhs besides interest and penalty.

On this being pointed out (March 1997) the department admitted the objection and intimated (August 1997) that the case has been referred to the Revisional Authority for taking *suo motu* action who remanded (January 1998) to the assessing authority for framing the assessment aresn. Further report on action taken has not been received (October 1998).

The case was reported to Government in March 1998 their reply has not been received (October 1998)

(b) During the audit of records of Deputy Excise and Taxation Commissioner Hissar it was noticed (July 1997) that a dealer of Hisar made inter-State sale of wheat valued at Rs 135.18 lakhs during the year 1995-96. The assessing authority while finalising (November 1996) the assessment worked out the rebate on total sale value of wheat instead of actual purchase value of Rs 108 lakhs. The mistake resulted in under assessment of tax of Rs 1.07 lakhs (over assessment of rebate).

On this being pointed out (July 1997) the case was referred to revisional authority for taking *suo motu* action who created (November 1997) additional demand of Rs 1.07 lakhs. Report on recovery has not been received (October 1998).

The case was reported to Government in November 1997 their reply has not been received (October 1998)

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

M/s Jai Bajrang Rice and General Mills village Jatal (Panipat), A Y 1993-94

The remand case has been decided by the Assessing Authority vide order dated 31-8-98 and additional demands of Rs 1,43,667/- and Rs 15,109/- under the H CST and CST Act respectively were created. Being aggrieved the dealer went in appeal before Joint Excise and Taxation Commissioner (Appeal) Rohtak who dismissed the same vide order dated 22-2-99. Recovery proceedings have been started and a sum of Rs 2,000/- has been recovered. The dealer went in second appeal before the Sales Tax Tribunal against the order of Joint Excise and Taxation Commissioner (Appeal) Rohtak dated 22-2-99 and the same is still pending before the Haryana Sales Tax Tribunal.

After hearing departmental representatives, the Committee desired that the balance recovery be effected at the earliest under intimation to the Committee.

[79] 4.1 Results of Audit

Test check of records in departmental offices relating to revenues of Passenger and Goods Tax, Taxes on Motor Vehicles, Entertainments Duty and Show Tax and Land Revenue revealed under assessment of taxes and duties and loss of revenue amounting to Rs 1548.30 lakhs in 5958 cases as depicted below:

	Heads of revenue	Number of cases	Amount (In lakhs of rupees)
A	Land Revenue	2627	1241.63
B	Passengers and Goods Tax	1920	239.66
C	Taxes on Motor Vehicles	1386	59.90
D	Entertainments Duty and Show Tax	25	7.11
	Total	5958	1548.30

(a) In the case of land revenue 2627 cases involving non recovery of arrears of land revenue amounting to Rs 1241.63 lakhs were pointed out. No recovery was made during the year 1997-98.

(b) In the case of Passengers and Goods Tax the department accepted under assessments etc. of Rs 3.46 lakhs in 28 cases which were pointed out during the year 1997-98. Besides an amount of Rs 0.45 lakh has also been recovered during 1997-98 in 9 cases pointed out in earlier years.

(c) In the case of Taxes on Motor Vehicles the department accepted under assessments etc. of Rs 10.12 lakh in 191 cases which were pointed out during the year 1997-98. An amount of Rs 0.09 lakh has also been recovered during 1997-98 in 9 cases pointed out in earlier years.

(d) In the case of Entertainment Duty and Show Tax the department accepted under assessments and recovered Rs 0.96 lakh in 2 cases which were pointed out during the year 1997-98. Besides, an amount of Rs 0.83 lakh had also been recovered during 1997-98 in 8 cases pointed out in earlier years.

A few illustrative cases involving Rs 4.07 lakhs and a review on internal controls in Land Revenue Department for recovery of dues treated as arrears of Land Revenue involving Rs 1240.32 lakhs.

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

Passenger and Goods Tax

All the 1920 cases involving an amount of Rs 239.66 lakhs have been reviewed with the following results:

- (i) 1797 cases involving an amount of Rs 200.35 lakhs have been settled with demand.
- (ii) 123 cases involving an amount of Rs 39.31 lakhs are still under active consideration of the department.

Entertainment Duty and Show Tax

All 25 cases involving an amount of Rs 7.11 lakhs have been reviewed with the following results —

No. of cases	Amount pointed out by Audit	Result of Review
1	2	3
	(Rs. in lakhs)	
9	3.57	Settled with demand
5	1.64	Settled without demand
11	1.90	The cases are under Review
25	7.11	

(a) The audit had raised the objection during the review for the year 1997-98. Out of an additional demand of Rs 3.46 lakhs, an amount of Rs 2.99 lakhs has since been recovered and sincere efforts are being made to recover the balance arrear of Rs 0.47 lakhs.

During the course of oral examination, the Committee was informed that out of 1920 cases, 1881 cases involving an amount of Rs 236.91 lakhs have been settled with demand which stands recovered of Passengers and Goods Tax and the efforts for recovery of remaining 39 cases are under active consideration of the department. The Committee recommends that the balance recovery be effected under intimation to the committee.

The Committee was further informed that out of 25 cases involving an amount of Rs 7.11 lacs, 20 cases have been settled. Now, only 5 cases are left which are

under review. The Committee, therefore, recommends that these remaining cases be also settled within a period of three months under intimation to the Committee

[80] 4.4 Incorrect levy of entertainments duty

Under the Punjab Entertainments Duty Act, 1955 and the Rules framed there under as applicable to Haryana the proprietor of a video House exhibiting video shows on payment is required to make advance payment of entertainments duty every quarter at the rates prescribed by the Government from time to time. Under section 17 of the Act, arrear of unpaid entertainments duty shall be recoverable as arrears of land revenue. Further Government notification issued in March 1989 provides that entertainments duty is payable on the basis of population of the town in which the video house is located. For towns with population of ten thousand and above but less than twenty five thousand duty is payable at the rate of Rs 15 000 per quarter. The latest census figures shall be the basis for determining the population of any place.

During the audit of records of Deputy Excise and Taxation Commissioners Jind and Karnal it was noticed (March 1995 and April 1997) that two video house owners exhibiting video shows at Julana (Jind) and Nissing (Karnal) both with population exceeding ten thousand as per census of 1991 paid entertainments duty at the rate of Rs 10 000 instead of Rs 15 000 per quarter for six and fifteen quarters respectively between the period January 1991 and September 1994. Besides, the owner of video house at Julana (Jind) did not pay duty at all for three quarters. The proper duty payable by them was also not demanded by the department. This resulted in short recovery of duty amounting to Rs 1.50 lakhs.

On this being pointed out (May 1995 and April 1997) Deputy Excise and Taxation Commissioner Jind admitted (June 1997) the objection and stated that the amount has been declared (June 1996) as arrears of land revenue and the proceedings to recover amount under Land Revenue Act were in progress. Further report on recovery has not been received (June 1998). However Deputy Excise and Taxation Commissioner Karnal stated (February 1998) that the census report was made public in 1995 and by that time the video house was closed and revised rates of entertainments duty could not be applied. The reply of the department is not tenable as the census report was published in 1992 and arrear of entertainments duty could be recovered as arrears of land revenue even after closure of the video house in July 1994.

The cases were reported to Government in May 1995 and June 1997 who in the case of Julana had further directed (May 1996) the Excise and Taxation Commissioner (now Commercial Taxation Commissioner) Haryana to expedite reply. Their reply in other case has not been received (October 1998).

The department in their written reply explained the position as under

1 M/s Durga Video House, Jullana (Jind)

The video house was required to pay quarterly tax @ Rs 15 000/- per month on the basis of census report of 1991 instead of Rs 10 000/- As per audit report there was net recoverable amount of Rs 75 000/- out of which sum of Rs 10 000/- being the security amount has already been adjusted. The licensing Authority cum Deputy Commissioner

Joint vide his order dated 16/92 has not renewed the license of the Video House after 30/9-91. Hence the amount of Rs 30,000/- for the period from 10/91 to 12/91 and 1/92 to 3/92 is also to be deducted. After excluding this amount the outstanding amount remains Rs 35,000/- against the Video house. The amount has already been declared to be recoverable under Land Revenue Act. The enquiries have also been got conducted through Tehsildar Jullana which reveal that there is no property land or house in the name of Sh. Vinod Kumar S/o Sh. Radhe, Shyam Prop. of the Video house.

2. M/s Durga Video Palace, Nissing (Karnal)

The Video Parlour stands closed since July 1994. The owner of the parlour is not available at the place of business. He has left and said to be residing at an unknown place. Efforts are being made to find out the whereabouts of the owner.

After hearing the department representatives the Committee recommends that recovery be effected from the owners of concerned all Video Houses at the earliest under intimation to the Committee.

TRANSPORT DEPARTMENT

[81] 4.1 Results of Audit

Test check of records in departmental offices relating to revenues of passengers and Goods Tax Taxes on Motor Vehicles Entertainments Duty and Show Tax and Land Revenue revealed under assessment of taxes and duties and loss or revenue amounting to Rs 1548.30 lakhs in 5958 cases as depicted below

Heads or revenue	Number or cases	Amount
(In lakhs of rupees)		
C Taxes on Motor vehicle	1385	59.90

In the case of Taxes on Motor Vehicles the department accepted under assessments etc of Rs 10.12 lakh in 191 cases which were pointed out during the year 1997-98. An amount of Rs 0.09 lakh has also been recovered during 1997-98 in 9 cases pointed out in earlier years.

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

Out of total amount of Rs 59.90 lacs in 1386 cases 112 observations containing amount to the tune of Rs 4.16 lacs have been got settled. Efforts are being made to recover the balance amount. Further progress will be intimated from time to time.

After hearing the departmental representatives the Committee recommends that effective steps be taken to recover the balance amount and Committee be informed with a period of three months.

[82] 4.5 Non-deposit or token tax

As per provisions of the Punjab Motor Vehicles Taxation Act 1924 as applicable to Haryana tax shall be leviable on every motor vehicle in equal instalments for quarterly periods commencing on the first day of April, July, October and January at such rates not exceeding rupees 35 000 (thirty five thousand only) per vehicle for a period of one year as the State Government may by notification direct. Provided that any broken period in such quarterly periods shall for the purposes of levying the tax be considered as a full quarter. Arrear or tax can be recovered as arrears of land revenue.

During the audit of records of Regional Transport Authority Rohtak and Hisar it was noticed (July 1997 and November 1997) that token tax for four quarters each of two buses of Haryana Roadways Rohtak and for eight quarters of a bus of a Transport Co-operative Society of village Bass (Hisar) between the period from April 1995 to September 1997 was neither deposited by them nor demanded by the department. This resulted in non-deposit of token tax amounting to Rs 1.11 lakhs.

On this being pointed (July 1997 and November 1997) the department intimated (November 1997 and February 1998) that notice for deposit of token tax has been issued to Haryana Roadways Rohtak and in respect of the co-operative society this was being issued. Report on recovery has not been received (October 1998).

The cases were reported to Government in August 1997 and January 1998. Their reply has not been received (October 1998).

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

Token tax amounting to Rs 53 560 due against General Manager Haryana Roadways Rohtak has already been deposited by B I dated 13-5-96.

The matter of Mor Modern Co-operative Transport Societies Ltd. Bass (Hisar) is sub-judice. So recovery of Token Tax of Rs 57 200 shall be recovered soon after the decision of the court case which is fixed for 26-8-2002 for arguments as per the intimation received from D I O office Hisar vide his letter No. 9973/S(C) dated 19-7-2002.

Progress will be intimated from time to time.

During course oral examination, the departmental representatives informed that Token tax taken from the Haryana Roadways, Rohtak has been recovered and so far as recovery from the Mor Modern Co-Operative Transport Society Ltd. Bass (Hisar) is concerned, the matter is pending in the Court.

The Committee, therefore, recommends that decision of the Court be intimated to the Committee.

IRRIGATION DEPARTMENT

[83] 5.1 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation Agriculture Public Health Home (Police) Mines and Minerals State Lotteries and Co operation conducted in audit during the year 1997-98 revealed under assessments and losses of revenue amounting to Rs 4684.73 lakhs in 11108 cases as depicted below:

Heads of revenue	Number of cases	Amount
(in lakhs or rupees)		
A Public Works (Irrigation)	1042	2425.60

(a) In the case of Irrigation the department accepted under assessments etc. of Rs 100.01 lakhs in 32 cases which was pointed out in audit during 1997-98. An amount of Rs 1.52 lakhs has also been recovered during 1997-98 in 2 cases of which Rs 0.39 lakh in one case related to earlier years.

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

Out of 1042 cases amounting to Rs 2425.60 lacs the Department have got settled 923 cases amounting to Rs 2247.83 lacs leaving balance 119 cases amounting to Rs 177.77 lacs. Superintending Engineers have been directed to take immediate steps for settlement of remaining cases.

After hearing the departmental representatives the Committee recommends that remaining cases be settled at the earliest and progress report be sent within a period of three months.

[84] 5.2 Recovery of water rates from canal water

5.2.5 Trend of revenue

The table below indicates estimated (revised) receipts revenue realised and shortfall if any in revenue under the head Major and Medium Irrigation during the last four years ending 1996-97.

Year	Budget estimates	Actuals	Shortfall Excess (+)	Percentage of shortfall/excess
(In lakhs of rupees)				
1993-94	2151	2038	(-) 113	(-) 5.25
1994-95	2460	1919	(-) 541	(-) 21.99
1995-96	2006	2100	(+) 094	(+) 4.68
1996-97	2789	2430	(-) 359	(-) 12.87

In the year 1995-96 budget estimates were revised from Rs 2581 lakhs to Rs 2006 lakhs which were lower by Rs 575 lakhs. Lower estimates were due to non-realisation of revised water rates in view of heavy floods and rainfall in the State. Less realisation of Rs 113 lakhs and Rs 541 lakhs during the years 1993-94 and 1994-95 was due to less realisation of receipt on account of sale of water for irrigation purposes. No reasons for shortfall during the year 1996-97 have been intimated by the department (October 1998).

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

Irrigation Department, Haryana prepare Khataunis for supply of Canal Water to the irrigators on the measurement of each crop area and send it to Revenue Department for realisation. Collection of abiana is the responsibility of the civil authorities where department has no control. However department is pursuing with concerned Deputy Commissioner for collection of abiana in the monthly meetings.

After hearing the departmental representatives, the Committee desired that effective steps be taken by the department to recover the balance amount of Abiana in liaison with the Revenue authorities

185] 5.2.7 Arrears of revenue

Drainage Act, 1974 provides recovery of water rates and water charges as arrears of land revenue if these dues are not paid in time. There is, however, no provision in the Act/Rules for levying penalty for non-payment/delayed payment of water rates/water charges.

The position of arrears as well as year-wise breakup of arrears was not available with the department as no periodical returns have been prescribed for the field offices to furnish the details of revenue assessed, realised in arrears and arrears accumulated year-wise.

The position of arrears of water rates (abiana) for supply of water for irrigation purposes and arrears of water charges for water supplied for purposes other than irrigation in respect of 15 water services divisions* as collected in audit for the year 1993-94 to 1996-97 was as under:

Year	Amount of water rates	Amount of water charges	Total
(In lakhs of rupees)			
1993-94	543.26	235.62	778.88
1994-95	447.81	577.24	1025.05
1995-96	666.47	793.02	1459.49
1996-97	630.61	1083.45	1714.06

Water Services Division Charkhi Dadri, Dadpur, Delhi, Fatehabad, Fardabad, Hansi, Hisar, Jhajjar, Jind, Kaithal, Panipat, Rohtak, Rai, Sonapat and Tohana.

From the above table it would be seen that there was increasing trend of arrears of water rates/charges at the end of each year. The increasing trend was despite specific recommendations of the PAC to make special efforts to recover the arrears.

The department has not initiated action for enforcing recoveries as arrears of land revenue from the defaulters (October 1998).

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

The Department has provided levying 10% penalty for non/delayed payment of water charges other than Irrigation.

The Department has also revived Revenue Section in Head Office to Monitor the position of Arrear of Water rates/Water charges from time to time.

It is further submitted that the realisation of water rates is the responsibility of Revenue Authority they are being pursued constantly during monthly meeting. The increase in water charges is mainly due to non-receipt of payments from Public Health Department.

After hearing the departmental representatives, the Committee recommends that effective measures be adopted to settle the cases of arrears of revenue and progress report be sent to the Committee within three months. The Committee further recommends that efforts be made to recover the amount from the Public Health Department to avoid accumulation of arrears.

1961-529 *Less measurement of area irrigated*

Under the provisions contained in "Revenue Manual" a very small variation (specific percentage not mentioned) in the figures of area irrigated as shown in the Shudkar* and those taken at the time of final measurement (on which abiana is assessed) has been allowed. The Irrigation Department adopted variation allowable in figures of Shudkar with final measurement at 5 per cent. Further it is provided that *shudkar* should be written monthly by Canal Patwan by visiting each field falling in his area.

During test check of records of 16** divisions it was noticed (between November 1997 and March 1998) that in eight divisions the variation in the figures of irrigation as shown in the *shudkar* for the month of September (Kharif crop) and March (Rabi crop) and those of final measurement ranged between 6 per cent and 41 per cent (cases of variations up to 5 per cent ignored). This excessive variation between *shudkar* and final measurements resulted in under assessment of abiana amounting to Rs. 30.36 lakhs during the period 1993-97.

The initial record of irrigation maintained by the Canal Patwans for the crops sown

Water services division Bhiwani Fardabad Fatehabad Hansi Jhajjar Jind Kamal Kaithal Narwana Panipat Rohtak Sirsa (3) and Sonapat (2)

The department stated that *shudkar* figures were always tentative. The reply of the department is not tenable as the Canal patwaris are required to write *shudkar* monthly by visiting each field falling in their areas. Reasons for excessive variations were called for (February 1998) but not given by the department (October 1998).

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

The figures of *Sudhkar* are tentative. The recovery of abiana is made on the basis of final measurement recorded after each crop i.e. Rabi & Kharif. Thus there is no loss.

After going through the written reply of the department the Committee observed that there is a variation up to 41 percent in the figures and therefore desired that a fresh reply be sent to the Committee for consideration. Hence the para is kept pending till the revised reply is submitted by the department.

[87] 5.2.10 Non imposition of penalty for unauthorised supply of water

As per provisions of the Punjab Government Rules 1946 amended from time to time as applicable to the State of Haryana for extra supply of canal water for gardens and orchards, an agreement is required to be entered into between Government and the owner receiving extra supply for gardens/orchards in the prescribed form. The agreement provides that penalty at six times of the water rates for garden in addition to water rates for such crops that may be cultivated in infringement of the rules is leviable in all cases where garden is not planted or maintained according to specifications. Rules also provide for conducting joint inspection of the gardens annually.

In eight* irrigation divisions it was noticed (February-March 1998) that 224 garden owners were being supplied water without any agreement. In 204 cases joint annual inspection was not conducted and in 104 cases gardens were not found planted or maintained according to specifications. Thus in these cases water was being supplied unauthorisedly. Despite issue of notices for withdrawal of water supply neither the supply of water was stopped nor any action to charge penalty which could be imposed upto Rs. 34.04 lakhs was taken. This was persisting despite of issuance of specific instructions in this regard by the PAC.

The omission was pointed out (between February and March 1998) to the department. Their reply has not been received (October 1998).

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

Regular inspection by Deputy Collector of Irrigation Department & District Horticulture office is being conducted and where it is found that the trees are aging or the owner had planned to cut away the fruit trees, notice is given to him for stopping the extra supply meant for the garden.

* Water services division Bhiwani, Fatehabad, Narwana, Sirsa (4) and Tohana

During course of oral examination the departmental representatives admitted to submit the revised reply of this para. The Committee, therefore recommends that reply be sent at the earliest for its consideration

[88] 5.2.14 *Excess credit to an industrial unit*

During the checking of records of Executive Engineer Water Services Division Jind it was noticed (January 1998) that water charges amounting to Rs 3.08 lakhs were deposited between 1988 and January 1989 by an industrial unit against its dues raised by the division for the period from December 1987 to September 1988. However a verification of records revealed that this amount was also deducted (March 1985) from the outstanding arrears of the unit. The double credit allowed to the unit resulted in short recovery of water charges amounting to Rs 3.08 lakhs.

On the omission being pointed out (January 1998) the department stated (February 1998) that the consumer has been asked to deposit the dues. Report on recovery has not been received (October 1998).

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

The credit of Rs 3.08 lakh allowed to M/s I.C.L. Ltd. Kila Zafargarh has been reconciled from the firm which has since been closed. Efforts are being made to recover the amount.

After hearing the departmental representatives, the Committee recommends that sincere efforts be made to recover the outstanding amount from the concerned unit under intimation to the Committee

[89] 5.2.15 *Utilisation of departmental receipts*

Under the State Financial Rules utilisation of departmental receipts towards expenditure is strictly prohibited. Under the Treasury Rules all moneys received by or tendered to Government servant on account of the revenue or the State Government shall without undue delay be paid fully into treasury or bank.

In twenty irrigation divisions *** departmental receipts amounting to Rs 236.51 lakhs collected during 1993-94 to 1997-98 were not deposited into the treasury/bank but were utilised to meet the departmental expenditure in contravention of the Rules and also

Water services divisions Kamal Gohana, Rohtak, Jhajjar, Sonapat, Panipat, Hisar, Hansi, Jind, Narwana, Fatehabad, Sirsa (3), Bhiwani (2), Dadupur, Kaithal, Delhi and Tohana.

instructions issued (January 1997) by the Engineer in Chief Irrigation Department Year wise break-up in respect of 15 divisions was as under

Year	Utilisation of receipts towards expenditure (in lakhs of rupees)
Prior to 1993-94	101.57
1993-94	39.37
1994-95	20.09
1995-96	31.14
1996-97	10.0
1997-98	8.17
Total	210.35

No yearwise break up was available with 5 divisions (one each of Kaithal, Delhi and Tohana and two of Sirsa) in respect of receipts of Rs. 26.16 lakhs

The department stated (between November 1997 and March 1998) that the departmental receipts were used on urgent petty works when adequate letter of credit (L O C) was not received from Government. The reply of the department was not tenable since it defeated the very object of LOC. The departmental receipts utilised towards departmental expenditure were not deposited into the treasuries even on receipt of L O C by the divisional officers.

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

To curb the tendency of utilising departmental receipts towards expenditure the deptt. have issued strict instructions to all the field officers and as a result the utilisation of departmental receipts have been reduced to the maximum extent. However, the officers who are still violating these instructions are being charge-sheeted under the code of rules.

During the course of oral examination the department representatives informed the Committee that strict instructions have been issued to curb this tendency in future. The Committee, therefore, desired that instructions be complied with meticulously and the procedure as prescribed in financial rules be envolved to avoid any irregularities in future.

[90] 5.3 Short recovery of lease rent

A meeting of departmental officers of district level was held in May 1993 and October 1994 regarding allotment of land of Ottu lake on lease basis and for fixation of lease rates for the years 1993-94 and 1994-95 respectively. The lease rates for the lands of the bundh were fixed at Rs 1900 per acre for the year 1993-94 and Rs 2000 for 1994-95. No rates were fixed for the year 1995-96.

During the course of audit of records of Ghaggar Water Services Division Sirsa it was noticed (November 1995 and January 1998) that the lease rent for the years 1993-94 to 1995-96 was not being recovered according to the rates fixed for that year but was continued to be charged at the rate of Rs 1200 per acre fixed for the year 1992-93. Charging of lease rent at lower rates resulted in short recovery of Rs 2.54 lakhs.

On the omission being pointed out (January 1996 and January 1998) the department stated (March 1998) that recovery of Rs 1.13 lakhs had been made (between April 1997 and December 1997) and efforts were being made for the recovery of balance amount. Further progress of recovery has not been received (October 1998).

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

The surplus land of Ottu lake was being given on lease basis to the landless poor farmers preferably scheduled caste and scheduled tribes on the leased rates fixed by the D.C. Sirsa. In 1992-93 the leased rates was Rs 1200 per acre but during 1993-94 and 1994-95 the D.C. enhanced the rates to Rs 1900 and 2000 per acre respectively. The land holders stopped paying the lease money since 1994-95 on enhanced rate. All best efforts and personal approach for recovery of the leased money were made and a sum of Rs 13.10 lacs out of outstanding Rs 37.68 lacs have been recovered. Efforts were made to recover the balance amount but the land holders were reluctant to deposit the leased money. Considering no alternative the Deptt. has decided to file civil suit under P.P. Act in the court of Collector to get the land vacated from the illegal possession. The Deptt. have yet filed 48 court cases involving 195.87 acres land and court cases for the remaining land i.e. 751.95 acres are in process.

After hearing the departmental representatives and going through the written reply, the Committee observed that the process of vacating the land and recovery is very slow. The Committee, therefore, desired that efforts be made to get the land vacated and also expedite the process of recovery under intimation to the Committee.

AGRICULTURE DEPARTMENT**[91] 16 Arrears in revenue**

As on 31 March 1998 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
5	Other Taxes and duties on Commodities and Services			
(1)	Receipts under the Sugarcane (Regulation of Purchase and Supply, Act)	374.43	76.76	The arrears of Rs 374.43 lakhs were due to non deposit of purchase tax by two Sugar Mills of Panipat (Rs 226.67 lakhs) and Rohtak (Rs 147.76 lakh)

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

Now an amount of Rs 374.43 lakhs as purchase tax was due against the Coop Sugar Mills Ltd Panipat and Rohtak. The matter is being pursued with the Coop Sugar Mills Ltd Panipat and Rohtak to deposit the amount of purchase tax.

After going through the written reply sent by the department, the Committee desired that balance amount of purchase tax be recovered at the earliest and Committee be informed accordingly within three months.

[92] 19/51 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation, Agriculture, Public Health, Home (Police), Mines and Minerals, State Lotteries and Co-operation conducted in audit during the year 1997-98 revealed under assessments and losses of revenue amounting to Rs 4684.73 lakhs in 11108 cases as depicted below:

	Heads of revenue	Number of cases	Amount (in lakhs of rupees)
B	Agriculture	9	349.58

(b) In the case of Agriculture, the department accepted loss of revenue of Rs 138.79 lakhs in 3 cases which were pointed out in audit during 1997-98 out of which the department recovered an amount of Rs 58.14 lakhs in 1 case.

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

Para settled vide A.G. Haryana (A&E) Chandigarh letter No. RAW/S/OR/96/97/797-99 dated 29/10/99.

Para dropped vide A.G. (A&E) Haryana letter No. RAW/S/OR/98/99/1601/03 dated 29/12/98.

Para settled vide A.G. (A&E) Haryana Chandigarh No. RAW/S/OR/98/99/1598-1600 dated 29/12/98.

Now an amount of Rs 100 89 256 lakh as purchase tax & Interest was due against the Coop Sugar Mills Ltd Panipat and Rohtak The matter is being persued with the Coop Sugar Mills Panipat and Rohtak to deposit the amount of purchase tax

Para settled vide A G (A&E) Haryana letter No RAW/S/OR/96 97/889-91 dated 26-11 98

Para settled vide A G (A&E) Haryana letter No RAW/S/OR/96 97/829 31 dated 3 11-98

After going through the written reply sent by the department the Committee recommends that balance amount be recovered at the earliest and Committee be apprised accordingly within three months

[93] 5 5 Non recovery of purchase tax and interest

As per notification issued (October 1977) under the Punjab Sugarcane (Regulation of purchase and supply) Act 1953 and the rules made thereunder as applicable to Haryana a sugar factory is required to pay tax at the rate of Rs 1 50 per quintal on purchase of cane latest 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

During the audit of records of two Assistant Cane Development Officers Rohtak and Panipat it was noticed (August 1996) that two Sugar Mills purchased 55 85 877 05 quintals of sugarcane between November 1995 and June 1996 but did not deposit purchase tax amounting to Rs 83 79 lakhs (sugar mill Rohtak Rs 54 99 lakhs and Panipat Rs 28 80 lakhs) which was due to be paid by the 14th of the month following the month of purchase Interest amounting to Rs 26 37 lakhs (Rohtak Rs 17 21 lakhs and Panipat Rs 9 16 lakhs) was also required to be charged thereon for non payment of tax

On this being pointed out (August 1996) the department intimated (November 1997) that Sugar Mill Panipat has been asked (May 1998) to deposit the amount of tax whereas in respect of Sugar Mill Rohtak the department stated (July 1997) that the deposits by the Sugar Mill between January 1997 and May 1997 actually related to the crushing year 1995 96 but were inadvertently adjusted against the purchase tax payable on the purchases of sugarcane made between November 1996 and May 1997 The reply of the department is not tenable as the Form X clearly shows that the purchase tax was worked out and deposited according to actual purchases effected during the period between November 1996 and May 1997 Purchase tax including interest thereon amounting to Rs 110 16 lakhs due on purchases effected between November 1995 and June 1996 remained undeposited

The cases were reported to Government in April 1998 their replies have not been received (October 1998)

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

Now an amount of Rs 83 79 lakh as purchase tax was due against the Coop Sugar Mills Ltd Rohtak and Panipat The matter is being persued with the Coop Sugar Mills Rohtak and Panipat to deposit the amount of Purchase tax

After going through the written reply of the department, the Committee recommends that balance amount along with interest be recovered at the earliest and the Committee be intimated within three months

PUBLIC HEALTH DEPARTMENT

Non-Tax Receipts

[94] 5 1/1 9 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation Agriculture Public Health Home (Police) Mines and Minerals State Lotteries and Co operation conducted in audit during the year 1997-98 revealed under assessments and losses of revenue amounting to Rs 4684.73 lakhs in 11108 cases as depicted below

	Head of revenue	Number of cases (In lakhs of rupees)	Amount
A	Public Works (Irrigation)	1042	2425.60
B	Agriculture	9	349.58
C	Public Health	9412	272.13
D	Home (Police)	94	825.84
E	Mines and Geology	380	479.70
F	Finance (State Lotteries)	61	288.09
G	Co-operation	110	43.79
	Total	11108	4684.73

(c) In the case of Public Health the department accepted non/short recovery of Rs 16.10 lakhs in 1885 cases which were pointed out in audit during 1997-98. An amount of Rs 0.26 lakh has also been recovered during 1997-98 in 1 case pointed out in earlier years.

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

It is submitted that 9412 cases involving a sum of Rs 272.13 lacs relates to Public Health Department. The latest progress report is under —

Sr No	Particulars	No of cases	Amount (Rs in lacs)
1	No of cases as per CAG Report	9412	272.13
2	Cases Settled	3250	136.95
3	Balance	6162	135.18

After hearing the departmental representatives, the Committee desired that the time limit for recovery of these outstanding arrears may be fixed and the Committee be informed accordingly.

[95] 5 6 Non recovery of penalty charges

As per Government instruction issued in July 1994 electric pumps installed direct on supply lines should in no case be allowed to continue and were to be removed and water supply disconnected. In the cases of those consumers who were detected with such type of installations penalty at the rate of Rs 1200 per installation by way of past misuse was to be levied. Besides penal charges at the rate of Rs 100 per month were to be levied in addition to usual water charges till the pump is removed.

During the audit of records of Executive Engineer Public Health Division Narwana it was noticed (January 1997) that 776 consumers who had installed electric pumps direct on

supply lines were identified by the department but no action was taken to recover the penalty charges amounting to Rs 9 31 lakhs leviable by way of past misuse of water

On this being pointed out (January 1997) the department first intimated (January 1997) that case for remission of penalty was being taken up with Government but subsequently intimated (May 1998) that no penalty charges are recoverable because pumps were installed prior to issue of instructions by Government in July 1994. The reply of the department is not tenable as Government had not prohibited recovery of penalty vide its ibid letter

The case was reported to Government in February 1997 their reply has not been received (October 1998)

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

Prior to transfer of water supply from Local Bodies to Public Health Department 776 consumers of Narwana Town had installed Electric Motors. The Municipal Committee Narwana vide Resolution no 180 dated 22-4-1985 fixed water rates @ Rs 30/ per month for the connection having electric Motor

Accordingly consumers were paying water charges at the rates fixed by the Municipal Committee from time to time

During 7/94 the water rates were revised by Financial Commissioner and Secretary to Local Bodies Haryana vide letter No 23/4/88 302 dated 22-7-94. As per revised rates a penalty of Rs 1200/- was levied on the consumers who have installed the electric motors direct on line. Accordingly penalty was imposed on consumers who have installed Electric Motors

The consumers are not paying penalty on the grounds that their connections were sanctioned by the Municipal Committee Narwana and they were already paying water charges @ the rates applicable for connections having Electric Motors

The Committee, after hearing the departmental representatives, recommends that matter be taken up with Government, for early settlement and Committee be apprised accordingly

HOME DEPARTMENT NON-TAX RECEIPTS

[96] 5.1 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation Agriculture Public Health Home (Police) Mines and Minerals State Lotteries and Co-operation conducted in audit during the year 1997-98 revealed under assessments and losses of revenue amounting to Rs 4684.73 lakhs in 11108 cases as depicted below

	Head of revenue	Number of cases (In lakhs of rupees)	Amount
A	Public Works (Irrigation)	1042	2425.60
B	Agriculture	9	349.58
C	Public Health	9412	272.13
D	Home (Police)	94	825.84
E	Mines and Geology	380	479.70
F	Finance (State Lotteries)	61	288.09
G	Co-operation	110	43.79
	Total	11108	4684.73

(d) In the case of Home (Police) the department accepted non/short recovery of Rs 135.79 lakh in 13 cases which were pointed out in audit during the year 1997-98 and out of which an amount of Rs 0.91 lakh in 10 cases has been recovered. Besides, an amount of Rs 4.18 lakhs in 3 cases pointed out in earlier years has also been recovered during the year 1997-98.

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

Out of non recovery of Rs 135.79 lakhs Rs 129.68 lakhs is still out-standing against Indian Oil Corporation Petrol Depot Ambala Cantt. The matter has been taken up with the Corporation through the higher authorities at Government level but no fruitful results arrived at so far. However, the concerted efforts are being made to get the said amount reimbursed from the Corporation as early as possible.

After going through the written reply submitted by the department, the Committee recommends that suitable steps be taken by the department to get the said amount reimbursed from the Indian Oil Corporation within the stipulated period, under intimation to the Committee.

MINES AND GEOLOGY DEPARTMENT

[97] 1 6 Arrears in revenue

As on 31st March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under

SI No	Heads of Revenue	Total arrears	Arrears more than 5 years old (Rupees in lakhs)	Remarks
6	Non ferrous mining and Metallurgical Industries	491 66	155 14	Out of Rs 491 66 lakhs Rs 283 57 lakhs were covered under recovery certificates recovery of Rs 11 09 lakhs was stayed by High Court and other Judicial Authorities Rs 3 12 lakhs were held up due to dealers becoming insolvent and demands for Rs 2 08 lakhs was proposed to be written off Detailed break up of the remaining amount of Rs 191 80 lakhs was not available with the department (October 1998)

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

The total arrears as on 31-3 1998 amount of Rs 491 66 lacs which also include the arrears right from the formation of Haryana State in November 1966 after 31 3 1998 a sum of Rs 164 40 lacs have been recovered Recoveries amounting to Rs 114 70 lacs have been stayed by different courts From the balance of Rs 212 55 lacs a sum of Rs 54 69 lacs is recoverable from the defaulters staying outside the State For recovering the balance of Rs 157 86 lacs Field Officers have been delegated power of Assistant Collectors (Grade I) who are making efforts to recover the same as arrears of land revenue

A sum of Rs 155 14 lacs are arrears which are more than five years old Out of which an amount of Rs 10 16 lacs have been recovered recoveries of Rs 46 37 lacs have been stayed by the Courts Rs 2 86 lacs are to be recovered from the defaulters who are staying outside State Leaving a balance of Rs 95 75 lacs for which efforts are being made by the Mining Officer posted in the field to recover the same as arrears of land revenue

After hearing the departmental representatives, the committee observed that some cases of recovery are very old and recovery in number of cases has been stayed by the Courts The Committee, therefore, recommends that recovery process be expedited and Court cases be pursued vigorously for their early settlement The committee also recommends that special attention be paid for recovery from the parties residing outside the State and progress report be sent to the Committee within a period of three months

[98] 5 1 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation Agriculture Public Health Home (Police) Mines and Minerals State Lotteries and Co operation conducted in audit during the year 1997 98 revealed under assessments and losses of revenue amounting

to Rs 4684 73 lakhs in 11108 cases as depicted below

Heads of Revenue	Number of cases	Amount (In lakhs of Rupees)
E Mines and Geology	380	479 70
(e) In the case of Mines and Geology the department accepted under assessment etc of Rs 5 53 lakhs in 5 cases which were pointed out in audit during 1997 98 out of which the department recovered an amount of Rs 3 23 lakhs in 5 cases Besides an amount of Rs 16 32 lakhs has also been recovered during 1997 98 in 19 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 C A G of India for the year 1996 97 a sum of Rs 479 70 lakhs have been shown against 380 cases of the department of Mines and Geology This para has further been sub divided into following categories —		
(1) <i>Non recovery of contract money & interest</i>		
Number of cases		78
Amount involved		251 44 lakhs
(2) <i>Short recovery of royalty from Brick kiln</i>		
Number of cases		278
Amount involved		15 89 lakhs
(3) <i>Non recovery of royalty and interest on the expired/terminated Mining lease</i>		
Number of cases		19
Amount involved		36 86 lakhs
(4) <i>Other irregularities</i>		
Number of cases		5
Amount involved		175 50 lakhs

1 Non recovery of contract money & interest

Mining contracts are given by public auction for minor mineral 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 1000/- then the highest bidder is required to deposit full contract money alongwith 25% security when the bid is more than Rs 1000/- and less than Rs 5 lacs per annum the highest bidder is required to deposit 25% bid amount as security and 1/12th of the bid amount as advance monthly instalment totalling to 33% of the bid in this sub para Rs 251 44 lacs have been shown to be recoverable in 78 cases. According to the latest reports received from field officers out of this amount a sum of Rs 119 50 lacs have been recovered leaving a balance of Rs 131 94 lacs for which they have already issued recovery certificate to recover these amount 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 on 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 Rs)
A Brick Kiln of capacity of 28 ghories or more of Kachi Bricks	9 400
B Brick Kiln of capacity of 22 to 27 ghories of Kachi Bricks	7 850
C Brick Kiln of capacity below 22 ghories of Kachi Bricks	6 250
D Not covered by way of the above category	1 750

A sum of Rs 15 89 lacs have been shown to be recoverable from 278 brick kiln owners out of which a sum of Rs 9 24 lacs have since been recovered recovering of balance amount of Rs 6 65 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 36 86 lacs in 19 cases a sum of Rs 10 000/- has since been recovered leaving a balance of Rs 36 76 lacs

4 Other irregularities

In other irregularities in 5 cases a sum of Rs 175 50 lacs has been shown as recoverable out of which a sum of Rs 2 57 lacs has since been recovered efforts are being made by the field officers for balance amount of Rs 172 92 lacs

After hearing the departmental representatives the Committee recommends that recovery process be expedited and Committee be informed accordingly within three months

[99] 5 8 Short recovery of contract money and interest

Under the Punjab Minor Minerals Concession Rules 1964 as applicable to Haryana a mining contract for quarrying is granted by auction or by accepting tenders from the highest bidder The contractor is required to deposit **25 per cent** of the annual bid money as security and another **25 per cent** (one twelfth of the bid money where value of contract exceeds Rs 5 lakhs) as advance payment immediately on the allotment of the contract The balance of the contract money is payable in advance either in monthly or quarterly instalments In the event of default in payment the competent authority may by giving a notice terminate the contract forfeit the security and the instalments paid in advance if any Interest at the rate of **24 per cent** per annum is also recoverable for the period of default in payment of instalments of contract money

(i) During the audit of records of the Assistant Mining Engineer (Department of Mines and Geology) Panchkula it was noticed (January 1998) that a contract for extraction of mineral from a quarry in village Fatehpur Diwanwala was granted to a contractor through auction for the period from 23 March 1996 to 31 March 1999 for an amount of Rs 1 10 03 000 per annum As per terms of the contract the contractor paid Rs 9 16 917 at the time of contract and the balance amount of contract money was payable in monthly instalments each of Rs 9 16 917 The contractor paid Rs 8 16 917 on 1 October 1996 on amount of monthly

instalment due from him instead of Rs 9 16 917 This resulted in short recovery of contract money of Rs 1 lakh Besides interest of Rs 34 520 (calculated prior to the date of payment) was also recoverable

On this being pointed out (January 1998) the department recovered Rs 1 30 lakhs (contract money Rs 1 lakh and interest Rs 0 30 lakh) on 9 March 1998 Further progress regarding recovery of balance amount of interest has not been received (October 1998)

The case was reported to Government in February 1998 their reply has not been received (October 1998)

(ii) During the audit of records of offices of Mining Officers (Department of Mines and Geology) Sonipat and Yamunanagar it was noticed (December 1996 and January 1998) that two contracts for extraction of sand etc from *Khatkar Zone* and *Kohliwala* quarries were granted (March 1993 and February 1996) through auction for the period from 8 4 1993 to 31-3 1996 and 8 4 1996 to 31 3 1999 respectively The contractors paid monthly instalments of contract money late by 14 to 237 days In the case of Sonipat contractor the department calculated interest of Rs 4 85 333 for belated payments against actual recoverable amount of Rs 5 73 203 No interest was levied in the case of Yamunanagar contractor This resulted into short payment of interest amounting to Rs 2 48 lakhs

On the omission being pointed out (December 1996 and January 1998) the department accepted the omission and recovered the full amount (Rs 1 60 lakhs) of interest in the months of March and April 1998 from Yamunanagar contractor In the case of Sonipat contractor it was intimated (February 1997) that the Collector Sonipat has been requested to recover the additional amount of interest alongwith the earlier demand of Rs 4 85 333 made in July 1996 Further reply in the matter has not been received (October 1998)

The cases were reported to Government in January 1997 and February 1998 their replies have not been received (October 1998)

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

- (i) A G Panchkula has intimated that short realisation of Rs 1 00 000/- as contract money and Rs 30 000/- as interest has been recovered and the same has been verified by the audit For recovery of the balance amount the contractor of Fatehpur Diwan.wala filed a civil writ petition before Hon ble High Court of Punjab and Haryana and the Hon ble High Court has granted stay on recovery of balance amount Next date of hearing in the case is fixed for 10 9 2001
- (ii) The Mining Officer Sonipat has intimated that in case Khatkar zone total amount of interest recoverable was Rs 5 73 203/- out of which an amount of Rs 2 23 340/- has been recovered from the contractor and efforts are being made to recover the balance amount of Rs 3 49 363/- Mining Officer Yamunanagar had informed Accountant General Haryana Chandigarh (Audit) on 7-4-1998 that the total amount of Rs 1 69 500/- on account of interest on belated payment of contract money has been recovered vide TC No 3 dated 11-3 1998 and TC No 101 dated 6-4 1998

After hearing the departmental representatives, the Committee recommends that Mining Officer, Sonapat may be directed to effect the recovery from the assesses at the earliest under intimation to the Committee

COOPERATION DEPARTMENT

[100] 1 6 Arrears in revenue

As on 31 March 1998 arrears of revenue under the principal heads of revenue as reported by the departments were as under

SI No	Heads of Revenue	Total arrears (Rupees in lakhs)	Arrears more than 5 years old	Remarks
7	Co-operation	121 76	42 70	The amount of Rs 121 76 lakhs was outstanding on account of audit fees against various Co-operative Societies

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

The registered Cooperative Societies are liable to pay audit fee subject to levy of audit fee till their coming under winding up process. These defunct Societies are liable to pay audit fee but recovery from them is difficult. It is possible only when either these societies start working or are finally wound up. Latest position of recovery of audit fee is as under —

	Total Arrear as on 31 3 98	Arrear more than five years
Audit fee	121 76	42 70
recovered	25 68	1 56
Balance	96 08	41 14

Efforts are being made to recover the remaining balance of audit fee. Hence it is requested that para may kindly be dropped.

After hearing the department the Committee desired that latest position in regard to recovery of balance audit fee be intimated to the Committee within three months.

NON TAX RECEIPTS

[101] 5.1 Results of Audit

Test check of records in departmental offices relating to revenues of Irrigation Agriculture Public Health Home (Police) Mines and Minerals State Lotteries and Co operation conducted in audit during the year 1997-98 revealed under assessments and losses of revenue amounting to Rs 4684.73 lakhs in 11108 cases as depicted below

Heads of revenue	Number of cases	Amount (In lakhs of rupees)
A Public Works (Irrigation)	1042	2425.60
B Agriculture	9	349.58
C Public Health	9412	272.13
D Home (Police)	94	825.84
E Mines and Geology	380	479.70
F Finance (State Lotteries)	61	288.09
G Co operation	110	43.79
Total	11108	4684.73

(g) In the case of Co operation the department accepted under assessments etc of Rs 0.49 lakh in 9 cases which were pointed out in audit during 1997-98. An amount of Rs 3.60 lakhs has also been recovered during 1997-98 in 1 case 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 and loss accounts prepared by the societies in their annual statement. 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. Progress of recovery of audit fee and settlement of cases is as under —

	No. of cases	Amount (in lacs)
Cases settled &	110	43.79
Amount recovered	97	19.11
Balance	13	24.68

Out of remaining balance of audit fee (Result of Audit) amounting to Rs 24.62 lacs also included in para 1.6 Arrear of Revenue receipt as on 31-3-98.

Efforts are being made to recover the balance amount. Hence it is requested that the para may be dropped.

After hearing the departmental representatives, the Committee recommends that balance amount be recovered at the earliest and the Committee be intimated within three months.

GENERAL**[102] 1 10 Outstanding inspection reports and audit observations**

(i) Audit observations on incorrect assessments short levy of taxes duties fees etc as also defects in initial records noticed during audit and not settled on the spot are communicated to the Heads of Offices and other departmental authorities through inspection reports Serious financial irregularities are reported to the Heads of Departments and Government The Heads of Offices are required to furnish replies to the inspection reports through the respective Heads of Departments within a period of two months

(ii) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1997 and which were pending settlement by the departments as on 30 June 1996 1997 and 1998 and given below

Particulars	At the end of June		
	1996	1997	1998
Number of inspection reports pending settlement	2165	2447	2229
Number of outstanding audit observations	4982	5775	5718
Amount of revenue involved	106 23	226 08	721 67
(Rupees in crores)			

(iii) Year wise break up of the outstanding inspection reports and audit observations as on 30 June 1998 is given below

Year	Number of outstanding		Amount of receipts involved
	Inspection reports	Audit observations	(Rupees in crores)
upto1992 93	443	606	2 86
1993 94	339	371	27 82
1994 95	356	696	13 57
1995 96	400	1221	46 07
1996 97	397	1477	108 57
1997 98	294	1347	522 78
Total	2229	5718	721 67

(iv) Department-wise break up of the inspection reports and audit observations relating to the years 1988 89 to 1997 98 (upto December 1997) and outstanding as on 30 June 1998 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	554	885	10 75	69
Excise and Taxation	516	2595	120 83	34
Transport	227	285	1 79	13
Forest	186	518	475 77	5
Others	746	1435	112 53	109
Total	2229	5718	721 67	230

The matter was brought to the notice of Government in June 1998 replies regarding steps taken to settle the outstanding inspection reports and Audit observations have not been received (October 1998)

This includes Stamp Duty and Registration Fees and Land Revenue

This includes "Sales Tax' Passengers and Goods Tax' Entertainments Duty and Show Tax' and "Prohibition and Excise

The details against Others" have been shown in Appendix II

Appendix II

(Refer para 1 10 (iv))

Outstanding Inspection Reports and Audit Observations

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		
1 Co-operation	73	105	5 16	13
2 Agriculture	50	116	0 27	—
3 P W D (B&R)	25	47	1 60	11
4 P W D Irrigation	190	383	19 85	13
5 Cane Commissioner	37	37	12 78	10
6 Medical	79	160	0 46	6
7 Industries	24	29	0 68	4
8 Public Health	55	126	5 57	16
9 Animal Husbandry	58	80	1 73	13
10 Lotteries	8	31	5 49	—
11 Electricity	10	27	47 92	—
12 Mines and Metallurgical Industries	85	203	7 31	8
13 Horticulture	13	35	0 06	—
14 Police	24	30	3 63	15
15 Food & Supplies	15	26	0 02	—
Total	746	1435	112 53	109

After going through the above statement, written replies sent by the concerned departments and also having some of the departments orally examined the Committee observed that a large number of inspection reports and audit objections relating to revenue receipts are still pending for settlement despite its earlier recommendations in 50th and 52nd Reports. The Committee, therefore, recommends that matter be expedited and progress report be sent to the Committee within three months.

The Committee further recommends that Finance Department may also ensure that the recommendations of the Committee are implemented meticulously.

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	PW D (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 Social 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 Kaul (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	PW D (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 & Linning of the Hansi Branch
17	Irrigation	20	Penal recovery of cost of coal issued to Kiln 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	Shrotfall 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	22	Faulty measurement of work resulting in over payment
44	Excise and Taxation	49	Uncollected revenue
45	Excise and Taxation	61	Duty not recovered on spint loss in bottling operation in excess of norms
46	Excise and Taxation	63	Non recovery of licence fee and interest
28th Report			
47	Education	5	Irregularities on release/utilisation of grant
48	Irrigation	10	Masani Barrage Project
49	PW D (B&R)	14	Shortage of Steel
50	Printing and Stationery	22	Stationery Branch
51	Police	26	Over payment of daily allowance
52	Development	30	Selection of works
53	Excise and Taxation	41	Registration of dealers under Sale Tax Act
54	Excise and Taxation	44	Non recovery of licence fee and interest
29th Report			
55	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
56	Irrigation	17	Excess issue of coal
57	Irrigation	21	Misappropriation
58	Irrigation	22	Miscellaneous Public Works Advances

1	2	3	4
59	Development	32	Forestry sector
60	Excise and Taxation	47	Non levy of penalty
61	Excise and Taxation	50	Non levy of penalty
62	Excise and Taxation	51	Non levy of penalty
63	Excise and Taxation	53	Interest not charged
64	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
65	Transport	58	Results of Audit
66	Revenue	62	Results of Audit
67	Revenue	63	Under valuation of immovable property
68	Mines and Geology	71	Results of Audit
32nd Report			
69	Industries	4	Development of small Industries
70	Industries	6	Outstanding recoveries of loan
71	Irrigation	10	Excess measurement
72	Irrigation	11	Injudicious purchase of machinery
73	Irrigation	12	Misappropriation
74	Irrigation	13	Wasteful expenditure on purchase of tractors
75	Irrigation	14	Recovery due from contractors
76	Irrigation	15	Remodelling of Chandani Drain
77	Irrigation	20	Shortage of stores
78	Revenue	25	Inadmissible payment
79	Town and Country Planning (HUDA)	35	Alleged embezzlement
80	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
81	Public Health	41	Urban water supply and sewerage scheme
82	Public Health	42	Commencement of work without sanction
83	Mines and Geology	47	Uncollected revenue
84	Mines and Geology	48	Results of Audit
85	Mines and Geology	49	Short recovery or non recovery of royalty on bricks

1	2	3	4
86	Agriculture	56	Embezzlement of licence fee money
87	Excise and Taxation	61	Uncollected revenue
88	Excise and Taxation	69	Irregular levy of tax at concessional rate
89	Excise and Taxation	71	Interest penalty not charged
34th Report			
90	Development and Panchayats	8	Irregular and wasteful expenditure on books
91	Industries	12	Review of the functioning of a few industries
92	Home	25	Absence of Area/Project approach
93	Revenue	29	Land reforms
94	Revenue	30	Compensation to landowner
95	Revenue	31	Consolidation of holdings
96	Irrigation	33	Substandard Work
97	Irrigation	42	Shortages
98	Irrigation	43	Shortages of material
99	Food and Supplies	47	Under Storage of wheat
100	Mines and Geology	55	Uncollected revenue
101	Mines and Geology	56	Non recovery short recovery of royalty
102	Excise and Taxation	63	Uncollected revenue
103	Excise and Taxation	66	Short levy/non levy of purchase tax
104	Excise and Taxation	69	Non levy of penalty
105	Excise and Taxation	70	Non filling the quarterly returns
106	Irrigation	72	Arrears of revenue
107	Irrigation	73	Short recovery of water charges
108	Irrigation	74	Non raising of demand
109	Chief Electrical Inspector	78	Uncollected revenue
110	Chief Electrical Inspector	80	Arrears of electricity duty
111	Chief Electrical Inspector	81	Reconciliation of treasury receipts
112	Public Health	82	Results of Audit
113	Revenue	83	Results of Audit

1	2	3	4
114	Revenue	84	Under valuation of immovable property
115	Revenue	86	Short recovery of stamp duty on exchange

36th Report

116	Local Self Government	3	Non recovery of Government dues
117	Printing and Stationery	6	Infructuous expenditure
118	Food and supplies	7	Loss due to storage of wheat
119	Transport	9	Irregular payment of overtime allowance
120	Industries	13	Non utilization of loan
121	Town and Country Planning	16	Loss on auction of a shop cum flat
122	Revenue	18	Inadmissible-gratuitous relief
123	Civil Aviation	19	Procurement operation and maintenance of aircraft
124	Public Health	20	Acceptance of sub standard material
125	Public Health	21	Recovery due from a contractor
126	Public Health	23	Consturction of a water tank
127	Haryana State Lotteries	25	Suspended misappropriation of Governmnet money
128	PW D (B&R)	29	Excess measurement
129	PW D (B&P)	31	Misappropriation of stroes
130	irrigation	37	Shortage of stores
131	Power (HSEB)	41	Acquisition of land
132	Revenue	43	Results of Audit
133	Revenue	45	Irregular grant of exemption
134	Revenue	46	Misclassification of instruments
135	Revenue	48	Uncollected Revenue
136	Mines and Geology	50	Non recovery/Short recovery of royalty
137	PW D (B&R)	51	Results of Audit
138	Excise and Taxation	53	Uncollected Revenue (PGT)
139	Excise and Taxation	54	Uncollected Revenue (State Excise)
140	Excise and Taxaon	58	Results of Audit (Sales Tax)

1	2	3	4
141	Excise and Taxation	59	Short levy/Non levy of purchase
142	Excise and Taxation	65	Exemption allowed in assessment
38th Report			
143	Public Relations	7	Field Publicity
144	Science and Technology	16	Evaluation and monitoring
145	Medical and Health	18	Stores and Stock
146	Irrigation	26	Sub standard execution of work
147	Irrigation	27	Under utilisation of Crawler Tractors
148	Irrigation	28	Excess payment of Earth Work
149	Irrigation	32	Surplus material
150	Irrigation	34	Other point of interest
151	Irrigation	35	Shortage/Misappropriation of material
152	Irrigation	36	Shortage of tiles
153	Public Health	39	Rural Water Supply Scheme
154	Public Health	41	Excess payment to the contractor
155	Public Health	42	Excess Payment
156	Public Health	43	Shortage of material
157	Mines and Geology	49	Outstanding inspection reports
158	Mines and Geology	50	Results of Audit
159	Mines and Geology	51	Receipts from Mines and Minerals
160	Agriculture	56	Interest not charged on belated payments
161	PWD (B&R)	61	Arrears of rent
162	PWD (B&R)	62	Sale of empty bitumens drum
163	Revenue	63	Outstanding inspection reports
164	Revenue	64	Results of Audit
165	Revenue	68	Misclassification of Instrument
166	Excise and Taxation	70	Assessments in arrears
167	Excise and Taxation	71	Uncollected revenue
168	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/ Supreme Court
169	Excise and Taxation	77	Non levy/Short levy of purchase tax

1	2	3	4
170	Excise and Taxation	79	Suppression of purchases
171	Excise and Taxation	80	Incorrect deduction from turnover
172	Excise and Taxation	81	Irregular stay of tax and interest
173	Excise and Taxation	85	Non-recovery of loss on re-auction of Vend
174	Excise and Taxation	86	Loss of Excise Duty due to issue of permit
175	Excise and Taxation	87	Recovery at the instance of Audit
40th Report			
176	Home	15	Non-recovery of telephone calls
177	Home	16	Outstanding Inspection Reports
178	Town and Country Planning	18	Non realization of service charges
179	Town and Country Planning	19	Delay in land acquisition cases
180	Town and Country Planning	20	Extra contractual payment.
181	Hospitality	21	Government dues on account of credit sales
182	Irrigation	23	Extra expenditure
183	Irrigation	25	Injudicious purchases
184	Public Health	32	Irregular expenditure
185	Public Health	33	Stores and stock
186	Public Health	34	Injudicious purchases
187	Public Health	35	Shortage of material
188	PW D (B&R)	37	Extra payment due to incorrect entries in Measurement Books
189	PW D (B&R)	38	Avoidable extra expenditure due to retendering
190	PW D (B&R)	39	Extra expenditure due to sputting up of work
191	Co-operation	41	Embezzlement
192	Food and Supplies	47	Damage caused to wheat in Storage
193	Supplies and Disposals	49	Extra expenditure due to retendering
194	Excise and Taxation	50	Assessment in arrears
195	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
196	Excise and Taxation	52	Uncollected Revenue (State Excise)

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197	Excise and Taxtion	54	Results of Audit
198	Excise and Taxtion	55	Delay in re assessment of remand cases
199	Excise and Taxtion	57	Appeals entertained without deposit of tax
200	Excise and Taxtion	59	Other intersting cases
201	Excise and Taxtion	60	Loss of revenue due to delays in assessment and demand of tax
202	Excise and Taxtion	61	Application of incorrect rate to tax
203	Excise and Taxtion	62	Non levy of tax
204	Excise and Taxtion	64	Irregular grant of exemption
205	Excise and Taxtion	66	Incorrect deduction on account of sales to registered dealers
206	Excise and Taxtion	68	Non levy of penalty
207	Excise and Taxtion	69	Interest not charged
208	Excise and Taxtion	71	Results of Audit (Entertainment duty of show tax)
209	Excise and Taxtion	74	Non recovery of duty on wastage in excess norms
210	Excise and Taxtion	75	Interest not charged
211	Revenue	79	Outstanding Inspection Reports
212	Revenue	80	Results of Audit
213	Revenue	81	Under valuation of immovable property
214	Revenue	82	Misclassifications of instruments
215	Revenue	83	Irregular grant of exemption
216	Revenue	84	Non/Short levy of stamp duty
217	Revenue	85	Irregular registration of supplementry deeds
218	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
219	Revenue	89	Embezzlement of Goverment revenue
220	Mines and Geology	93	Outstanding Inspection Reports
221	Mines and Geology	94	Results of Audit
222	Cooperation	95	Results of Audit

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42nd Report			
223	Irrigation	9	Excess payment of earth work
224	Irrigation	11	Excess payment due to inflated/ fictitious measurements
225	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
226	Irrigation	16	Unfruitful expenditure due to non energisation of pumps
227	Irrigation	17	Defective execution of work
228	Irrigation	18	Avoidable payment of interest
229	Irrigation	19	Unfruitful expenditure on a incomplete work
230	Transport	26	Performance of minibuses
231	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans
232	Agriculture	38	Unfruitful expenditure on idle equipment
233	Food and Supplies	42	Loss due to negligence
234	Public Health	52	Funding Pattern
235	Public Health	53	Targets and achievements
236	Public Health	54	Arrears due from municipalities
237	Public Health	55	Others points
238	Public Health	60	Inflated/Fictitious measurement
239	Public Health	61	Outstanding Inspection Reports and Paragraphs
240	Public Health	63	Infructuous expenditure on abandoned work
241	PW D (B&R)	68	Reserve Stock Limit
242	PW D (B&R)	71	Shortage of Tools and Plant
243	PW D (B&R)	73	Irregular purchase of material at higher rates
244	PW D (B&R)	74	Sub standard execution of work
245	Education	82	Fraudulent drawal of Leave Travel Concession
246	Education	84	Operation Blackboard
247	Social Welfare	88	Outstading Inspection Reports

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248	Cooperation	94	Irregular release of subsidy
249	Cooperation	95	Outstanding Inspection Reports/ Paraphs
250	Cooperation	98	Outstanding Inspection Reports
251	Cooperation	99	Results of Audit
252	Cooperation	100	Short recovery of audit fee
253	Revenue	101	Outstanding Inspection Reports
254	Revenue	102	Land Revenue
255	Revenue	103	Results of Audit
256	Revenue	104	Irregular exemption of stamp duty
257	Revenue	106	Recovery at the instance of Audit
258	Excise and Taxation	108	Uncollected Revenue
259	Excise and Taxation	109	Frauds and evasion of taxes
260	Excise and Taxation	110	Outstanding Inspection Reports
261	Excise and Taxation	111	Results of Audit.
262	Excise and Taxation	112	Details of appeals pending on 31 3-90
263	Excise and Taxation	113	Delay in taking up of appeal cases
264	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
265	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
266	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment
267	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
268	Excise and Taxation	120	Irregular grant of exemption certificate
269	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
270	Excise and Taxation	122	Other interesting cases
271	Excise and Taxation	123	Evasion of tax.
272	Excise and Taxation	125	Application of incorrect rate of tax
273	Excise and Taxation	126	Non/Short levy of interest
274	Excise and Taxation	127	Results of Audit.
275	Excise and Taxation	128	State Excise Duty

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276	Excise and Taxation	129	Loss of revenue due to re auction vends
277	Excise and Taxation	130	Short recovery of composite fee
278	Excise and Taxation	131	Non recovery of license fee and interest
279	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
280	Excise and Taxation	133	Interest not recovered
281	Excise and Taxation	134	Non recovery of penalties
282	Excise and Taxation	135	Assessments in arrears
283	Excise and Taxation	136	Uncollected Revenue
284	Excise and Taxation	138	Results of Audit
285	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
286	Excise and Taxation	140	Under assessments due to short/ non levy of purchase tax
287	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
288	Excise and Taxation	144	Short levy of penalty
289	Excise and Taxation	145	Results of Audit
44th Report			
290	Public Health	3	Sub Standard execution of work
291	Public Health	4	Recovery due from contractor
292	Public Health	6	Surplus materials
293	Public Health	8	Excess issue of materials
294	Irrigation	11	Extra expenditure due to defective lining
295	Irrigation	12	Surplus materials
296	Irrigation	14	Unnecessary purchase
297	Irrigation	17	Shortage of T&P articles
298	Irrigation	18	Extra expenditure due to change in design
299	Labour and Employment	20	Cost of sub standard medicines not recovered

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300	Social Welfare	21	Old Age Pension
301	Social Welfare	23	Payment of pension to ineligible persons
302	Social Welfare	26	Liberation of scavengers
303	Medical and Health	27	Family Welfare programme including India Population Project
304	Local Government and Housing	32	Financial outlay and expenditure
305	Local Government and Housing	33	Scheme of Employment through Housing and Shelter Upgradation (SHASU)
306	Rural Development	35	Non recovery of subsidy misutilised
307	Rural Development	36	Integrated Rural Development Programme
308	Town and Country Planning	38	Unfruitful Expenditure
309	Town and Country Planning	41	Functioning of State Planning Cell
310	Town and Country Planning	42	Idle investment
311	Town and Country Planning	43	Avoidable payment of interest
312	Printing and Stationery	44	Avoidable extra expenditure of bus tickets
313	Revenue	46	Mewat Development Board
314	Sports and Youth Welfare	47	Embezzlement of funds
315	Mines and Geology	48	Uncollected Revenue
316	Mines and Geology	49	Outstanding inspection Reports
317	Mines and Geology	50	Results of Audit
318	Mines and Geology	51	Short recovery of royalty and interest
319	Mines and Geology	52	Loss of revenue due to defective execution of lease deed
320	Mines and Geology	53	Short Calculation of interest
321	Mines and Geology	54	Uncollected Revenue
322	Mines and Geology	55	Outstanding Inspection Reports
323	Mines and Geology	56	Results of Audit
324	Mines and Geology	57	Non realisation of contract money and interest
325	Mines and Geology	58	Non recovery of dead rent and interest thereon

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326	Mines and Geology	59	Interest not charged on delayed payments
327	Mines and Geology	60	Uncollected revenue
328	Mines and Geology	61	Results of Audit
329	Mines and Geology	62	Non recovery of contract money and interest
330	Mines and Geology	63	Non recovery/Short recovery of royalty
331	Mines and Geology	64	Interest not charged
332	Revenue	65	Uncollected Revenue
333	Revenue	66	Uncollected Revenue (Land Revenue)
334	Revenue	67	Result of Audit
335	Revenue	68	Short levy of Stamp duty
336	Revenue	69	Under valuation of immovable property
337	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
338	Revenue	71	Irregular exemption of Stamp duty and registration fee
339	Revenue	72	Misclassification of instruments
340	Revenue	73	Uncollected Revenue
341	Revenue	74	Uncollected Revenue (Land Revenue)
342	Revenue	76	Results of Audit
343	Revenue	77	Short recovery of stamp duty on mortgage deed
344	Revenue	78	Irregular exemption of stamp duty
345	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
346	Revenue	80	Misclassification of instruments
347	Transport	81	Outstanding Inspection Reports
348	Transport	83	Review on taxes on motor vehicles
349	Transport	87	Short realisation of registration fee/transfer of ownership fee/hire purchase agreement fee

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350	Transport	88	Short realisation of permit/counter signature fee
351	Transport	89	Results of Audit Permit/Counter signature fee
352	Transport	90	Short realisation of permit/ Counter signature fee
353	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
354	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
355	Prohibition Excise and Taxation	94	Results of Audit
356	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
357	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
358	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding crossverifications
359	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
360	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
361	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
362	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
363	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
364	Prohibition Excise and Taxation	103	Other points of interest
365	Prohibition Excise and Taxation	104	Non/short levy of purchase tax
366	Prohibition Excise and Taxation	106	Results of Audit
367	Prohibition Excise and Taxation	107	Interest not charged
368	Agriculture	108	Non recovery of purchases tax and interest
369	Agriculture	109	Non recovery of purchase tax and interest
370	Power	111	Uncollected Revenue
371	Power	113	Shortfall in statutory inspection of electrical installations

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372	Power	114	Non Reconciliation of treasury receipts
373	Irrigation	116	Under assessment of water charges
374	Irrigation	117	Irregular remission of special charges
46th Report			
375	Home	4	Non recovery of charges in advance for deployment of police personnel
376	Housing	5	Infructuous expenditure
377	Housing	6	Loss owing to construction of houses on unapproved layout plan
378	Agriculture	7	Purchase of reverse rotary rig machine
379	Education	9	Improvement of science education in schools
380	PW D (B & R)	17	Other points of interest
381	PW D (B & R)	18	Extra expenditure
382	PW D (B & R)	21	Avoidable extra expenditure
383	PW D (B & R)	23	Surplus materials
384	PW D (B & R)	25	Short receipt of material
385	PW D (B & R)	26	Fictitious Adjustment
386	PW D (B & F)	27	Procurement of sub standard cement
387	Public Health	29	Unfruitful expenditure
388	Public Health	30	Outstanding Inspection Reports
389	Irrigation	33	Defective lining of Rhajuri distributary
390	Irrigation	34	Procurement of sub standard cement
391	Animal Husbandry	35	Outstanding Inspection Reports/ Paragraphs
392	Haryana State Lotteries	36	Appointment of main stockists
393	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
394	Haryana State Lotteries	39	Outstandings against Sales Officers
395	Haryana State Lotteries	40	Other points of interest

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396	Prohibition and Excise	41	Arrears in revenue
397	Prohibition and Excise	42	Results of Audit
398	Commercial Taxes	43	Arrears in revenue
399	Commercial Taxes	44	Arrears in assessment
400	Commercial Taxes	46	Outstanding inspection reports and audit observations
401	Commercial Taxes	47	Results of Audit
402	Commercial Taxes	48	Sales Tax Check Barriers
403	Commercial Taxes	50	Short levy of Purchases Tax
404	Commercial Taxes	51	Non/Short levy of interest and penalty
405	Commercial Taxes	52	Results of Audit
48th Report			
406	Rural Development	3	Implementation and Achievement
407	Agriculture	4	Arrears in revenue
408	Animal Husbandry	8	Frauds and evasion of taxes/duties
409	Animal Husbandry	9	Outstanding inspection reports and audit observations
410	Animal Husbandry	10	Results of Audit
411	Co operation	11	Arrears in revenue
412	Mines and Geology	14	Arrears in revenue
413	Mines and Geology	15	Outstanding inspection reports and audit observations
414	P W D (B & R)	17	Outstanding inspection reports and audit observations
415	Industries	18	Outstanding inspection reports and audit observations
416	Transport	19	Outstanding inspection reports and audit observations
417	Transport	20 (192)	Outstanding audit objections in Internal Audit.
418	Transport	21	Results of Audit
419	Agriculture	23	Outstanding inspection reports/ paragraphs
420	Food and Supplies	25	Extra expenditure
421	Housing	27	Avoidable liability of interest
422	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants

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423	Education	29	Purchases without assessment of requirement
424	P W D (B&R)	31	Irregular/Excess expenditure on execution of works
425	P W D (B&R)	32	Outstanding inspection reports
426	Excise and Taxation	33	Arrears in revenue
427	Excise and Taxation	34	Arrears in assessment
428	Excise and Taxation	35	Frauds and evasion of taxes/duties
429	Excise and Taxation	36	Outstanding inspection reports and audit observations
430	Excise and Taxation	37	Results of Audit
431	Excise and Taxation	39	Non/Short levy of tax
432	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
433	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
434	Excise and Taxation	45	Non levy of interest and penalty
435	Excise and Taxation	46	Results of Audit
436	Excise and Taxation	47	Non observance of internal control mechanism
437	Excise and Taxation	50	Short recovery of entertainments duty
50th Report			
438	Finance (Lotteries)	3	Printing of lottery tickets
439	Industries	5	Capital investment subsidy
440	Industries	6	Irregular release/nonrecovery of assistance
441	Social Welfare	8	Panjiri Plants
442	Home (Jail)	9	Injudicious purchase
443	Public Health	11	Rural water supply schemes
444	Public Health	12	Other points
445	Public Health	13	Recovery due from contractor
446	Irrigation	15	Avoidable extra payment of land compensation
447	Irrigation	16	Defective Lining
448	Irrigation	18	Stores and Stock

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449	Irrigation	19	Non fixation/Non sanction of Reserve Stock Limit
450	Irrigation	20	Tools and plants returns
451	Irrigation	21	Physical verification
452	Irrigation	22	Surplus materials
453	Revenue	23	Excess payment of grant
454	Town and Country Planning	24	Construction of Building and Roads by HUDA
455	Town and Country Planning	25	Construction of Building
456	Town and Country Planning	26	Test check of records relating to construction of roads
457	Town and Country Planning	27	Other points of interest
458	Town and Country Planning	28	Non recovery of compounding fee
459	Town and Country Planning	29	Avoidable payment of interest
460	Transport	30	Material Management and Inventory control
461	Transport	31	Loss on wreckers
462	Transport	32	Purchase of Sub-standard tubes of butyl rubber
463	Transport	35	Avoidable payment of compensation and interest thereon
464	Forest	36	Generation of employment
465	Forest	38	Alkali/saline land plantation
466	Animal Husbandry	42	Unfruitful expenditure on poultry marketing
467	Home	44	Unauthorised expenditure
468	Medical and Health	45	Unfruitful expenditure on TB ward
469	Social Welfare	46	Outstanding inspection reports
470	PWD (B&R)	47	Construction of Major Building including Staff Quarters
471	PWD (B&R)	48	Time overrun
472	PWD (B&R)	49	Execution of works without technical sanction of cost estimates
473	PWD (B&R)	50	Work progress control mechanism
474	PWD (B&R)	51	Quality Control
475	PWD (B&R)	52	Undue financial favour to the

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			contractors
476	PWD (B&R)	53	Other points of interest
477	PWD (B&R)	54	Excess payment
478	PWD (B&R)	55	Fictitious debit to work
479	PWD (B&R)	56	Monitoring
480	PWD (B&R)	57	Reimbursement claims
481	PWD (B&R)	58	World Bank and Asian Development bank loan
482	PWD (B&R)	59	Physical targets and achievements
483	PWD (B&R)	60	Execution
484	PWD (B&R)	61	Release of advances not covered by agreement
485	PWD (B&R)	62	Non deduction of un conditional rebate and irregular payment to compensate income tax/sales tax deductions at source
486	PWD (B&R)	63	Excess payment of price increase on diesel
487	PWD (B&R)	64	Under utilisation/idle machinery
488	PWD (B&R)	65	Irregular adjustment of expenditure
489	PWD (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
490	PWD (B&R)	67	Infructuous expenditure on construction of swimming pool
491	PWD (B&R)	68	Avoidable expenditure due to non observance of codal provisions
492	PWD (B&R)	69	Loss due to defect in enforcement of the agreement
493	Irrigation	70	Loss and avoidable extra expenditure due to non fulfilment of contractual obligations
494	Irrigation	71	Outstanding inspection reports
495	Public Health	72	Stores and Stock
496	Rural Development	75	Payment of wages
497	Rural Development	76	Quality Controls
498	Rural Development	77	Other points

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499	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
500	Rural Development	79	Non recovery of misutilised subsidy
501	Town and Country Planning	80	Non levy of Penalty
502	Town and Country Planning	81	Non recovery of auction money
503	Town and Country Planning	82	Non transfer of developed sectors
504	Transport	83	Infructuous expenditure on printing of tickets
505	Transport	86	Avoidable payment of compensation due to delay in renewal of insurance policy
506	Transport	87	Avoidable payment of compensation due to incorrect filing to affidavit before the tribunal
507	Food and Supplies	88	Loss due to wrong charging of cost of gunny bags
508	General	89	Misappropriation defalcations etc
509	General	90	Write off of losses etc
510	General	91	Final assistance to local bodies and others
511	Revenue	92	Arrears in revenue
512	Revenue	93	Frauds and evasion of taxes/duties
513	Revenue	94	Results of Audit
514	Revenue	95	Internal Audit
515	Revenue	96	Results of Audit
516	Revenue	97	Stamp duty and Registration Fees
517	Revenue	98	High Pendency of cases of undervaluation with Collectors
518	Revenue	99	Misclassification of instruments
519	Revenue	100	Short levy of stamp duty
520	Revenue	101	Pre audit of registrable documents
521	Revenue	102	Arrears in Revenue
522	Revenue	103	Frauds and evasion of taxes/duties
523	Revenue	104	Results of Audit
524	Revenue	105	Outstanding audit objections in Internal Audit

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525	Revenue	106	Results of Audit
526	Revenue	107	Short recovery of stamp duty on mortgage deed
527	Revenue	108	Evasion of stamp and registration fees through power of attorney
528	Revenue	109	Evasion of Stamp Duty
529	Chief Electrical Inspector	110	Arrears in revenue
530	Transport	111	Results of Audit
531	Mines and Geology	112	Results of Audit
532	Mines and Geology	113	Non recovery of interest for late deposit of contract money
533	Co operation	114	Arrears in revenue
534	Animal Husbandry	115	Frauds and evasion of taxes/duties
535	Excise and Taxation	116	Arrears in revenue
536	Excise and Taxation	117	Arrears in assessment
537	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
538	Excise and Taxation	119	Under assessment
539	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
540	Excise and Taxation	121	Under assessment
541	Excise and Taxation	122	Under assessment
542	Excise and Taxation	123	Under assessment
543	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
544	Excise and Taxation	125	Non short levy of purchase tax
545	Excise and Taxation	126	Results of Audit
546	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
547	Excise and Taxation	128	Low yield of spirit
548	Excise and Taxation	129	Loss of spirit due to re distillation
549	Excise and Taxation	130	Non recovery of excise duty where verification reports are not received

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550	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
551	Excise and Taxation	132	Other points of interest
552	Excise and Taxation	133	Interest short charged
553	Excise and Taxation	134	Short realisation of composite fee
554	Revenue	135	Results of Audit
555	Revenue	136	Short levy of stamp duty due to misclassification of instruments
556	Revenue	137	Arrears in revenue
557	Transport	138	Results of Audit
558	Mines and Geology	139	Arrears in revenue
559	Mines and Geology	140	Results of Audit
560	Agriculture	141	Arrears in revenue
561	Agriculture	142	Results of Audit
562	Agriculture	143	Non recovery of purchase tax and Interest
563	Irrigation	144	Results of Audit
564	Irrigation	145	Short recovery of water charges
565	Finance (Lotteries)	146	Results of Audit
566	General	147	Outstanding inspection reports and audit observations
567	General	148	Recoveries of interest of Loans and Advances

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568	Rural Development	3	MP Local Area Development Scheme
569	Education	4	Total Literacy Campaign
570	Education	5	Colour television under Education Technology Scheme lying unused
571	Education	6	Extra expenditure on purchase of paper
572	Agriculture	9	Loans to Companies/Corporations
573	Agriculture	10	Outstanding Inspection Reports/ paragraphs
574	Agriculture	11	Production and Distribution of Seeds and Development Schemes for Major Crops

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575	Agriculture	12	Chaudhary Charan Singh Haryana Agriculture University Hisar
576	Agriculture	13	Other points of interest
577	Agriculture	14	Irregular Adhoc appointments
578	Agriculture	15	Non recovery of principal and interest from Sugar Mills
579	Revenue	16	Withdrawal of funds twice against one sanction and keeping of the funds outside the Government accounts
580	Revenue	17	Misutilisation of funds meant for flood relief
581	Technical Education	18	Central grant for establishment of Community Polytechnics lying unused for 10 years
582	Technical Education	19	Incomplete and defective supply of machinery to polytechnics
583	Forest	20	Payment of Rs 12 74 lakh for fictitious earth work for plantation
584	Industries	21	Outstanding Inspection Reports
585	Transport	22	Sanction Procurement and Utilisation of Government vehicles
586	Transport	23	Maintenance and repairs of vehicles
587	Transport	24	Inventory of stores
588	Transport	25	Miscellaneous irregularities and avoidable expenditure
589	Irrigation	26	Drainage Flood Control Bank Protection and Anti Water Logging Schemes
590	Irrigation	27	Physical targets and achievements
591	Irrigation	28	B-Non execution of approved works
592	Irrigation	29	Delay in completion of works
593	Irrigation	30	Other points of interest
594	Irrigation	31	Surplus spare parts of machinery
595	Irrigation	32	Infructuous expenditure on a work executed without technical approval from competent authority

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596	Irrigation	33	Extra expenditure due to adoption of higher rates in departmental through rates
597	Irrigation	34	Excess payment of compensation due to incorrect application of rates
598	Irrigation	35	Unfruitful expenditure due to non commissioning of an irrigation channel
599	Irrigation	36	Irregular retention of money out of Government account resulting in loss of interest
600	Irrigation	37	Avoidable extra expenditure due to issue of incomplete notification for acquisition of land
601	Irrigation	38	Outstanding audit observations
602	Irrigation	39	Miscellaneous Public Works Advances
603	PW D (B&R)	40	Infructuous expenditure on construction of a road
604	PW D (B&R)	41	Blocking of funds due to non utilisation of a road constructed without railway level crossing
605	PW D (B&R)	42	Delay in construction of Mini Secretanat
606	PW D (B&R)	43	Miscellaneous Public Works Advances
607	PW D (B&R)	44	Stores and Stock
608	PW D (B&R)	45	Purchase without sanctions
609	PW D (B&R)	46	Short receipt of material
610	Public Health	47	Consturction of unusable bathing ghats in Yamunanagar
611	Public Health	48	Outstanding audit observations
612	Public Health	49	Miscellaneous Public Works Advances
613	Town & Country Planning	50	Loss due to delayed implementation of Government order regarding revised rates of water and sewerage charges

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614	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
615	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
616	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
617	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
618	Housing	55	Irregular retention of funds outside the Government Accounts
619	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
620	Housing	57	Over payment to contractors due to manipulation of Schedule of Rates items
621	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
622	Housing	59	Blocking of funds due to improper planning in construction of shops and amenities
623	Social Welfare	60	Embezzlement of Rs 3 99 lakh
624	Environment	61	Haryana State Pollution Control Board
625	Printing and Stationery	62	Loss due to return of waste paper against unused good quality paper
626	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
627	General	64	Misappropriations defalcations etc
628	General	65	Write off of losses etc
629	General	66	Financial Assistance to Local Bodies and others
630	Animal Husbandry	67	Arrears in revenue
631	Revenue	68	Arrears in revenue

1	2	3	4
632	Revenue	69	Results of Audit
633	Revenue	70	Short levy of Stamp Duty due to misclassification of instruments
634	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
635	Power (Chief Electrical Inspector)	72	Arrears in revenue
636	Power (Chief Electrical Inspector)	73	Results of Audit
637	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
638	Power (Chief Electrical Inspector)	76	Non charging of electricity duty on extended load
639	Power (Chief Electrical Inspector)	77	Short realisation of electricity duty due to application of incorrect rates
640	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
641	Transport	79	Results of Audit
642	Transport	80	Non recovery of token tax
643	Co operation	81	Arrears in revenue
644	Co operation	82	Results of Audit
645	Co operation	83	Revenue receipts (other than interest) from Co operative Societies
646	Co operation	84	Arrears in realisation of audit fee
647	Co operation	85	Non deposit of dividend on Share Capital of State Government
648	Haryana State Lotteries	86	Results of Audit
649	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
650	Agriculture	88	Arrears in revenue
651	Agriculture	89	Results of Audit
652	Agriculture	90	Non recovery of purchase tax and interest
653	Irrigation	91	Results of Audit
654	Mines and Geology	92	Results of Audit
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656	Excise and Taxation	94	Arrears in revenue
657	Excise and Taxation	95	Arrears in assessment
658	Excise and Taxation	96	Frauds and evasions of taxes/ duties

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659	Excise and Taxation	97	Results of Audit
660	Excise and Taxation	98	Exemption/deferment from payment of tax to new industries
661	Excise and Taxation	99	Non recovery of tax
662	Excise and Taxation	100	Under assessment due to irregular exemption
663	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
664	Excise and Taxation	102	Under assessment due to non submission of declaraton forms
665	Excise and Taxation	103	Under assessment due to application of incorrect rates of tax
666	Excise and Taxation	104	Arrears in assessments
667	Excise and Taxation	105	Evasion of tax due to suppression of purchases
668	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
669	Excise and Taxation	107	Incorrect levy of concessional rate of tax
670	Excise and Taxation	108	Inadmissible deduction from turnover
671	Excise and Taxation	109	Non levy of purchase tax
672	Excise and Taxation	110	Irregular stay of tax
673	Excise and Taxation	111	Application of incorrect rate of tax
674	Excise and Taxation	112	Non levy of tax
675	Excise and Taxation	113	Short levy of tax
676	Excise and Taxation	114	Under assessment due to excess rebate
677	Excise and Taxation	115	Non levy of penalty
678	Excise and Taxation	116	Non-reconciliation of revenue deposits into treasury
679	Excise and Taxation	117	Results of Audit
680	Excise and Taxation	118	Short/non recovery of passanger tax.
*681	General	119	Outstanding Inspection Report and audit observations

Note Out of the total 681 paras 118 paras are pending in the various Courts as intimated by the concerned departments

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