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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE

(2007-2008)

(SIXTY SECOND REPORT)

REPORT

ON THE

REPORTS OF THE

**Comptroller and Auditor General
of India for the years ended**
(i) 31st March, 2002 (Revenue Receipts)
(ii) 31st March, 2003 (Civil)



(Presented to the House on 28th March, 2008)

HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
2008

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2007-08)**

CHAIRPERSON

- 1 Shri Shamsher Singh Surjewala

MEMBERS

- 2 Shri Venod Kumar Sharma
- 3 Shri Tejender Pal Singh Mann
- 4 Dr Sita Ram
- 5 Maj Nirpender Singh Sangwan
- 6 Smt Sumita Singh
- 7 Rao Yadvender Singh
- 8 Shri Sukhbir Singh Jaunpura
- 9 Shri Kulvir Singh Beniwal

SECRETARIAT

- 1 Shri Sumit Kumar Secretary
 - 2 Shri Kuldip Singh Additional Secretary
-

INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Sixty Second Report on the Reports of the Comptroller and Auditor General of India for the years ended 31st March 2002 (Revenue Receipts) and 31st March 2003 (Civil)

2 The Reports of the Comptroller and Auditor General of India for the years ended 31st March 2002 (Revenue Receipts) and 31st March 2003 (Civil) were laid on the Table of the House on 5th March 2003 and 13th February 2004 respectively

3 The Committee examined the Reports of the Comptroller and Auditor General of India for the years ended 31st March 2002 (Revenue Receipts) and 31st March 2003 (Civil) and also conducted the oral examination of the representatives of the concerned departments. The Public Accounts Committee in its meeting held on 10-4-2007 under rule 231(9) has appointed its Sub Committee from amongst its Members to identify/scrutinize all the paras of remaining Reports of the C & A G of India which involve huge financial irregularities and require to be discussed by the whole Committee and to scrutinize the replies received from the departments in respect of implementation of recommendations made by the Committee in its various Reports and to make further observations thereon. The Sub Committee has partly scrutinized/identified important paras of the C & A G Report for the year 2001-2002 (Civil and Revenue Receipts) and for the year 2002-2003 (Civil) and also scrutinized the replies received from the departments in respect of implementation of recommendations made by the Committee in its various Reports and made further observations thereon.

4 The Committee considered and approved this Report at their sitting held on 10th March 2008.

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

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

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

Chandigarh
The 10th March 2008

SHAMSHER SINGH SURJEWALA
CHAIRPERSON

(v)

REPORT

GENERAL

1 The Committee for the year 2007-2008 was nominated on 7th April 2007 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 13th March 2007 authorizing him to nominate the Members of the Committee on Public Accounts of the year 2007-2008

2 The Committee held 56 meetings in all at Chandigarh and other places upto 10-3-2008

Part-I 2001–2002
(Revenue Receipts)

EXCISE & TAXATION DEPARTMENT

[3] 14 Arrears in revenue

As on 31 March 2002 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 crore)		
1	2	3	4	5
1	Taxes on sales trade etc	390 85	113 91	Demand for Rs 28 05 crore was covered by recovery certificates Rs 7291 crore stayed by Courts and other Appellate Authorities Rs 7 96 crore was held up due to dealers becoming insolvent and demand for Rs 11 36 crore was proposed to be written off Specific action taken to recover remaining amount of Rs 270 57 crore was not intimated
2	Taxes and Duties on Electricity	52 69	29 49	Rs 0 38 crore was recoverable from M/s Rama Fiber Bhiwani Rs 0 30 crore from M/s Dadri Cement Factory Charkhi Dadri Rs one crore from M/s Haryana Concast Hisar Rs 0 16 crore from M/s Competent Alloys Ballabgarh and a sum Rs 50 85 crore from consumers by Haryana Vidyut Prasaran Nigam
3	State Excise	23 39	10 28	Rs 1 22 crore was covered under recovery certificates Rs 13 86 crore was stayed by High Courts and other Judicial Authorities Rs 0 33 crore was proposed to be written off Action taken to recover the remaining amount of Rs 7 98 crore was not intimated by the department
4	Taxes on Goods and Passengers	32 33	7 63	Rs 0 12 crore was stayed by the courts Specific action taken to recover the remaining amount of Rs 32 21 crore was not intimated by the department
5	Non ferrous mining and Metallurgical industries	5 04	3 05	Rs 1 82 crore was covered under recovery certificates Rs 0 22 crore was stayed by High Court and other Judicial Authorities Rs 0 03 crore was held up due to pending rectification/ review applications Rs 0 01 crore was proposed to be written off and detailed break up of remaining amount of Rs 2 96 crore was not available with the department

1	2	3	4	5
6	Police	1 20	0 82	The amount was due from 6 States
7	Other taxes and duties on commodities and services			
	(i) Receipts under the Sugarcane (Regulation of Purchase and Supply) Act	9 04	3 33	
	(ii) Receipts under entertainment duty and show tax	1 20	0 19	
Total		515 74	168 70	

The arrears outstanding for more than 5 years constituted 33 per cent of total arrears

The department in its written reply stated as under —

Action taken by the Department

This para is based on information supplied by the department to the A G (Audit) Haryana. Out of total arrear in revenue of Rs 390 85 crore Rs 176 19 crore stands recovered up to 30 9 2007 leaving a balance of Rs 214 66 crore. The reason-wise details of balance arrear are given below —

(Amount in lacs)

1	Under Stay	5599 81
2	Under Liquidation	7395 49
3	Inter State arrear	3697 89
4	Inter Distt Arrear	303 33
5	For writing off	1250 43
6	Property attached	1047 33
7	Under installments	66 35
8	Net recoverable	2105 40
TOTAL		21466 03

State Excise

The total arrear was Rs 23 39 crore. Rs 12 96 crore have been recovered upto 30 9 2007 leaving a balance of Rs 10 43 crore. The reason wise breakup of balance

arrear are as under —

(Amount in lacs)

1	Under Stay	269 42
2	Inter State arrear	178 74
3	Inter Distt Arrear	63 91
4	For writing off	41 39
5	Property attached	226 96
6	Under installments	22 34
7	Net recoverable	240 66
TOTAL		1043 42

TAXES ON PASSENGER AND GOODS TAX

Out of total arrear in revenue of Rs 32 33 crores Rs 25 41 crore have been recovered upto 30 9 2007 leaving of a balance of Rs 6 92 crore The reason wise balance arrears are as under —

(Amount in lacs)

1	Under stay	26 91
2	Inter State Arrear	211 23
3	For writing off	0 37
4	Net recoverable	453 61
Total		692 12

ENTERTAINMENT DUTY AND SHOW TAX

Out of total arrear of Rs 1 20 crore Rs 0 13 crore have been recovered upto 30 9 2007 leaving a balance of Rs 1 07 crore The reason-wise breakup of balance arrear are as under —

(Amount in lacs)

1	Under Stay	106 07
2	Under Liquidation	0 25
3	Net recoverable	0 42
Total		106 74

The Committee desired that latest position of recovery under all the heads of revenue be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee Quarterly Progress Report be sent to the Committee accordingly

[4] 1 5 Arrears in assessment

The details of assessment cases of Taxes on Sales Trade etc and Passengers and Goods Tax pending at the beginning of the year cases becoming due for assessment during the year cases disposed of during the year and the number of cases pending at the end of each year during 1997-98 to 2001-2002 as furnished by the department are given below —

Year		Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	percentage of col 5 to col 4
1997-98	ST	160524	147059	307583	194116	113467	63
	PGT	757	628	1385	688	697	50
1998-99	ST	113467	96544	210011	123595	86416	59
	PGT	697	775	1472	576	896	39
1999-2000	ST	86416	199560	285976	127082	158894	44
	PGT	896	651	1547	567	980	37
2000-2001	ST	158894	168142	327036	164418	162618	50
	PGT	980	472	1452	450	1002	31
2001-2002	ST	162618	159063	321681	114003	207678	35
	PGT	1002	693	1695	555	1140	33

The above table shows that number of pending cases in respect of Taxes on Sales Trade etc at the beginning of 1997-98 was 160524 which had gone upto 207678 at the end of 2001-2002 registering an increase of about 29 per cent while the percentage of finalisation of assessment cases decreased from 63 per cent in 1997-98 to 35 per cent in 2001-2002. The percentage of finalisation of assessment cases in respect of taxes on Passengers and Goods Tax decreased from 50 per cent during 1997-98 to 33 per cent in 2001-2002.

The department in its written reply stated as under —

In the CAG Report for the year 2001-02 there were 208818 (207678 ST + 1140 PGT) cases shown pending for assessment. Out of which 208176 cases (207062 ST + 1114 PGT) have been disposed of upto 15-10-2007 leaving a balance of 642 cases (616 ST + 26 PGT). Efforts are being made to clear the balance cases at the earliest.

The Committee desired that latest position of recovery under all the heads of revenue be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee. Quarterly Progress Report be sent to the Committee accordingly.

[5] 1 6 Frauds and evasions of taxes/duties

The 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 2002 as supplied (July 2002) by the respective departments are given as under —

Name of tax/duty	Cases pending as on 31 March 2001	Cases detected during the year 2001 2002	Total (2+3)	Number of cases in which assessments/ investigations completed and additional demand including penalty raised	Amount of demand (Rupees in crore)	Number of cases pending finalisation as on 31 March 2002 (4+5)
Taxes on Sales Trade etc	129	1736	1865	1694	2 78	171
Passengers and Goods Tax	62	6270	6332	6270	2 62	62
Entertainment Duty and Show tax	Nil	23	23	23	0 01	Nil

The department in its written reply stated as under —

ST

Out of 171 cases 165 cases have been disposed off by creating an additional demand of Rs 295 42 lacs ou of which Rs 148 33 lacs stands recovered leaving a balance of Rs 147 09 lacs Remaining 6 cases are still under process and concerned DETC s have been directed to dispose off these cases early

PGT

All the 62 cases of fraud and evasion of passenger & goods tax have been disposed off by creating an additional demand of Rs 0 48 lakh The additional demand of Rs 0 48 lakh have also been recovered The para may kindly be dropped

The Committee desired that latest position of recovery in respect of Sales Tax be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee Progress Report be sent to the Committee accordingly

[6] 2 1 Results of Audit

Test-check of sales tax assessments refund cases and other connected records conducted during the year 2001-2002 revealed under-assessments etc of sales tax amounting

to Rs 198 00 crore in 666 cases which broadly fall under the following categories —

Sl No	Particulars	Number of cases	Amount (Rupees in crore)
1	Incorrect computation of turnover	205	10 29
2	Application of incorrect rate of tax	83	3 83
3	Non levy of interest	54	3 08
4	Non-levy of penalty	9	0 69
5	Under-assessment of turnover under CST Act	85	3 14
6	Other irregularities	229	9 69
7	Review on Exemption and deferment from payment of sales tax to new industrial units	1	167 28
Total		666	198 00

During the year 2001-2002 the department accepted under-assessment of tax of Rs 27 80 crore involved in 104 cases of which 13 cases involving Rs 26 46 crore had been pointed out in audit during 2001 2002 and the rest in earlier years. An amount of Rs 2 46 crore had been recovered in 52 cases during the year 2001 02 of which Rs 0 61 crore recovered in 48 cases related to earlier years.

A few illustrative cases involving Rs 3 28 crore and a review on Exemption and deferment from payment of sales tax to new industrial units involving Rs 167 28 crore are mentioned in the following paragraphs.

The department in its written reply stated as under —

Out of total 665 cases involving an amount of Rs 3072 38 lacs have been reviewed with the following results —

Number of cases	Amount pointed out by audit (Rs in lacs)	Result of Review
82	274 61	Settled with additional demand
382	1897 05	Settled without demand
201	900 72	Cases awaiting observation by A G
665	3072 38	Total

As regards the remaining one case involving an amount of Rs 167 28 crores as per Sr No 7 of the table reply is given in succeeding para 2 2 5 to 2 2 12.

The Committee desired that the latest position in this regard be sent to the Committee and the outstanding cases be reconciled with the A G Office. Quarterly Progress Report be sent to the Committee accordingly.

[7] 2 2 6 Assessments in arrear

Under the provisions of HGST Rules 1975 the assessment of an eligible industrial unit holding exemption/entitlement certificate shall be framed in accordance with the provisions of the Act and Rules framed thereunder as early as possible and shall be completed by 31 December in respect of the assessment year immediately preceding thereto

During test check of records it was noticed (between July 2001 and March 2002) that in 10 sales tax districts 1120 assessment cases involving tax exemption/deferment of Rs 394 74 crore were pending assessment as on 31 March 2002 as detailed below —

Year	No of cases	Amount of exemption/ deferment (Rupees in crore)
1996-97	61	49 32
1997-98	140	43 04
1998-99	239	149 69
1999-2000	324	97 89
2000-2001	356	54 80
Total	1,120	394 74

The department in its written reply stated as under —

Out of 1120 cases 1068 cases have been disposed off thereby leaving balance of 52 cases. The pendency is mainly on account of cases being subjudice. However the DETCs have been directed to clear them as soon as possible.

The Committee desired that latest position of recovery be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee. Progress Report be sent to the Committee.

[8] 2 2 7 Irregularities in the grant of eligibility certificates

The eligibility certificates are issued by the Industries Department on the basis of recommendations of High Level Screening Committee (HLSC) and Lower Level Screening Committee (LLSC). Elaborate internal control mechanism comprising receipt of applications in the prescribed proforma, its scrutiny at various levels and decision by competent officers regarding grant of eligibility has been prescribed in the Act/Rules. Audit scrutiny revealed that the departmental authorities did not ensure the correct implementation of various provisions of the Act/Rules/Policy while granting eligibility certificates. A few illustrations of their failure are given below.

(iii) Incorrect computation of fixed capital investment

As per Rule 28 A (2) (g) and 28 B (3) (g) of the Haryana General Sales Tax Rules 1975 fixed capital investment means investment in land under use, new building, new plant and machinery (including generating set), tools and equipment, directly imported second hand machinery and will cover all the assets of the unit as erected at site and paid for as on any day falling within 60 days after the date of commencement of commercial production.

During test-check of the records of 9** offices for the period 1996-97 to 2000-2001 it was noticed (between July 2001 and January 2002) that while fixing the quantum of tax exemption/deferment of 73 units ineligible articles/elements were included in the Fixed Capital Investment (FCI) for allowing sales tax exemption/deferment of tax. This resulted in excess grant of exemption/deferment of tax of Rs 23.34 crore as per details given below —

Sr No	Name of Offices	No of units	Name of Inadmissible items/Nature of irregularities	Fixed Capital Investment excess allowed	Eligibility excess allowed	Departmental replies
(Rupees in lakh)						
1	Director of Industries Haryana Chandigarh	30	Cost of old machinery (not imported) old building travelling expenses unapproved technical know how transformer stamp duty air tickets payments beyond 60 days telephone charges etc were included in FCI	1 715 71	1 913 94	In one case Director of Industries stated (March 2002) that the case will be placed in next HLSC and in another case stated (October 2001) that cost of old machinery (not imported) was allowed by the Secretary Industries. Reply was not tenable as there is no such provision for inclusion of the cost of machinery under the rule. Reply in the remaining 28 cases was awaited (November 2002).
2	GMDIC Ambala	4	Cost of thermic oil and cost of transformer were included in FCI. Besides calculation error was noticed.	15 30	23 04	Departmental reply was awaited (November 2002).
3	GMDIC Gurgaon	7	Cost of staff quarters old machinery (not imported) and payment beyond 60 days were included in FCI. Calculation mistakes were also found.	53 91	87 13	GMDIC Gurgaon stated (February 2002) that tax exemption of Rs 2.69 lakh has been reduced in two cases. Reply in the remaining 5 cases was awaited (November 2002).
4	GMDIC Bahadurgarh (Jhajar)	11	Cost of old machinery (not imported) trans former old building and stamp duty were included in FCI.	55 63	77 88	GMDIC Bahadurgarh stated (March 2002) that tax exemption of Rs 2.70 lakh has been reduced in one case. Reply in the remaining 10 cases was awaited (November 2002).

5	GMDIC Panipat	2	Cost of transformer was included in FCI	3 24	3 80	GMDIC Panipat stated (October 2001) that transformer was part of FCI This was not tenable as transformer does not form part of FCI
6	GMDIC Panchkula	2	Cost of Transformer Electric security and more than 50 per cent of cost of building were included in FCI	3 68	6 02	under the Act GMDIC Panchkula stated (December 2001) that one case will be placed before the LLSC meeting The final reply in another case was awaited (November 2002)
7	GMDIC Rewari	3	Interest more than 5 per cent of plant and machinery cost of idle land securit to HSEB payment made after 60 days were included in FCI	21 08	31 63	GMDIC Rewari stated (January 2002) that 2 cases were being placed to the next lower level screening committee mee'ing whereas reply in one case was awaited (November 2002)
8	GMDIC Sonapat	5	Cost of staff quarters old building unapproved technical know how and transformer were included in FCI	35 63	48 50	GMDIC Sonapat stated (January 2002) that quantum of tax exemption in 3 cases had been reduced by Rs 5 84 lakh Reply in the remaining 2 cases was awaited (November 2002)
9	GMDIC Yamunanagar	9	Cost of old machinery (not imported) thermic fluid transformer and more than 50 % of cost of building payment beyond 60 days were included in FCI Calculation mistakes were also noticed	111 51	142 16	Reply from GMDIC Yamunanagar was awaited (November 2002)
Total		73		2 015 69	2 334 10	

The department in its written reply stated as under —

M/s Gateway Coated Papers (P) Ltd , Kundli, Sonapat

An eligibility certificate was issued to M/s Gateway Coated Papers (P) Ltd for Rs 66 84 lacs for mfg of paper vide endst No Sale Tax Exem /SNP/81/97/1987 A dated 03/02/1999 by the Director of Industries Haryana Exemption Certificate No 227 was issued by the DETC Sonapat for Rs 66 84 lacs dated 11/04/2000 for the period of 10/06/1996 to 09/06/2003 The audit pointed out that the dealer had submitted

total claim of plant and machinery for Rs 84 25 881/ Against this he was eligible for plant and machinery claim of Rs 53 70 090/ (90% of Rs 59 30 093/) and thus excess claim of Rs 13 14 lacs was allowed on account of air fare and visa charges Rs 224857/ boarding and loading charges Rs 11 96 053/ and detention charges Rs 1 41 267/ - and transportation from port to factory Rs 145325/ total Rs 17 07 502/ In view of that DETC SNP vide memo No 3298 dated 08/11/2001 requested the Director of Industries to issue fresh eligibility certificate and the Director of Industries issued revised eligibility certificate for Rs 53 70 090/ vide No FA/NSIE/SNP/83/97 EXP/4683A dated 12/04/2004 The said order of LLSC has been appealed against before the HLSC and the case is still pending before the HLSC

M/s Munjal Showa Ltd , Gurgaon, E C No 29862A

No objection is available with industries department as reported

M/s Pearl Polymer Ltd Gurgaon, E C No 4456

The case was put up before the HLSC on the subject as pointed out by the audit and the decision of HLSC is awaited

M/s Parul Food Specialties (P) Ltd , Kurukshetra, E C No 28058A

In this case the purchase of Jeep for Rs 249048/- mentioned at serial No 435 in the purchase list of the machinery is not allowable However while sending the comments to the General Manager District Industries Centre Kurukshetra vide Memo No 2094/ DTI dated 15 10 96 the claim of Jeep mentioned at Serial No 13 was not recommended to computation of fixed capital investment But at the time of allowing the investment Plant and Machinery the amount of purchase of Jeep was not deducted due to oversight However the dealer has availed the full amount of exemption Therefore the amount of Rs 249048/ is now payable by the dealer for which separate action is being taken as per law

M/s R S Industries Dharuhera, Rewari, E C No 8641

The LLSC had granted eligibility certificate for tax exemption for the period from 16-08-1994 to 15 08 2003 subject to monitory ceiling of Rs 4021503/- The products manufactured by the unit was Chlorinated oraffon wax As per the observation of the audit the FCI was considered at the higher side on account of inclusion of eligible amount therein

The case was referred to the LLSC However in the meantime the industrial unit had closed down its business w e f 01 07 2000 The fact was brought to the notice of the Lower Level Screening Committee with request to withdraw the eligibility certificate The Lower Level Screening Committee in its meeting held on 30 09 2003 withdraw the eligibility certificate The orders of the Lower Level Screening Committee were communicated by the GM District Industries Centre Rewari vide memo No 508 dated 04 03 2004 The exemption certificate was also cancelled by the Deputy Excise & Taxation Commissioner vide order dated 07 05 2004 creating an additional demand of Rs 710812/ Since the unit has closed down its business so nothing could be recovered

Keeping in view the above facts the para deserves to be settled

M/s Gateway Coated Papers (P) Ltd Kundli Sonapat

The Committee desired that latest position of the case pending with HLSC be intimated to it. Quarterly progress Report be sent to the Committee according M/s Munjal Showa Ltd Gurgaon, E C No 29862A

The Committee observed that the unit had availed exemption amounting to Rs 2 73 lacs which may be recovered A copy of objection, if not available may be obtained from A G. Office

M/s Pearl Polymer Ltd Gurgaon E C No 4456

The Committee desired that the decision of HLSC may be intimated to it Progress Report be sent to the Committee accordingly

M/s Parul Food Specialties (P) Ltd Kurukshetra E C No 28058A

The Committee desired that latest position of recovery under all the heads of revenue be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee Quarterly Progress Report be sent to the Committee accordingly

M/s R S Industries Dharuhera Rewari E C No 8641

The Committee desired that the additional demand of Rs 7,10,812 may be recovered from the partners or sureties

[9] (iv) Incorrect acceptance of applications

As per Rule 28 A (5) (a) of the HGST Rules 1975 every eligible industrial unit shall make an application in prescribed Form* to the General Manager District Industries Centre alongwith attested copies of documents within 90 days of the date of its going into commercial production No application shall be entertained if not preferred within time

(b) Test-check of records of DETCs Panipat and Panchkula in case of 17 units eligibility certificates were issued without change of land use (CLU) certificates (prescribed in the application from the competent authority resulting in irregular monetary Rs 8 39 crore Though the eligibility certificates were withdrawn in case of 6 units the amount of exemption of Rs 22 87 lakh by them was not recovered In case of remaining 11 units no received (November 2002) from the department

The department in its written reply stated as under —

M/s T M Spinners, Kabri Road, Panipat

M/s Miglani Spinners, Kacha Kabri Phatak, Panipat

M/s Sunny Spintex (P) Ltd , Naultha, Panipat

M/s Shanti Yarns (P) Ltd , Kabri Road, Panipat

M/s R S Wollen Textile Mills, Rishalv Road, Panipat

M/s Rajat Spinners Main Barsat Road, Panipat

M/s Joeginder Yarn (P) Ltd , Babail Road, Panipat

M/s Natraj Woolen Mills Chhajpur Panipat

M/s Dharma Spinners (P) Ltd , Jojalpur, Panipat

M/s Unique Spintex (P) Ltd G.T Road, Jhatipur, Panipat

M/s Chauhan Spinning Mills (P) Ltd Bhainswal, Panipat

M/s Ramdas Spinners, Sanoli Road, Panipat

M/s Jai Bajrang Spinners, Barsat Road, Bhainswal, Panipat

M/s Shree Ganpati Woolen (P) Ltd Karhans Panipat

There are 17 units referred to by A G. wherein it is pointed out that eligibility certificates to them were issued without obtaining the change of land use (C L U) certificates prescribed in the application form which resulted into irregular monetary incentive of Rs 8 39 crore

It is submitted in this behalf that 14 units out of 17 are engaged in the manufacture of shoddy yarn or cotton yarn and were issued eligibility certificates to avail of exemptions. Considering the objections raised by A G the eligibility certificates of these units were withdrawn which resulted in cancellation of Exemption Certificates. Petitions by them in the High Court of Punjab & Haryana succeeded. However S L P of the Department is pending in the Supreme Court of India. Further action if any will depend on the judgment of the Hon ble Apex Court. Therefore the required action having been taken i.e. withdrawal of certificates the para may be dropped.

M/s Nefco Food, Rampur, E C No 63, Panchkula

In reply to Audit Objection it is submitted that the unit was setup in Village Rampur Seori Tehsil Kalka which fall in lal dora boundry of the village Revenue Land Record (Jama Bandi) relating to the village Rampur Seori confirms the same. Further it is submitted that after 31 8 2003 the assessee has not opted for deferment as such his exemption certificate automatically stands cancelled. The dealer is paying tax as a general dealer.

M/s Shivalik Pulp Ltd , Kot , E C No 56, Panchkula

This unit has deposited the fee required for issue of CLU by Haryana Town and Country Planning Department but later on the department directed the dealer to deposit additional fees for the same. The dealers has filed an writ petition in the Punjab and Haryana High Court which stands admitted.

M/s T M Spinners, Kabri Road, Panipat

M/s Miglani Spinners, Kacha Kabri Phatak, Panipat

M/s Sunny Spintex (P) Ltd , Naultha, Panipat

M/s Shanti Yarns (P) Ltd , Kabri Road, Panipat

M/s R S Woollen Textile Mills, Rishalv Road, Panipat

M/s Rajat Spinners, Main Barsat Road, Panipat

M/s Joginder Yarn (P) Ltd , Babail Road, Panipat

M/s Natraj Woolen Mills, Chhajpur, Panipat

M/s Dharma Spinners (P) Ltd , Jojalpur, Panipat

M/s Unique Spintex (P) Ltd , G.T Road, Jhatipur, Panipat

M/s Chauhan Spinning Mills (P) Ltd , Bhainswal, Panipat

M/s Ramdas Spinners, Sonoli Road, Panipat

M/s Jai Bajrang Spinners, Barsat Road, Bhainswal, Panipat

M/s Shree Ganpati Woolen (P) Ltd Karhans, Panipat

M/s Shivalik Pulp Ltd , Kot , E C No 56, Panchkula

The Committee desired that the final outcome of the cases pending in the Hon ble Apex Court be intimated as and when the same is received Progress Report be sent to the Committee

[10] (v) Incorrect determination of zones

During test-check of records of General Manager District Industries Centre Ambala for the year 1996 97 it was noticed that Ambala Block was declared as backward with effect from 20 February 1996 and 3 units earlier located in Zone B were shifted to Zone A to give benefit from retrospective date which was irregular under Rule 28 A (4) A of HGST Act 1975 This resulted in grant of excess exemption of Rs 11 94 lakh

The matter was brought (August 2001) to the notice of the department reply had not been received (November 2002)

The department in its written reply stated as under —

M/s Kim, Pharma, Ambala, R.C No 6604

M/s Bala Ji Ceramics, Ambala, R C No 1612

M/s Swastik Marbles, Ambala, R C No 29951

In this connection it is submitted that although the units was covered under Zone B when rule 28A came into force However the Director of Industries Haryana vide his letter dated 19 3 1996 forwarded an order dated 19 02 1996 wherein Ambala Block of Ambala District was backward block in the New Industrial Policy 1992 Accordingly the above mentioned unit having been set up under Industrial Policy 1992 fell under Zone A in the above said rules and the exemption was rightly allowed for 9 years from the date of commercial production Hence the para may please be dropped

M/s Kim Pharma, Ambala, R C No 6604

M/s Bala Ji Ceramics, Ambala, R C No 1612

M/s Swastik Marbles, Ambala, R C No 29951

The Committee desired that the reason for transfer of these units from Zone 'A' to Zone 'B' in Ambala Block with retrospective effect may be intimated to the Committee within a period of three months

[11] 2 2 8 Implementation of the Scheme by Sales Tax Department

(a) Inadmissible availing of tax exemption

As per HGST Rule 1975 the eligibility certificate is required to be issued within 45 days from the receipt of application in the office of the GMDIC. Further the DETC will issue the exemption/entitlement certificate on the basis of eligibility certificate within 30 days from the receipt of application in his office.

In DETC Gurgaon (East) it was noticed that 8 units applied (between May 1995 and September 1998) for sales tax exemption. In none of the cases exemption certificate was issued but the units continued to avail of the benefit of exemption to the tune of Rs 3.91 crore from 1995-96 to 2000-2001. In one case the eligibility certificate was cancelled by the department as the unit had closed down the business after availing exemption of Rs 33.98 lakh. In 3 cases though eligibility certificate was issued exemption certificate was not issued at all. In other 4 cases no eligibility certificate was issued. Availing benefit without the exemption certificate was not permissible and resulted in inadmissible exemption of Rs 3.91 crore.

The matter was brought (November 2001) to the notice of department but reply had not been received (November 2002).

The department in its written reply stated as under —

M/s Cebon India Limited (Unit-II), Gurgaon (East), R C No 1820037

The industrial unit had applied for sales tax exemption for its expansion unit. The Higher Level Screening Committee in its 58th meeting held on 17.9.99 decided to reject the application for grant of eligibility certificate. In view of the above assessment for the year 1995-96, 1996-97 and 1997-98 have been framed and additional demand of Rs 9159763/- was created. The matter is pending before the JETC (Appeal) Faridabad.

M/s EDX Electronics Limited, Gurgaon (E), R C No 1818525

Eligibility certificate has been issued on 9.12.2002 for the period from 15.11.95 to 14.11.2002 with maximum quantum of Rs 17070200/- & the exemption certificate No 257 has been issued on 5.3.2003 only after the submission of security by the unit & its verification. The unit had availed the benefit of exemption to the tune of Rs 557426/- The DETC vide his order dated 5.4.2005 withdrew the exemption benefit availed by the company as a result of action intimated under rule 11 (B) of rule 28A. The said order dated 5.4.2005 have been set aside by the Joint Excise and Taxation Commissioner (Appeal) Faridabad and the case is remanded back to DETC Gurgaon (EAST) for having afresh vide order dated 21.8.2006.

M/s Vimal Moulders India Private Limited, Gurgaon (E), R C No 1820199

The industrial unit is provided with the facility of tax benefit from the date of Commercial Production. Higher Level Screening Committee had considered the case u/r 28B instead of 28A. Unit filed appeal before the Sales Tax Tribunal who referred the case to the Higher Level Screening Committee for consideration of case u/r 28A. Higher Level Screening Committee in its meeting held on 7.12.2006 has decided to grant eligibility certificate for Rs 765.00 lacs for the period from 3.9.1998 to 2.9.2005. The Hon'ble Supreme Court vide its order dated 9.2.2007 in SLP No /2008/2007 has stayed the order of the Hon'ble Punjab and Haryana Court dated 31.10.2006. The matter is pending before the Apex Court.

M/s Cebon India Limited (Unit II) Gurgaon (East) R C No 1820037

The Committee desired that the decision of JETC (Appeal) Faridabad may be expedited Quarterly progress Report be sent to the Committee accordingly

M/s EDX Electronics Limited Gurgaon (E) R C No 1818525

The Committee desired that the final outcome of the case may be intimated to the Committee Quarterly progress Report be sent to the Committee accordingly

M/s Vimal Moulders India Private Limited Gurgaon (E) R C No 1820199

The Committee desired that the final outcome of the Hon'ble Supreme Court may be intimated to it, as and when received Quarterly progress Report be sent to the Committee accordingly

[12] (b) Excess availing of tax deferment

As per HGST Rules 1975 eligible industrial unit may avail the benefit of deferment upto the quantum and period as prescribed in the eligibility certificate

During test-check of the records of Gurgaon (East) and Faridabad (West) it was noticed that tax of Rs 18 18 crore was due against which deferment of tax amounting to Rs 20 59 crore was availed by 9 units for the period from 1992 93 to 2000 01. Though deferment of tax of Rs 2 41 crore availed in excess of the quantum prescribed in the eligibility certificate was to be recovered by the department no action had been taken to recover the amount. The matter was brought (March 2002) to the notice of the department reply had not been received (November 2002)

The department in its written reply stated as under —

M/s A G Industries Limited, Gurgaon (East), R C /E C No 1816539/88

It is submitted that while finalizing the assessment of the industrial unit tax deferment of Rs 2 14 crores has been allowed by the Assessing Authority. The year-wise details of tax deferment are as under —

Year	Tax deferment allowed			Date of assessment orders
	HGST	CST	Total	
1994 95	170409	39019	209428	25 7 97
1995 96	1510868	266056	1776924	17 3 99
1996 97	2652653	652158	3304811	21 11 97
1997 98	5512673	1055935	6568608	16 3 99
1998 99	7171865	656787	7828652	21 9 00
1999 00	1711577	00	1711577	24 04 02
Total	18730045	2669955	21400000	

In this way no excess benefit of tax deferment was allowed to the industrial unit

M/s Bright Brothers Limited, Gurgaon (East R C / E C No 1817872/205

It is submitted that while finalizing the assessment of the industrial unit tax deferment of Rs 489 87 lac has been allowed by the Assessing Authority The year wise details of tax deferment are as under —

Year	Tax deferment allowed			Date of assessment orders
	HGST	CST	Total	
1994 95	1662288	415971	2078259	31 8 98
1995 96	5543470	1085449	6628919	16 2 99
1996 97	8786000	1030964	9816964	26 11 99
1997 98	10259422	1061005	11320427	29 06 01
1998 99	12914730	2376819	15291549	29 11 02
1999 2000	3479101	371781	3850882	
Total	42645011	6341989	48987000	As per return

M/s Rance Polymers Private Limited, Gurgaon (East), R C / E C No 1816758/96

It is submitted that while finalizing the assessment of the industrial unit tax deferment of Rs 103 69 lac has been allowed by the Assessing Authority The year-wise details of tax deferment are as under —

Year	Tax deferment allowed			Date of assessment orders
	HGST	CST	Total	
1995 96	1887514	728410	2615924	13 10 98
1996 97	2351155	664704	3015859	17 3 99
1997 98	1924740	571212	2495952	27 11 00
1998 99	1081392	298342	1379734	16 1 02
1999 2000	605161	256370	861531	24 1 03
Total	7849962	2519038	10369000	

In this way no excess benefit of tax deferment was allowed to the industrial unit

M/s Rasandhik Engg Industries Limited, Gurgaon (East), R C / E C No 1818811/237

It is submitted that while finalizing the assessment of the industrial unit tax deferment of Rs 381 52 lac has been allowed by the Assessing Authority

The year wise details of tax deferment are as under —

Year	Tax deferment allowed			Date of assessment orders
	HGST	CST	Total	
1994 95	699292	0	699292	23 8 99
1995 96	2606234	0	2606234	30 11 99
1996 97	6627412	1050876	7678288	15 1 02
1997 98	9115728	920564	10036292	13 6 03
1998 99	9627865	1374064	11001929	Converted in IFL
1999 00	4382912	675525	5058437	do
Total	33059443	4021029	37080472	

In this way no excess benefit of tax deferment was allowed to the industrial unit

M/s Jotindera Steel Tubes Limited, Faridabad (West), R C / E C No 1305903/30

The Director of Industries Haryana Chandigarh issued eligibility certificate subject to a ceiling of Rs 390 64 lacs sales tax exemption and Rs 48 00 lacs purchase tax exemption for the period from 1 4 1992 to 31 3 1997. The exemption certificate No 30 was issued on 12 8 1993 for the said amount and period. Therefore the Industrial Assistance Group ordered that relief of sales tax and purchase tax exemption may be deemed to be effective from 1 7 93 (instead of 1 4 1992) i.e. for the date of issue of exemption certificate.

The unit has availed benefit of sales tax at Rs 390664000/- and purchase tax at Rs 906942.

M/s A G. Industries Limited, Gurgaon (East), R C / E C No 1816539/88

The Committee observed that the unit had availed exemption of Rs 257 62 lakhs against exemption limit of Rs 214 00 lakhs. Reasons for allowing excess exemption of Rs 43 62 500/- may be intimated to the Committee within a period of one month. Progress Report be sent to the Committee accordingly.

M/s Bright Brothers Limited, Gurgaon (East), R C / E C No 1817872/205

The Committee observed that the unit had availed exemption of Rs 503 00 lakhs against exemption limit of Rs 489 87 lakhs. Reason for excess allowance of exemption of Rs 13 13 400 may be intimated to the Committee. Progress Report be sent to the Committee.

M/s Rance Polymers Private Limited, Gurgaon (East), R C / E C No 1816758/96

The Committee observed that the unit had availed exemption of Rs 106 19 lakhs as against exemption limit of Rs 103 69 lakhs. Reason for excess allowance of exemption of Rs 2 50 lakhs may be intimated to the Committee. Progress Report be sent to the Committee accordingly.

M/s Rasandhik Engg Industries Limited, Gurgaon (East), R C / E C No 1818811/237

The Committee observed that the unit had availed exemption of Rs 427 77 lakhs as against exemption limit of Rs 381 52 lakhs. Reason for excess allowance of exemption

of Rs 46 25 lakhs may be intimated to the Committee Quarterly progress Report be sent to the Committee accordingly

M/s Jotindera Steel Tubes Limited Faridabad (West) R C /E C No 1305903/30

The Committee observed that the unit had availed exemption of Rs 398 35 lakhs as against exemption limit of Rs 390 64 lakhs Reason for excess allowance of exemption of Rs 7 71 lakhs may be intimated to the Committee Progress Report be sent to the Committee

[13] 2 2 9 Irregularities in assessments of exempted/deferred units

The rates of tax leviable on different commodities have been prescribed under Haryana General Sales Tax Act 1973 and Central Sales Tax Act 1956 Rule 28 A of Haryana General Sales Tax provide that the amount of tax payable on the sale of finished products of the exempted units shall be computed at the maximum rates specified under the local sales tax law

(i) Under assessment due to application of incorrect rate of tax

During test check of the records of 6 sales tax offices it was noticed that in 25 cases of 16 units the assessing authorities while finalising (between 1998-99 and 2000-2001) the assessments calculated national tax liability at lower rates This resulted in under-assessment of national sales tax liability of Rs 153 43 lakh as per details in the following table

Sr No	Name of district	No of units/cases	Assessment year	Amount of tax involved (Rupees in lakh)	Nature of irregularities
1	Ambala	6 11	Between 1996 97 and 1999 2000	55 49	Tax on mango drink processed lime refractory plastic pipe and cotton seed oil was levied at a lower rate of 10 Nil 8 nil and 1 per cent instead of correct rates of 20 10 10 10 and 4 and 7 per cent respectively
Remarks — The matter was pointed out in audit (August 2001) but no reply had been received (November 2002)					
2	Gurgaon (E)	3 3	Between 1995 96 and 1997 98	25 21	Tax on desi ghee TV cabinet and copper wire was levied at a lower rate of 4 4 and 1 per cent instead of correct rates of 5 12 and 2 per cent respectively
Remarks — On being pointed out in audit (between July 1999 and May 2001) the department created a demand of Rs 1 14 lakh in one case and made (January 2001) rectification in another one case in remaining one case ETC Haryana issued (April 2002) instructions for rectification					
3	Gurgaon (W)	1 1	1995 96	9 51	Tax on forging was levied at a lower rate of 3 per cent instead of 4 and 7 per cent

Remarks —On being pointed out in audit (March 2000) the departmental created (August 2000) additional demand of Rs 9 51 lakh

4	Jhajjar	3 4	1997 98 and 1999 2000	8 31	Tax on footwear and toughened glass was levied at a lower rate of 3 and 2 per cent instead of 5 and 4 per cent respectively
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Remarks —On being pointed out in audit (September 2001) the department sent two cases for suo motu action In remaining two cases reply had not been received (November 2002)

valued at Rs 54 02 lakh within five years after availing of the benefit of exemption of Rs 20 60 lakh and the assessing authority allowed (March 1998) deduction of Rs 54 02 lakh from the gross turnover This resulted in non-recovery of exemption amount of Rs 20 60 lakh beside interest of Rs 15 36 lakh

On being pointed out the case was sent for suo motu action and the revisional authority increased (May 2001) notional sales tax liability by Rs 20 60 lakh

The department in its written reply stated as under —

M/s Accurate Footwears Industries, Bahadurgarh, Jhajjar, R C No 19358, A Y 1999 2000

It is an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No JJR 286 Total exemption in this case was allowed for Rs 94 83 lacs The exemption certificate is valid w e f 02-12 1999 to 01-12 2004

It is pointed out that the case was sent to the DETC cum Revisional Authority for taking suo motu action and the Revisional Authority vide his order dated 15/3/02 has revised the original order and created an additional demand on account of wrong application of tax Para needs to be dropped

M/s Oswal Footwears, Bahadurgarh, Jhajjar, R C No 19860, A Y 1999-2000

It is an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No JJR 226 Total exemption in this case was allowed for Rs 159 25 lacs The exemption certificate is valid w e f 14-06-1996 to 13 06 2005

It is pointed out that the case was sent to the DETC cum Revisional Authority for taking suo motu action and the Revisional Authority vide his order dated 15/3/2002 has revised the original order and created an additional demand on account of wrong application of tax Para needs to be dropped

M/s Rishab Agro Industries Ltd , Gurgaon (E), R C No 1817263, A Year 95-96

In reply to audit objection it is stated that turnover of Ghee was worked out for the period from 1 04 95 to 23 11 1995 and from 24 11 95 to 31 03 96 for the purpose of computation of tax @ 5% and 4 % respectively The same is evident from the assessment orders dated 26 03 2001 as well from the audit objection However due to clerical errors the turnover for the period from 24 11 95 to 31 03 96 was wrongly treated as turnover for the period from 01 04 95 to 23 11 95 and vice versa This is merely a

clerical error The industrial unit has closed down its business and case has been registered with the B I F R as a Sick Unit thus the show cause Notice for rectification of error has been issued to the Head Office of the Company

The assessment order dated 26 03 2001 has been rectified under Section 33 of the Haryana General Sales Tax Act vide orders dated 20 11 2001 computation of tax of rectification order as below —

Sale of Ghee during 01 04 95 to 23 11 95 Rs 98898047 @ 5%	4944912 00
Add Surcharges @ 10%	494490 00
Total	5439392 00
Sale of Ghee during 24 11 1995 to 31 3 1996 of Rs 81074715 @ 4%	3567287 00
	9006679 00
Less Tax Assessed vide order dated 26 3 2001	8810622 00
Net effect A-B	196057 00
Interest from Nov 95 to March 2001- 65 Month	190217 00
	386274 00
Add demand as per original order dated 26 3 2001	35705566 00
Tax due	36091840 00

**M/s Balaji Insulations, Sohna, Gurgaon (E), R C No 1819572
A Year 1997 98**

The industrial unit availed of the benefit of exemption from the date of commercial production as provided in sub rule 4(a) of Rule 28 A of the HGST Rules but it closed down its business during the currency of benefit period eligibility certificate was withdrawn on 20 09 1999 The possession of assets of the company was taken over by HFC on 12 07 1999 with whom these were pledged Recovery certificates was sent to The Branch Manager HFC Gurgaon vide Memo No 543 dated 25 02 2000 and subsequent reminder vide 974 dated 30 04 2002 However it was informed vide GM HC Gurgaon Memo No HFC/GGN/2002/918 dated 21 05 918 dated 21 05 2002 that the amount of HFC was more than the amount received against the auction of assets of company HFC informed that plant and machinery were sold by the corporation in open auction for Rs 3 50 000/- on 18-07-2001 The said building and land were yet to be sold further the corporation claimed that first charged over the fixed asset of the company and still after adjusting Rs 3 51 lacs a sum of Rs 134 83 lac in account first and Rs 11 63 lacs on account of second with further interest from 01 05 2000 was still due recovery of Rs 1 00 000/ has been made from sureties The other sureties pertain to

Delhi wherein recovery certificates were sent vide Memo No 2114 dated 24 07 2001 but nothing could be recovered despite repeated reminders As such there is no laxity as far monitoring of case is concerned

Period of benefit 3 2 1997 to 2 2 2006

Total quantum benefit 99 10 lacs

Benefit availed of 8 51 lacs

M/s Mahabir Tech No Umri, Kurukshetra, R C No 12755, A Y 1995 96 & 1996 97

The suo motu proceedings initiated by the Revisional Authority Kurukshetra for the years 1995 96 and 1996 97 have been stayed in CWP No 5780 of 2007 by the Hon ble Punjab & Haryana High Court vide order dated 20 4 2007 The latest position will be intimated as and when the case is decided by the Hon ble Court

M/s Accurate Footwears Industries, Bahadurgarh, Jhajar, R C No 19358, A Y 1999 2000

M/s Oswal Footwears, Bahadurgarh, Jhajar, R C No 19860, A Y 1999 2000

The Committee desired to know how much additional demand was created and adjusted against exemption limit or recovered within a period of one month

M/s Rishab Agro Industries Ltd , Gurgaon (E), R C No 1817263, A Y 95 96

The Committee desired that the final outcome of the case pending with BIFR may be intimated to it as and when received Progress Report be sent to the Committee accordingly

M/s Balaji Insulations, Sohna, Gurgaon (E), R C No 1819572, A Y 97-98

The Committee desired that the final outcome of the case may be intimated to it Quarterly progress Report be sent to the Committee accordingly

M/s Mahabir Tech No Umri Kurukshetra, R C No 12755, A Y 1995 96 & 1996 97

The Committee desired that the final outcome of the case pending in Hon'ble High Court may be intimated to it Quarterly progress Report be sent to the Committee accordingly

[14] (ii) Under assessment due to application of concessional rate of tax

During the test check of the records of 6 offices it was noticed that 15 exempted units in 23 cases sold their finished products against STD IV Forms during the years 1996 97 to 1999 2000 but the assessing authorities while finalising (between April 1998 and March 2001) the assessments calculated notional sales tax liability on sale of finished products against STD IV at concessional rates instead of at the maximum rates This resulted in under assessment of notional tax liability amounting to Rs 70 94 lakh as detailed in the following table

Name of district	No of units /cases	Tax assessed	Tax assessable	Under assessment	Remarks
(Rupees in lakh)					
Ambala	7/15	9 82	68 96	59 14	In one case demand of Rs 0 58 lakh was created and another case was sent (August 2001) for <i>suo moto</i> action. In remaining 13 cases reply was awaited (November 2002)
Fandabad (East)	1/1	1 73	3 46	1 73	Reply was awaited (November 2002)
Jhajjar	3/3	4 61	9 22	4 61	Reply was awaited (November 2002)
Karnal	2/2	Nil	3 36	3 36	One case was sent (December 2000) for <i>suo moto</i> action and in another case demand for Rs 1 46 lakh was created (November 2000)
Kaithal	1/1	0 25	1 95	1 70	Reply was awaited (November 2002)
Panipat	1/1	Nil	0 40	0 40	Reply was awaited (November 2002)
Total	15/23	16 41	87 35	70 94	

The department in its written reply stated as under —

M/s Ashoka Industries Mohra, Ambala, R C No 30066, A Y 1997-99 to 1999-2000 (3 cases)

In reply to the audit para it is submitted that the unit was granted exemption w.e.f 19-2-1993 to 18-2-2000 for manufacturing of Rigid PVC pipes, PVC computed and containers. The assessment cases for the year 1997-98 to 1999-2000 was sent to DETC(I) Cum Revisional Authority Ambala for taking *suo motu* action in the matter who calculated notional Tax liability on the gross turnover by disallowing concessional rate of tax against STD 4 with results as under —

Year	Amount Due	Date of order
1997-98	156537 00	24-9-2002
1998-99	217244 00	24-9-2002

The balance exemption of the dealer has been reduced accordingly. However as far as the case for the year 1999-2000 is concerned, additional demands worth Rs 157320 00 under the HGST Act 1973 and Rs 37238/- under the CST Act 1956 were created against the dealer vide orders dated 12-7-2004 of the DETC(I) Cum Revisional Authority Ambala.

Efforts are being taken to recover the said amount from the dealer.

M/s Lion Industries of India, Bahadurgarh, Jhajar R C No 19718 A Y 1999 2000

It is an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 188 Total exemption in this case was allowed for Rs 31 11 lac The exemption certificate is valid w e f 7 7 1995 to 6 7 2004

The case has been sent to the DETC Cum Revisional Authority Jhajar on 8 10 2007 for application of full rate of tax The case has been fixed for 29 10 2007 by Revisional Authority The final results shall be conveyed as and when the case is revised by the competent authority

M/s Shivalik Polymers, Bahadurgarh, Jhajar, R C No 19616, A Y 1999-2000

It is an exempted unit under rule 28A of the HGST Rules 1975 with exemption No 181 Total exemption in this case was allowed for Rs 16 92 lac The exemption certificate is valid w e f 1 7 1995 to 30 6 2004

The case has been sent to the DETC Cum Revisional Authority Jhajar on 8 10 2007 for application of full rate of tax The case has been fixed for 29 10 2007 by Revisional Authority The final results shall be conveyed as and when the case is revised by the competent authority

M/s Goyal Packers, Bahadurgarh, Jhajar, R C No 20403 A Y 1998-99

It is an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 292 Total exemption in this case was allowed for Rs 7 54 lac The exemption certificate is valid w e f 30 9 1996 to 29 9 2003

The case has been sent to the DETC Cum Revisional Authority Jhajar on 8 10 2007 for application of full rate of tax The case has been fixed for 29 10 2007 by Revisional Authority The final results shall be conveyed as and when the case is revised by the competent authority

M/s Cheeka Solvent (P) Limited, Cheeka, Kaithal, R C No 4790, A Y 1996 97

Final action in this case is awaited since reply is made or not satisfactory

M/s Ashoka Industries Mohra Ambala R C No 30066 A Y 1997-99 to 1999-2000 (3 cases)

The Committee desired that the additional demand of Rs 194558 may be recovered under intimation to the Committee Progress Report be sent to the Committee

M/s Lion Industries of India Bahadurgarh Jhajar R C No 19718 A Y 1999-2000

M/s Shivalik Polymers Bahadurgarh Jhajar R C No 19616 A Y 1999 2000

M/s Goyal Packers Bahadurgarh Jhajar R C No 20403 A Y 1998 99

The Committee desired to know why no action was taken before 29 10-2007 since it was pointed out in 2001 02 Final outcome of the case may be intimated to it Quarterly progress Report be sent to the Committee accordingly

M/s Cheeka Solvent (P) Limited Cheeka Kaithal R C No 4790 A Y 1996 97

The Committee desired that final outcome of the case may be intimated to it Quarterly progress Report be sent to the Committee accordingly

[15] (iii) Under assessment tax of due to irregular deduction

During the test check of the records of 15* DETC offices it was noticed that 68 dealers sold/exported finished goods out of India for Rs 252 28 crore against declaration ST -15 A/Form H during the years 1994 95 to 1999 2000 The assessing authorities while finalising (between June 1996 and March 2001) the assessments assessed the notional sales tax liability after allowing deduction for goods either exported out of India or against declaration in Form ST 15-A from gross turnover This resulted in under assessment of notional sales tax liability of Rs 934 crore

On being pointed out (between June 1997 and December 2001) the department sent 30 cases for *suo motu* action in 9 cases the sales tax liability was increased by Rs 69 96 lakh However the department in 2 cases of Panipat and Sonipat stated that no tax was leviable on goods exported out of India which was not tenable because notional sales tax liability was to be calculated on gross turnover including sale price of goods exported out of India No reply had been received in respect of remaining cases (November 2002)

The department in its written reply stated as under —

M/s Machino Basel India, Gurgaon (W), R C No 1919278, A Y 1998 99

The above cases have been sent to the DETC Cum Revisional Authority Gurgaon (W) for taking *suo moto* action vide this office Memo No 2272/AA/DPS dated 16 7 2002

M/s Welspun Polybuttons (P) Ltd , Gurgaon (W), R C No 1918966, A Y 1994 95, 1996-97 & 1997 98

The above cases have been sent to the DETC Cum-Revisions Authority Gurgaon(W) for taking *suo-moto* action vide this office Memo No 2272/AA/DPS dated 16 7-2002

M/s Seagull Drug (P) Ltd , Bhadurgarh, R C No 19390, A Y 1997-98

It is an exempted unit under rule 28A of the HGST Rules 1957 with exemption certificate No 111 Total exemption in this case was allowed for Rs 22 43 The exemption certificate is valid w e f 04-07 1994 to 03 07-2003

The case was sent to the DETC cum- Revisional Authority for taking *suo moto* action and the Revisional Authority accordingly revised the orders vide his order dated 25/3/2002 Exemption limit stands exhausted upto 8 8 1997 and export sale rightly allowed w e f 9 8-1997 as the company was not an unit copy of Revisional Authority order enclosed Keeping in view the orders of the Revisional Authority para needs to be dropped

M/s Shiva Industries, Mandhour, R C No 29159, A Y 1996-97 to 1999 2000

In this regards it is submitted that the case has been sent for taking *suo motu* action to the DETC Cum-Revisional Authority Ambala

M/s Snree Sai Electrodes Ambala City, R C No 32153 A Y 1996 1997

In this regards it is submitted that the case has been sent for taking *suo motu* action to the DETC Cum Revisional Authority Ambala

In view of the above submissions the para may please be dropped

M/s Jai Durga Cotton Mills, Hisar, R C No 27974, A Y 1997 98

The audit pointed out that deduction of sales of cotton to RD s is not allowable u/r 28A of the HGST Rules 1975 The Revisional Authority vide order dated 27 3 01 revised the assessment order dated 8 2 1999 and levied tax of Rs 6 59 376/- against which order the dealer has gone to Hon ble High Court in CWP No 14020 of 2005 and the matter is still pending in the Hon ble Court

M/s R S Cotton Mills, Jullana, Jind, R C No 7044 A Y 1995 96

In reply to this para it is submitted that the revisional authority has decided this case on 25 2 2003 and created additional demand of Rs 481284/- out of which Rs 431 373/- has been adjusted in notional tax liability and Rs 49911/- is recoverable

M/s Maha Luxmi Oil Mill, Julana R C No 6230 A Y 1994 95

In reply to this para it is submitted that the revisional authority has decided this case on 15 6 2006 and created additional demand of Rs 436345/- The recovery has been stayed by the Hon ble High Court in CWP No 3559 of 2007

M/s Bharat Cotton Ginning Industries, Sirsa, R C No 10300, A Y 1996 97

In this regard it is submitted that the case was sent to Dy Excise & Taxation Commissioner (I) Cum-Revisional Authority Sirsa for taking *suo motu* action and the case has been decided on 30 1 2001 vide demand No 60/96-97 by disallowed the sale worth Rs 8261604/- which was wrongly allowed by the Assessing Authority and taxed @ 4% worth Rs 330064/- Hence the audit para may please be dropped

M/s Narinder Cotton Factory Sirsa, R C 9946, A Y 1993 94 & 1994 95

In this regard it is submitted that the cases were sent to Dy Excise & Taxation Commissioner (I) Cum Revisional Authority Sirsa for taking *suo motu* action and the cases have been decided on 30 1 2001 by disallowing the RD sales for the year 1993 94 and 1994 95 which was wrongly allowed by the Assessing Authority and taxed @ 4% worth Rs 316650/ and 375744/ respectively Hence the audit para may please be dropped

M/s Bharat Cotton Ginning Industries, Sirsa, R C No 10300, A Y 94 95 & 95 96

In this regard it is submitted that the cases were sent to Dy Excise & Taxation Commissioner (I) Cum Revisional Authority Sirsa for taking *suo motu* action and the cases have been decided on 30 7 2000 and 30 1 2001 by disallowing the RD sales for the year 1994-95 and 1995 96 which was wrongly allowed by the Assessing Authority and taxes @ 4% worth Rs 311967/ and 751605/ respectively Hence the audit para may please be dropped

M/s Machino Basel India Gurgaon (W) R C No 1919278 A Y 1998 99

M/s Welspun Poly Buttuns (P) Ltd Gurgaon (W) R C No 1918966 A Y 1994 95, 1996 97 & 1997 98

The Committee desired that the final outcome of the *suo motu* cases may be intimated to it Quarterly progress Report be sent to the Committee accordingly.

M/s Seagull Drugs (P) Ltd Bahadurgarh RC No 19390 A Y 1997 98

The Committee desired to know how much demand was raised by the Revisional Authority and what is the status of recovery of additional demand within a period of one month

M/s Shiva Industries Mandhour RC No 29159 A Y 1996 97 to 1999 2000

M/s Shree Sai Electrodes Ambala City RC No 32153 A Y 1996-97

The Committee desired that final outcome of the case pending with Revisional Authority may be intimated to it within a period of three months

M/s Jai Durga Cotton Mills Hisar RC No 27974 A Y 1997 98

The Committee desired that decision of the case pending in the Hon'ble High Court may be intimated, to it as and when received Progress Report be sent to the Committee

M/s R S Cotton Mills Juliana Jind R C No 7044 A Y 1995-96

The Committee desired that balance recovery of Rs 49,911 may be effected, under intimation to it Progress Report be sent to the Committee

M/s Maha Luxmi Oil Mill Julana R C No 6230 A Y 1994 95

The Committee desired that decision of the case pending in the Hon ble High Court may be intimated to it as and when received Progress Report be sent to the Committee

M/s Bharat Cotton Ginning Industries Sirsa R C No 10300 A Y 1996-97

The Committee desired to know the latest position of recovery/adjustment of Rs 3,30,064/-

M/s Narinder Cotton Factory Sirsa RC No 9946 A Y 1993-94 and 1994-95

The Committee desired to know the latest position of recovery/adjustment of Rs 3,16,650/- and Rs 3,79,744/-

M/s Bharat Cotton Ginning Industries Sirsa RC No 10300 A Y 1994 95 and 1995 96

The Committee desired to know the latest position of recovery/adjustment of Rs 3,11,967 and Rs 7,51,605/-

[16] 2 2 10 Under assessment of notional sales tax liability

Under the HGST Act 1973 goods when purchased within State without payment of tax and used in the manufacturing of taxable and tax free goods are taxable at the stage of last purchase

(i) During test check of the records of 6 DETCs (Ambala Hisar Jhajjar Kaithal Panipat and Sonipat) it was noticed that nineteen units in 22 cases availing exemption from sales tax purchased oil seeds/cotton (taxable at the stage of last purchase) and PVC and HDPE granules valued at Rs 54 74 crore from within the State without payment of tax on the strength of registration certificates during the years between 1994 95 and 1999 2000 and used the same in manufacturing of taxable and tax free goods. While finalising (November 1997 to May 2000) assessments the assessing authorities failed to levy purchase tax. This resulted in under assessment of notional sales tax liability of Rs 177 crore as under —

Sl No	Name of district	No of units/casse	Assessment year	Name of goods	Value of goods (Rupees in crore)	Amount of tax short levied (Rupees in lakh)
1	Ambala	6/6	Between 1996 97 and 1998 99	Oil seeds	20 36	40 72
Remarks — On being pointed out in audit (between March 2000 and September 2001) the department sent (August 2001) two cases for <i>suo motu</i> action and raised (March 2001 and January 2002) a demand of Rs 11 37 lakh in two cases. Reply in remaining 2 cases was awaited (November 2002)						
2	Hisar	1/2	1997 98 and 1998 99	Cotton	6 00	23 99
Remarks — On being pointed out in audit (May and July 2000) the department sent one case for <i>suo motu</i> action. Reply in another case was awaited (November 2002)						
3	Jhajjar	1/1	1995 96	PVC	1 29	2 85
Remarks — On being pointed out in audit (March 1998) the department rectified (June 1998) the assessment and created (June 1998) demand for Rs 2 15 lakh						
4	Kaithal	2/4	Between 1995 96 and 1996 97	Oil seed	14 23	56 90
Remarks — On being pointed out in audit (May 2000) the department sent all the cases to revisional authority for <i>suo motu</i> action						
5	Panipat	5/5	Between 1994 95 and 1999 2000	Cotton and HDPE granules	11 01	45 21
Remarks — On being pointed out in audit (between January 2000 and October 2001) the department levied tax of Rs 1 94 lakh in one case and sent three cases for <i>suo motu</i> action. In one case reply was awaited (November 2002)						
6	Sonipat	4/4	Between 1996 97 and 1998 99	Cotton	1 85	7 37
Remarks — On being pointed out in audit (between March 1999 and December 2000) the department created (September 2000 and January 2002) demand for Rs 7 37 lakh						
Total		19/22				177 04

(ii) Test check of the records of DETCs Panchkula Gurgaon (West) Ambala and Panipat revealed that in five cases of 5 units the notional sales tax liability was calculated short by Rs 40 56 lakh due to calculation mistake during the years 1995 96 to 1998 99

On being pointed out (between March 2001 and February 2002) the DETCs Gurgaon (West) Panchkula and Panipat rectified the assessments and increased (May June 2001 and February 2002) the notional sales tax liability by Rs 37 77 lakh Reply from DETC Ambala in two cases had not been received (November 2002)

The department in its written reply stated as under —

M/s Shree Markanda Metals, Ambala City R C No 29181, A Y 1997 98

In this regard it is submitted that the dealer unit was granted exemption under rule 28A to the tune of Rs 1 70 50 500 00 w e f 22 7 1993 to 21 7 2002 The case was sent for taking *suo motu* action to DETC (I) Ambala who vide his orders dated 22 11 2001 created an additional demand of Rs 16 51 546 00 against the dealer The recovery proceedings are being initiated against the dealer

M/s Swastik Agro Ambala City R C No 29502 A Y 1997-98 & 1998 99

In this regard it is submitted that the dealer unit was granted exemption under rule 28A to the tune of Rs 15 07 467 00 w e f 14 1 1996 to 13 1 2005 Both the cases were sent for taking *suo motu* action to DETC(I) Ambala who vide his orders dated 27 3 2002 created an additional demand of Rs 13 29 987 00 for the year 1997 98 and Rs 9 68 495 00 for the year 1998 99 against the dealer The dealer went in appeal before the Hon ble Haryana Tax Tribunal the cases is still pending for disposal with the tribunal

M/s Chaudhary Poly Coats (P) Ltd Bahadurgarh Jhajar R C No 18572 , A Y 1995 96

It is an exempted unit under rule 28A of the HGST Rules 1957 with exemption certificate No 109 Total exemption in this case was allowed for Rs 185 74 lacs The exemption certificate is valid w e f 11 08 1993 to 10 08 2000 The Assessing Authority failed to levy purchase tax under Section 6 of the HGST Act while framing original assessment which was framed on 07-10 1996 which on audit objection was later rectified by the Assessing Authority vide his orders dated 11 06 1998 creating an additional demand of Rs 215760/ and the same was adjusted against the Notional Tax Liability The dealer preferred appeal before the Jt E T C (Appeals) Rohtak who quashed the demand vide his orders dated 22 09 1998 putting reliance upon the decision of the Hon ble Haryana Tax Tribunal dated 28 04 2000 in case of M/s K K Spinners Pvt Ltd Panipat V / s State of Haryana However it is pointed out that Hon ble Haryana Tax Tribunal has reviewed its earlier decision in case of M/ s K K Spinners Pvt Ltd V / s State of Haryana reported as 2016(PHT) 265 decided on 21 07-2000 wherebv it is held that purchase tax is attracted and leviable on the goods purchased free of tax and used in the manufacture and sale of tax free goods and the same can be adjusted towards the Notional Tax Liability The original assessment was framed as per the existing laws Further steps are being taken to get the Assessing Authority's order restored by way of the revision/review of the orders of the Jt E T C (Appeal) Rohtak dated 22 09 1998 quashing the demand

M/s Cheeka Solvent, Kaithal, R C No 4790 A Y 1998 99

(i) The audit objection raised by the audit party is admitted to the extent that purchase tax is leviable on sunflower seed crushed for production of oil and cake. However the rate of tax on sun flower seed is @ 12% as per entry No 80 II w e f 01 04 1996 to 03 03 2000 (Photo copy enclosed) and not the 4% as pointed out by the audit. At the time of assessment such purchase tax was not levied in view of the rulings of Hon'ble Tribunal Haryana in the case of M/ s K K Spinners Panipat. But now the Hon'ble Tribunal Haryana in his review order in the case of M/s K K Spinners and Attar Spinners Panipat has held that in the cases of exempted units rule 24M of the Haryana General Sales Tax Act is not applicable and purchase tax is also leviable in cases where this rule is applicable. Such purchase tax is not to be recovered and is to be adjusted against notional tax liability. Thus no purchase tax on sunflower seed is recoverable and the case for levy of purchase tax is being sent to revisional authority. So para may be dropped.

(ii) No action u/s 25(5) and 47 is required as discussed above.

(iii) Objection raised by the audit party is not admitted. purchase tax levied on sunflower seed crushed is not recoverable in view of the ruling of Commissioner and Secy to Govt. of Haryana reported as 14 PHT page 126. So para may be dropped.

M/s Singhal Spinners Panipat, R C No 7832 A, A Y 1998 99

In reply to para it is intimated that the case has been sent to Revisional Authority for taking *suo motu* action under section 40 of the HGST Act 1973. Final reply will be sent later on.

M/s Aggarwal Refractory, Ambala City, A Y 1997 98, R C No 26214

In reply to audit para it is submitted that the unit was granted exemption w e f 26 3 1993 to 25 3 2002 for Rs 79 09 500 00 for refractory goods. While framing assessment for the year 1997 98 taxable turnover under HGST Act 1973 worth Rs 676300 00 was assessed @ 8% at Rs 5410 40 whereas the same come to Rs 54104. On the observations made by the audit party in their memo the cases were moved to DETC. Cum Revisional Authority Ambala for taking *suo motu* action in the matter. The Revisional Authority Ambala vide his orders dated 27 5 2002 has created additional demand of Rs 62229 has been adjusted towards balance notional sales tax liability of the dealer.

Hence the para may kindly be dropped.

M/s Shree Markanda Metals Ambala R C No 29181 A Y 1997 98

The Committee desired to know the latest position of recovery/adjustment of additional demands raised

M/s Swastik Agro Ambala City R C No 29502 A Y 1997 98 & 1998 99

The Committee desired to know the final outcome of the case pending in Hon'ble High Court

M/s Chaudhary Poly Coats (P) Ltd Bahadurgarh Jhajar R C No 18572 A Y 1995 96

The Committee desired to know the final outcome of the case pending with JETC (Appeals) Rohtak for review in view of order of Sales Tax Tribunal in July 2000

M/s Cheeka Solvent Kaithal R C No 4790 A Y 1998 99

The Committee desired that the final outcome of the case pending with Revisional Authority for levy of purchase tax may be intimated to it within a period of three months

M/s Singhal Spinners Panipat R C No 7832 A A Y 1998-99

The Committee desired that the final outcome of the case pending with Revisional Authority may be intimated to it within a period of three months

M/s Aggarwal Refractory Ambala City R C No 26214-A A Y 1997 98

The Committee observed that Audit has pointed out five cases of five units in DETCs Panchkula, Gurgaon (West) Ambala and Panipat office But department has given reply to two units of Ambala offices only No reply in respect of remaining three units of Panchkula, Gurgaon (West & Panipat DETC) Office has been given, which may be sent to the Committee now

[17] 2 2 11 Non monitoring of exempted/deferred units

To ascertain the amount of sales tax deferred/exempted the Deputy Excise and Taxation Commissioner of each district was required to review the performance of each eligible industrial unit and to send a quarterly report to the Excise and Taxation Commissioner in the following month but none of the Commissioners of the 10 districts test checked sent the quarterly performance reports to the Excise and Taxation Commissioner Chandigarh Thus non monitoring of exempted/deferred units resulted in non-recovery of tax of Rs 37 32 crore as detailed below

(i) Disposal of fixed assets

As per HGST Rules 1975 the eligibility certificate granted to an industrial units shall be liable to be withdrawn at any time during its currency by the appropriate screening committee in case of disposal or transfer by the unit of any of its fixed assets

Test-check of the records of DETCs Jagadhari Panchkula and Rewari revealed that in 4 cases (2 of Jagadhari one each of Panchkula and Rewari) the industrial units had disposed of (between March 1990 and January 2000) fixed assets of Rs 1 36 crore during the currency of eligibility certificate However the exemption certificate in 2 cases of Jagadhari was cancelled in November 1997 and March 1998 (i.e. after a lapse of 7 years in one case and one year in other case) In the other case it was cancelled after being pointed out in audit in February 2002 and no action was taken in the remaining one This resulted in non realisation of Rs 57 93 lakh

(ii) Non maintenance of production level

As per HGST Rules 1975 the benefit of tax exemption/deferment shall be subject to the condition that the beneficiary unit after having availed of the benefit shall continue its production at least for the next five years and not below the level of average production for the preceding five years. In case the unit violates the condition it shall be liable to make in addition to the full amount of tax benefit availed of by it during the period of exemption/deferment payment of interest chargeable under the Act as if no tax exemption/deferment was ever available to it.

During test check of records in the offices of 8 sales tax districts it was noticed that 31 units after availing the exemption of Rs 14.36 crore did not maintain the level of production to the extent of average production for the preceding five years and thus they were liable to refund the full amount of tax benefit availed of by the units. Neither the units refunded the amount of exemption nor the department demanded/recovered the amount of Rs 14.36 crore from the units as per details given in the table below —

Sl No	Name of DETCs	No of units	Amount of exemption/deferment availed (Rs in crore)
1	Ambala	1	0.65
2	Gurgaon (E)	6	1.09
3	Jhajjar	2	0.35
4	Jagadhari	5	1.16
5	Karnal	3	0.26
6	Rewari	3	8.36
7	Sonapat	6	1.51
8	Panipat	5	0.98
Total		31	14.36

The matter was brought (August 2001 and March 2002) to the notice of the department but their reply had not been received (November 2002).

(iii) Non recovery of tax

Under Haryana General Sales Tax Rules 1975 the exemption/entitlement certificate granted to an eligible industrial unit shall be liable to be cancelled by the Deputy Excise and Taxation Commissioner concerned either in the case of discontinuance of its business by the unit any time for a period exceeding six months or its closing down during the period of exemption/deferment. Further under the rules *ibid* on cancellation of eligibility certificate or exemption/entitlement certificate before it is due for expiry the entire amount of tax exempted/deferred shall become payable immediately in lumpsum and the provisions relating to recovery of tax interest and imposition of penalty shall be applicable in such cases.

(a) During test check of the records in the 10 sales tax districts it was noticed that 155 units after availing exemption of Rs 19 85 crore during 1996 97 to 2000 2001 discontinued their manufacturing process during the currency period of exemption/deferment. Though the concerned Deputy Excise and Taxation Commissioners cancelled (between June 1997 and September 2001) the exemption certificates of these units they did not recover the amount of Rs 19 85 crore of exemption availed by the units as detailed below —

Sl No	Name of DETCs	No of units	Amount of exemption/ availed (Rs in crore)
1	Ambala	1	1 62
2	Gurgaon (E)	8	3 69
3	Gurgaon (W)	6	0 11
4	Jagadhari	11	0 53
5	Jhajjar	35	1 41
6	Karnal	48	3 72
7	Panipat	2	0 03
8	Panchkula	16	2 31
9	Rewari	10	4 61
10	Sonapat	16	1 82
Total		155	19 85

out of 10 units of Rewari District 4 units availing tax exemption of Rs 80 10 lakh had gone to Bureau of Industrial Finance Reconstruction (BIFR) and 2 units availing tax exemption of Rs 26 16 lakh had gone on liquidation

(b) Further in 9 cases (6 of Rewari and 3 of Yamunanagar) the industrial units after availing exemption/deferment of Rs 2 53 crore discontinued their manufacturing process during the currency period of exemption/deferment but the exemption certificates were not cancelled by the DETCs. Thus the amount of Rs 2 53 crore of exemption availed by the units remained unrecovered (November 2002)

On being pointed out in audit the ETC Haryana issued (April 2002) instructions to all DETCs to furnish the quarterly returns regularly to him

The department in its written reply stated as under —

M/s Khajanchi Lal Jai Bhagwan, Jagadhari R C No 8637 E C No 108

M/s Khajanchi Lal Jai Bhagwan The dealer was issued Exemption Certificate No 108 dated 26 10 1995. The dealer was granted exemption for the period from 30 09 1994 to 29 09 01 for an amount Rs 2463642/. The dealer after running the business for 2 years This discontinued production and sold fixed assets. Action was initiated under Rules 28 a 9(i) & 9(ii) of the HGST Rules 1975 and Addl demand of

Rs 658814/- was created. The Exemption Certificate of the dealer was withdrawn. The dealer preferred an appeal before the Appellate Authority Ambala which was rejected. After this the dealer preferred an appeal before the Sales Tax Tribunal Haryana which was also rejected. After this the dealer was directed to deposit the amount of Rs 658814/- Out of which an amount of Rs 300000/- has been recovered. The amount was recovered from the dealer on different days. Since the prop of the firm had left the city No where about could be traced out. A letter has been written to the Tehsildar Jagadhri to intimate the ownership of any property in the name of the prop of the firm. Also notice under Land Revenue Act has been issued to surety of the firm to recover the amount. The whole amount is like to be recovered in due course. In view of the above para may please be dropped.

7	5 5 2000	10000
54	26 8 2000	20000
113	3 8 2000	20000
7	29 8 2000	10000
19	28 9 2000	20000
111	7 11 2000	25000
13	28 11 2000	20000
61	25 12 2000	20000
120	5 2 2001	20000
96	1 3 2001	20000
60	4 4 2001	20000
133	2 5 2001	20000
123	1 6 2001	20000
28	4 7 2001	20000
12	31 7 2001	20000
81	24 8 2001	15000

Total

300000

M/s National Saw Mill Jagadhri E C No 52

The firm was issued exemption certificate under Rule 28A of the HGST Rules for the manufacturing of Plyboard etc and sale thereof for an amount of Rs 24 27 192/- for a period valid from 23 6 94 to 22 6 01 vide exemption certificate No 52. The audit party had pointed out that the unit has disposed off their fixed assets worth Rs 19 42 lacs during the currency of eligibility certificate has not been withdrawn and the amount of

exemption was not recovered. In this regard it is intimated that the exemption certificate of the unit has been cancelled by the DETC vide order dated 24.11.97 under Rule 28A 9(v) of the HGST Rules.

M/s Kanchan Bala & Company Panchkula R C No 31034 E C No 8

In this case the DETC Panchkula has already cancelled the exemption certificate. Further the eligibility certificate has also been withdrawn by the Lower Level Screening Committee and the full amount of exemption availed by the dealer is still recoverable. The recovery proceedings have also been initiated by the Assessing Authority.

M/s Vidhika Commercial Services, Village Bakhapur Rewari

The company was granted benefit of tax exemption for the period from 14.03.1990 to 14.03.1999 for a total quantum of Rs 119.63 lacs. The company availed the benefit of tax exemption to the tune of Rs 3487383/- during the benefit period. The industrial unit had informed vide application dated 01.10.1999 that the entire business of the company was sold to its sister concern M/s Anubhav Minerals (P) Ltd. and M/s Anubhav Minerals (P) Ltd. has undertaken the responsibility to meet the requirements relating to sales tax exemption. Later on the exemption certificate was cancelled by the DETC (ST) Rewari vide order dated 25.03.2003. The appeal filed by the dealer was rejected by the Jt. Excise & Taxation Commissioner (Appeals) Faridabad vide order dated 07.02.2005 in Appeal No. RAW/23/STA/20.10.2003. However, on second appeal the Hon'ble Tax Tribunal quashed the order of the first Appellate Authority vide order dated 06.03.2007 in appeal No. STA/206-207 of 2005-06 and remanded the case to the Dy. Excise & Taxation Commissioner (ST) Rewari for looking into the matter afresh. Since the exemption certificate has been cancelled, therefore the action as required by the audit has been taken. Hence the para deserves to be settled. So far disposal of remand case is concerned, the copy of order shall be sent in due course.

M/s Mayur Shoes, Balana, R C No 24405, Ambala

In this regard it is submitted that the dealer was granted exemption under rule 28A w.e.f 14.6.1988 to Rs 31.3.1997 for the sum of Rs 65.24.413.00/- The unit has exhausted the exemption limit during the year 1996-97. The dealer has failed to maintain the average level of production in terms of sub rule 11 (a)(i) of rule 28A of HGST Rules 1975. The issue has been examined by the Deputy Excise and Taxation Commissioner Ambala who after exercising due diligence passed order on 17.11.2004 to recall back the availed benefit of tax worth Rs 65.24 lacs alongwith interest under the provisions of law.

Accordingly Tax Demand Notice of Rs 1.97.02.300.00 was issued to the dealer by the Assessing Authority on 7.12.2004. Being aggrieved from this order the dealer preferred an appeal before the Joint Excise and Taxation Commissioner (Appeals) Ambala who vide his order dated 26.4.2006 dismissed the appeal in default. The dealer went in appeal before the Hon'ble Haryana Tax Tribunal against the orders of the worthy Jt. ETC(A) Ambala. The case is still pending before the Appellate Authority for disposal.

M/s R S Sabharwal Plywood (P) Ltd , R C No 1815080, Mewat

Since the industrial unit has failed to maintain the level of production as required under sub rule 11 (a)(i) of Rule 28 A therefore show cause notice under sub rule 11 (b) has already been issued All three Directors have expired The factors for fall in turnover appear to be beyond the control of human being Notice under rule 11 (b) of rule 28A dropped and proceedings initiated were withdrawn vide DETC Gurgaon order dated 05 04 2000

Date of eligibility Certificate	9 3 1989
Date of exemption Certificate	7 3 1990
Period	1989-1990 to 1997-98 upto 13 9 2007
Eligible amount	2639507
Exemption availed	729697

M/s Super Wood Craft (P) Ltd , R.C No 1814248, Mewat

Since the industrial unit has failed to maintain the level of production as required under sub rule 11 (a)(i) of Rule 28-A therefore show cause notice under sub rule 11 (b) has already been issued However a decision under sub rule 11(b) of Rule 28 A is yet to be taken Notice issued for taking action at the earliest

Date of eligibility Certificate	22 6 90
Date of exemption	11 12 90
Period of benefit	1989 1990 to 1996 97
Amount	2120767
Exemption availed up to 1996 97	1074956

M/s Suman Products (P) Ltd , R C No 1815547 Gurgaon (East)

The unit was granted exemption certificate under rule 28A for the period 17 8 91 to 16 1 1998 subject to maximum quantum of Rs 2961340/ During the period industrial unit availed benefit of sales tax exemption amounting to Rs 525389/ Therefore a show cause notice under rule 11 (b) of Rule 28 A was issued to the industrial unit on 23 2 2001 The case is under proceeding and shall be finalized at the earliest and intimation of the final decision shall be communicated

M/s Hartron Communication Ltd , R C No 1815399, Gurgaon (East)

The unit was granted entitlement certificate under rule 28A for period from 27 1 1991 to 26 1 98 subject to maximum quantum of Rs 589 90 lacs The notice was issued by worthy DETC on 30 9 98 for non maintaining the production level The amount of deferment availed by the industrial unit was 564145/- The case is under proceeding and shall be finalized at the earliest and intimation of the final decision shall be communicated

M/s Kasturi Lal & Sons Jagadhri, E C No 18

The firm was issued exemption certificate under Rule 28A of the HGST Rules for the manufacturing of Brass sheet copper circle etc and sale thereof for an amount of Rs 13 61 614/- for a period valid from 21 1 91 to 31 3 97 vide exemption certificate No 18 The DETC Jagadhri vide order dated 16 05 2002 has withdrawn the exemption under rule 28 A 11(b) of the HGST Rules and created the demand of Rs 71 00 260/- under HGST Act and Rs 28 85 466/- under CST Act The dealer went in appeal against this order before the Jt Excise & Taxation Commissioner (Appeal) Ambala The Joint ETC (Appeals) remanded the case vide order dated 08 01 2004 The remand case was decided by the D E T C vide order dated 09 05 2005 and again created addition demand of Rs 71 00 260/- under HGST Act and Rs 28 85 466/- under CST Act The dealer preferred appeal before the Joint ETC (Appeal) Ambala who rejected the appeal vide order dated 27 10 2005 The appeal is now pending before the Haryana Tax Tribunal Chand garh

M/s Mourya Timber, Jagadhri, E C No 4

The firm was issued Exemption Certificate under Rule 28 A of the H G S T Rules for the manufacturing of plywood and Plyboard and sale thereof for an amount of Rs 3 08 102/- for a period valid from 20 6 89 to 19 6 96 vide exemption certificate No 4 The exemption of the firm has been withdrawn vide order dated 16 5 2002 by the then DETC Jagadhri under rule 28 A 11(b) of the HGST Rules The dealer went in appeal against this order before the Jt E T C (Appeal) Ambala The Jt Commissioner Shri K S Malik vide order dt 25 3 2003 has remanded the case to decide the case afresh with the observation that the unit II of the appellant supplied goods to the unit I as inter unit transfers and these inter unit transfers though not part of productions has not been reflected in the turnover and hence recovery of tax and interest in accordance with provisions of rule 28 A 11(b) through impugned order was not justified and hence the impugned order is liable to be set aside The case has been decided by the DETC vide order dated 06 09 2007 and vacated the notice issued under rule 28A 11 (b) as the dealer proved that there is no loss in the production during the post exemption period Hence in view of the above facts the para may please be dropped

M/s Parwati Plastics Jagadhri, E C No 6

The firm was issued exemption certificate under Rule 28A of the HGST Rules for the manufacturing of plastic strips etc and sale thereof for an amount of Rs 2 70 596/- for a period valid from 12 12 90 to 31 03 97 vide exemption certificate No 6 The DETC Jagadhri vide order dated 16 05 2002 has withdrawn the exemption under rule 28 A 11 (b) of the HGST Rules and created the demand of Rs 4 02 743/- under HGST Act and Rs 67 430/- under CST Act The dealer went in appeal against this order before the Jt Excise & Taxation Commissioner (Appeal) Ambala The Joint ETC (Appeals) remanded the case vide order dated 23 06 2005 The dealer filed the appeal before the Hon ble Haryana Tax Tribunal against the order of the Jt ETC (Appeal) on the ground that the Jt Excise & Taxation Commissioner (Appeal) Ambala remanded the case only on the issue of obsolescence of the item manufactured by the dealer and did not adjudicate on the other issues involve in this case The Haryana Tax Tribunal also remanded the

case vide order dated 23 08 2006 The remand has been decided by the DETC vide order dated 05 09 2007 and vacated the notice issued under rule 28 A 11 (b) of the HGST Rules as the dealer proved that the loss in production during the post exemption period was due to the reasons beyond the control of the unit Hence the para may please be dropped

M/s Ashoka Rubber Industries, Karnal, R C No 22832

The DETC vide order dated 11(b) after hearing the circumstances of the dealer is not maintaining average level of production in view of above no action is required to be taken

M/s Delton Cables Darauhera Rewari, E C No 43

M/s Delton Cables Ltd was granted benefit of sales tax deferment for a period of nine years from 31 12 1996 to 30 12 2005 subject to maximum limit of Rs 300 84 lacs Proceedings for withdrawal of Eligibility certificate were initiated However the Higher Level Screening Committee in its meeting held on 15 09 2003 held that the action in the case was to be taken by the DETC in term of sub rule (11) (a) of Rule 28A of the Haryana General Sales Tax Rules 1975 Accordingly proceedings were initiated for taking action under sub rule (11) (a) of Rule 28A of the Haryana General Sales Tax Rules 1975 The industrial unit has furnished reply to the show cause notice however the decision in the case could not be taken due to transfers of DETCs The case was fixed for 24 08 2007 but the case could not be taken up due to departmental monthly review meeting on this date The judgements in this case were reserved on 18 10 2007 which shall be communicated after release of these judgements

M/s Dure Pack Ltd , Rewari , R C No 2366

The industrial unit M/s Duropack Ltd Village Panchore District Rewari was granted benefit of sales tax deferment for a period of nine years from 24 11 1988 to 23 11 1997 subject to maximum limit of Rs 156 13 lacs The industrial unit has failed to maintain its average level of production during the post benefit period therefore proceedings for necessary action under sub rule 11 (b) of Rule 28 A were initiated However in the mean time the Company was declared a sick industrial unit in terms of Section 3(1) of the Sick Industrial Company (Special Provisions) Act 1985 by the Board for Industrial and Financial Reconstruction (BIFR) in its meeting held on 29 11 2006 Necessary action in the case has been taken vide orders dated 22 10 2007 and the dealer has held liable for payment of full amount of tax benefit availed of by it during the period of exemption along with interest in term of provisions of clause(b) of sub rule(11) of Rule 28A of the Haryana General Sales Tax Rules 1975

M/s Penam Laboratories, Rewari, E C No 23

M/s Penal Laboratories Ltd Village Joniawas Dharuhera District Rewari was granted benefit of sales tax deferment for a period of nine years from 01 01 1996 to 31 12 2004 subject to maximum limit of Rs 148 93 lacs The industrial unit has failed to maintain its average level of production during the post benefit period therefore proceedings for necessary action under sub rule 11 (b) of Rule 28 A were initiated However in the mean time the Company was declared a sick industrial unit in terms of Section 3(1) of

the Sick Industrial Company (Special Provisions) Act 1985 by the Board for Industrial and Financial Reconstruction (BIFR) in its meeting held on 26 3 2002. Since the case is still pending with the BIFR, therefore, no decision could be taken. The case is fixed for 6 11 2007 and hopefully the action shall be taken on that date and the result shall be communicated in the due course of time.

M/s Haryana Abrasive, Murthal, Sonapat, E C No 6

The unit was granted exemption certificate for the period from 17 5 1989 to 16 5 1996 pursuant to the eligibility certificate issued for a quantum of Rs 4 12 693/. The exemption certificate was cancelled by the DETC Sonapat vide order dated 17 3 2004 u/r 11(a)(i) of rule 28 A of HGST Rules 1975 for not maintaining the average production level. An additional demand of Rs 2 86 333/- under HGST Act and Rs 10 28 988/- under CST Act for the year 1989 90 to 1997 98 was created. Out of this Rs 24 535/- (TR No 113 dated 27 6 2001) has been recovered from the dealer. Firm stands closed. Properties i.e. Land and Building (2400 square yard) are pledged with financial institutions. Proprietor has died. Proceedings under Land Revenue Act were initiated. The property of the firm pledged with the PNB and has been sold by the bank for Rs 30 00 000/. So now the Punjab National Bank has filed the Suit against the borrowers in D R T Chandigarh for remaining dues.

M/s Thermofeb Sales India, Ahmedpur, Sonapat, E C No 9

The unit was granted exemption for a quantum of Rs 5 62 307/- for the period from 19 09 88 to 15 09 95. The Dy. Excise & Taxation Commissioner vide his order dated 22 02 2002 cancelled the exemption certificate due to not maintaining average level of production. An additional demand of Rs 13 76 075/- was created by the Assessing Authority on 15 04 2002 and the same was served upon the dealer on 18 07 2002. The arrears were declared to be recovered as if arrears of Land Revenue on 20 08 2002. Notice to the party as well as to the sureties were issued on 20 08 2002. Thereafter summons were issued. The dealer filed an appeal before the Jt. Excise & Taxation Commissioner (A) Rohtak and the Appellate Authority stayed the recovery in view of the judgement of the Tribunal reported as 2002 (20) PHT 137 (STT Hr) in which it is held that first Appellate Authority should decide the appeal only after decision of appeal by HLSC against the order of LLSC which is still pending.

M/s J S Polymers Ltd Piro Manyari, Sonapat, E C No 16

The exemption certificate of the firm was cancelled by the DETC for not maintaining the average level of production vide order dated 09/04/2003 and an additional demand of Rs 13558126/- was created by the Assessing Authority vide order dated 06/05/2003. The orders of DETC as well as the Assessing Authority were challenged before the JETC (A) who remanded the case back to DETC and quashed the order of Assessing Authority vide his order dated 22/09/2003. The remand case was decided by the DETC vide order dated 07/10/2003 and the same has been challenged in appeal before the JETC (A) who dismissed the appeal. Now the case is pending before Hon ble Haryana Sales Tax Tribunal.

M/s Videotex Electronics, Ambala City R C No 26582

In this regard it is submitted that the unit was granted exemption under rule 28A to the tune of w.e.f 9 4 1990 to 31 3 1997 Exemption certificate of the dealer stands cancelled by the worthy DETC Ambala Accordingly additional demand of Rs 14809464 00 was created against the dealer Being aggrieved of this order the dealer preferred an appeal before the Jt Excise & Taxation Commissioner Ambala who dismissed the appeal The dealer thereafter preferred an appeal before the Hon ble Haryana Sales Tax Tribunal where his appeal also stands dismissed Now the dealer has filed Civil Writ Petition bearing No 9561 of 2007 in the Punjab and Haryana High Court and the case is still pending

M/s Raj Bal Packages Ambala City, R C No 29400

In this regard it is submitted that the unit was granted exemption under rule 28A w.e.f 4 6 1993 to 13 6 2000 to the tune of Rs 17 43 495 00 availed benefit by the unit upto closure is worked out at Rs 2 69 816 00 The Deputy Excise and Taxation Commissioner Ambala vide his orders 26 3 2001 cancelled the exempted certificate of the dealer and directed to recover the availed benefit by the dealer Accordingly recovery proceedings were initiated against the firm Partners of the firm were believed to be fled away leaving no address behind Proceedings are being initiated to recover the amount from the sureties

M/s A C E Overseas (P) Ltd , Gurgaon (East)

The industrial unit availed of the benefit of exemption from the date of commercial production as provided in sub rule 4(a) of Rule 28 A of the HGST Rules but it closed down its business during the currency of benefit period Exemption certificate was cancelled vide DETC orders dated 07-12 1998 and the case were assessed on 18 12 1998 Eligibility certificate was withdrawn on 01 02 1999 The assets of the company were pledged with the HFC which had put the assets to auction HFC was requested vide Memo No 541/TI (AS) dated 25 02 2000 for remission of payment out of the auction proceeds However the Branch Manager HFC Gurgaon has informed vide his Memo No HFC/BOI/GGN/2000/670 dated 05 05 2000 that the assets of the company are insufficient for the recovery of their dues Recovery certificates were sent to Delhi for recoveries from sureties but nothing recovered There is no laxity as far monitoring of case is concerned

Period of benefit	18 1 1995 to 17 1 2004
Total quantum benefit	84 84 lacs
Benefit availed of	8 19 lacs 8 20

M/s A P T Yarn (P) Ltd Gurgaon (East)

The industrial unit availed of the benefit of exemption from the date of commercial production as provided in sub rule 4(a) of Rule 28 A of the HGST Rules but it closed down its business during the currency of benefit period Exemption certificate was cancelled vide DETC orders dated 09 01-1998 and the case were assessed on

23 11 1998 & 15 01 1999 Eligibility certificate was withdrawn on 01 02 1999 The possession of assets of the company was taken over by HFC on 06 05 1997 with whom these were pledged The assets have already been auctioned by HFC but these could not fetch sufficient amount to recover their dues as per HFC Letter No HFC/BC/GGN/2000/669 dated 05 05 2000 Recovery certificates were sent to Collector Amritsar (Pb) from where Rs 5 38 433/ has been recovered There is no laxity as far monitoring of case is concerned

Period of benefit	2 1 1995 to 1 1 2004
Total quantum benefit	102 58 lacs
Benefit availed of	7 38 lacs

M/s Medicos Glass Containers, Gurgaon (East)

The industrial unit was granted benefit of sales tax exemption for the period 20 9 95 to 19 9 2002 subject to maximum amount of Rs 4781225/ The industrial unit has closed down its business and it has been informed vide letter dated 29 3 2001 and applied for cancellation of R C w e f 31 3 2001 vide application dated 5 6 2001 LLSC had withdrawn eligibility certificate in its 65th meeting held on 17 7 2001 Additional demand outstanding against the industrial unit is Rs 1200962/- and stands declared as recoverable under the Land revenue Act Recovery certificate have been issued to The Collector Delhi No recovery have been made till date Recovery certificate against sureties have also been issued to Collector Delhi

M/s Balaji Insulations (P) Ltd , Gurgaon (E)

The Industrial Unit availed of the benefit of exemption from the date of commercial production as provided in sub rule 4(a) of rule 28 A of the HGST Rules but the dealer closed down its business during the currency of benefit period The Eligibility Certificate was withdrawn on 20 9 1999 and the possession of assets of the company was taken over by H F C on 12 7 1999 with whom these were pledged The Recovery Certificate was also sent to the Branch Manager H F C Gurgaon vide Memo No 543 dated 25 2-2000 and subsequently reminder was also given vide No 974 dated 30-4 2002 for payment of outstanding dues It has been informed vide GMDIC Gurgaon that the dues of H F C were more than the amount received against the auction of assets of company and therefore a sum of Rs 1 00 000/ has been recovered from sureties The other sureties of the firm pertain to Delhi wherein Recovery Certificates were sent to the Collector Delhi vide Memo No 2114 dated 24 7 2001 and regular reminders are being issued

M/s Metlex Ceramics Ltd , Gurgaon (E)

The industrial unit was granted benefit of sales tax exemption for the period from 18 8 89 to 17 8 96 subject to maximum quantum of Rs 41855000/ The dealer has availed benefit of sales tax exemption 18036193/ The exemption certificate of the dealer has been cancelled by the DETC vide his order dated 16 6 98 as a result of action u/r 11 (b) of Rule 28 A which has been upheld by the Hon ble Punjab and Haryana High Court vide orders dated 16 7 2001 Subsequently the BIFR vide his order dated

15.12.98 has already wound up the company and reference for winding up of the company has been sent to Delhi High Court. The matter is pending and an intimation regarding appointment of official liquidator is pending. Reminders regarding such intimation on appointment of official liquidator have been sent. As soon as such information will be received the claim as mentioned above arrears shall be lodged with him.

M/s Rishabh Foods Ltd , Gurgaon (East)

The industrial unit closed down its business during the post benefit period i.e. w.e.f. June 1999. The company was declared sick by the Board for Industrial and Financial Reconstruction (BIFR) vide its orders dated 10.07.2000 in case No. 79/97. The registrar BIFR informed vide letter dated 25.09.2000 that the Board has recommended winding up of the company in its meeting held on 11.09.2000. Hon'ble Punjab & Haryana High Court has vide orders dated 08.03.2001 passed the necessary orders for the liquidation of the company and has appointed Sh. B. K. L. Shrivastava as the Official liquidator. Claim for the recovery of Rs. 89,59,845/- was lodged with the liquidator vide this office Memo No. 2019 dated 13.07.2001. Thereafter a revised claim has been lodged for Rs. 1,09,64,841/- on account of sales tax exemption availed of by the company and interest and penalties. As such there is no laxity as far as monitoring of case is concerned.

Period of benefit	12.1.1990 to 11.1.1999
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Total quantum of benefit	295.58 lacs
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Benefit availed of	80.65 lacs
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M/s Techro Vessels (India) (P) Ltd Gurgaon (East)

The industrial unit availed of the benefit of exemption from the date of commercial production as provided in sub-rule 4(a) of Rule 28 A of the HGST Rules but it closed down its business during the currency of benefit period. Eligibility certificate was withdrawn in the 60th meeting of the LLSC held on 11-10-1999. The unit filed appeal before the HLSC against the orders of the LLSC. However, the appeal has been rejected vide orders dated 18-11-2002. The assets of the unit have been sealed by HFC with whom these were pledged and sold in 2000-01 as per HSIDC letter No. DGM/MS/04/1907 dated 14-10-2004. HFC has further mentioned in the said letter that after adjustment of sale amount balance amount is still requireable. As such there is no laxity as far as monitoring of case is concerned.

Period of benefit	17.5.1995 to 16.5.2004
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Total quantum of benefit	194.07 lacs
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Benefit availed of	4.31 lacs
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M/s Mittal Strips, Jagadhri E C No 94

The dealer was issued Exemption Certificate for Rs. 24,78,057/- for a period from 24.05.1994 to 23.05.2003 vide order dated 10.05.1996. The dealer started filing nil returns from the 4th quarter of 1997-98. Taking cognizance of the same Deputy Excise & Taxation Commissioner Jagadhri initiated proceedings for cancellation of Exemption Certificate in March 1998 by issuing show cause notice and exemption certificate.

was cancelled by the Deputy Excise & Taxation Commissioner Jagadhri vide order dated 17 05 1999. The appeal of the dealer against order of the Deputy Excise & Taxation Commissioner Jagadhri dated 17 5 1999 was dismissed by Jt Excise & Taxation Commissioner Ambala vide order dated 18 2 2002. The case of the dealer was assessed by the Assessing Authority creating an additional demand of Rs 2 27 369/- vide order dated 18 03 2002. This order of Assessing Authority dated 18 3 2002 was remanded by the Jt Excise & Taxation Commissioner (Appeal) vide order dated 27 10 2005 in the light of the judgement of Hon ble High Court of Punjab and Haryana in case of M/s A S Fuel (P) Ltd Faridabad V/s State of Haryana cited as (2001) 17 PHT 131. Remand cases were decided by the Assessing Authority vide order dated 11 7 2006 in the light of the judgment delivered by Haryana Tax Tribunal Chandigarh in case of M/s Bharat Wood Industries cited as (2005) 26 PHT 415. The dealer was assessed to tax of Rs 3 31 562/. However only Rs 47502/ is still outstanding and balance has been adjusted on purchases and recovered.

M/s S K Wood Products, Jagadhri, E C No 97

In reply to the audit objection in respect of the firm M/s S K Wood Product Chh Road Panjeto it is intimated that the dealer was granted exemption certificate for an amount of Rs 5838810/- for the period from 01 06 96 to 30 06 04. The Dy Excise and Taxation Commissioner Jagadhri cancelled the Exemption Certificate u/r 28(A) 9(i) and 9(V) of the Haryana General Sales Tax Rules vide order dated 29 03 2000. The eligibility certificate of the firm was already withdrawn by the lower level Screening Committee in the meeting held on 12 11 1999.

After the withdrawal of Exemption Certificate the Dy Excise and Taxation Commissioner Jagadhri vide order dated 13 09 2000 disallowed the total benefit of tax availed by the dealer and calculated tax of Rs 629531/ and interest thereon Rs 532042/ creating total additional demand of Rs 1161573/ against the dealer.

The order of the Dy Excise and Taxation Commissioner was challenged by the dealer before the Dy Excise and Taxation Commissioner (A) who vide order dated 31 10 2000 set aside the orders of the Dy Excise and Taxation Commissioner passed on 29 03 2000 and directed to decide the case afresh. The then D E T C filed a review application against this order.

The case thereafter was taken up in review u/s 41 of the H G S T Act 1973 by the Jt E T C (A) on 11 02 05 and recovered his own order passed earlier and up held the original order dated 13 09 2000 of the D E T C in which demand of Rs 1161573/ was created. After this order recovery proceedings were initiated against the dealer which are still under process. Since the firm stands closed long ago and the dealer is not traceable also efforts are being made to recover this amount from the sureties and enquires are being conducted about the where about of the property/assets of the dealer. Letter has been written to the Tehsildar for ownership of any property in the name of proprietor of the firm. No reply has been received so far and reminder has been issued. Efforts are also being made to recover the amount from sureties. The whole amount will be recovered in due course. Para may be dropped.

M/s Khajanchi Lal Jai Bhagwan, Jagadhri E C No 108

The dealer was issued Exemption Certificate No 108 dated 26 10 1995. The dealer was granted exemption for the period from 30 09 1994 to 29 09 01 for an amount Rs 2463642/. The dealer after running the business for 2 years discontinued production and sold fixed assets. Action was initiated under Rules 28 a 9(i) & 9(ii) of the HGST Rules 1975 and Addl Demand of Rs 658814/ was created. The Exemption Certificate of the dealer was withdrawn. The dealer preferred an appeal before the Appellate Authority Ambala which was rejected. After this the dealer preferred an appeal before the Sales Tax Tribunal Haryana which was also rejected. After this the dealer directed to deposit the amount of Rs 658814/- Out of which an amount of Rs 300000/ has been recovered. The amount was recovered from the dealer on different days. Since the prop of the firm had left the city No where about could be traced out. A letter has been written to the Tehsildar Jagadhri to intimate the ownership of any property in the name of the prop of the firm. Also notice Under Land Revenue Act has been issued to surety of the firm to recover the amount. The whole amount is likely to be recovered in due course. In view of the above para may please be dropped.

Details of amount recovered

7	5 5 2000	10000
54	26 8 2000	20000
113	3 8 2000	20000
7	29 8 2000	10000
19	28 9 2000	20000
111	7 11 2000	25000
13	28 11 2000	20000
61	25 12 2000	20000
120	5 2 2001	20000
96	1 3 2001	20000
60	4 4 2001	20000
133	2 5 2001	20000
123	1 6 2001	20000
28	4 7 2001	20000
12	31 7 2001	20000
81	24 8 2001	15000
Total		300000

M/s National Saw Mills, Yamuna Nagar E C No 52

The firm was issued exemption certificate under Rule 28A of the HGST Rules for the manufacturing of Plyboard etc and sale thereof for an amount of Rs 24 27 192/ for a period valid from 23 6 94 to 22 6 01 vide exemption certificate No 52 The DETC Jagadhri vide order dated 24 11 97 has cancelled the exemption under rule 28 A 9(v) of the HGST Rules The dealer preferred an appeal before Jt Excise & Taxation Commissioner (Appeal) Ambala against the order dated 24 11 97 The Jt Excise & Taxation Commissioner (Appeal) Ambala vide order dated 29 5 98 rejected the appeal of the appellant and upheld the order of canceling the exemption certificate with retrospective effect The dealer further went in appeal before Ld Sales Tax Tribunal Haryana Chandigarh against the order dated 29 5 98 of Jt Excise & Taxation Commissioner (Appeal) Ambala whereby the order dated 24 11 97 of cancelling the exemption certificate with retrospective effect was upheld The Ld Tax Tribunal vide order dated 12 7 99 remanded the case to the Dy E T C Jagadhri for verification of the facts which the dealer had taken before the Ld Sales Tax Tribunal Haryana Chandigarh The Dy Excises & Taxation Commissioner Jagadhri vide order dated 14 3 2000 again cancelled the exemption certificate granted to the unit The dealer further went in appeal before Jt Excise & Taxation Commissioner (Appeal) Ambala against the order dated 14 3 2000 passed by Shri S S Gulia DETC Yamuna Nagar The Jt E T C (Appeal) Ambala vide order dated 29 6 2000 rejected the appeal of the dealer and upheld the cancellation of exemption certificate The dealer preferred an appeal before Hon ble Tax Tribunal Chandigarh against the order dated 29 6 2000 passed by Jt E T C (Appeal) Ambala The Ld Tax Tribunal vide order dated October 18 2005 held that there is no justification to interfere with the order of the D E T C Jagadhri dated 14 3 2000 whereby he cancelled the exemption certificate The Ld Tribunal further ruled that the order dated 14 3 2000 of Dy E T C Jagadhri which stands merged in the impugned order dated 29 3 2000 passed by the 1st Appellate Authority i e both these orders are upheld The dealer again filed a review application before the Hon ble Tax Tribunal Haryana Chandigarh against order dated 18 10 2005 The Ld Haryana Tax Tribunal Chandigarh vide order dated 24 4 2007 has rejected the review application of the dealer Thereafter the recovery proceedings have been initiated against the dealer However no recovery could be effected from dealer as yet

M/s B M Plywood Industries, Yamuna Nagar E C No 114

The firm was issued exemption certificate under Rule 28A of the HGST Rules for the manufacturing of Plywood & Plyboard and sale thereof for an amount of Rs 36 66 615/- for a period valid from 21 09 95 to 20 09 02 vide exemption certificate No 114 The DETC Jagadhri vide order dated 15 4 98 has cancelled the exemption certificate under rule 28 A 9(v) of the HGST Rules and created the demand of Rs 8 81 086/ under HGST Act The dealer went in appeal against this order before the Jt Excise & Taxation Commissioner (Appeal) Ambala The Joint ETC (Appeals) remanded the case vide order dated 17 02 2000 The remand case was decided by the DETC vide order dated 13 9 2002 and created an additional demand of Rs 18 45 993/- The dealer again preferred appeal before the Joint ETC (Appeals) The Joint ETC (Appeals) remanded the case vide order dated 23 03 2004 with the observation that the assessee

is entitled for cross examination of the transporter from whose possession G Rs were detained during the inspection by the State Enforcement Team. It is clarified here that the business premises of M/s Neel Kanth Transport Co YNR were inspected by State Enforcement Team Chandigarh and certain G.Rs were impounded for verification since some of these G Rs contained the name of the consignor as M/s B M Plywood Pvt Ltd. The transaction mentioned in G. Rs were not accounted for by the dealer since the unit was availing sales tax exemption and the suppression of sales was clear cut contravention of statutory provision of the Act and Rules hence the exemption certificate of the unit cancelled retrospectively. Since the Joint ETC (Appeals) provided to the dealer and opportunity of cross examination of the transporter hence summon was issued to the transporter to appear before the DETC. The transporter has not been cross examined so far as he is not available in the city. So the remand case is pending due to the reasons stated above and will be decided soon.

M/s Super Ply Industries, Jagadhri, E C No 166

In reply to the audit objection in respect of the firm M/s Super Ply Industries Chhachhrouli it is intimated that the dealer was granted Exemption Certificate for an amount of Rs 29 17 954/- for the period from 11 03 1997 to 10 03 2006. Dy Excise & Taxation Commissioner Jagadhri cancelled the exemption certificate u/r 28(A) 9(I) and 9(V) of the Haryana General Sales Tax Rules vide order dated 16 07 2000.

After the cancellation of Exemption Certificate the Excise & Taxation Officer created an additional demand of Rs 204448/- and Intt Rs 313258/-

After this order recovery proceedings were initiated against the dealer which are still under process. Since the firm stands closed long ago and the dealer is not traceable and enquiries are being conducted about the whereabouts of property assets of the dealer. Letters have been written to Tehsildar Jagadhri for ownership of the property in the name of the partner. Efforts are also being made to recover the amount from sureties. The whole amount will be recovered in due course. Para may be dropped.

M/s Markanda Cement Yamuna Nagar E C No 131

The firm was a company registered under the companies Act and was issued Exemption Certificate No 131 for benefit of sales tax exemption for Rs 66 53 916/- for the period from 01 02 1996 to 31 1 2005. The beneficiary unit discontinued business activities during the operative exemption period. So the exemption was cancelled by the Deputy Excise & Taxation Commissioner Jagadhri vide order dated 24 03 2000. This order of cancellation of exemption certificate was remanded by Jt Excise & Taxation Commissioner Jagadhri vide order dated 03 04 2006 confirming the earlier order of cancellation and dealer was directed to pay Rs 4 39 924/- amount of tax benefit availed by the dealer. The dealer again filed an appeal before Joint Excise & Taxation Commissioner (Appeal) and the same was dismissed in default. The case of the dealer is now pending for adjudication before Hon ble Haryana Tax Tribunal Chandigarh.

M/s Shri Beni Parshad Udyog, Jagadhri, E C No 18

In reply to audit para it is submitted that unit was granted exemption Certificate u/r 28 A of HGST Rule for 685000/. The unit discontinued its business for more than six months and that the liability of the dealer on account of examination was assessed

along with interest cancelling the exemption certificate. The dealer went in appeal before Jt E T C (A) Ambala. Appeal authority upheld the order of D E T C. The dealer has preferred an appeal in the Hon ble High Court of Punjab and Haryana which is still pending. As the matter is pending before the Hon ble High Court, correlative method could not be adopted for recovery. The amount will be recovered after the decision of the High Court.

M/s Khera Trading Company, Yamuna Nagar, E C No 102

The dealer was granted exemption for the tax benefit of Rs 263365/- for the period from 15 01 96 to 14 01 2003. After running the business for one year, the dealer closed down the business in 1996-97. Thereafter, the Exemption Certificate was withdrawn under Rule 29(b) 9 (i) and (ii) of the HGST Rules 19 vide order dated 27 03 2000 by the D E T C Jagadhri and an Addl Demand of Rs 17176/- was created against the dealer. Out of this Addl Demand Rs 16676/- is pending against him. Now the dealer is not traceable at the address given in the R C. The afore balance amount of recovery notice under Land Revenue Act had been issued. The balance amount is likely to be recovered in due course from sureties. In view of the above facts, the para may kindly be dropped.

M/s Universal Timber Industries Yamuna Nagar, E C No 37

The case has been decided in view of the observation made by Jt ETC (A) that the efforts of cancellation of R C can apply to the period from 01 07 98 to 30 06 99 only and not prior to that. This resulted in nil demand against the dealer. The department has filed an appeal before the Hon ble Tribunal against the order which is pending and the case was lastly fixed for 31 12 07.

M/s Natraj Electronics, Bahadurgarh, R C No 18133

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 29. Total exemption in this case was allowed for Rs 53.30 lacs. The exemption certificate was valid w e f 20 12 1991 to 19 12-1998.

Dy Excise & Taxation Commissioner (ST) Jhajjar created an additional demand of Rs 478371/- under HGST Act vide his order dated 29-09-1998 by cancelling the Exemption Certificate w e f 12 08 1992 under Rule 28- A (9) (i) and 28- A (9) (v) of HGST Rules 1975. It was an ex parte order by substitute service as the firm was closed. Dealer went in appeal and Ld Appellate Authority vide orders dated 15 12 2003 quashed the impugned orders and accepted the appeal. No recovery is pending and para may please be dropped.

M/s Krishana Chemical Jhajjar, R C No 18457

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 54. Total exemption in this case was allowed for Rs 18.40 lacs. The exemption certificate was valid w e f 26 04 1993 to 25 04 2002. The eligibility certificate and exemption certificate were withdrawn on 24 10 2000 and 26 03 2001 with retrospective effect.

Assessments for the year 1993 1994 to 1999 2000 have been framed creating an additional demand of Rs 1 70 245 / under HGST & Rs 9 13 720/ under CST Act (total Rs 10 83 965/ vide Assessing Authority's order dated 27 07-1994 02 05 1997).

and 18-06-2004. The fixed assets of the units already stand auctioned by the HFC Recovery Certificates has been sent to concerned Collectors vide this office memo No 1561-62 dated 13-8-2004. Recovery proceedings are going on regularly. Latest reminder was sent on 14-09-2007.

M/s T T Spark Electronics, Jhajar, R C No 18733/EC-84

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 84. Total exemption in this case was allowed for Rs 16.56 lacs. The exemption certificate was valid w.e.f. 03-07-1993 to 02-07-2002. The eligibility certificate and exemption certificate were withdrawn on 24-10-2000 and 26-03-2001 with retrospective effect.

The assessment up to the year 1998-99 have been framed creating an additional demand for Rs 90,481/- under HGST Act and 5,58,018/- under CST Act (total Rs 6,48,499/-). It is an inter state arrear and the recovery certificate had already been sent to the Collector Ghaziabad vide this office memo No 1242 dated 18-10-2002 who vide his letter received in this office on 02-08-2004 informed that the dealer had left the place shown in the recovery certificate and someone else is reported to be residing there. The recovery certificate has been returned with these remarks. The unit's land building & plant & machinery already stand auctioned by Haryana Financial Corporation Chandigarh. However recovery proceedings are in progress against the sureties and the latest reminder was issued on 14-09-2007.

M/s Crown Door Devices, Jhajar, R C No 19028

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 88. Total exemption in this case was allowed for Rs 14.59. The exemption certificate was valid w.e.f. 15-01-1994 to 14-01-2003. The eligibility certificate by the L.L.S.C. was withdrawn on 08-04-1998 and later D.E.T.C. cancelled the exemption certificate on 07-05-2000 from the first day of its validity. Aggrieved by the order of the L.L.S.C. the unit filed a writ petition in the Hon'ble Punjab & Haryana Court. The Hon'ble Court allowed the writ petition vide its orders dated 07-12-2000. However it was made clear that the committee may proceed afresh for withdrawal of the eligibility certificate. The proceedings for withdrawal of eligibility certificate were reinitiated and the same was withdrawn on 29-05-2001 and subsequently the exemption certificate was again cancelled by D.E.T.C. vide his order dated 25-07-2002.

The firm has been assessed to tax and interest for the years 1994-1995 to 1996-97 the case for the year being decided on 21-07-2003. The additional demand created for these years amount to Rs 3,27,965/- under HGST Act and Rs 3,21,243/- under CST Act (Total Rs 6,49,207/-). The recovery proceedings are going on and last reminder was sent on 14-09-2007.

M/s J B S Industries, Jhajar, R C No 19024/E C No 117

It was an exempted unit under rule 28A of the HGST rules 1975 with exemption certificate No 117. Total exemption in this case was allowed for Rs 30.00 lacs. The exemption certificate was valid w.e.f. 08-05-1994 to 07-05-2001. The eligibility certificate and exemption certificate were withdrawn on 24-10-2000 and 26-03-2001 respectively with retrospective effect.

The upto date assessments have been framed and registration certificates stand cancelled creating an additional demand of Rs 342000/- out of which Rs 37500/- has been recovered from the dealer and the sureties. The unit has already been auctioned by Haryana Financial Corporation, Chandigarh. Recovery Certificates to Collector Rohtak, Jind, Kaithal & Delhi had already been sent soon after the assessment was framed. Land property owned by one of the partners Sh. Rajvir Singh R/o Dulhera ascertained which remains to be attached as it is a joint property and the share of the partner yet remains to be earmarked by the competent authority. The property would be attached in due course of time.

M/s R M Generator, Jhajar, R C No 9043/18

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 118. Total exemption in this case was allowed for Rs 8.92 lacs. The exemption certificate was valid w.e.f. 27.11.1993 to 26.11.2002. The eligibility certificate and exemption certificate were withdrawn on 24.10.2000 and 26-03-01 respectively with retrospective effect.

Assessment for the year 1996-97 & 1997-98 have been framed creating an additional demand for Rs 101547/- under HGST Act & Rs 182185/- under CST Act (total Rs 283732/-). It is an inter state arrear. Recovery Certificates vide this office memo No 27 dated 6.2.2002 already sent. The defaulter residing at Delhi. Regular reminders are being sent to the Collector and sureties. Last reminder was sent on 23.08.2007 under this office Memo No 993.

M/s Bindag Rubber Industries, Jhajar, R C No 18821/ E C 164

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 164. Total exemption in this case was allowed for Rs 15.84 lacs. The exemption certificate was valid w.e.f. 09.09.1994 to 08.09-2003. Both the eligibility certificate and exemption certificate stand already withdrawn with retrospective effect.

Assessments for the year 1994-95 to 1999-2000 has already been framed creating an additional demand of 418780/- under HGST Act and Rs 470506/- under CST Act (total Rs 889286/-) out of which Rs 685280/- already stand recovered i.e. Rs 230077/- vide TR No 8 dated 18.12.2003. Rs 430203/- TR No 9 dated 18.12.2003 and Rs 25000/- vide TR No 49 dated 17.02.2003. It is an inter state arrear. The recovery Certificates to Collector Kanjhawala, Delhi had already been sent vide this office memo No 1684/1685 dated 4-10-2001. Regular reminders are being sent to the Collector and sureties as well. The latest reminder was sent on 14-09-2007 to recover the balance amount of Rs 204006/-.

M/s Pal Chemical, Jhajar R C No 19272/ E C N O 201

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 169. Total exemption in this case was allowed for Rs 39.13 lacs. The exemption certificate was valid w.e.f. 09-07-1994 to 08-07-2003. The eligibility certificate and exemption certificate were withdrawn on 24.10-2000 and 26.03.2001 with retrospective effect.

Assessment for the year 1994-95 to 1998-99 have been framed an additional demand of Rs 155628/- under HGST Act and Rs 229240/- under CST Act (Total Rs 384928/-).

) have been created vide Assessing Authority's order dated 08-10-1996, 02-05-1997, 20-01-1998 and 20-06-2002 respectively. The unit already stands auctioned by HFC Chandigarh. Recovery proceedings are regularly going on. Recovery Certificates to the Collector, Delhi already sent vide this office memo 1264/1259/1260 dated 18-10-2002. The Collector vide their office memo F-724, STO D/SDM/SV/2004/556 dated 09-04-2007 has informed this office that the dealer has left the place of residence as shown in the recovery certificate so no recovery could be effected. However, recovery proceedings against sureties are going on. The latest reminders were sent on 05-09-2007 under this office memo No. 1076.

M/s International Lubes (P) Ltd, Jhajjar, R C No. 19291

It was an exempted unit under rule 28A of the HGST Rules, 1975 with exemption certificate No. 184. Total exemption in this case was allowed for Rs. 114.96 lacs. The exemption certificate was valid w.e.f. 23-02-1995 to 22-02-2004. The eligibility certificate, however, stands withdrawn by the appropriate committee vide its orders dated 24-10-2000 which led to withdrawal of exemption certificate from the first date of its validity vide DETC's orders dated 26-03-2001.

Up to date assessments i.e. from 1994-95 to 1999-2000 have been framed by the Assessing Authority creating an additional demand of Rs. 31,95,265/- under HGST Act and Rs. 27,21,958/- under CST Act (Total Rs. 59,17,223/-) vide Assessing Authority's order dated 27-08-2003 and 29-12-2004. It is an inter-state arrear. Recovery Certificate was sent to the Collector, Delhi vide this office memo No. 913/NSK dated 10-05-2007 and reminders are being sent to effect recovery from the dealer as well as sureties. Latest reminder was sent on dated 14-09-2007.

M/s Akshay Paints, Jhajjar, R C No. 19508

It was an exempted unit under rule 28A of the HGST Rules, 1975 with exemption certificate No. 197. Total exemption in this case was allowed for Rs. 32.61 lacs. The exemption certificate was valid w.e.f. 17-04-1995 to 16-04-2004. The eligibility certificate and the exemption certificate stands withdrawn on 08-04-1999 and 29-03-2001 respectively. The assessments stand framed for the assessment year 1995-96 to 1997-98 creating an additional demand of Rs. 2,79,124/- under HGST Act and Rs. 78,34,29/- under CST Act (total Rs. 10,62,533/-). It is an inter-state arrear. Recovery certificate had already been sent to Collector, Delhi on 17-09-2003. An amount of Rs. 65,000/- stands recovered from the sureties. Regular reminders are being sent to the dealer and the sureties. The latest reminder was sent on 05-09-2007.

M/s Atulya Tech Plast Ltd, Jhajjar, R C No. 19895

It was an exempted unit under rule 28A of the HGST Rules, 1975 with exemption certificate No. 199. Total exemption in this case was allowed for Rs. 115.82. The exemption certificate was valid w.e.f. 12-08-1995 to 11-08-2002. The eligibility certificate and the exemption certificate stands withdrawn on 14-10-2000 and 26-03-2001 respectively with retrospective effect. The assessments have been framed dated 23-05-2002 and 23-06-2003 upto 2000-01 creating an additional demand of Rs. 23,62,07/- out of which Rs. 18,08,07/- already stands recovered and for the balance

amount regular reminders are being sent to the dealer as well as to the sureties. The latest reminder was sent on 14 09 2007

M/s Karam Glass Industries, Jhajar, R C No 9524

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 201. Total exemption in this case was allowed for Rs 95.54 lacs. The exemption certificate was valid w e f 09-02-1995 to 08-02-2004. The eligibility certificate and exemption certificate were withdrawn on 24-10-2000 and 26-03-2001 with retrospective effect.

Assessment for the year 1994-95 to 1998-99 have been framed creating an additional demand of Rs 99433/- under HGST Act and Rs 19,99,936/- under CST Act (Total Rs 20,99,369/-) vide Assessing Authority's order dated 31-12-1996, 13-05-1998 and 22-06-2002 respectively out of which Rs 1.82 lacs already stands recovered. Fixed assets of the unit have already been auctioned by HFC. Recovery Certificates to Collector Delhi was sent vide this office memo No 1243 dated 18-10-2002. Regular reminders are being sent to recover the balance amount of Rs 19,17,369/-. The latest reminder was sent under this office memo No 1081 dated 05-09-2007.

M/s Haryana Transmission Ltd Jhajar, R C No 189987

It was an exempted unit under rule 28A with exemption certificate No 203. Total exemption in this case was allowed for Rs 107.31. The exemption certificate was valid w e f 20-4-1994 to 19-4-2003. The eligibility certificate and exemption certificate were withdrawn on 8-4-1999 and 29-3-2001 respectively with retrospective effect.

Assessments up to the year 1996-97 have been framed creating an additional demand of Rs 12.32 lacs out of which Rs 0.64 lac already stand recovered. Fixed assets of the unit have already been auctioned by HFC. Recovery Certificates to Collector Delhi was sent vide this office Memo No 1154 dated 17-10-2000. Regular reminders are being sent to the concerned quarters. The claim was also lodged with the Managing Director H F C Chandigarh vide this office Memo No 2134/- TI dated 23-11-2005. Last reminder was sent on 14-9-2007.

M/s Shivani Enterprises, Jhajar, R C No 8861

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 237. Total exemption in this case was allowed for Rs 13.33 lacs. The exemption certificate was valid w e f 03-04-1995 to 02-04-2004. The eligibility certificate and exemption certificate were withdrawn on 08-04-1999 and 29-03-2001 respectively with retrospective effect.

Assessments up to the year 1997-98 have been framed creating an additional demand of Rs 28,672/-. The unit's fixed assets have been already auctioned by H F C. It is an inter District arrears Recovery Certificates to Collector Rohtak sent vide this office memo No 257/258/259 dated 17-2-2000. Regular reminders are being sent to the Collector Rohtak and sureties as well. The latest reminder was sent on 05-09-2007.

M/s Juneja Rubber Industries, Jhajar, R C No 19704

The assessments upto the year 1998-99 have been framed by creating an additional

demand of Rs 1.95 lacs. The dealer is residing at Delhi and the Recovery Certificate has been issued to Collector Delhi on 18.10.2002. Regular reminders are being issued.

M/s Ganpati Pipe (P) Ltd , Jhajar, R C No 20146

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No. 257. Total exemption in this case was allowed for Rs 54.06 lacs. The exemption certificate was valid w.e.f. 07.07.1996 to 06.07.2005. The eligibility certificate and exemption certificate were withdrawn on 24.10.2001 and 26.03.2001 respectively with retrospective effect.

Assessment up to the year 1999-2000 have been framed creating an additional demand of Rs 315120 under both the Acts. An amount of Rs 170000/- already stands recovered from sureties. The fixed assets of the unit already stands auctioned by the HFC Haryana Chandigarh. Recovery Certificate already sent to the concerned Collector. The matter is sub-judice in the Hon'ble Punjab & Haryana High Court, Chandigarh. The arrest of defaulter has been stayed by the Hon'ble Court.

M/s Krishana Packer India, Jhajar, R C No 20274

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No. 261. Total exemption in this case was allowed for Rs 20.06 lacs. The exemption certificate was valid w.e.f. 10.07.1996 to 09.07.2005. The eligibility certificate and exemption certificate were withdrawn on 24.10.2000 and 26.03.2001 respectively with retrospective effect.

Assessments for the year 1996-97 & 1997-98 have been framed creating an additional demand of Rs 54205/- under HGST Act and Rs 43411/- (Total Rs 97616/-) vide Assessing Authority's order dated 29.01.2002. The fixed assets of the unit stand already auctioned by the HFC. Recovery Certificates to the concerned quarters sent vide this office memo No. 641/647 dated 27.6.2002. Proceedings for recovery are going on. Last reminder has been sent vide this office memo 1078/05 dated 09.09.2007.

M/s Agniwire Industries, Jhajar, R C No 20011

It was an exempted unit under rule 28A with exemption certificate No. 272. Total exemption in this case was allowed for Rs 64.48. The exemption certificate was valid w.e.f. 24.4.1996 to 23.4.2005. The eligibility certificate and exemption certificate were withdrawn on 24.10.2000 and 26.3.2001 respectively with retrospective effect.

Assessment up to the year 1998-99 framed creating an additional demand of Rs 16,42,522/- out of which Rs 95,000/- have been recovered. The unit stands auctioned by HFC Haryana Chandigarh. Recovery Certificate sent to the concerned quarter vide this office Memo No. 1245/46 dated 18.10.2002. Regular reminders to the Collector and sureties are being sent and the last reminders were sent on 14.9.2007. However the dealer has filed a writ petition in Hon'ble Punjab & Haryana High Court.

M/s Tech Pack Industries, Jhajar, R C No 19468

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No. 285. Total exemption in this case was allowed for Rs 56.68. The

exemption certificate was valid w e f 01 06 1996 to 31 05-2005 The eligibility certificate and the exemption certificate was withdrawn on 24 10 2000 and 26 03 2001 respectively with retrospective effect The cases have been assessed for the year 1996 97 to 1998 99 on 26 02 2002 creating an additional demand of Rs 6 04 145/ (2 67 030/ ST + 3 37 115/- CST) Recovery proceedings are going on The latest reminders were issued on 05 09 2007

M/s Melson Imex, Jhajar R C No 20262

it was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 198 Total exemption in this case was allowed for Rs 20 94 lacs The exemption certificate was valid w e f 12 09 1995 to 21 09 2006

The eligibility certificate has been withdrawn by the L L S C vide its order dated 27 06-2001 and exemption certificate cancelled with the first day of its validity vide DETC s orders dated 31 08 2001 The assessments for the year 1997-98 to 2000 2001 have been framed vide Assessing Authority s orders dated 16 03-1999 20 09 2000 30 06-2005 and 19 07 2006 respectively creating an additional demand of Rs 17671/ under HGST Act and Rs 71 933/ under CST Act (Total Rs 89 604/) Notices for recovery to the dealer and sureties have been sent on 14 09-2007

M/s Kadam Polymers Jhajar, R C No 20473

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No JJR-219 Total exemption in this case was allowed for Rs 105 43 lacs The eligibility certificate and exemption certificate were withdrawn on 19 09-2000 and 23 10-2000 respectively with retrospective effect The exemption certificate was valid w e f -to The exemption was valid w e f 14 12 1996 to 31 12-2005 the unit has been assessed to tax of Rs 46 142/ under HGST Act and Rs 16 68 052/- under CST Act (Total Rs 17 14 044/-) vide Assessing Authority s order dated 26 02 2002 An amount of Rs 3 24 220/- stands recovered It is an inter state arrear Recovery Certificate had already been sent to Collector Delhi dated 27 05 2002 Regular reminders are being sent to the Collector and the sureties as well

The last reminder sent vide this office memo No 291/ T I (NSK) dated 15 05 2007

M/s Modern Industries, Jhajar, R C No 20772

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No JJR-239 Total exemption in this case was allowed for Rs 21 78 lacs The exemption certificate was valid w e f 26 - 1997 to 25-03 2006 The eligibility certificate and exemption certificate were withdrawn with retrospective effect

Assessments for the year 1997 98 to 1999 2000 have been framed vide Assessing Authority s order dated 25 06 2004 28 01 2002 and 18 08 2004 creating an additional demand of Rs 107817/- The unit s fixed assets already stand auctioned by HFC Haryana Chandigarh R C sent to the concerned quarters vide this office memo No 640 dated 27 6 2002 Regular reminders are being sent Latest reminder was sent on 14-09 2007

M/s Pearl Paints Jhajar, R C No 20593

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 252 Total exemption in this case was allowed for Rs 46 98 lacs The exemption certificate was valid w e f 08 12-96 to 07-12 05 The eligibility certificate and exemption certificate were withdrawn on 19 09-2000 and 23 10 2000 respectively with retrospective effect

Assessments for the year 1996 97 to 2001 02 have been framed creating an additional demand of Rs 75362 under HGST Act and Rs 54031/- under CST Act (total Rs 129383/) vide Assessing Authority's vide orders dated 18 06 2004 21 06 2002 and 23 02-2005 Recovery of Rs 20000/- have been made RC sent to the concerned quarters vide this office memo No 1257 dated 18 10 2002 The recovery proceedings are going on to recover the balance amount Latest reminder was sent on 14 09 2007

M/s Shivam Plastic Moulds Jhajar R C No 20657

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 260 Total exemption in this case was allowed for Rs 28 26 lacs The exemption certificate was valid w e f 23 05 1997 to 22 05 2006 The eligibility certificate and exemption certificate were withdrawn on 09 10-2000 and 26 03-2001 respectively with retrospective effect

Up to date assessments have been framed creating an additional demand of Rs 226645 under both the Acts R C stand cancelled under both Acts Rs 4000/- have been recovered Balance amount of Rs 222645/ remains to be recovered for which RC was sent to the concerned collector vide this office memo No 449 dated 23 3-2004 The unit's fixed assets have already been auctioned by HFC Haryana, Chandigarh Recovery proceedings were going on Meanwhile the dealer went in Appeal before the Jt E T C (Appeals) Rohtak and the Appellate Authority remanded the case for the year 1998 99 and 1999 2000 for fresh assessment vide his orders dated 29-11-2004 (photocopy enclosed) The assessment proceedings to re decide the cases are in progress

M/s Super Tronics Industries, Jhajar, R C No 0557

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 265 Total exemption in this case was allowed for Rs 55 98 lacs The exemption certificate was valid w e f 18 12-1996 to 17-12 2005 The eligibility certificate and exemption certificate were withdrawn on 24 10-2000 and 26 03-2001 respectively with retrospective effect

The assessments for the year 1996 97 to 2000 2001 have been framed creating an additional demand of Rs 200618/- under HGST Act and Rs 137867/ under CST Act (Total Rs 338485/) vide Assessing Authority's order dated 21 06 2002 and 23 02 2005 The fixed assets of the unit already stand auctioned by HFC Haryana Chandigarh RC sent to the concerned quarters vide this office memo No 1248 dated 18 10-2002 Recovery proceedings are going on to recover the amount The latest reminder was sent on 05 09 2007 under this office memo No 1070

M/s Unitex Dye Stuff Industries Jhajar R C No 19556

It was an exempted unit under rule 28A of the HGST Rules 1975 with exemption certificate No 267 Total exemption in this case was allowed for Rs 16 08 lacs

The exemption certificate was valid w e f 22 12 1995 to 21 12 04 The eligibility certificate and exemption certificate were withdrawn on 27-06 01 and 08 08 2001 respectively with retrospective effect

Assessment upto the year 2000 2001 have been framed creating an additional of Rs 2 77 074/ under both the Acts RC under both the Acts stands cancelled w e f 31 03-2003 vide Assessing Authority s order dated 04 02 2006 An amount of Rs 1 87 199/ - stand recovered from the assessee and for balance amount of Rs 89 875/ Recovery proceedings are going on and the latest reminder was sent on 14 09-2007

Name of Industrial Unit	Amount of Exemption as per A G report	Amount payable determined by the Department	A m o u n t recovered/ adjusted
1	2	3	4
M/s AP Industnes Karnal AY 1996 97	0 00	0 00	0 00
M/s Jawa Opto lab Karnal AY - 1996-97	0 22	0 31	0 31
M/s Nirmal Belt (P) Ltd AY - 1996 97	2 51	2 39	0 00
M/s D R Foods II AY - 1997 98	57 38	48 65	0 00
M/s Eagle Chemicals AY 1997 98	0 62	0 67	0 00
M/s D R Foods II AY 1997-98	23 83	33 58	0 00
M/s Chatter Industries AY - 1997-98	56 53	163 56	0 00
M/s Monika Rubbers AY - 1997-98	1 30	3 44	0 00
M/s Himgiri Pipes Karnal AY 1996-97	0 75	0 75	0 75
M/s Ved Agero Newal	0 08	0 06	0 06
M/s Gopal Rubber Industries	0 77	0 27	0 10
M/s Sunny Electricals Pvt Ltd	0 43	5 77	0 38
M/s Prem Remedies Ltd	16 94	26 77	0 00
M/s Jal Industries	11 91	26 30	0 73
M/s Bedi Ice Factories	0 30	1 24	0 06
M/s Chatter Chemicals	28 27	336 73	0 00
M/s Asha Ram Rice Mill	16 48	31 22	30 26
M/s Kamla Rice & General Mill Daha	16 85	17 04	0 00
M/s Parkash Rice Mills	0 93	1 82	1 82
M/s A V Cottex Ltd	29 50	69 25	deleted

1	2	3	4
M/s Luxmi Plastic	1 65	1 08	1 08
M/s Engg Sales Corp	1 62	0 00	0 00
M/s Anand Agero Ind Jundla	0 00	0 00	0 00
M/s J S Soap Industries	1 40	2 09	2 09
M/s Mani Karan Paper Board Mills	1 35	1 68	1 68
M/s Shree Ram Krishana Chemicals	1 42	17 61	0 00
M/s Bhartiya Spinners V-Kohand	3 00	15 73	1 04
M/s Varun Spining Mills V Kutali	7 90	17 20	0 00
M/s Saro Petro Chemicals V Ranwar	3 68	4 93	4 05
M/s Yogesh Woollen Mill V Kohand	5 17	11 88	0 00
M/s Lord Krishna Spinning Mills V Kohand	5 19	11 41	0 00
M/s Maya Spinning Mill G T Road Karnal	1 80	8 73	8 73
M/s Jai Jagdamba Rice Mills V Phoosgarh	14 13	25 41	0 00
M/s Deepak Woollen Mill V Kohand	4 39	25 24	0 00
M/s Love Paints (India) V Mukarampur	1 56	4 45	3 65
M/s Jai Durga Rice & Gen Mills V -Daha	8 84	20 83	0 00
M/s Dulisons Foods V Bazida Jattan	7 59	39 40	19 00
M/s Prem Industries V -Bazida Jattan	7 25	15 92	0 00
M/s Kanhiya Fibers (P) Ltd V Kohand	3 38	23 95	0 00
M/s Shivam Rice Land V Rampura	3 32	12 44	0 00
M/s Bajrang Bali Spinners (P) Ltd V Kohand	3 25	14 45	0 0 0
M/s Sohan Industries V Gorpur Road Karnal	3 26	12 83	0 00
M/s Jatin Engg Industry V Mukarampur	0 70	3 16	0 00
M/s Happy Luck Wooltex (P) Ltd Gharaunda	4 22	18 31	0 0 0
M/s Sunrise Woollen Mills V Kohand	3 37	7 34	0 00
M/s J P Textile V -Kohand	3 15	13 23	1 30
M/s Shailja Rice Mills	1 19	15 39	0 00
M/s Samran Spinners V Kohand	3 05	7 58	0 00

Recovery proceedings in all the cases have been initiated after issue of demand notices in most of cases dealers have filed appeals against cancellation/withdrawal of Exemption Certificates. In 23 cases Eligibility Certificates have been withdrawn by L L S C in the ground that these dealers failed to produce C L U at the time of grant of Eligibility Certificate. The action of L L S C / H L S C withdrawing Eligibility Certificate on this ground has been declared to be unjustified by High Court in case of M/s R K Mittal Woollen Mills Samalkha (2000) 15 PHT 261 and in another case of M/s Baldev Spinners (P) Limited Panipat Vs State of Haryana C W P No 9545 of 2001 decided on 10 12 02. The cases of Kamal dealers are pending before the H L S C in appeal against the orders of L L S C dated 1 4 2002 and decision of H L S C could be against the Department in view of decision of High Court. Coercive steps cannot be legally taken in such cases for recovery in some cases i.e. M/s A P Industries and M/s Jawa Optical's total recovery stands effected. In case of M/s Asa Ram Rice Mills Rice Sheller and Agri Land has been attached under Land Revenue Act and further proceedings for sale of property are under way. M/s Chhattar Chemicals is under liquidation and as per court orders no action against the dealer can be taken as official liquidator is to decide the share of all concerned parties. The claim of this Department has already been lodged with the official liquidator.

M/s Bajaj Woollen & Gen Mills Panipat, E C No 107

In reply to audit para it is stated that the exemption of the unit was cancelled and an additional demand of Rs 9 10 783/- was created. Out of this demand Rs 8 60 783/ has been recovered. The details of recovery are as under

50 000/-	TR No 81 dt 19 1 98
25 000/	TR No 45 dt 27 2 99
50 000/	TR No 24 dt 27 3 98
50 000/	TR No 38 dt 21 4 98
50 000/-	TR No 13 dt 28 5 98
50 000/	TR No 17 dt 21 7 98
50 000/-	TR No 44 dt 8 9 98
50 000/-	TR No 8 dt 25 9 98
50 000/	TR No 19 dt 8 10 98

Name of Industrial Unit	Amount of Exemption as per A G. report	Amount payable determined by the Department	Amount recovered/ adjusted
1	2	3	4
M/s Schwello Electronics Panchkula RC No 28894	0 50	0 50	0 50

1	2	3	4
M/s Mohit Confectionery PKL RC No 27080	12 90	12 90	0 00
M/s Pawan Agro Foods Ltd Kherawali RC No 31078	138 30	138 30	0 00
M/s Nut India RC No 28603	1 70	1 70	0 00
M/s Haryana Chelorochem Kakar majra RC No 27522	6 76	6 76	0 00
M/s Shivaka Indus Barwala RC No 35139	45 66	45 66	0 00
M/s Panchkula Detergent PKL RC No 33499	0 00	0 00	0 00
M/s Ease Sanitation PKL	1 21	1 21	Deleted
M/s Kanchan Bala & Co PKL RC No 31034	5 09	5 09	0 00
M/s Perfect Pulp Pkgs Mouli RC No 29148	8 20	8 20	0 00
M/s Salwani Pkgs Garhi RC No 28634	0 77	0 77	0 00
M/s Orbit Metal PKL RC No 28732	0 37	0 37	0 00
M/s Surya Ind Pinjore RC No 27490	0 59	0 59	0 00
M/s Gupta Udyog PKL R C No 28021	2 08	1 08	0 00
M/s Sukha Nand Manufactures PKL RC No 33629	0 11	1 12	0 71
M/s Tax Cons Energies PKL R C No 33130	6 43	6 43	Deleted

The Exemption Certificate in respect of all the cases as pointed out by the audit already stands cancelled and recovery proceedings have been initiated by the concerned Assessing Authorities. As regards to the case of M/s Schewelle Electronics Panchkula full amount of exemption availed by the unit has been recovered and in case of M/s Haryana Chelorochem the Eligibility Certificate was withdrawn by the L L S C on 15-5-2000 in which the dealer filed an appeal before the Punjab and Haryana High Court which remanded the case to L L S C to afford an opportunity to the dealer and matter is under consideration with L L S C. Further the case of M/s Panchkula Detergent an Eligibility Certificate stands withdrawn by L L S C on 12-2-2001 and dealer has filed an appeal before H L S C against said orders. The H L S C has considered the appeal and allowed the dealer the sales tax benefit on receipt of application. The dealer is now functioning and availing the benefit of sales tax exemption. Hence the para may be dropped.

M/s Life Line Injects Ltd Panchore, Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari and an additional demand of Rs 2266743/- was created (Rs 89795/- under HGST Act and Rs 2176948/- under CST Act) The firm stands closed and the assets were mortgaged with HFC The assets were sold by the HSIDC in auction Sr Manager Finance HSIDC vide his letter No HSIDC FD 99/9044 dated 03 02 1999 has informed that the sales proceeds were not sufficient for any recovery of sales tax dues Recovery Certificates were issued to Collector Delhi & Ahmedabad for recoveries from the Directors Last reminder sent to collector Delhi on 25 07 2007

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
11 12 89 to 10 12 98	264 68	22 67	3 6 96/ 1996 97

M/s Pashupati Haryana Wooller L'd , Bawal, Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari vide orders dated 11 05 2000 and an additional demand of Rs 20871840/- under CST Act was created The company is under liquidation Claim lodged with the official Liquidator Last reminder issued on 25 07 2007

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
19 01 90 to 18 01 99	600 00	208 72	10 5 2000 2000 01

M/s Trans Asia Metal Decorator, Bawal, Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari vide orders dated 21 06 96 and an additional demand of Rs 2616614/- was created The company is under liquidation Claim has been lodged with the official Liquidator Last reminder issued on 25 07 2007

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
02 03 89 to 01 03 98	166 10	26 16	28 6 96 1996 97

M/s Varsha Spinning Mills Ltd , Bawal, Rewari

Firm stands closed and under liquidation The claim has been lodged with the official Liquidator

The exemption certificate was cancelled by the DETC (ST) Rewari vide orders dated 15 12 2000 and an additional demand of Rs 60 55 380/- was created. The firm stand closed and under liquidation. Claim lodged with the official Liquidator. Last reminder issued on 25 07 2007.

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
16 08 91 to 15 08 2000	600 00	60 55	15 12 2000 01

M/s Maruti Synthetics Ltd , Bawal Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari vide orders dated 09 06 2000 and an additional demand of Rs 24 57 745/- was created (Rs 1 63 188/- under the HGST Act and Rs 22 94 557/- under the CST Act). The company is under liquidation. Claim has been lodged with the official Liquidator. Last reminder issued on 25 07 2007.

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
01 07 90 to 30 06 99	186 55	24 58	09 06 2000 01

M/s R G Coir (P) Ltd Dharuhera Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari and an additional demand of Rs 90 54 998/- was created vide orders dated 07 03 2000 (Rs 89 65 584/- under the HGST Act and Rs 89 414/- under the CST Act). Company is under liquidation. Claim has been lodged with the official Liquidator. Last reminder issued on 25 07 2007. Notice & summons have already been served upon the sureties and Rs 10 000 recovered from one surety. Efforts are being made to recover the arrears.

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
02 05 94 to 01 05 03	143 58	31 25	14 07 1998 99

M/s Well Industries, Panchore Rewari

The exemption certificate was cancelled by the DETC (ST) Rewari vide order dt 06 09 2000 and an additional demand of Rs 160123/- was created by the Assessing Authority. The firm stand closed since long. Proprietor of the firm left Rewari and his whereabouts are not known. Tehsildar Rewari had informed that the Land of 4 Kanai

and 7 Marla was in the name of the firm but the same was mortgaged with HFC and claim was lodged with HFC vide memo No 1879 dated 17 11 2004 Nothing has received from HFC despite reminder dated 25 07 2007

(Amount in lacs)

Period of exemption	Amount of exemption	Exemption availed	Date of Closing Business
30 01 95 to 29 01 2004	16 00	1 60	19 11 2000 2000-01

M/s Master Chemical, Bahalgarh, Sonapat

This unit was engaged in the business manufacturing of Dyes and Chemicals. It was granted Sales Tax exemption for a quantum of Rs 2 73 377/- for the period from 5 06 1988 to 4 06 1995 by the L L S C After availing exemption for the years 1990 91 1991 92 and 92 93 the dealer discontinued his business. The dealer neither applied for renewal of the exemption certificate nor came forward for completion of the assessment for the period 1992-93 and onwards. The unit had contravened sub rule (9) of Rule 28A of Haryana General Sales Tax Rules 1975. Hence exemption certificate was cancelled by the Dy Excise & Taxation Commissioner vide order dated 19 01 99.

On cancellation of Exemption Certificate the Assessing Authority created additional demand for the year 1990 91 to 93 94 on 30 03 99. Out of which the following demands for the year 90 91 and 91-92 are still outstanding

Sr No	Assessment Year	Haryana General Sales Tax Act	C	S	T
1	90 91	67 873/-	2 43 271/-		
2	91-92	7 560/-	4 59 946/-		
		77 433/-	7,03,217/-		

Immediately after creation of additional demand summons were issued to the dealer on 17 04 99 after declaring recovery to be effected under Land Revenue Act 1887. The Sureties were also issued a writ of demand on 4 08 99. Against the orders of the Assessing Authority an appeal was filed before the Jt Excise & Taxation Commissioner (A) Rohtak and the same was rejected on 30 07 99 and orders were conveyed on 22 10 99. The RC was cancelled w e f 31 03 98 vide Assessing Authority order dated 17 04 2000. Summons were again issued on 13 02 2001 to the party and the sureties as well. The dealer went in appeal before the Tribunal and the case was reminded back to the first appellate authority subject to furnishing of surety. The dealer filed surety bonds for Rs 7 03 500/- and 76 000/. The Tribunal has dismissed the appeals on 14 12 05. Last summons issued on 24 08 07.

M/s Haryana Vanaspati & General Mills, Kundli, Sonapat

An additional demand of Rs 14 17 071/- under the Haryana General Sales Tax Act 1973 and Rs 44/- under the Central Sales Tax Act was created by Sh A S Ahlawat

Assessing Authority on 31 08 94 and the demand notice/ challan Sr No 95/89 90 dt 31 08 94 was served on 13 09 04. In addition to this penal action under section 47 of the Haryana General Sales Tax Act was kept pending while framing the original assessment to give proper opportunity of being heard and on 21 10 94 a penalty of Rs 2 00 000/- was imposed by the then Excise & Taxation Officer Sh V B Malik for which tax demand notice was also served on 30 12 1994.

In response to recovery notice the company has stated that they have filed an appeal before the Jt Excise & Taxation Commissioner (A) Rohtak and the case was fixed for 16 12 1994 and accordingly requested to stop the recovery proceedings till the date. On this date 16 12 1994 the appellate authority directed the Co to deposit the outstanding arrears in six monthly installments payable by 16th of every month w e f Jan 1995 and subject to furnishing of surety bond and then the case was framed 23 01 1995. On 23 01 1995 the appellate authority dismissed the appeal in default of payment as the Co neither made any payment nor submitted surety bond in the circumstances the entire amount of Rs 14 17 071/- and 2 00 000/- was become recoverable so recovery proceedings were initiated by issuing notice/summons to the company. As the company has since been closed for the last some years it was told that the Director of the Co are residing at Calcutta (West Bengal) hence the arrear were decided as arrears under the Land Revenue Act and warrant of attached arrear were issued on 3 02 1995 to attach some property of the Company. Secondly for the recovery purpose notice/ summons were also issued to both the sureties and the surety have deposited Rs 1 00 000/- on 29 03 95 as bank draft.

The company prepared an appeal the Hon ble STT against the order of Jt Excise & Taxation Commissioner (A) who decided the stay and the appellant was demanded to start paying installment w e f 28 04 95 and therefore Jt Excise & Taxation Commissioner (A) may hear the appeal.

The Jt Excise & Taxation Commissioner (A) decided the case vide its order dated 29 07 02 dismissing the appeal.

The total arrears in this case comes to Rs 16 17 071/- out of which an amount of Rs 14 36 404/- has been recovered so far and the balance arrears comes to Rs 1 80 667/- for which efforts are being made to recover the amount from the surety in Smt P K Sharma D/o M/s Bhiwani Holding & Containers Bhiwani last reminder issued on 4 09 2007.

M/s Bhartiya Bulb Company Murthal Sonapat

The unit was granted exemption certificate for the period from 23 1 1991 to 22 1 1998 pursuance to the eligibility certificate issued by the appropriate committee for a quantum of Rs 4 57 500/- The exemption certificate was cancelled by the DETC Sonapat vide order dated 31 8 1998 u/r 11 (a)(i) of rule 28 A of HGST Rules 1975 for not maintaining the average production level. An additional demand of Rs 4 15 317/- under HGST Act and Rs 43 192/- under CST Act for the year 1990 91 to 1997-98 was created. Firm stands closed. The Financial Institutions (H F C) has since auctioned the properties against loan raised by the firm. Partners have left Haryana. Recovery certificate issued to the Collector Delhi as both the partners namely 1 Sh Sudershan Mehta R/o WZ

1688 Multani Mohalla Khurani Bag Pritampura New Delhi 2 Gulshan Mehta R/o WZ 1688 Multani Mohalla Khurani Bag Pritampura New Delhi are residing at Delhi

M/s Devine Spinners Murthal Sonapat

In reply to the audit para it is submitted that an additional demand of Rs 88 08 271/ was created against M/s Divine Spinners Pvt Ltd Chidana detailed as under —

Year and order dt	H G S T	C S T
1995 96 to 1997 98/2 05 03	82 122/-	18 87 776/
1998 99 19 12 05	6 68 889/-	5 87 546/-
1999 2000/31 01 06	8 60 074/	6 21 864/
	57,11 085/	30,97,186/

The firm stand closed since long The HFC has disposed off land and building of the Co by way of action to M/s Sunali Overseas There is no movable/ immovable property in the name of the Co at Gohana The sureties of the firm are residing at Panipat So RC No 11931/TI (MSG) dt 19 03 2007 has been sent to the Dy Excise & Taxation Commissioner (ST) Panipat Last reminder was sent to the Dy Excise & Taxation Commissioner Panipat on 4 09 07 It is also mentioned here that one surety M/s Riba Textile Chidana has also filed Civil Suit in the Court of Ld Addl Civil Judge (Sr Division) Gohana for permanent injunction The case is now fixed for 21 09 07 The demand so created by the Assessing Authority was due to cancellation of Examination Certificate

M/s Samrati Products, Kundli, Sonapat

The firm was granted exemption from sales tax u/ s 13 B of HGST 1973 and u/r 28 A of HGST Rules 1975 vide Exemption Certificate No 82 vide DETC order dated 19/09/1995 for a quantum of Rs 3461967/ for the period from 01/06/1994 to 30/05/2001 The exemption certificate was cancelled by the DETC vide order dated 28/02/2000 due to discontinuance of business for a period exceeding six months The LLSC in its meeting on 17/08/2000 had withdrawn the eligibility certificate u/ sub rule The dealer went in appeal against the order and the JETC (A) remanded the case back and the DETC passed a fresh order ex parte on dated 16/02/2001 and an additional demand of Rs 2526338/- was raised by the then Assessing Authority vide order dated 17/04/2002 Meanwhile the firm shifted its business from Sonapat to Ambala as part of land of the firm at Sonapat had been acquired by the HSIDC due to which he had discontinued his business at Sonapat Thereafter the dealer went in to appeal before HLSC against the order of the LLSC which remanded the case to LLSC for fresh decision Now the LLSC has decided the case in the favour of the dealer and the dealer has filed

M/s V K M Katha (P) Ltd Sonepat

The Company was granted exemption of Rs 42 47 863/ for the period from 16 01 96 to 15 01 2003. Due to cancellation of Exemption Certificate an additional demand of Rs 6 73 334/ was created for the years 95 96 to 99 2000 dated 14 02 2001. Notices were issued for recovery to the party as well as to the sureties on 21 03 2001. The Tribunal stayed the recovery subject to furnishing of surety vide order dated 22 11 2001. An appeal against the orders of the Dy Excise & Taxation Commissioner for cancellation of exemption Certificate was set aside by the Jt ETC(A) Rohtak on 25 03 2002. Intimation given on 9 04 2002. The Assessing Authority created demand of Rs 1 49 853/ under Haryana General Sales Tax Act and Rs 12 63 322/ under Central Sales Tax Act vide order dated 30 05 2003. Rs 25 000/ vide TR No A 61/7 07 04. Rs 25 000/ TR No 84 dated 29 07 04 and Rs 25 000/ TR No 97 dated 30 04 04 has been recovered. Notices were also issued thereafter to the sureties for 16 09 2003. Summons were issued to the party on 2 09 2003 for 25 09 2003. Tehsildar (Revenue) has been requested to supply details of immovable property of the Coy vide letter No 2761/TI/VKS dated 27 08 2007. The Company has closed its business.

M/s Sweet Chem Antibiotics Ltd , Rai, Sonepat

The unit was granted exemption for a quantum of Rs 568 61 lacs for the period from 31 10 95 to 30 10 2002. The exemption certificate was cancelled by the Dy Excise & Taxation Commissioner vide his order dated 24 11 98 due to closure of the unit more than six months. M/s Rimpli Sales Corporations Mamu Bhanja Chowk Sonepat and M/s Vardhman Chemical Janti Road Kundli (RC No 5762) are the sureties for Rs 40 and Rs 59 5 lacs respectively. They had withdrawn the sureties vide application dt 12 12 96 and 16 09 97 respectively. After cancellation of EC an additional demand of Rs 46 65 499/- was created under Haryana General Sales Tax and Rs 2 23 97 055/ under Central Sales Tax Act i.e total Rs 2 69 62 554/- The arrears have been declared to be recovered under Punjab Land Revenue Act 1887 vide order dated 16 04 99. Summons were also issued to the party and sureties as well as on 17 08 99 and 12 10 99 respectively and service was effected. Again summons were issued on 15 03 2000. The recovery certificate has been issued to the Collector Delhi. The reminders have been issued to the Collector. A sum of Rs 0 45 lac has been recovered from the sureties. Other sureties went in appeal before the Hon ble High Court and on the request of the party the petition was allowed as withdrawn. The sureties thereafter filed Civil Suit in the Civil Court at Sonepat. The Civil Court has granted stay to both the sureties i.e M/s Rimpli Sales Corporations and M/s Vardhman Chemicals. The bank authorities were also written. It has been intimated by the bank that the Company has raised loan from them. The Co being a Sick Industrial Unit is registered in BIFR u/s 3(10) of SICA of 1985 as case No 2C0/02. The case is still continued.

M/s Cepham Organics Ltd , Kundli, Sonepat

In reply to audit para it is submitted that the assessment in this case were finalized by then Excise & Taxation Officer cum Assessing Authority Sh Nathu Ram/ Sh Dharambir

Singh created an additional demand as under —

Sr No	Assessment Year	S T	C S T
1	95 96	Nil	1 16 221/-
2	96-97	Nil	86 189/-
3	97 98	Nil	14 931/-
4	98 99	52 360/-	3 36 932/-

Out of the above Rs 25 000/- has been recovered so far and the balance arrears are as under —

Sr No	Assessment Year	ST	C S T
1	95 96	Nil	86 221/-
2	96 97	Nil	86 189/-
3	97-98	Nil	14 931/-
4	98 99	52 360/-	3 36 932/-

Recovery certificate in this case has already been issued to the Collector Delhi as well as to Collector Gurgaon. Several reminders have been issued and last reminder has been issued on 4 09 2007.

M/s Bhatiya Buld Company, Murthal, Sonapat

The unit was granted exemption certificate for the period from 1 8 1994 to 31-7-2001 pursuant to the eligibility certificate issued by the appropriate committee for a quantum of Rs 19 05 000/-. The exemption certificate was cancelled by the DETC Sonapat vide order dated 31 8 1998 u/r 11(a)(i) of rule 28 A of HGST Rules 1975 for not maintaining the average production level. An additional demand of Rs 3 96 377/- under HGST Act and Rs 3 23 564/- under CST Act for the year 1990 91 to 1997 98 was created. Firm stands closed. The Financial Institutions (H F C) has since auctioned the properties against loan raised by the firm. Recovery certificate issued to the Collector Delhi as both the partners namely 1- Sh. Surender Mehta R/o WZ 1688 Multani Mohalla Khurani Bag Pritampura New Delhi 2- Gulshan Mehta R/o WZ 1688 Multani Mohalla Khurani Bag Pritampura Delhi are residing at Delhi. The notice to the 2nd surety of M/s PWay Engg Works Murthal (Sonapat) has been issued and Rs 43 800/- has been recovered from 1st surety i.e. Sh. Narender Taneja Partner of M/s Samrat Steel Forging Murthal.

M/s Home Land Pharmaceuticals, Sonapat

The unit was granted exemption certificate for the period from 22 5-1996 to 21 5-2003 pursuant to the eligibility certificate issued by the appropriate committee for a quantum of Rs 35 66 000/-. The exemption certificate was cancelled by the DETC Sonapat vide order dated 31 7 1998 u/r 11 (a)(i) of rule 28 A of HGST Rules 1975 for not maintaining the average production level. An additional demand of Rs 1 27 857/-

under HGST Act and Rs 59 198/ under CST Act for the year 1996 97 to 1997-98 was created Firm stands closed The Directors namely 1 Sh Sanjeev Narshney 29 Bhagat Singh Colony Rohtak 2- Sh H S Mann 254/15 Sain Dass Colony Rohtak are residing at Rohtak Recovery certificate issued to DETC Rohtak Rs 25000/ recovered from both the sureties i e M/s Nagpal Enterprises Sonapat and M/s Yogesh Automobiles Sonapat

M/s Charlie Spinners (P) Limited, Gohana, Sonapat

In reply to the audit para it is submitted that the demand has been created as a result of cancellation Exemption Certificate The firm stand closed The details of demand created is as under —

Year and order dt	H G S T	C S T
1996 97 28 02 01	2 875/	2 695/-
1995 96/12 03 01	38 200/	12 415/
1996 97/28 02 01	53 035/	—
1997 98/5 09 03	61 104/	—
1998 99/5 09 03	49 449/	—

The HFC has sold out the properties i e land and building of the Co There was some properties in the name of the Co at Bhatinda RC was sent to Collector Bhatinda vide RC No 14 TI(IDS) dt 31 01 02 but the same received back with the remarks that the HFC has sold out the property of the Co situated at Bhatinda (Punjab) and one Director expired and the whereabouts of 2nd Director are not known However the efforts are being made to recover the arrear from the sureties of the Co

M/s Rubber Reclaim Co of India (P) Ltd , Bahalgarh Sonapat

The assessment case of M/s Rubber Reclaim Co of India GT Road Bahalgarh holding TIN 06053003387 was framed by Sh I S Godara the then Excise & Taxation Officer Sonapat on 22 03 05 as under —

Sr No	Assessment Year	Date of order	ST	C S T
1	95 96	22 03 05	3 54 097/	69 76 433/-
2	96 97	22 03 05	3 01 166/	—
Total			6,55,263/-	69,76,433/

The finalisation of assessment for the year 95 96/96 97 resulted into a demand of Rs 76 31 lacs Recovery proceeding were initiated and the dealer has given it in writing that its unit is regd under BIFR as a sick unit under case No 714/02 u/s 15(i) of the Sick Indl Company Act No recovery is to be made only the claim case be loaded The claim of the department has been lodged with the Board of Indl and Financial Reconstructions Govt of India Ministry of Finance (BIFR) Jawahar Vyapar

Bhawan 1, Tolstay Marg New Delhi vide 4360/71 (ISG) Dt 28 07 05 Reminder has been issued on 4 09 07

M/s Pusk Dairy & Foods, Kundli, Sonapat

The unit was granted exemption for a quantum of Rs 87 22 582/- for the period from 19 03 97 to 18 03 2004. The unit had stopped production so Exemption Certificate was cancelled by the Dy Excise & Taxation Commissioner vide order dated 6 07 2000. An additional demand of Rs 5 51 870/- was created by the Assessing Authority vide order dated 18 08 2000. The arrears were declared to be recovered under Punjab Land Revenue Act 1887 vide order dated 12 02 2001. Thereafter summons were issued on 22 08 2001 itself. Notices were issued on 22 08 2001 to the sureties. Address of the Prop RC was collected has since been issued to the Collector Delhi on 30 01 2002. Warrant of arrest was also issued by the Asstt Collector-cum- 1st Grade on 23 08 2002 against Sh Rajive Puri Proprietor.

M/s Padmani Industries, Kundli, Sonapat

The dealer was granted Exemption under Rule 28A of Haryana General Sales Tax Rules 1975 for Rs 68 24 200/- for the period from 14 08 1991 to 13 07 1998. He availed exemption upto the year 1997-98 for a sum of Rs 7 01 656/- The Dy Excise & Taxation Commissioner cancelled the Exemption Certificate under Rule 9 of Rule 28. Notices for recovery were issued to the party as well as the sureties without any yield. The dealer closed down his business. An appeal was filed before Jt ETC(A) Rohtak STANo 56/STA and on stay application instalment of Rs 50 000/- was made vide order dated 23 11 2001. The interest calculated on exemption availed of Rs 7 01 656/- calculated at Rs 8 57 501/- The dealer did not comply with the directions of the appellate authority and case was dismissed on 8 02 2002. Summons were issued to the party as well as to the sureties on 6 03 2002. Due to non deposit of principle amount viz Rs 6 51 656/ (Rs 50 000/- were deposited by the dealer out of Rs 7 01 656/) a warrant of arrest was issued against the dealer Sh Vikash Aggarwal on 23 08 2002. The dealer appeared before the Asstt Collector 1st Grade on 8 10 2002 and made a request that he will deposit Rs 2 lacs by 11 10 2002 and deposited Rs 83 060/- on 11 10 02. An appeal filed before the Tribunal was also dismissed for not depositing the total installment allowed by the Appellate Authority on dated 26 08 2002. The dealer went even to the High Court through CWP No 5145 of 2005 and vide order dated 20 12 2005 the High Court ordered to deposit Rs 4 22 820/- (tax element) within four weeks but nothing has been deposited so far. Efforts for tracing out the party are being made.

M/s Chandan Wood Products, Bahalgarh, Sonapat

On default in filing application by the dealer for renewal of exemption certificate for the period from 1 07 99 to 30 06 2000 the exemption certificate was cancelled vide Dy Excise & Taxation Commissioner order dated 12 08 99. On an appeal to Jt Excise & Taxation Commissioner (A) Rohtak it was finally heard on 11 04 2004 resulting in remanding the case to Dy Excise & Taxation Commissioner for affording an opportunity to apply for renewal. He applied for renewal on 15 05 2000. The enquiry agency reported on 12 06 2000 that the unit is not running. The Exemption Certificate granted for the

period from 24 10 93 to 23 10 2001 was cancelled on 22 06 2000

A notice dated 18 09 2001 for recovery of Rs 13 94 100/- was sent to the party on creation of additional demand for the years 94-95 to 98-99. The dealer went in appeal before the Jt Excise & Taxation Commissioner (A) Rohtak against the order of the Assessing Authority vide order dated 1 07 2002 and 28 03 2002 vide which he has created additional demand of Rs 24 01 593/- 6 81 163/- and 4 53 920/- The counsel for the appellant submitted that an appeal is pending against the order of LLSC before the HLSC and in a view of the judgement of the Tribunal reported as 2002 (20PHT) page 133 (STT HR) Jt ETC (A) should decide the appeal only after the decision of HLSC. Hence recovery was stayed by Jt ETC(A) Rohtak on 9 09 2003. The additional demand of Rs 73 397/- and Rs 1 09 411/- under Haryana General Sales Tax and Central Sales Tax Act respectively were also stated vide order dated 30 03 2004. The detail of immovable property have been gathered from the Revenue Department simultaneously and the Tehsildar has been requested vide No 4902/TI(SB) dated 22 09 2005 not to dispose of property unless no dues certificate is issued from this office.

M/s Baba Rupa Dass Spinning Mills Ltd , Rewari R C No 3253

The unit was granted exemption u/r 28-A for a period of 9 year from 23 11 93 to 22 11 2002 for total quantum of Rs 444 72 Lacs. The industrial unit had discontinued/ closed down its business after availing the benefit of Rs 9021477/- The case was sent to HLSC vide memo No 140/DTI dated 17 06 2003 for withdrawal of eligibility certificate. However the Director Industries Haryana vide his letter endst No FA/NSTE/RWR/19/94/ 13483 dated 07 10 2003 informed that the currency period of the unit has been expired so the HLSC has no jurisdiction to take action. The Company is under Liquidation. Proceedings for necessary action under sub rule 11(b) of Rule 28 A has been initiated. The case was fixed for 24 08 2007 but the case could not be taken up due to departmental monthly review meeting on this date. The case has now been fixed for 7 11 2007 and hopefully the action shall be taken on that date and the result shall be communicated in the due course of time.

M/s Renuka Bhagaria Cement, Bawal, Rewari, R C No 8101

The unit was granted exemption u/r 28 A for the period from 10 11 1992 to 09 11 2001 for a total quantum of Rs 90 87 000/. The unit has discontinued its business w e f 01 01 99 after availing tax benefit of Rs 90 55 011/. The DETC Rewari vide its order dated 31 03 2003 cancelled the Exemption Certificate and additional demand of Rs 90 55 011/- was created. The company has already closed down its business therefore recoveries could not be effective. The assets of the company have already been mortgaged with the HFC.

M/s R S Industries, Rewari, R C No 3408

The unit was granted exemption u/r 28 A for the period from 16 8 94 to 15 8 2003 for a total quantum of Rs 40 21 503/- The unit had discontinued/ closed down its business from 01 07 2000 after availing tax exemption benefit of Rs 7 10 812/- The LLSC in its meeting held on 30 09 2003 withdrawn its eligibility certificate. The DETC Rewari vide his order dated 07 05 2004 cancelled the exemption certificate and additional demand

of Rs 7 10 812/- was created (Rs 6249/- under the HGST Act & Rs 7 04 563/- under the CST Act) Since the firm has already closed down its business therefore recoveries could not be effective The partners of the firm residing at Delhi The recovery certificate No 2100/ E-III dated 21 08 2006 was sent to S D O Punjabi Bagh New Delhi Last reminder issued to S D O Punjabi Bagh vide memo No 1833/ E III dated 12 07 2007

M/s Tech Spark Chemicals, Rewari, R C No 3458

The exemption certificate was issued u/r 28 A for the period from 17 06 94 to 16 06 03 subject to maximum quantum of Rs 943905/- The company after availing the sales tax exemption of Rs 792172/- closed down its business w e f 30 09 1999 The exemption certificate was cancelled by the DETC Rewari vide order dated 24 03 2003 and created demand of Rs 692112/- (Rs 24375/- under the HGST Act and Rs 667737/- under the CST Act The assets were mortgaged with HFC and HFC has informed vide letter No HFC/PO/RW /200027-436 dated 27 06 2002 that the assets were sold in auction but the sales proceeds were not enough even to recover their dues Recovery certificates sent to D E T C Jhajjar and Karnal vide this officer memo No 2101/E III and 2102/E-III dated 22 08 2006 for recovery from sureties Last reminders issued vide Memo No 1831/ T I(E 3) dated 12 07 2007

M/s Sadhoura Extraction, Jagadhri R C No 48

The unit was Pvt Ltd Company registered under the companies Act and the dealer was issued Exemption Certificate No 48 for the benefit of Sales Tax Exemption worth Rs 1 55 33 119/- for the period from 05 08 1993 to 04 08 2002 subject to Rules and provisions of the Act As per office record the unit intimated to this office vide letter dated 03 2 1996 that three of the Directors if the company expired in a road accident on 03 1 1996 and till 21 12 1998 no body was nominated to replace the three expired Directors The unit started filing Nil returns from 01 10 1998 and further no return was filed after 30 06 1999 which established the Industrial Unit Proceedings for cancellation of Exemption Certificate were initiated Under Rule 28 A 9(i) 9 (ii) of the H G S T Rules 1975 And finally Exemption Certificate was cancelled by Deputy Excise & Taxation Commissioner Jagadhri vide order dated 30 08 2001 w e f 05 08 1993 Subsequent to the Cancellation of Exemption Certificate cases of the unit were assessed by the Assessing Authority as if no Exemption has been granted and an additional demand of Rs 1 67 19 977/- was created for assessment year 1993 94 to 1997 98 and recovery proceedings were initiated Since the firm is lying closed Recoveries could not be affected till date Immovable assessts of the company have been disposed off by H F C Chandigarh for a sum of Rs 28 00 lacs on 19 04 2001 and Rs 66 53 lacs is still out standing as per letter Notice/Recovery/2003/2870 dated 31 01 2003 The claimed lodged by the department has been declined by the H F C Chandigarh Now efforts are being made to recover the arrears form the sureties

M/s Khajanchi Lal Jai Bhagwan Jagadhri R C No 8637 E C No 108

The Committee desired that the balance amount of Rs 3,58,814 may also be recovered, under intimation to the Committee Quarterly progress Report be sent to the Committee accordingly

M/s National Saw Mill Jagadhri E C No 52

The Committee desired to know the status of amount of exemption availed of by the unit so far within a period of three months

M/s Kanchan Bala & Company Panchkula R C No 31034 E C No 8

The Committee desired that amount of exemption availed and its status of recovery may be intimated to it, within a period of three months Quarterly progress Report be sent to the Committee accordingly

M/s Vidhika Commercial Services Village Bakhapur Rewari

The Committee desired that amount of exemption availed and status of recovery may be intimated to it, within a period of three months Progress Report be sent to the Committee

(ii) Non maintenance of production level

M/s Mayur Shoes Balana RC No 24405 Ambala

The Committee desired that final outcome of the case pending before the Appellate Authority/ Sales Tax Tribunal may be intimated alongwith action thereon to it, within a period of three months

M/s R S Sabharwal Plywood (P) Ltd , R C No 1815080, Mewat

The Committee desired to know the status of recovery of Rs 7,29,697/ alongwith interest and penalty thereon, if any, within a period of three months

M/s Super Wood Craft (P) Ltd R C No 1814248 Mewat

The Committee desired to know the status of recovery of Rs 10,74,956 within a period of three months Progress Report be sent to the Committee

M/s Suman Products (P) Ltd RC No 1815547 Gurgaon (East)

M/s Hartron Communication Ltd RC No 1815399 Gurgaon (East)

The Committee desired that final outcome of the cases may be intimated to it, within a period of three months

M/s Kasturi Lal & Sons Jagadhri E C No 18

The Committee desired that final outcome of the case pending before Haryana Sales Tax Tribunal may be intimated to it, within a period of three months

M/s Ashoka Rubber Industries Karnal R C No 22832

The Committee desired that action taken by DETC for non maintenance of average level of production in this case be intimated to it within a period of three month

M/s Delton Cable Daruhera Rewari E C No 43

The Committee desired that the final outcome of this case may be intimated to it, within a period of three months

M/s Dure Pack Ltd Rewari R C No 2366

The Committee desired to know the amount of exemption availed and the action initiated to recover the Govt , dues alongwith interest and penalty within a period of three months

M/s Penam Laboratories Rewari E C No 23

The Committee desired to know the details of the case filed in BIFR alongwith the amount of demand and final outcome of the case may be intimated to the Committee

M/s Haryana Abrasive Murthal Sonapat E C No 6

The Committee desired to know further action taken to recover the amount of Rs 13,15,321/ Quarterly progress Report be sent to the Committee accordingly

M/s Thermofeb Sales India Ahmedpur Sonapat E C No 9

The Committee desired that the final outcome of this case may be intimated

M/s J S Polymers Ltd Pto Manyan Sonapat E C No 16

The Committee observed that the final outcome of this case pending before Haryana Sales Tax Tribunal may be intimated

(iii) Non recovery of Tax

M/s Videotex Electronics Ambala City, R C No 26582

The Committee desired that final outcome of the case pending before Hon'ble High Court may be intimated to it, as and when received Progress Report be sent to the Committee

M/s Raj Bal Packages Ambala City RC No 29400

The Committee desired to know the status of recovery of Rs 2,69,816 Quarterly progress Report be sent to the Committee accordingly

M/s A C E Overseas (P) Ltd Gurgaon (East)

The Committee desired to know the final outcome of case Recovery certificate may be pursued with Delhi authorities for effecting recovery from sureties Progress Report be sent to the Committee

M/s A P T Yarn (P) Ltd Gurgaon (East)

M/s Medicos Glass Containers Gurgaon (East)

The Committee desired to know when recovery certificate was issued to collector Amritsar (Punjab), and final outcome after vigorously pursuing

recovery certificate may be intimated Progress Report be sent to the Committee

M/s Balaji Insulations (P) Ltd Gurgaon (E)

The Committee desired to know when the recovery certificate was issued to the Collector, Delhi and its final outcome may be intimated to it, within three months

M/s Metlex Ceramics Ltd Gurgaon (E)

The Committee desired to know

- (i) whether the Hon'ble High Court appointed official liquidator if so, when and**
- (ii) how much claim was lodged with the official liquidator within a period of three months?**

M/s Rishabh Foods Ltd Gurgaon (East)

The Committee desired to know when was a revised claim was lodged with the official liquidator, and what is the status of recovery of Rs 1 10 crores, within a period of three months

M/s Techno Vessels (India) (P) Ltd Gurgaon (East)

The Committee desired to know what further action has been initiated to effect the recovery, within a period of three months

M/s Mittal Strips Jagadhri E C No 94

The Committee desired that balance recovery of Rs 2,84,060/- may be effected, at an early date under intimation to the Committee

M/s S K Wood Products Jagadhri E C No 97

The Committee desired to know status of recovery of Rs 11 62 lakh from sureties within a period of three months

M/s Khajanchi Lal Jai Bhagwan Jagadhri E C No 108

The Committee desired that balance recovery of Rs 3,58,814 may be effected, at an early date, under intimation to the Committee

M/s National Saw Mills Yamuna Nagar E C No 52

The Committee desired to know how much demand has been raised and final outcome of recovery proceedings may also be intimated to the Committee Progress Report be sent to the Committee

M/s B M Plywood Industries Yamuna Nagar E C No 114

The Committee desired to know when JETC had remanded the case to DETC for denovo examination and final outcome of the remanded case may be intimated to the Committee Progress Report be sent to the Committee

~ M/s Super Ply Industries Jagadhri E C No 166

The Committee desired that additional amount of Rs 5 18 lakhs may be recovered Quarterly progress Report be sent to the Committee accordingly

M/s Markanda Cement Yamuna Nagar E C No 131

The Committee desired that final outcome of the case pending before Sales Tax Tribunal may be intimated, within a period of three months

M/s Shri Beni Parshad Udyog Jagadhri E C No 18

The Committee desired that the final outcome of the case pending before Hon'ble High Court may be intimated to it as and when received

M/s Khera Trading Company Yamuna Nagar E C No 102

The Committee desired that the final outcome of the case after effecting recovery of Govt dues from sureties may be intimated Quarterly progress Report be sent to the Committee accordingly

M/s Universal Timber Industries Yamuna Nagar E C No 37

The Committee desired that the final outcome of the case pending before Sales Tax Tribunal may be intimated to it within a period of three months

M/s Natraj Electronics Bahadurgarh R C No 18133

The Committee desired that the final outcome of the case pending before J & ETC may be intimated to it within a period of three months

M/s Krishana Chemical Jhajjar R C No 18457

The Committee desired that the final outcome of the case after effecting recovery may be intimated Quarterly progress Report be sent to the Committee accordingly

M/s T T Spark Electronics Jhajjar R C No 18733/EC-84

The Committee desired that the final outcome of the case may be intimated to it Progress Report be sent to the Committee

M/s Crown Door Devices Jhajjar RC No 19028

The Committee desired that recovery of Rs 6 49,207/- may be effected and progress Report be sent to the Committee

M/s J B S Industries Jhajjar RC No 19024/E C No 117

The Committee desired that the final outcome of the case may be intimated to it Quarterly progress report be sent to the Committee accordingly

M/s R M Generator Jhajjar R C No 9043/18

The Committee desired that the final outcome of recovery certificate may be intimated to it Quarterly progress report be sent to the Committee accordingly

M/s Bindag Rubber Industries Jhajjar R C No 18821/ E C 164

The Committee desired that the balance recovery of Rs 2 04,006/ may be effected Progress report be sent to the Committee

M/s Pal Chemical Jhajjar R C No 19272/ E C No 201

The Committee desired to know when further action was initiated by the department now in the absence of residential address and vigorous efforts may be made to recover the amount

M/s International Lubes (P) Ltd Jhajjar RC No 19291

M/s Akshay Paints Jhajjar RC No 19508

The Committee desired that the final outcome of the recovery certificate issued to the Collector, Delhi may be intimated to it Quarterly progress report be sent to the Committee accordingly

M/s Atulya Tech Plast Ltd Jhajjar R C No 19895

The Committee desired that the final outcome of the case after effecting recovery of balance amount of Rs 55,400/- may be intimated Progress report be sent to the Committee

M/s Karam Glass Industries Jhajjar R C No 9524

The Committee desired that the final outcome of recovery certificate sent to Collector, Delhi for the recovery of Rs 19 14 lakhs may be intimated Quarterly progress report be sent to the Committee accordingly

M/s Haryana Transmission Ltd Jhajjar R C No 189987

The Committee desired that the final outcome of recovery certificate sent to Collector, Delhi for the recovery of Rs 19 14 lakhs may be intimated Quarterly progress report be sent to the Committee accordingly

M/s Shivani Enterprises Jhajjar R C No 8861

The Committee desired that the final outcome of recovery certificate issued to Collector, Rohtak for recovery of Rs 13 33 lakhs may be intimated

M/s Juneja Rubber Industries Jhajjar R C No 19704

The Committee desired that the final outcome of recovery certificate sent to Collector, Delhi for effecting recovery of Rs 1 95 lakhs may be intimated

M/s Ganpati Pipe (P) Ltd Jhajjar R C No 20146

The Committee desired to know when the case was sent to the Collector for effecting recovery & to whom and balance recovery of Rs 145 20 lakh may be effected, at an early date Quarterly progress report be sent to the Committee accordingly

M/s Krishana Packer India Jhajjar R C No 20274

The Committee desired that recovery of Rs 97, 616/ may be effected, at an early date Progress report be sent to the Committee

M/s Agniwire Industries Jhajjar R C No 20011

The Committee desired that the balance recovery of Rs 15,47,522/ may be effected Quarterly progress report be sent to the Committee accordingly

M/s Tech Pack Industries Jhajjar R C No 19468

The Committee desired that the recovery of Rs 6,04,145/ may be effected Quarterly progress report be sent to the Committee accordingly

M/s Melson Imex Jhajjar R C No 20262

The Committee desired that the recovery of Rs 89604/ may be effected Quarterly progress report be sent to the Committee accordingly

M/s Kadam Polymers Jhajjar R C No 20473

The Committee desired that the balance recovery of Rs 13,80 824/ may be effected Quarterly progress report be sent to the Committee accordingly

M/s Modern Industries Jhajjar R C No 20772

The Committee desired that the recovery of Rs 1,07 817 may be effected Quarterly progress report be sent to the Committee accordingly

M/s Pearl Paints Jhajjar R C No 20593

The Committee desired that the recovery of Rs 1,09 383/- may be effected Progress report be sent to the Committee

M/s Shivam Plastic Moulds Jhajjar R C No 20657

The Committee desired that the final outcome of the remand case may be intimated to it, within a period of three months

M/s Super Tronics Industries Jhajjar RC No 0557

The Committee desired that recovery of Rs 3 38,485/ may be effected at an early date Progress report be sent to the Committee

M/s Unitex Dye Stuff Industries Jhajjar R C No 19556

The Committee desired that the balance recovery of Rs 89 875/ may be effected Progress report be sent to the Committee

M/s A P Industries Karnal A Y 1996 97

M/s Nirmal Belt (P) Ltd A Y 1996 97

M/s D R Foods II A Y-1997-98

M/s Eagle Chemicals A Y 1997-98

M/s D R Foods II A Y 1997 98

M/s Chatter Industries A Y 1997 98

M/s Monika Rubbers A Y 1997-98

M/s Gopal Rubber Industries

M/s Sunny Electricals Pvt Ltd

M/s Prem Remedies Ltd
 M/s Jai Industries
 M/s Bedi Ice Factories
 M/s Chatter Chemicals
 M/s Asha Ram Rice Mill
 M/s Kamla Rice & General Mill Daha
 M/s A V Cottex Ltd
 M/s Engg Sales Corp
 M/s Anand Agro Ind Jundla
 M/s Shree Ram Krishana Chemicals
 M/s Bhartiya Spinners V-Kohand
 M/s Varun Spinning Mills V-Kutali
 M/s Saro Petro Chemicals V Ranwar
 M/s Yogesh Woollen Mill V Kohand
 M/s Lord Krishna Spinning Mills V Kohand
 M/s Jai Jagdamba Rice Mills V Phoosgarh
 M/s Deepak Woollen Mill V Kohand
 M/s Love Paints (India) V Mukarampur
 M/s Jai Durga Rice & Gen Mills V-Daha
 M/s Dulisons Foods V-Bazida Jattan
 M/s Prem Industries V -Bazida Jattan
 M/s Kanhiya Fibers (P) Ltd V Kohand
 M/s Shivam Rice Land V Rampura
 M/s Bajrang Bali Spinners (P) Ltd V Kohand
 M/s Sohan Industreis V Goripur Road Karnal
 M/s Jatin Engg Industry V Mukarampur
 M/s Happy Luck Wooltex (P) Ltd Gharaunda
 M/s Sunrise Woollen Mills V-Kohand
 M/s J P Textile V-Kohand
 M/s Shailja Rice Mills
 M/s Samran Spinners V-Kohand

The Committee desired that strenuous efforts may be made to recover the Govt dues in these cases, wherever these are required to be effected Quarterly progress report be sent to the Committee accordingly

M/s Bajaj Woollen & Gen Mills Panipat E C No 107

The Committee desired that balance recovery of Rs 4,35,783/- may be effected, at an early date Progress report be sent to the Committee

M/s Schwello Electronics Panchkula RC No 28894

M/s Mohit Confectionery Panchkula R C No 27080

M/s Pawan Agro Foods Ltd Kherawali R C No 31078

M/s Nut India R C No 28603

M/s Haryana Chelorochem Kakar Majra RC No 27522

M/s Shivaka Indus Barwala R C No 35139

M/s Panchkula Detergent Panchkula R C No 33499

M/s Ease Sanitation Panchkula

M/s Kanchan Bala & Co PKL RC No 31034

M/s Perfect Pulp Pkgs Mouli R C No 29148

M/s Salwani Pkgs Garhi RC No 28634

M/s Orbit Metal PKL R C No 28732

M/s Surya Ind Pinjore R C No 27490

M/s Gupta Udyog PKL R C No 28021

M/s Sukha Nand Manufactures Panchkula RC No 33629

M/s Tax Cons Energies PKL R C No 33130

The Committee desired that strenuous efforts may be made to recover the Government dues since this matter has already been delayed by more than six years Quarterly progress report be sent to the Committee accordingly

M/s Life Line Injects Ltd Panchore Rewari

The Committee desired that the final outcome of recovery certificate may be intimated

M/s Pashupati Haryana Woollen Ltd Bawal Rewari

M/s Trans Asia Metal Decorator Bawal Rewari

The Committee desired to know when the claim was lodged with the official liquidator and how much was the claim and final outcome may also be intimated to it, within a period of three months

M/s Varsha Spinning Mills Ltd Bawal Rewari

M/s Maruti Synthetics Ltd Bawal Rewari

M/s R G Coir (P) Ltd Dharuhera Rewari

The Committee desired to know when the claim was lodged with the official liquidator and how much demand raised and final outcome may also be intimated, within a period of three months

M/s Well Industries Panchore Rewari

The Committee desired to know when the claim was lodged with the HFC and how much was the demand. Final outcome may also be intimated to the Committee within a period of three months

M/s Master Chemical Bahalgarh Sonapat

The Committee desired that recovery of Rs 7,80,600/- may be effected at an early date. Quarterly progress report be sent to the Committee accordingly

M/s Haryana Vanaspati & General Mills Kundli Sonapat

The Committee desired that the balance recovery of Rs 1,80,667/ may be effected. Progress report be sent to the Committee

M/s Bhartiya Bulb Company Murthal Sonapat

The Committee desired that the final outcome of recovery certificate issued to Collector, Delhi for effecting recovery of Rs 4,58,509/- may be intimated. Progress report be sent to the Committee

M/s Devine Spinners Murthal Sonapat

The Committee desired that strenuous efforts may be initiated to recover the Govt , dues amounting Rs 88,08,271/ at an early date. Quarterly progress report be sent to the Committee accordingly

M/s Samriti Products Kundli Sonapat

The Committee desired that the final outcome of the case pending before JETC (Appeals) may be intimated to it within a period of three months

M/s V K M Katha (P) Ltd Sonapat

The Committee desired that the balance recovery of Rs 3,38,175/ may be effected, at an early date. Progress report be sent to the Committee

M/s Sweet Chem Antibiotics Ltd Rai Sonapat

The Committee desired that recovery of Govt , dues amounting to Rs 2,69,62,554/ may be effected under Land Revenue Act at an early date. Progress report be sent to the Committee

M/s Cephem Organics Ltd Kundli Sonapat

The Committee desired to know the status of recovery certificate for effecting recovery of dues amounting to Rs 3,36,932/ sent to Collector, Gurgaon within a period of three months

M/s Bhartiya Bulb Company Murthal Sonapat

The Committee desired that strenuous efforts may be made to recover the balance amount of Rs 6,76,141/ at an early date, Quarterly progress report be sent to the committee accordingly

M/s Home Land Pharmaceutical Sonapat

The Committee desired that strenuous efforts may be made to recover the balance amount of Rs 16,2,055/ at an early date, Quarterly progress report be sent to the Committee accordingly

M/s Charlie Spinners (P) Limited Gohana Sonapat

The Committee desired that strenuous efforts may be made to recover the Govt , dues amounting to Rs 219773/- Quarterly progress report be sent to the Committee accordingly

M/s Rubber Reclaim Co Of India (P) Ltd Bahalgarh Sonapat

The Committee desired that the final outcome of the claim lodged with the BIFR may be intimated Progress report be sent to the Committee

M/s Pusk Dairy & Foods Kundli Sonapat

The Committee desired to know the status of recovery certificate issued to Collector Delhi within a period of three months

M/s Padmani Industries Kundli Sonapat

The Committee desired that recovery of Rs 4,22,820/- may be effected, at an early date Progress report be sent to the Committee accordingly

M/s Chandan Wood Products Bahalgarh Sonapat

The Committee desired that strenuous efforts may be made to recover the Govt , dues amounting to Rs 13,94,100/ , at an early date Quarterly progress report be sent to the Committee accordingly

Part (b)

M/s Baba Rupa Dass Spinning Mills Ltd Rewari RC No 3253

The Committee desired that strenuous efforts may be made to effect the recovery of Rs 90,21,477/ at an early date Progress report be sent to the Committee

M/s Renuka Bhagara Cement Rewari RC No 8101

The Committee desired that strenuous efforts may be made to effect the recovery of Rs 90 55 011/- at an early date Progress report be sent to the Committee

M/s RS Industries Rewari R C No 3408

The Committee desired that final outcome of recovery certificate sent to Collector, Delhi may be intimated to it at an early date Progress report be sent to the Committee

M/s Tech Spark Chemicals Rewari R C No 3458

The Committee desired that the final outcome of recovery certificate issued to Collector Jhajjar and Karnal for effecting recovery of Rs 6 92 912/ may be intimated Quarterly progress report be sent to the Committee accordingly

M/s Sadhoura Extraction Jagadhri R C No 48

The Committee desired that strenuous efforts may be made to recover the Govt , dues amounts to Rs 1 67,19,977/- at an early date Quarterly progress report be sent to the Committee accordingly

[18] 2.3 Non levy of purchase tax

Under the Haryana General Sales Tax Act 1973 goods specified in Schedule D are taxable at the stage of last purchase when purchased within the State No deduction from dealer s gross turnover is admissible if such goods are indirectly exported out of India Further a dealer is liable to pay tax on the purchase of goods (other than those specified in Schedule B) which are purchased from within the State without payment of tax and used either in the manufacture of tax free goods or in taxable goods disposed of otherwise than by way of sale

During test check of records of 8 offices it was noticed (between June 1999 and March 2002) that the assessing authorities did not levy purchase tax of Rs 1 18 crore including interest in 25 cases of 20 dealers during the years 1994 95 to 1999 2000 as detailed below

Sl No	No of DETCs	No of dealers /cases	Assessment year/month of assessment	Nature of irregularities	Turnover Involved	Purchase tax/interest non/short levied
(Rupees in lakh)						
1	1	3/6	1995 96 to 1997 98 (between September 1997 and December 1998)	Purchased cotton from within State without payment of tax and exported the same out of India through exporters There was no agreement between the dealers and foreign buyers for such export	832 73	33 31

Remarks On this being pointed out (June 1999 and March 2000) in audit the revisional authority created (between November 2000 and January 2001) an additional demand of Rs 33 31 lakh of which a sum of Rs 18 55 lakh in two cases had been recovered in February 2001 Report on recovery of balance amount was awaited (November 2002)

The matter was referred (May 2002) to Government reply had not been received (November 2002)

2	4	8/9	Between 1994 95 and 1998 99 (between March 1998 and October 2000)	Purchased paddy from within the State without payment of tax and used the same in the manufacture of rice exported out of India through exporters There was no agreement between the dealers and foreign buyers for such export	860 33	34 41
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ETO Mandi Dabwali

** DETCs Hisar Jind Karnal and Panipat

Remarks On this being pointed out (between June 2000 and March 2002) in audit the department created an additional demand of Rs 3 65 lakh against two dealers after adjusting Rs 0 15 lakh refundable to a dealer of Karnal Further the department also accepted the audit observation in respect of 5 cases of Jind and stated (November 2001) that proceedings had been initiated for revising the assessment orders In case of 2 dealers of Panipat the department intimated (March 2002) that both the cases had been sent (March 2002) to revisional authority for taking suo motu action Further report on action taken had not been received (November 2002)

The cases were referred (between October 2000 and April 2002) to Government reply had not been received (November 2002)

3	2	4/5	1997 98 to 1999 2000 (between September 1999	Purchased paddy from within the State without payment of tax and sold the same to exporters of rice outside the State There was no agreement between the dealers and foreign buyers for such export	584 54	23 41 9 66 (Interest)
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Remarks On this being pointed out (between February and August 2001) in audit the department referred (March and September 2001) all the five cases to the revisional authority for taking suo motu action Further report on action taken had not been received (November 2002)

4	2	4/4	Between 1996 97 and 1999 2000 (between September 1999 and June 2000)	Purchased paddy from within the State without payment of tax and used it in the manufacture of rice exported out of India through exporters The Assessing Authority levied tax on paddy but allowed a rebate from the tax payable on paddy which was incorrect	356 18	14 27
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Remarks On this being pointed out (between June 2000 and November 2001) in audit the revisional authority disallowed the rebate and created (May and October 2001 and February 2002) an additional demand of Rs 12 44 lakh of which Rs 1 05 lakh had been recovered Report on action taken in remaining one case of Narwana had not been received (November 2002)

The matter was referred (April 2002) to the Government reply had not been received (November 2002)

5	1***	1/1	1994 95 (January 1998)	Purchased spirit (taxable and used it in manufacture of IMFL (tax free goods/stock transfer) The assessing authority did not levy purchase tax on the spirit worth Rs 60 92 lakh	60 92	2 68
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Remarks On this being pointed out (March 2000) in audit the department created (July 2001) an additional demand of Rs 7 87 lakh which included Rs 2 68 lakh as pointed out by audit and Rs 5 19 lakh (Tax Rs 3 48 lakh and interest Rs 1 71 lakh) on account of non levy of tax on miscellaneous income

DETCs Jind and Panipat

** DETC Sonipat and ETO Narwana

*** DETC Sonipat

The department further stated that the dealer had preferred an appeal against the revisional order. The decision of appellate authority was awaited (November 2002)

The case was referred to Government in July 2000 reply had not been received (November 2002)

Total	20/25	2 694 70	117 74
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The department in its written reply stated as under -

M/s Shiv Trading Co Dabwali, R C No 11038, A Y 1996-97 & 1997-98 (Two cases)

In this regard it is submitted that the Revisional Authority decided the cases by creating additional demand worth Rs 6 39 677/-. The firm is closed. The dealer resides in Punjab. Recovery certificate No 284 dated 5 10 2001 was sent to the Collector Mukatsar. The Recovery Certificate returned with the remarks that the dealer does not reside on the given address. The dealer has filed appeal before the Sales Tax Tribunal and Hon'ble Tribunal dismissed the appeal vide his order dated 25 1 2005. Recovery proceedings are in progress for early recovery.

M/s Fibro Tek, Mandi Dabwali, R C No 11122, A Y 1996-97 (one case)

The firm closed down his business. The Proprietor of the firm resides at Mumbai. Tax demand notice & Challan has been sent through postal service. But till now no amount recovered. Efforts are being made to recover the amount. Recovery Certificate sent to the Collector Mumbai.

3	2	4/5	1997-98 to 1999-2000 (between September 1999 and August 2000)	Purchased paddy from within the State without payment of tax and sold the same to exporters of rice outside the State. There was no agreement between the dealers and foreign buyers for such export.	584 54	2 3	4 1
						9	6 6
							(Interest)

Remarks On this being pointed out (between February and August 2001) in audit the department referred (March and September 2001) all the five cases to the revisional authority for taking suo motu action. Further report on action taken had not been received (November 2002)

4	2	4/4	Between 1996-97 and 1999-2000 (between September 1999 and June 2000)	Purchased paddy from within the State without payment of tax and used it in the manufacture of rice exported out of India through exporters. The Assessing Authority levied tax on paddy but allowed a rebate from the tax payable on paddy which was incorrect.	356 18	1 4	2 7
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Remarks On this being pointed out (between June 2000 and November 2001) in audit the revisional authority disallowed the rebate and created (May and October 2001 and February 2002) an additional demand of Rs 12.44 lakh of which Rs 1.05 lakh had been recovered. Report on action taken in remaining one case of Narwana had not been received (November 2002)

The matter was referred (April 2002) to the Government reply had not been received (November 2002)

5	1	1/1	1994 95 (January 1998)	Purchased spirit (taxable and used it in manufacture (tax free goods/stock The Assessing Authority levy purchase tax on worth Rs 60 92 lakh	60 92	2	6 8
							IMFL (transfer) did not the spirit

M/s Ganpati Rice Mill Safidon R C No 6756, A Y 1997-98

Reply is still awaited

M/s Shiv Shanker Rice Mill Safidon R C No 3044, A Y 1996 97

In reply to the audit objection it is submitted that the case has been revised by the Revisional Authority DETC Jind vide his order dated 20 9 2004 and a demand of Rs 454051/- has been created. The case is pending before the Hon'ble Punjab & Haryana High Court Chandigarh and was fixed for hearing for 29 5 2007. The amount is under stay.

M/s Dhanpat Rai Sham Lal Matlauda, Panipat, R C No 3152, A Y 1998 99

The case was referred to Revisional Authority for suo motu action. Revisional Authority created an additional demand of Rs 6 54 568/- vide order dated 7 9 2004. However the dealer went in Hon'ble Punjab and Haryana High Court vide CWP No 117 of 2005. Decision is pending.

M/s Aggarwal Enterprises, Narwana, R C No 8022, A Y 1999 2000

The case of the above firm has been sent to DETC cum Revisional Authority Jind for taking suo motu action, which is still pending.

M/s Shiv Trading Co Dabwali R C No 11038 A Y 1996 97 & 1997 08 (two cases)

M/s Fibro Tek Mandi Dabwali, R C No 11122 A Y 1996-97 (one case)

The Committee desired that strenuous efforts may be made to recover the amount, at an early date. Quarterly progress report be sent to the Committee accordingly.

M/s Ganpati Rice Mill Safidon R C No 6756 A Y 1997 98

The Committee desired that recovery of Government dues may be effected. Quarterly progress report be sent to the Committee accordingly.

M/s Shiv Shanker Rice Mill Safidon R C No 3044 A Y 1996 97

The Committee desired that the final outcome of the case pending before Hon'ble High Court may be intimated. Progress report be sent to the Committee.

M/s Shiv Shakti Trading Co Julana Jind R C No 7859 A Y 1999-2000

The Committee desired that recovery of Government dues may be effected at the earliest. Quarterly progress report be sent to the Committee accordingly.

M/s Dhanpat Raj Sham Lal Matlauda Panipat R C No 3152 A Y 1998 99

The Committee desired that final outcome of the case pending before Hon'ble High Court may be intimated, as and when received

M/s Aggarwal Enterprises Narwana R C No 8022 A Y 1999 2000

The Committee desired that final outcome of the case pending before revisional authority may be intimated within a period of three months

[19] 2 4 Non levy of tax on lease rent

Under the Haryana General Sales Tax Act 1973 sale means any transfer of property in goods for cash or deferred payment or other valuable consideration and includes transfer of right to use any goods for any purpose (whether or not for a specified period) for cash deferred payment or other valuable consideration

During test check of records of the Deputy Excise and Taxation Commissioner Panchkula it was noticed (June 2000) that a dealer dealing in cold drinks received a sum of Rs 13 crore as lease rent of empties from various customers during the year 1997 98 The assessing authority while finalising (July 1999) the assessment did not levy tax on the amount of lease rent received for empty stocks (empty bottles) The omission resulted in non-levy of sales tax of Rs 11 34 lakh

On this being pointed out (June 2000) in audit the revisional authority created (June 2001) an additional demand of Rs 11 34 lakh Report on recovery had not been received (November 2001)

The matter was referred (August 2000) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

M/s Arora Soft Drinks Panchkula, R C NO 33327, A Y 1997 98

In this case it is stated that the recovery proceedings are under process and results will be informed in due course

The Committee desired that recovery of Rs 11 34 lakh may be effected at the earliest since this demand has already been raised in January, 2000 and delayed for more than seven years Quarterly progress report be sent to the Committee accordingly

[20] 2 6 Non levy under assessment of purchase tax due to application of incorrect rate of tax

Under the Haryana General Sales Tax Act 1973 the rates of tax leviable on different commodities are prescribed and notified by Government from time to time The oil seeds (Sarson and Sunflower seeds) when purchased within State and used in manufacture of oil being declared goods are taxable at the rate of four *per cent* at the stage of last purchase

During test check of records of the Excise and Taxation Officer Shahbad Markanda (District Kurukshetra) it was noticed (July 2001) that a dealer purchased oil seeds valued at Rs 2 00 crore (Sarson seeds Rs 69 84 lakh Sunflower seeds Rs 1 30 crore) from within the State and used it in the manufacture of oil during the year 1995-96 The assessing

authority while finalising (March 2001) assessment did not levy purchase tax of Rs 5 19 lakh on the value of Sunflower seeds and erroneously levied purchase tax of Rs 1 54 lakh instead of Rs 2 80 lakh on Sarson seeds resulting in short levy of tax of Rs 1 26 lakh This resulted in under-assessment of purchase tax of Rs 6 45 lakh

On this being pointed out (July 2001) in audit the assessing authority referred (September 2001) the case to revisional authority for taking suo motu action Further progress had not been received (November 2002)

The case was referred (September 2001) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

M/s Mahavir Solvant Unit II, Shahbad R C No 13361 A Y 1995 96 dated 15 3 2000

It is submitted that remand case has been decided vide orders dated 31 8 2007 While framing assessment in this case purchase tax on Mustard seed @ 4% has been levied Further Sunflower seed used in manufacture of Sunflower oil has also been assessed to purchase tax @ 4% An additional demand of Rs 11 42 175/ has been created Since no further action is required in the case Para may kindly be settled

The Committee desired to know the status of recovery of Rs 11 42, 170/ within a period of three months Vigorous efforts may be made to recover the amount under intimation to the Committee Progress report be sent to the Committee

[21] 27 Irregular deduction allowed against invalid declaration forms

Under the Haryana General Sales Tax Act 1973 the assessing authority is required to examine the genuineness or otherwise of any sale or declaration in Form ST -15 before allowing deduction from gross turnover to a registered dealer Lost or stolen declaration forms are declared invalid by the concerned district officer and the fact circulated to all the assessing authorities in the State to prevent deduction against such invalid declaration forms being allowed Further penalty is also leviable for the offence of producing before the assessing authority any false or incorrect account return or information As per notifications dated 29 March and 5 July 1996 issued under the Act stone being unclassified goods was taxable at the rate of nine *per cent* upto 4 July 1996 and at the rate of ten *per cent* thereafter

During audit of records of the Deputy Excise and Taxation Commissioner Gurgaon (West) it was noticed (March 2001) that a dealer was allowed (April 1999) deduction of Rs 21 41 lakh on account of sales of stone valued at Rs 72 48 lakh during the year 1996 97 to registered dealers against declaration forms (ST-15) which had either been declared invalid (between January 1991 and March 1998) by district officers or were issued by the unregistered /non existing purchasing dealers Thus the total deduction of Rs 21 41 lakh allowed against invalid declaration forms was incorrect This resulted in under assessment of tax of Rs 6 36 lakh including minimum penalty of Rs 4 24 lakh

On this being pointed out (March 2001) in audit the revisional authority created (November 2001) an additional demand of Rs 2 14 lakh with directions to issue separate show cause notice for imposition of penalty. Further report on action taken/amount recovered had not been received (November 2002)

The matter was referred (April 2001) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

M/s Roshan Lal Garg Steel Co (P) Ltd , Gurgaon (W), R C No 1914375 A Y 1996 97

In this case the revisional authority created an additional demand of Rs 2 14 120/- vide his order dated 20 11 2001. The dealer preferred an appeal before the Sales Tax Tribunal Haryana against the revisional order alongwith application for stay of recovery. The Sales Tax Tribunal directed the dealer to deposit 50% of the total additional demand of Rs 1 07 060/- vide order dated 10 5 2002. The dealer deposited Rs 1 70 060/- and submitted surety bond for Rs 1 07 060/- on 28 6 2002 which has been duly accepted by the Assessing Authority. The case is still pending before the Sales Tax Tribunal and the recovery of 50% balance amount is stayed by the Tribunal. The penalty proceedings have been initiated by the Assessing Authority by issue of statutory notice. However the final decision will be taken after the decision of the appeal as the levy of the tax is under challenge in the appeal.

The Committee desired to know final outcome of the case pending before Sales Tax Tribunal within a period of three months. Progress report be sent to the Committee

[22] 2.9 Non levy of interest and penalty

Under the provisions of the Haryana General Sales Tax Act 1973 and Central Sales Tax Act 1956 a dealer is required to pay the full amount of tax due as per the returns required to be submitted by the prescribed dates. In the event of default the dealer is liable to pay interest on account 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. In addition penalty not exceeding one and a half times the amount of tax is also leviable for non-payment of tax alongwith the returns.

During test check of the records of Deputy Excise and Taxation Commissioner Panipat it was noticed (between January and February 2002) that six dealers in seven cases did not pay full amount of tax due alongwith the returns during the years 1996-97 to 1998-99. The assessing authorities while finalising (between January and March 2001) assessments created additional demands of tax aggregated to Rs 20 48 lakh and pronounced in the assessment orders that penal action for levy of interest and penalty would be taken separately but no such action was initiated till January 2002. This resulted in non levy of interest of Rs 10 23 lakh besides penalty.

On this being pointed out (between January and February 2002) in audit the department created (February 2002) demand for interest of Rs 2 32 lakh in two cases and stated in the

order that penalty notice be issued. In two cases of two dealers the department stated (February 2002) that proceedings for levy of interest and penalty were in progress. No reply was received in the remaining three cases of two dealers. Report on recovery and further action in respect of levy of penalty had not been received (November 2002).

The matter was referred (April 2002) to the Government. reply had not been received (November 2002).

The department in its written reply stated as under —

M/s Suraj Rice & General Mill Baberpur, Panipat, R C No 4669, A Y 1997 98

The dealer was assessed to tax on the purchase value of the paddy husked and rice obtained thereof sold against H forms for Export u/s 5(3) of CST Act 1956. The Hon ble High Court (full Bench) of Punjab and Haryana in the case of United Rice Land V/s State of Haryana decided against the levy of interest u/s 25(5) of the HGST Act 1973 cited as 104 STC Page 362. The State filed an SLP before the Hon ble Supreme Court of India against the judgement of High Court. The SLP is pending. So the action to levy interest will be taken after the decision of the SLP. The outcome of the same will be conveyed accordingly.

M/s Arihant Rice & General Mill Matlauda, Panipat, R C No 2110, A Y 1998 99

The dealer was assessed to tax on the purchase value of the paddy husked and rice obtained thereof sold against H forms for Export u/s 5(3) of the CST Act 1956 and in the State. The dealer agitated of levy of such tax and the issue was decided in the favour of revenue by Hon ble Punjab and Haryana High Court vide its judgement rendered in M/s Monga Rice Mill case. In response to the audit para it is submitted that interest u/s 25(5) has been levied to the tune of Rs 137840/- vide demand No 192 C/98-99 dated 13.1.03 as regards penalty u/s 47 the proceedings stand initiated. Notice has been issued to the dealer as well as sureties for recovery. Hence para may please be dropped.

M/s Suraj Rice & General Mill Baberpur Panipat R C No 4669 A Y 1997 98

The Committee desired that final outcome of SLP before Apex Court may be intimated, as and when received. Quarterly progress report be sent to the Committee accordingly.

M/s Arihant Rice & General Mill Matlauda Panipat R C No 2110 A Y 1998 99

The Committee desired that recovery of Rs 137840/- may be effected at an early date. Quarterly progress report be sent to the Committee accordingly.

[23] 2.10 Non raising of demands for interest

Under the Haryana General Sales Tax Rules 1975 if a unit holding exemption certificate contravenes any provision of the Act under which exemption certificate has been granted it shall be liable to repay the entire amount of the tax exempted alongwith the interest payable thereon.

During test check of records of Deputy Excise and Taxation Commissioner Fatehabad it was noticed (January 2002) that a dealer of Tohana was granted (June 1992) exemption

from payment of tax of Rs 42 53 lakh for the period from 27 November 1991 to 26 November 2000. The dealer, after availing benefit of full exemption during the year 1993-94 to 1997-98, closed down its business and disposed of its machinery. For contravention of the provisions of Act/Rules by the dealer, the department cancelled (August 1999) the exemption certificate of the dealer and raised a demand of Rs 42 70 lakh but the demand for interest of Rs 30 01 lakh was not raised.

On this being pointed out (January 2002) in audit, the department stated that demand of Rs 42 70 lakh is pending against the dealer for which recovery proceedings are in progress. It was further stated that interest, if any payable, shall be considered after clearance of the original demand. Reply of the department was not tenable as the firm had already gone in liquidation and assets stood disposed of by Haryana Financial Corporation (HFC). Thus, due to non-raising of demand of interest, the department could not claim the amount of Rs 30 01 lakh from HFC.

The matter was referred (April 2002) to the Government; reply had not been received (November 2002).

The department in its written reply stated as under —

M/s Haryana Cotton Mills (P) Ltd, Tohana, R C No 25683, A Y 1993 94 to 1996 97

In this regard, it is submitted that the above said firm was an exempted unit u/r 28(A) of Haryana General Sales Tax Rules having operative period from 27 11 1991 to 26 11 2000. The unit closed down its business during the operative period. As a result of closure of the unit during operative period, the exemption certificate was cancelled by the then Dy. Excise and Taxation Commissioner vide order 9 8 1999 and as a result of it, the whole amount of tax benefit of Rs 42 70 331/- availed by the dealer became payable. Besides, interest was also leviable as per provisions of law. Accordingly, the then Assessing Authority levied the interest of 36 27 657/- vide order dated 24 9 2002. In order to recover the amount of tax of Rs 42 70 331/-, request was made to Managing Director, Haryana Financial Corporation to remit the amount of tax out of the auction money received as result of auction of the assets of the unit. But in spite of repeated requests, the authority of the Haryana Financial Corporation did not deposit the amount out of auctioned amount. The Assistant General Manager (RC), Haryana Financial Corporation, has intimated that demand raised by Department is not justified; that the claim of the corporation has priority on all other dues. It was also informed that out of surplus amount of Rs 1 256 058/-, the Corporation has made FDR of Rs 3 00 000/- and 9 56 058/- is lying in the sundry account with the Corporation because of the other court cases are pending in the different courts against the company. The recovery proceedings were also started against the sureties to recover the amount of tax. The sureties filed an appeal against the recovery proceedings before Jt. Excise and Taxation Commissioner (Appeal). The Appellate Authority vide order dated 18 9 2001 directed that the department should first exhaust funds available with the Haryana Financial Corporation before proceedings against sureties after adopting necessary legal procedure. Now, the recovery proceedings against the sureties are against being started.

The Committee desired that strenuous efforts may be made to recover the Govt dues amounting to Rs 78,97,988/ at an early date Quarterly progress report be sent to the Committee accordingly

[24] 2 11 Non realisation of tax

The Haryana General Sales Tax Act 1973 provides that no person shall collect any sum by way of tax in respect of sale or purchase of any goods on which no tax is payable under the Act. Further Haryana Sales Tax Tribunal II held (September 2000) that an exempted unit having collected purchase tax from the payer has no business to retain the same and convert it to its own use and it should come into State coffer.

During test check of records of Deputy Excise and Taxation Commissioners Sonipat and Panchkula it was noticed (between February 1999 and December 2001) that in 6 cases three dealers who were availing benefit of exemption from payment of tax under Rule 28 A sold rice procured from paddy valued at Rs 6 57 crore to the District Food and Supply Controller (DFSC) during the years 1995 96 to 1998 99. The sale price of rice charged by the dealers from the DFSC was inclusive of purchase tax of Rs 26 30 lakh payable on the paddy used in procuring of such rice. But the assessing authority while finalising (between September 1997 and June 2000) the assessments failed to notice the non-payment of purchase tax so collected by the dealer from the DFSC. This resulted in non-realisation of collected tax of Rs 26 30 lakh.

On this being pointed out (between February 1999 and December 2001) the department accepted (between February 1999 and January 2002) the audit observation in all the 6 cases of this 5 cases were sent for suo motu action while in 1 case an amount of Rs 3 33 lakh had been recovered (December 2001). The department further stated (April 2002) that revisional proceedings had not yet been finalised.

The cases were referred (June 1999 and May 2002) to Government. Reply had not been received (November 2002).

The department in its written reply stated as under —

M/s Chander Mukhi Rice & General Mill Raipur Rani, Panchkula, R C No 32244 A Y 1996-97 to 1998 99

The Revisional authority had decided this case vide order dated 23 8 2002 and created an additional demand of Rs 5 08 796/ for the year 1996-97 Rs 5 85 477/ for the year 1997-98 and Rs 1 70 637/ for the year 1998 99 by disallowing the rebate claimed on account of purchase tax received from DFSC. The Dealer preferred an appeal before the Punjab and Haryana High Court against the order of Revisional Authority and the same is still pending before High Court for decision. The final outcome will be intimated after the decision of the court.

M/s Luxmi Rice Industries Barwala, Panchkula, R C No 33542, A Y 1995-96 & 1996 97

The Revisional authority has also decided this case by creating an additional demand of Rs 2 92 070/- for the year 1995 96 and Rs 6 71 195/ for the year 1996 97 vide his order dated 17 6 2002. The dealer preferred an appeal before the Punjab & Haryana High Court against the order of Revisional Authority and the same is still pending.

before High Court for decision. The final outcome will be intimated after the decision of the court.

M/s Chander Mukhi Rice & General Mill Raipur Rani Panchkula R C No 32244 A Y 1996-97 to 1998-99

The Committee desired that final outcome of the case pending before Hon'ble High Court may be intimated, as and when received. Progress report be sent to the Committee accordingly.

M/s Luxmi Rice Industries Barwala R C No 33542 A Y 1995-96 to 1996-97

The Committee desired that final outcome of the case pending before Hon'ble High Court may be intimated. Quarterly progress report be sent to the Committee accordingly.

[25] 4.1 Results of Audit

Test check of records of various offices of State Excise Department conducted during the year 2001-2002 revealed non/short recovery of excise duty amounting to Rs 56.52 crore in 74 cases which broadly falls under the following categories:

Sr No	Nature of irregularities	Number of cases	Amount (Rupees in crore)
1	Review- Receipts of Excise Duty from auction of vends	1	21.51
2	Short levy of excise duty on excess lifting of additional quota of IMFL	1	0.03
3	Loss due to short lifting of quota of country liquor	2	1.16
4	Non/short recovery of licence fee and interest on belated payment of instalments	12	0.18
5	Non/short recovery of excise duty and surcharge	1	0.35
6	Late deposit of security	8	20.63
7	Miscellaneous irregularities	49	12.66
Total		74	56.52

During the year 2001-2002 the department accepted short recovery of Rs 10.24 crore in one case pointed out during the year 2001-2002 of which Rs 0.79 crore had been recovered. Besides Rs 0.35 crore recovered in 7 cases related to earlier years.

The department in its written reply stated as under —

Out of 74 cases 72 cases involving an amount of Rs 3466.67 lacs have been reviewed with the following results -

Number of cases	Amount pointed out by Audit (Rs in lacs)	Result of review
12	2014 21	Settled with demand
22	820 70	Settled without demand
39	631 77	Cases are under review

As regards the remaining two cases one case involving a amount of Rs 0 35 crore have been recovered and one case involving an amount of Rs 21 51 crore as per Sr No 1 of table reply is given in succeeding paras - 4 2 7 to 4 2 12

The Committee desired that position of remaining cases may be intimated regularly to PAC Progress report be sent to the Committee

[26] 4 2 Receipts of excise duty from auction of venders

4 2 6 Uncollected Excise Revenue

As on 31 March 2001 uncollected excise revenue pending collection at the following stages was Rs 22 86 crore as under

Stages of action	Amount (Rupees in crore)
(i) Property attached	1 01
(ii) Under stay by Courts and other authorities	6 84
(iii) Inter district arrears	2 27
(iv) Inter State arrears	0 47
(v) Moved for writing off	0 47
(vi) Under instalments	0 12
(vii) Other stages	11 68
Total	22 86

The year-wise break up of the arrears was as under -

Year	Amount (Rupees in crore)
Upto 1995 96	10 64
1998 1999	2 13
1999 2000	9 62
2000 2001	0 47
Total	22 86

Of the above Rs 85.72 lakh remained unrecovered for more than 30 years Rs 59.87 lakh for more than 20 years and Rs 1.45 crore for more than 10 years. The oldest amount pertained to the year 1967-68. One case involving Rs 1.23 crore remained outstanding since 1998-99. However, number of cases involved for the remaining amounts were not made available.

The department in its written reply stated as under —

Out of total arrears in revenue of Rs 22.86 crores Rs 10.95 crores have been recovered upto 30.9.2007 leaving a balance of Rs 11.91 crores. The reasons for break up of balance arrears are as under —

Stages of action		Amount (Rs. in lacs)
(i)	Property attached	243.93
(ii)	Under stay by courts and other authorities	267.57
(iii)	Inter district arrears	283.01
(iv)	Inter State arrears	88.16
(v)	Moved for writing off	40.27
(vi)	Under instalments	12.85
(vii)	Under Liquidation	00
(viii)	Net recoverable	254.77
Total		1190.56

The Committee desired that strenuous efforts may be made to recover the arrears of State Excise revenue, at an early date. Progress report be sent to the Committee.

[27] 4.2.7 Short recovery of licence fee and interest

As per provisions contained in Rule 36(26) of the Haryana Liquor Licence Rules, 1970 read with auction condition No. 6(iii) of the Excise Announcement made at the time of auction for the years 1995-96 and 1996-97 to 2000-2001, the successful bidder when granted a licence shall pay the license fee by the 15th of the month for 1995-96 and by 20th of the month thereafter in which he begins his business in monthly equal instalments. In case of default, the DETC may authorise the licensee to deposit amount of instalment or part thereof upto the last date of month in which the instalment is due alongwith interest at the rate of 18 per cent per annum for the period of delay. Further, the department is required to obtain and verify the genuineness of the particulars regarding name, residential and business addresses, financial position (bank accounts) of the bidder, partners and sureties before the licence is actually granted.

(i) In Fatehabad district 15 and 20 vends for 1998-99 and 1999-2000 respectively were auctioned in favour of 2 licensees for Rs 7.65 crore and Rs 2.20 crore. Of this, the licensees deposited license fee of Rs 7.61 crore and Rs 1.57 crore respectively till the end of

licence period resulting in less deposit of Rs 67 17 lakh

On the omission being pointed out (June 1999 and May 2000) the DETC Fatehabad stated (March 2002) that in one case the amount could not be recovered as the main licensee was not a resident of the district and had no movable or immovable property. The contention of the department was not acceptable as the department was required to verify the particulars regarding name residential and business addresses details of unencumbered immovable property and bank accounts in the name of the bidder and affidavit of each partner submitted by them before the license was actually granted. Moreover the recovery could be effected as arrears of land revenue either from the bidder or from the partners and/or sureties for which no efforts were made by the department. In the second case the department stated that the action was being taken to recover the amount.

(ii) Test check of records of 12 Deputy Excise and Taxation Commissioner Offices for the years 1995-96 to 2000-2001 revealed that interest amounting to Rs 1 19 crore for delay ranging between 1 and 221 days in payment of instalments of license fee was short levied in 33 cases as detailed below

Sl No	Name of District	Year	Interest leviable	Interest levied	Interest short levied
(Rupees in lakh)					
1	Bhiwani	1995-96	3 39	2 59	0 80
		1996-97	2 55	1 45	1 10
2	Faridabad	2000-01	23 66	20 80	2 86
3	Fatehabad	1998-99	16 52	15 39	1 13
		1999-2000	2 77	—	2 77
4	Gurgaon	2000-01	4 11	2 48	1 63
5	Hisar	1995-96	16 14	5 63	10 51
6	Jagadhan	2000-01	1 80	0 84	0 96%
7	Kurukshetra	1995-96	5 84	3 57	2 27
		1999-2000	1 82		1 82
		2000-01	35 73	18 50	17 23
8	Kaithal	1995-96	2 36	0 31	2 05
		2000-01	57 20	—	57 20
9	Karnal	2000-01	21 15	9 28	11 87
10	Panipat	1995-96	2 41	0 44	1 97
11	Panchkula	2000-01	4 05	3 39	0 66
12	Rohtak	2000-2001	11 51	9 57	1 94
Total			213 01	94 24	118 77

On the omission being pointed out (between June 1996 and February 2002) a sum of Rs 56 29 lakh was recovered by 6 DETCs. Three DETCs intimated (between November 2001 and April 2002) that action was being taken to recover the amounts whereas final reply had not been received (April 2002) from remaining three DETCs.

The department in its written reply stated as under —

The arrear of Rs 67 17 lacs is outstanding against M/s Bhalle Ram Radhy Sham & Co Ex-Licensee L 14A/L-2 Tohana group for the year 1998 99 & 1999 2000. Earnest efforts have been made by the Department to recover all outstanding amount from the defaulter but till date nothing has been recovered. The main partner Sh Radhay Shyam is a resident of District Jind Dy Excise & Taxation Commissioner (Ex) Jind has been requested vide this office Memo No 56/Ex dated 7 5 2002 & 893/Ex dated 17 7 2007 to recover the amount at the earliest. Any progress in the matter will be conveyed after hearing DETC(Ex) Jind.

Moreover immovable properties of Sh Bhalle Ram Sh Thakur Singh and Sh Nand Lal partner of the firm were attached vide DETC order dated 15 9 2000 and AETO (Ex) was appointed as a agent to receive the payment from the liquidator vide DETC dated 10 9 2006. However Smt Boori Devi wife of Sh Nand Lal one of the partner filed an appeal against the attachment order and the case is pending in the court of C J (J D) Tohana.

DET C Faridabad, 2000 01

In this connection it is stated that the interest has rightly been levied and charged in accordance with the auction policy & Excise Rules 1970. The audit party has erred in calculating the interest. The audit pointed out the following calculations of interest incorrect.

Month	L-14 L-2	Amount	Delay in Days calculated by the dept	Interest calculated by the dept	Delay in days calculated by the audit	Interest calculated by the audit
April 2000	L-14A	4973370	10	24 867	31	76 031
April 2000	L 2	4700000	10	23 500	31	71 852
Sept 2000	L 2	7675000	10	37 875	33	1 24 988
Dec 2000	L-2	10575000	11	56 286	32	1 66 882

The above calculations of late No. of days & interest is made upto the last day of the month by the department in cases where actual payment is made on 1st & 2nd of the

next month being last day of the month & 1st day of the next month gazetted holiday The licensee could not deposit the due license fee on the last day of the month on the grounds as discussed above Hence the calculation of the department is correct and as per section 10 computation of time of general clauses Acts which reproduce as under —

(I) Hereby any (Central Act) or regulation made after the commencement of this Act any Act or proceedings is directed or allowed to be done or taken in any court or office on a certain day or within a prescribed period then it is the court or office is closed on that day or the last day of the prescribed period The Act of proceeding shall be considered as done or taken in due time if it done or taken on the next day after words on which shall supply to any Act or proceeding to which the Indian Limitation Act 1877 supplies

(II) This section applies to all (concerned Act) and regulation under or after and 14th day of an 1887 But Section 10 provided in that in any Act or proceeding is directed or allowed to be done or taken in any court or office on a certain day or within a prescribed period then if the court or office is closed on that day or the last day of the prescribed period the Act of proceeding can be done on the next day after words on which the court or office opens and still the thing would be considered to have done Whereas the audit has calculated the No of late days including those holidays and calculating the interest for 31 32 & 33 days whereas the department has counted the No of late days 10 & 11 days as such calculated the interest

Keeping of the above discussed facts it is brought to your kind notice that the department has calculated and charged the interest rightly Hence there is no short recovery of interest the para may please be dropped

(i) D E T C Fatehabad (Ex) 1998 99

Action is being taken No amount has been recovered so far

(ii) D E T C Fatehabad (Ex) 1999 2000

In the above case a sum of Rs 2 77 Lacs against M/s Bhalley Ram Radhey Shyam & Co Ex License L-14/L 2 Tohana Group for the year 1999-2000 are outstanding Efforts have been made out but no amount has been recovered so far because the main partner Sh Radhye Shyam is not a resident of this Distt nor having any movable and immovable property therein and therefore the whereabouts of the license is being traced from known sources Recovery proceeding has been started against the partner vide this office Memo No 893/Ex dated 17 7 2007

D E T C Hisar, 1995 96

M/s Chander Bhan Om Parkash, Hansi

Out of arrears Rs 10 51 lacs a sum of Rs 4 28 lacs have since been recovered from different licensees by adjustment through refund vouchers which were due to be refundable to them thereby a balance amount of Rs 6 23 Lacs which belong to M/s Chander Bhan Om Parkash Ex L 2/L 14 Hansi Strenuous efforts are being made for recovery of this amount

(ii) D E T C Kurukshetra, 1999 2000**M/s Surinder Kumar Co , Shahabad**

Out of Rs 1 82 lacs Rs 0 10 lacs has already been recovered and out of balance amount of Rs 1 72 lac the adjustment of refund of Rs 1 19 lacs has since been made in view of order passed by Dy Excise & Taxation Commissioner Haryana Chandigarh No 863/X 3 dated 13 03 2002 As regards the balance amount of Rs 0 53 lacs which pertain to M/s Surinder Group & Co Ex L A 4A/L 2 Licensee Shahbad Group for the year 1995 96 it is submitted that recovery certificate has been issued to Jagadhari & Ambala vide this office letter dated 10 07 2002 It has come to the notice of the Deptt that Sh Surinder Kumar S/o Sh Mani Ram (Expired) was a partner of country liquor shop in Muzzafrabad (U P) pertain to financial year 2002 03 who had deposited a sum of Rs 4 00 Lacs as security with Excise & Taxation Deptt Saharanpur Therefore the recovery certificate issued to Collector cum Deputy Commissioner Saharanpur (U P) vide letter dated 25 03 2003 The Tehsildar Saharanpur (U P) has ordered for attachment of the said security amount vide letter dated 24 07 2003 to the Distt Excise Officer Saharanpur and to refund the Excise arrears to the Dy Excise & Taxation Commissioner (Ex) Kurukshetra The Tehsildar Behat has ordered for the attachment of security amount of late Sh Surinder Kumar Vide letter No 461/Ex dated 11 8 2003 to the District Excise Officer Saharanpur and to remit the amount of DETC Kurukshetra The last reminder has been issued to Collector Cum District Magistrate Saharanpur (UP) vide this office Memo No 614/Ex dated 24 11 2006 and a copy has also been endorsed to Tehsildar Behat and Additional Magistrate Saharanpur and last reminders have also been issued on 6 7 2007

(i) D E T C Kaithal, 1995 96

It is intimated that Rs 205128 has to be recovered as instt on account of late payment of L/F during the year 1995 96 in 3 cases namely Ashok Kumar and Co Kaithal Om Parkash Ram Chander Pundri and M/s Mittal and Co Kalayat in fact all the 3 parties have filed an civil suit in various Courts of Kaithal and the Hon ble Judges has granted stay to them during the year It is intimated that the amount of arrears will be recovered after the decision the Hon ble Court

D E T C Panipat (Ex) 1995 96

In this case the amount of Rs 1 97 lacs is outstanding on account of interest on license fee on the delayed payment of installment The notices for recovery of the outstanding arrears have been issued to the defaulters and efforts are being made to recover the said amount

D E T C Faridabad, 2000-01

The Committee desired that since there is difference in calculation the same may be reconciled with the A G Progress report be sent to the Committee

(i) D E T C Fatehabad (Ex) 1998 99**(ii) D E T C Fatehabad (Ex) 1999 2000**

The Committee desired that the status of amount recovered be intimated within a period of three months Vigorous efforts may be made to recover the

amount at an early date Quarterly progress report be sent to the Committee accordingly

D E T C Hisar 1995-96

M/s Chander Bhan Om Parkash Hansi

The Committee desired that balance amount of Rs 6 23 lakhs may be recovered, at an early date Quarterly progress report be sent to the Committee accordingly

D E T C Kurukshetra, 1999 2000

M/s Surinder Kumar Co Shahabad

The Committee desired that the balance recovery of Rs 0 53 lakhs may be effected at the earliest possible Quarterly progress report be sent to the Committee accordingly

D E T C Kaithal, 1995-96

The Committee desired that the decision of the Court may be intimated, as and when received

D E T C Panipat (Ex) 1995 96

The Committee desired that strenuous efforts may be made to effect the recovery at the earliest since a period of more than six years has been elapsed The Committee desired that the decision of the Court may be intimated, as and when received

[28] 4 2 8 Loss of revenue due to re auction of vends

Under the Haryana Liquor License Rules 1970 licenses of vends for Country Liquor and Indian Made Foreign Liquor are granted by auction A successful bidder is required to deposit by way of security an amount equal to 5 *per cen* at the fall of hammer and the remaining 11-2/3 *per cent* within ten days from the date of auction or before 31 March whichever is earlier The remaining license fee is payable in monthly instalments equal to one eleventh of total annual license fee by the 20th of each month In case of failure to pay any instalment alongwith interest by due date the license for vend is liable to be cancelled and re auctioned at the risk and cost of the defaulting licensee The amount is recoverable from the original vendor as arrears of land revenue

In Fatehabad district 42 vends of Country Liquor and Indian Made Foreign Liquor (IMFL) were auctioned (March 1999) for Rs 24 42 crore for the year 1999 2000 to two licensees Against the amount of Rs 17 76 crore payable by the licensees upto November 1999 only Rs 9 92 crore were deposited by them and on their failure to pay Rs 7 84 crore the department cancelled their licensees on 24 November 1999 and re-auctioned the vends on 10 December 1999 for Rs 5 76 crore at their risk and cost The re auction of vends resulted in loss of revenue of Rs 8 73 crore which was neither paid by the earlier bidders nor recovered (April 2002) by the department

On the omission being pointed out (May 2000) the department stated notices have been issued to the parties and sureties for recovery of the amount

The department in its written reply stated as under —

Re auction of liquor vends in Fatehabad district during the year 1999-2000 was carried out due to a fraud committed by the licensees in depositing the license fee which resulted into loss of Rs 8.73 crore. In this regard a case of fraud has been registered against the erring licensees. The proceedings are pending in the district court Fatehabad.

The Committee desired that the decision of the District Court, Fatehabad may be expedited, as and when received

[29] 4.2.9 Non recovery due to incorrect adjustment of security

Under Haryana Liquor License Rules 1970 a successful bidder is required to deposit by way of security an amount equal to 16-2/3 *per cent* of the total annual licence fee by the prescribed date. The entire amount of security or its 90 *per cent* shall be adjusted against the last instalment of license fee payable by him unless the same or any part thereof is forfeited or adjusted against any amount of fee or penalty due from him. In case of adjustment of ninety *per cent* amount of security the remaining ten *per cent* of the security shall be refundable to the licensee after deducting therefrom any kind of arrears if any due to the Government from him after the close of the financial year.

A test-check of records of 3 Deputy Excise and Taxation Commissioners (Excise) for the years 1999-2000 to 2000-2001 revealed (between January and August 2001) that penalty and interest of Rs 27.51 lakh was outstanding against three licensees at the end of the financial year. The department adjusted the whole amount of security deposit against the last instalment instead of retaining 10 *per cent* of security deposit of Rs 1.39 crore from which the amount outstanding on account of interest, penalty etc. could have been recovered. Besides, no demand for payment of Rs 27.51 lakh was raised. Thus, contravention of the rules resulted in non recovery of Rs 27.51 lakh.

On this being pointed out (between January and August 2001) DETCs Bhiwani and Jind recovered (between March and July 2001) Rs 17.79 lakh. Regarding outstanding recovery of Rs 4.59 lakh DETC Hisar stated (October 2001) that the adjustment of full amount of security is generally made towards the last instalment of license fee. The reply of the DETC was contrary to the prescribed rules and resulted in non realisation of the dues payable to the Government.

The department in its written reply stated as under —

In view of audit observation it is stated that as per provision laid down in excise policy the adjustment of full security is generally made in the last instalment of license fee and there is also no provision for levy of interest against the adjustment of such security amount.

More over there is no outstanding dues from the said licensee. Hence the para may please be dropped.

The Committee desired to know the status of balance recovery of Rs 9 72 lakhs since this amount remained to be recovered after adjustment of security in these cases within a period of three months Vigorous efforts may be made to recover the amount at an early date Quarterly progress report be sent to the Committee accordingly

[30] 4 2 10 Loss due to late credit/realisation of demand drafts

Financial Rules provide that departmental receipts should be deposited in Government account on the same day or latest by next working day Any delay in remittance results in loss of interest to the Government

Test-check of records of four Deputy Excise and Taxation Commissioners (Excise) for the year 1995 96 to 2000 2001 revealed that 66 bank drafts amounting to Rs 6 75 crore were credited late into Government account after a delay ranging from 1 to 99 days at the level of both department and bank Had the bank drafts been remitted in time into the Government account the department could have saved interest of Rs 3 95 lakh (calculated at the rate of 12 per cent per annum applicable to borrowings of the Government)

The department in its written reply stated as under —

In reply to the audit observation it is submitted that the Bank Drafts relate to security deposits were timely deposited into Banking treasuries thereby the clearance of the said drafts were rests at the level of Banks

As regards the payment of interest on the delayed clearance of Bank drafts it is stated that there is no provision under Excise Policy for the year 1999 2000 where in the interest on late deposit of security amount could be charged Keeping in view the same the para may kindly be dropped

The Committee desired to know what efforts have been made by the department for the submission of bank drafts to Banks for their credit and when action has been taken by the department with the concerned banks for crediting bank drafts

[31] 4 2 12 Improper fixation of minimum license fee/reserve bid money

Under Rule 36 of the Haryana Liquor License Rules 1970 the Collector shall determine the minimum license fee/reserve bid money for each group of vends or vend on the recommendations of the Deputy Excise and Taxation Commissioner (Excise) incharge of the District having regard to estimated sale and other incidental factors pertaining to each vend or group of vends as the case may be and the minimum license fee so determined shall be announced at the time of auction No specific parameters/provisions have been made in the Act Rules and Policy for fixing the reserve bid in respect of auction of country liquor

Test check of records of three districts revealed that the minimum license fee/reserve bid money for the vend or group of vends put to auction for the year 2000 01 in the same location were determined/fixed lesser than that fixed for the previous year 1999 2000 as

detailed below

District	Years	No of Vends	Quota of Country Liquor	Reserve Bid	Final Bid	Revenue foregone
			(In proof litres)	(Rupees in lakh)		
Ambala	1999 2000	71	23 00 000	2 200 00	2 509 00	—
	2000 2001	71	25 26 000	2 150 00	2 451 00	—
	Variation	Nil	(+) 2,26,000	() 50 00	() 58 00	50 00
Fatehabad	1999 2000	31	19 50 000	1 875 00	2 101 15	—
	2000 2001	37	21 65 000	1 300 00	1 452 00	—
	Variation	6	(+) 2,15,000	() 575 00	(-) 649 15	575 00
Gurgaon	1999 2000	43	18 50 000	2 755 00	3 158 00	—
	2000 01	47	19 89 000	2 407 00	3 082 00	—
	Variation	4	(+) 1 39,000	() 348 00	() 76 00	348 00
Total						973 00

Above table shows that in all the three district the reserve bid money fixed for the year 2000 2001 was lesser than that of 1999 2000 by Rs 9.73 crore despite the fact that the number of vends had increased (two districts) and quota of country liquor had enhanced for the year 2000 01. Besides the final bid for the year 1999 2000 was on higher side as compared to the reserve bids fixed for the year 2000-2001. In the absence of any parameters/provisions in the Act/Rules/Policy the department failed even to conserve the reserve bid money equal to that fixed for the year 1999 2000.

Further in Fatehabad district though the quota of country liquor had enhanced from 19.50 lakh proof litres to 21.65 lakh proof litres during 2000-2001 the final bid (Rs 14.52 crore) accepted for the year 2000 2001 was even lesser by Rs 4.23 crore than the reserve bid (Rs 18.75 crore) fixed for the year 1999 2000.

The department in its written reply stated as under —

In this case it is stated that reserve price/minimum license fee for bid money was fixed for the year 2000 01 for district Ambala Fatehabad & Gurgaon in consultation with the Dy Excise and Taxation Commissioner (Excise) concerned keeping in view the estimated sale and other factors pertaining to each group of vends. The minimum license fee so determined was announced by the then Collector cum-Dy Excise and Taxation Commissioner (HQ) as Presiding Officer before commencement of auction. As per Excise Policy framed by the State Govt the reserve price was fixed in view of the parameter / provision made in the Act/Rules *ibid*. Further it is also stated that the auction was conducted by the then Collector cum Dy Excise and Taxation Commissioner (HQ) keeping in view the circumstances at that time. If bids are not

received at a reserved price then the Presiding Officer has to put the vends for auction by announcing lesser reserve/bid money in the interest of revenue. More so, the Collector is empowered to do so under Haryana Liquor License Rules 1970 i.e. to accept the lower bids provisionally. If bids are not offered at the reserved price so fixed, the bids are later on confirmed and approved by the ETC exercising the powers of Financial Commissioner under the Excise Rule/Excise Policy.

In view of the above facts the para in question may please be dropped.

The Committee observed that in the instant cases the number of vends and quota of Country liquor had increased/enhanced for the year 2000-01 but the reserve bid was fixed less than previous year. Collector may be asked to record reasons for fixation of lesser reserve bid than the previous year.

[32] 4.4 Short levy of excise duty on excess lifting of additional quota of IMFL

As per amendment made (March 2000) in Punjab Excise Fiscal Orders 1932 (effective from 1 April 2000) the excise duty on Indian Made Foreign Liquor (IMFL) shall be leviable at the rate of Rs 41 per proof litre up to the quantum of sale of the group equal to the sale of vends falling in the same area in the previous year and shall be at Rs 25 per proof litre thereafter upto 25 per cent on additional lifting over previous year on month to month basis.

Test check (May 2001) of records of DETC (Excise) Karnal for the year 2000-2001 revealed that an L.I. licensee had lifted 73017 proof litres IMFL in the month of October 1999. Consequently, he was entitled to lift an additional quota of 18254 proof litres of IMFL (25 per cent of 73017 PLs) on payment of excise duty at the concessional rate of Rs 25 per proof litre for the month of October 2000 against which he lifted 34425 proof litres of IMFL. The excise duty on the excess lifted quota of 16171 proof litres was charged at the rate of Rs 25 per proof litre instead of Rs 41 per proof litre. This resulted in short levy of excise duty of Rs 2.59 lakh.

The omission was pointed out (May 2001 and February 2002) in audit but reply had not been received (November 2002).

The matter was referred (May 2002) to the Government; reply had not been received (November 2002).

The department in its written reply stated as under —

In this Para it is submitted that the Licensee was entitled to lift additional quota of 196242 Proof litres annually at concessional rate whereas the licensee lifted additional quota of 49985 P.L. during whole of the year. Hence no excess lifting was made by the Licensee during the year. However, as per PETC & letter no. 2311/x vi/ Dated 21-4-2000 addl. quota shall not be given as single month to month basis except for the month of April. The overall addl. quota of whole of the year does not exceed fixed norm. So there is no loss of revenue to the state exchequer. The Para may be kindly be dropped.

The Committee observed that there is a difference in figures of excess quota allowed and excess quota lifted which may be reconciled with the A.G. A compliance report be sent to the Committee within a period of three months.

[33] 5.1 Results of Audit

Test check of records in departmental offices relating to revenues received from Taxes on Motor Vehicles Passengers and Goods Tax Entertainment duty and Show tax Purchase tax (Agriculture) Electricity Duty and Land Revenue revealed under assessment of taxes and duties and loss of revenue amounting to Rs 54.77 crore in 65,584 cases as depicted below

Sl No	Heads of revenue	Number of cases	Amount (Rupees in crore)
1	Review on Receipts from Electricity duty	1	39.76
2	Taxes on motor vehicles	65,072	5.77
3	Passengers and goods tax	424	2.06
4	Entertainment duty and show tax	7	0.02
5	Purchase tax (Agriculture)	40	7.13
6	Land Revenue	40	0.03
Total		65,584	54.77

In the cases of Purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax Electricity Duty the department accepted under-assessments etc. of Rs 7.47 crore involving 5215 cases which were pointed out during the year 2001-2002 and recovered Rs 8.13 lakh in 11 cases pertaining to earlier years.

A few illustrative cases involving Rs 6.86 crore and a review on Levy and collection of electricity duty involving Rs 31.56 crore highlighting important cases are mentioned in the following paragraphs.

The department in its written reply stated as under —

(Non/short realization of Passenger TAX)

All the 424 cases involving an amount of Rs 2.06 crore have been reviewed with the following results -

- (i) 260 cases involving an amount of Rs 131.96 lacs have been settled with demand
- (ii) 164 cases involving an amount of Rs 74.45 lacs are awaiting observation by A G

Entt Duty

All the 7 cases involving on amount of Rs 1.73 have been reviewed with the following results —

- (i) 3 Cases involving an amount 1.43 lacs have been settled with demand
- (ii) 4 cases involving an amount of Rs 0.30 lacs are still under active consideration

The Committee desired that position of remaining cases may be intimated within a period of three months. Quarterly progress report be sent to the Committee accordingly.

[34] 5 6 Non/short realisation of passengers tax

As per notification issued in July 1996 under the Punjab Passengers and Goods Taxation Act 1952 as applicable to Haryana permit holders for plying buses on link routes of the State under the scheme of privatisation of Passengers Road Transport are required to pay lump-sum passengers tax based on the seating capacity of the bus on monthly basis at the rate of Rs 16 000 for 52/54 seater and Rs 10 000 for 30 seater buses

The department in its written reply stated as under —

Out of Rs 106 45 lacs of Non/short realization of Passenger Tax an amount of 89 39 lacs has been recovered upto 30 9 2007 leaving a balance of Rs 17 06 efforts are being made to recover the balance amount as early as possible

The Committee desired that balance recovery of Rs 17 06 lakhs may be effected at an early date Quarterly progress report be sent to the Committee accordingly

Entertainment Duty and Show Tax

[35] 5 7 Non recovery of entertainment duty

Under the Punjab Entertainment 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 entertainment duty every quarter at the rates prescribed by the Government from time to time Under Government notification issued in March 1989 the entertainment duty is payable on the basis of population of the town in which the video house is located For towns with population below ten thousand and with population of twenty five thousand and above duty is payable at the rate of Rs 10 000 and Rs 25 000 respectively per quarter The latest census figures shall be the basis for determining the population of any place

During the course of test check of records of the Deputy Excise and Taxation Commissioner Bhiwani for the year 1999 2001 it was noticed (August 2001) that four proprietors of video houses exhibiting video shows at Bhiwani/Khanak Dhanu Phogat and Charkhi Dadri did not pay entertainment duty of Rs 1 33 lakh for different intervening quarters during the period from July 1999 to March 2001 The duty payable by them was also not demanded by the department This resulted in non-recovery of entertainment duty of Rs 1 33 lakh

On this being pointed out (August 2001) in audit the department intimated (December 2001) that Rs 0 10 lakh had been recovered (October 2001) and efforts were being made to recover the balance amount

The matter was referred (September 2001) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

Out of Rs 1 33 lacs a sum of Rs 1 13 lacs have been recovered thereby a balance of Rs 0 20 lacs against Samarat Video Theatre Loharu Due to non availability of owner of Video House the balance recovery could not be made as yet However efforts are being made to trace the Video House Owner

The Committee desired that balance recovery of Rs 0 20 lacs may be effected at an early date Quarterly report be sent to the Committee

REVENUE DEPARTMENT

[36] 17 Results of Audit

Test check of records of departmental offices relating to Taxes on Sales Trade etc Stamp Duty and Registration Fee State Excise Duty Taxes on Motor Vehicles Passengers and Goods Tax Entertainment and Show Tax Agriculture (Purchase Tax Crop Husbandry and Horticulture) Electricity Duty Land Revenue Public Works (Irrigation Public Health Building and Roads) Home (Police) Mines and Geology Forest Rehabilitation Co-operation State-Lotteries Medical Food and Supplies Animal Husbandry and Industries conducted during the year 2001-2002 revealed under-assessments non/short levy of taxes duties and losses of revenue amounting to Rs 385 82 crore in 1 54 406 cases During the year 2001-2002 the concerned departments accepted under assessment etc of Rs 60 51 crore involving 5 383 cases Out of these 5292 cases involving Rs 59 17 crore were pointed out during 2001-02 and the rest in earlier years An amount of Rs 5 46 crore was recovered in 195 cases during 2001 2002 of which Rs 2 82 crore recovered in 191 cases related to earlier years

This report contains 32 paragraphs including 3 reviews relating to non levy/short levy of taxes duties interest and penalty etc involving Rs 234 05 crore The department accepted audit observations involving Rs 55 37 crore out of which Rs 2 94 crore had been recovered up to July 2002 No replies had been received in other cases

The department in its written reply stated as under —

In this para 154406 cases were involved (Result of Audit) amounting to Rs 385 82 crore Out of this 981 cases an amount of Rs 837 00 lac pertained to Revenue Department (Stamp Duty P

The latest position of 981 cases involving of Rs 837 00 lacs is as under —

	Case	Amount (in lacs)
1 Amount Recovered by the department	75	56 65
2 Amount dropped by A G	60	28 66
3 Amount dropped by D Cs	63	51 39
4 Recovery already mentioned in CAG	7	0 69
5 Pending in various courts	156	93 45
6 Balance cases/Amount for recovery	620	616 16
Total	981	837 00

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously Instructions have been issued on 19 3 2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts

The Committee desired the Department to send the latest information as on 1 4-2007 with regard to the number of pending cases, how many were pending before the Collector, how many were pending in appeal and at what level and since when these were pending

[37] 3.1 Results of Audit

Test check of records of various registration offices conducted in audit during the year 2001-2002 revealed non/short levy of stamp duty and registration fee amounting to Rs 8.37 crore in 981 cases which broadly fall under the following categories

Sl No	Nature of irregularities	Number of cases	Amount (Rupees in crore)
1	Evasion of stamp duty and registration fee	134	1.39
2	Irregular/inadmissible exemption of stamp duty and registration fee on deeds/release deeds	211	1.80
3	Non/short recovery of registration fee	157	0.63
4	Loss of stamp duty due to under-valuation of properties	181	0.77
5	Loss of stamp duty due to misclassification of deeds	298	3.78
Total		981	8.37

During the year 2001-2002 the department accepted under assessment of Rs 1.71 crore in 9 cases pointed out during the year 2001-02 and recovered Rs 10.61 lakh in 43 cases pertaining to the earlier years

A few illustrative cases involving Rs 1.85 crore are mentioned in the following paragraphs

The department in its written reply stated as under —

Latest position regarding these cases is as under —

The latest position of para No. 3.1 (i) is as under —

Cases	Amount (in lacs)
1 Amount recovered by the department	4 9.69
2 Amount dropped by A.G.	— —
3 Amount dropped by D.Cs./Collectors	— —
4 Recovery already mentioned in CAG	— —
5 Pending in various courts	40 30.12
6 Balance cases/ Amount for recovery	90 99.19
Total	134 139.00

The latest position of para No 3 1 (ii) is as under —

	Cases	Amount (in lacs)
1 Amount recovered by the department	6	1 59
2 Amount dropped by A G	7	6 20
3 Amount dropped by D Cs/Collectors	—	—
4 Recovery already mentioned in CAG	—	—
5 Pending in various courts	12	5 40
6 Balance cases/ Amount for recovery	186	166 81
Total	211	180 00

The latest position of para No 3 1 (iii) is as under —

	Cases	Amount (in lacs)
1 Amount recovered by the department	21	8 66
2 Amount dropped by A G	6	1 44
3 Amount dropped by D Cs/Collectors	15	9 81
4 Recovery already mentioned in CAG	—	—
5 Pending in various courts	6	3 90
6 Balance cases/ Amount for recovery	109	39 19
Total	157	63 00

The latest position of para No 3 1 (iv) is as under —

	Cases	Amount (in lacs)
1 Amount recovered by the department	23	5 44
2 Amount dropped by A G	19	5 03
3 Amount dropped by D Cs	35	12 08
4 Recovery already mentioned in CAG	7	0 69
5 Pending in various courts	53	20 07
6 Balance cases/ Amount for recovery	44	33 69
Total	181	77 00

The latest position of para No 3 1 (v) is as under

	Cases	Amount (in lacs)
1 Amount recovered by the department	21	21 27
2 Amount dropped by A G	28	15 99
3 Amount dropped by the DCs Collectors	13	29 50
4 Recovery already mentioned in CAG	—	—
5 Pending in various courts	45	33 96
6 Balance cases/ Amount for recovery	191	277 28
Total	298	378 00

The overall position therefore is as follows

	Cases	Amount (in lacs)
1 Amount recovered by the department	75	46 65
2 Amount dropped by A G	60	28 66
3 Amount dropped by D Cs/Collectors	63	51 39
4 Recovery already mentioned in CAG	7	0 69
5 Pending in various courts	156	93 45
6 Balance cases/Amount for recovery	620	616 16
Total	981	837 00

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19-3-2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The Committee desired that strenuous efforts may be made to recover the balance amount and pursue the cases pending in various courts. Quarterly progress report in this regard may be sent to the Committee.

[38] 3 2 Evasion of stamp duty due to under-valuation of immovable property

The Indian Stamp Act 1899 as applicable to Haryana provides that the consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein. Further, Section 64 of the Act provides that any person who with intent to defraud the Government executes an instrument in which all the facts and circumstances required to

set forth in such instrument under the Act are not fully and truly set forth is punishable with a fine which may extend to five thousand rupees per instrument

During test check of the records of 12* Registering offices it was noticed (between January and September 2001) that 44 conveyance deeds were registered (between May 1999 and May 2001) on account of sale of immovable properties. The total value of properties set forth in all these conveyance deeds was Rs 6.52 crore whereas the value of properties as per agreements executed between affected parties during the period from June 1990 to January 2001 and found recorded with the various document writers worked out to Rs 7.70 crore. Thus the conveyance deeds were got executed and registered at a consideration less than that agreed upon between the parties. Under valuation of the properties in conveyance deeds resulted in evasion of stamp duty of Rs 15.48 lakh. Besides penalty not exceeding Rs 2.20 lakh for under-valuation made with intent to defraud the Government was also leviable.

On this being pointed out (between February and September 2001) in audit 8 registering authorities stated that notices were being issued to recover the amount. No reply had been furnished by remaining four registering authorities.

When referred (between March and December 2001) to Government the Deputy Commissioner Karnal was directed (April 2001) to effect the recovery within three weeks but report on recovery made had not been received (March 2002). Reply in respect of other cases had not been received (November 2002).

The department in its written reply stated as under —

Latest position of 44 cases involving an amount of Rs 15.48 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	2	0.15
2 Amount Pending in various courts	6	1.11
3 Balance cases/ Amount for recovery	36	14.22
Total	44	15.48

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19.3.2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months.

[39] 3.3 Non levy of stamp duty on exchange of property

As per Indian Stamp Act 1899 as applicable to Haryana stamp duty on exchange of property is chargeable as a conveyance deed. Government of Haryana further clarified (September 1996) that the compromise decrees which create for the first time right title or

interest in the said immovable property in favour of any party to the suit the compromise decree or order would require registration and is also chargeable with stamp duty as an instrument or conveyance deed for a consideration equal to the value of the property or the value set forth in such instrument whichever is higher

During test check of records in 8* offices of the Sub-Registrars it was noticed (between April and October 2001) that 18 compromise decrees registered between April 2000 and February 2001 created for first time right title or interest in the said immovable property valued at Rs78.06 lakh were registered for the exchange of property without levying stamp duty of Rs 10.02 lakh

On this being pointed out (between April and October 2001) in audit Sub Registrars Bhuna Ballabgarh and Pataudi intimated (July 2001 and January 2002) that notices were being issued to effect the recovery. No reply was furnished in other cases

The matter was referred (between August and December 2001) to Government who directed (September 2001) the Registrar Kaithal to effect the recoveries within three weeks but further progress on recovery was awaited (November 2002). Reply in respect of remaining seven offices had not been received (November 2002)

The department in its written reply stated as under —

Latest position of 18 cases involving an amount of Rs 10.02 lakh is as under —

	Cases	Amount (in lacs)
1 Amount recovered by the department	1	0.62
2 Amount dropped by DCs	2	2.23
3 Amount pending in various courts	1	0.17
4 Balance cases/amount for recovery	14	7.00
Total	18	10.02

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19-3-2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months

[40] 3.4 Evasion of stamp duty

The Indian Stamp Act 1899 as applicable to Haryana provides that the consideration if any and all other facts and circumstances affecting the chargeability of an instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein. Under Section 47 A of the Act, *ibid*, if the registering officer has reasons to believe that the value of the property or the consideration as the case may be has not been truly set

forth in the instrument he may after registering such instrument refer the same to the Collector for determination of the value or the consideration and the proper duty payable which will thereafter be decided by the Collector after giving an opportunity to the registering party

During test check of documents registered in the office of the Sub Registrar Gurgaon for the period 1996-1999 it was noticed (December 1999) that 27 sale deeds registered during 1996-99 were valued at Rs 49.81 lakh whereas the amount worked out to Rs 94.71 lakh calculated at the market rates approved by the Deputy Commissioner. The figures of stamp duty entered on these deeds were changed/alterd by overwriting interpolation or tampering for higher amounts than the stamp duty actually charged in each case so that the changed figures of stamp duty may look equivalent to the proper duty payable on the value of consideration based on the rates approved by the Deputy Commissioner. The stamp duty chargeable on the considerations of Rs 94.71 lakh works out to Rs 12.64 lakh against which stamps of Rs 6.60 lakh were actually purchased from the treasury. This resulted in evasion of stamp duty of Rs 6.04 lakh.

On this being pointed out (December 1999 and February 2000) Joint Sub Registrar Gurgaon intimated (July 2000) that FIR had been lodged (May 2000) against the concerned officers/officials and connected records had been handed over to the vigilance department. Further Sub-Registrar Gurgaon intimated (February 2002) that a sum of Rs 0.01 lakh had been recovered (July 2001) and efforts were being made to recover the balance amount.

On the case being referred (February 2000) to Government the Financial Commissioner and Secretary to Government of Haryana directed (March and July 2000) the Deputy Commissioner Gurgaon to effect these recoveries. Further report on recovery made and action taken against the defaulters had not been received (November 2002).

The department in its written reply stated as under —

The entire amount of Rs 6.04 lacs involving 27 cases relates to Deputy Commissioner Gurgaon. Concerned registering authority Sh. Ajit Singh Tehsildar has been charge sheeted under rule-7 on 12.6.2007 for this lapse.

The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months.

[41] 3.5 Short levy of stamp duty

As per Indian Stamp Act 1899 conveyance includes conveyance on sale and every instrument by which property whether movable or immovable is transferred. Further the Indian Registration Act 1908 provides that immovable property includes land building and things attached to the earth. Government clarified (July 1994) that plant and machinery installed in the factory for permanent use when sold alongwith the factory land and building would constitute a part of immovable property.

During test check of records of 8 offices of Sub-Registrars for the years 1998-99 to 2000-2001 it was noticed (between December 1999 and October 2001) that 15 vendors purchased factories for a consideration of Rs 1.54 crore (Rs 1.00 crore for land and building and Rs 54.05 lakh for plant and machinery) in auction conducted by the Haryana Financial Corporation. While executing (between August 1998 and March 2001) the sale deeds the

registering authorities levied stamp duty of Rs 12.74 lakh on the cost of land and building valued at Rs 100 crore but did not levy stamp duty on the cost of plant and machinery valued at Rs 54.05 lakh. The omission resulted in short levy of stamp duty of Rs 7.24 lakh.

On this being pointed out (between December 1999 and December 2001) in audit, the department intimated that notices were issued/being issued to the concerned parties in 12 cases. No reply was furnished by the Sub-Registrars Kalka and Panchkula in 3 cases.

The matter was referred (between February 2000 and December 2001) to the Government, who directed (March 2000 and July 2001) the Deputy Commissioners Gurgaon and Sonapat to effect the recoveries within three weeks but further progress on recovery was awaited (June 2002). Deputy Commissioner Panchkula directed (June 2002) the Tehsildar Kalka to effect the recovery immediately. Sub-Registrar Hathin intimated (January 2002) that notices were issued to all parties for effecting recoveries. No reply from Sub-Registrars Jind and Narwana had been received (November 2002).

The department in its written reply stated as under —

Latest position of 15 cases involving an amount of Rs 7.24 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	—	—
2 Amount dropped by DC	2	1.01
3 Amount Pending in various courts	—	—
4 Balance cases/ Amount for recovery	13	6.23
Total	15	7.24

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19.3.2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months.

[42] 3.6 Inadmissible exemption of stamp duty

As per provisions of the Article 55 of Schedule 1 A of the Indian Stamp Act, 1899 and further clarification/instructions issued in February and April 2000 by the Haryana Government Revenue Department, stamp duty on any release of ancestral property made in favour of brother or sister (children of renouncer's parents) or son or daughter or father or mother or spouse or children or nephew or niece or co-parcener of the renouncer is leviable at the rate of Rs 15. In any other case, the stamp duty shall be charged at the rate as applicable to a conveyance for the amount equal to the market value of the share, interest and part of claim renounced.

(i) During test check of records of 16* Registering offices for the year 2000-2001, it was noticed (between April and October 2001) that 55 releases of ancestral property for total

consideration of Rs 5.07 crore were made in favour of relations other than those specified in Article 55 of Schedule 1 A of the Act by charging stamp duty of Rs 0.01 lakh instead of Rs 63.80 lakh leviable as a conveyance for the amount equal to the market value. This resulted in non levy/recovery of stamp duty of Rs 63.79 lakh.

On this being pointed out (between April and December 2001) in audit, Sub Registrar Tauru (District Gurgaon) and Joint Sub Registrar Radaur intimated (January 2002) that the cases were referred to the Collector for decision. Sub Registrars Pehowa and Thanesar (District Kurukshetra) Sub Registrar Beri (District Jhajjar) intimated (August and September 2001) that notices were being issued to the concerned parties for effecting the recoveries.

No reply was furnished by remaining 11 offices.

On the matter being referred (between September and December 2001) to Government, the Deputy Commissioner, Kaithal was directed (October 2001) to effect the recovery. Further progress on recovery made had not been received (March 2002). No reply in respect of other offices had been received (November 2002).

(ii) During test check of records of 13 Registering Offices, it was noticed (between January and October 2001) that 56 releases of other than ancestral immovable properties worth Rs 5.60 crore were made by charging stamp duty at the rate of Rs 15 per instrument for a total amount of Rs 0.01 lakh against the chargeable amount of stamp duty of Rs 80.39 lakh. This resulted in evasion of stamp duty of Rs 80.38 lakh.

On this being pointed out (between January and October 2001) in audit, to the Department, the Deputy Commissioners, Kaithal, Karnal, Jhajjar and Narnaul were directed (between May and October 2001) to effect the recoveries. Sub Registrars Bahadurgarh (Jhajjar), Pehowa and Thanesar, Joint Sub-Registrars Ladwa and Babain (Kurukshetra) intimated (February and August 2001) that notices were being issued for effecting the recoveries. No reply was furnished by Sub Registrars Kalka, Jagadhari (Ambala) and Joint Sub Registrars Ismailabad (Kurukshetra).

The matter was referred (between April and December 2001) to Government. Reply had not been received (November 2002).

The department in its written reply stated as under —

(i) Latest position of 55 cases involving an amount of Rs 63.79 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	2	0.42
2 Amount dropped by A.G.	-	
3 Amount dropped by D.Cs/Collectors	3	4.46
4 Pending in various courts	7	17.78
5 Balance cases/Amount for recovery	43	41.13
Total	55	63.79

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19.3.2007 to all

Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts

(ii) Latest position of 56 cases involving an amount of Rs 80.38 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	7	2.77
2 Amount dropped by A.G.	—	—
3 Amount dropped by D.Cs/Collectors	10	15.28
4 Pending in various courts	1	32.61
5 Balance cases/ Amount for recovery	38	29.72
Total	56	80.38

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19-3-2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The overall position w.r.t Rs 1.85 Crores is as follows —

	Cases	Amount (in crores)
1 Amount Recovered by the department	12	0.04
2 Amount dropped by D.Cs/Collectors	17	0.23
3 Pending in various courts	15	0.52
4 Balance cases/ Amount for recovery	171	1.04
5 Penalties leviable	—	0.02
Total	215	1.85

Efforts are being made to recover the balance amount. Concerned Deputy Commissioners have been directed to get the number of cases pending in various courts decided expeditiously. Instructions have been issued on 19-3-2007 to all Divisional Commissioners and Deputy Commissioners to make concerted efforts for recovering the balance amounts.

The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months

TRANSPORT DEPARTMENT

[43] 53 *Non realisation of token tax*

As per 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 the rate of Rs 550 per seat per annum subject to maximum of Rs 35000 per vehicle per year Any broken period in such quarterly periods shall for the purpose of levying the tax be considered as a full quarter In case of omission to comply with the provisions the Act further provides that the licensing officer may impose a penalty which may extend to twice the amount of tax due

During test-check of records of 7* Regional Transport Authorities for the years 1999-2000 and 2000 2001 it was noticed (between August 2000 and September 2001) that token tax in respect of 310 buses of the Transport Co operative Societies for the period from October 1997 to March 2001 was neither deposited nor demanded by the department This resulted in During test-check of the records of 13* offices of the Deputy Excise and Taxation Commissioners it was noticed (between April 1999 and August 2001) that 166 Transport Co operative Societies which were granted permits for plying 166 buses on link roads were required to deposit Rs 1 24 crore of passengers tax for the years 1998 99 to 2000 2001 However they deposited only Rs 17 92 lakh and the remaining amount of Rs 1 06 crore was neither deposited by the Societies nor demanded by the department

On this being pointed out (between April 1999 and August 2001) the department made recovery of Rs 22 83 lakh and intimated (between January 2000 and September 2001) that the balance amount was being recovered Further progress on recovery of balance amount had not been received (November 2002)

The matter was referred (between May 1999 and December 2001) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

Out of Total amount of Rs 68 21 lakhs Rs 31 08 lakhs have been got recovered from the Co Transport Societies Efforts are being made to recover the balance amount

The further progress report will be intimated in due course

The Committee desired the Department to send the complete details of outstanding amount from the Cooperative Societies in this regard upto the year 2006-2007 within a period of one month

AGRICULTURE DEPARTMENT

[44] 14 Arrears in revenue

As on 31 March 2002 arrears of revenue under the principal heads of revenue as reported by the departments were as under —

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
		(Rupees in crore)		
8	Other taxes and duties on commodities and services (i) Receipts under the Sugar-cane (Regulation of Purchase and Supply) Act	9 04	3 33	Three sugar mills (Yamuna Nagar Rs 3 58 crore Panipat Rs 3 18 crore and Rohtak Rs 2 28 crore) did not deposit the tax
G Total of Arrear in revenue		515 74	168 70	

The arrears outstanding for more than 5 years constituted 33 per cent of total arrears

The department in its written reply stated as under —

As far as arrears of revenue of Rs 515 74 crore upto ending March 2002 is concerned it is intimated that an amount of Rs 9 04 crore relates to Agriculture Department which was due against three Sugar Mills i.e. Yamunanagar (3 58 crore) Panipat (3 18 crore) and Rohtak (2 28 crore)

An amount of Rs 3 58 crore as purchase tax was due against the Saraswati Sugar Mills Yamunanagar (Rs 88 49 lakh) and Naraingarh Sugar Mill Ltd Naraingarh (269 60) The Saraswati Sugar Mills Yamunanagar had deposited the said amount of Rs 88 49 lacs on dated 20 4 2004 As far as the recovery of purchase tax from the Naraingarh Sugar Mills Ltd Naraingarh is concerned no amount is deposited by Sugar Mills

An amount of Rs 2 28 crore as arrear of purchase tax was due against the Cooperative Sugar Mills Ltd Rohtak and Rs 3 18 crore against Sugar Mills Panipat For effecting the recovery Cane Commissioner Haryana Panchkula had issued certificate to the concerned Collectors to recover the arrears of cane purchase tax as arrear of land revenue as per provisions of section 17 (3) of the Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide Regd Letter No 1750 dated 2 5 2001 and No 1751 dated 2 5 2001 respectively and issued revised certificate to the concerned Collectors to recover the arrears of cane purchase tax as arrear of land revenue through Collector Panchkula vide letter No 4584 dated 14 10 2004 respectively

In this connection a meeting was held on 15 2 2002 under the Chairmanship of Financial Commissioner & Principal Secretary to Govt Haryana Cooperation Department for monitoring the recovery of cane purchase tax and interest thereon In the meeting it was decided that Managing Director Haryana Cooperative Sugar Mills Rohtak will

deposit the purchase tax for the current period as well as a part of arrears of purchase tax and interest thereon & Managing Director Cooperative Sugar Mill Panipat will deposit purchase tax alongwith interest for three years immediately and thereafter the balance will be paid in six monthly installments A D O Letter No 3645 and 3650 dated 16 7 2007 sent to concerned Sugar Mills for deposit the outstanding recovery The strenuous efforts are being made to recover the balance amount

The Committee desired the department to send complete year wise figures of arrears and the latest position of recovery of Purchase Tax from the Sugar Mills

[45] 17 Results of Audit

Test check of records of departmental offices relating to Taxes on Sales Trade etc Stamp Duty and Registration Fee State Excise Duty Taxes on Motor Vehicles Passengers and Goods Tax Entertainment and Show Tax Agriculture (Purchase Tax Crop Husbandry and Horticulture) Electricity Duty Land Revenue Public Works (Irrigation Public Health Buildings and Roads) Home (Police) Mines and Geology Forest Rehabilitation Co operation State Lotteries Medical Food and Supplies Animal Husbandry and Industries conducted during the year 2001-2002 revealed under assessments non/short levy of taxes duties and losses of revenue amounting to Rs 385 82 crore in 1 54 406 cases During the year 2001 2002 the concerned departments accepted under assessment etc of Rs 60 51 crore involving 5 383 cases Out of these 5292 cases involving Rs 59 17 crore were pointed out during 2001-2002 and the rest in earlier years An amount of Rs 5 46 crore was recovered in 195 cases during 2001 2002 of which Rs 2 82 crore recovered in 191 cases related to earlier years

This report contains 32 paragraphs including 3 reviews relating to non-levy/short levy of taxes duties interest and penalty etc involving Rs 234 05 crore The department accepted audit observations involving Rs 55 37 crore out of which Rs 2 94 crore had been recovered up to July 2002 No replies had been received in other cases

The department in its written reply stated as under —

As per C A G report there are 32 paragraphs including 3 reviews involving an amount of Rs 234 05 crore Out of 32 paragraphs 9 paragraphs involving 40 cases amounting to Rs 713 41 lakh are related to Agriculture Department (Sugarcane Section) as per the details given below —

(i) Result of Audit

Name of Office	Year	Para No	No of cases	Amount (Rs in lakh)
A C D O Karnal	2000-01	1	5	60 04
A C D O Shahabad	2000 01	2	1	0 24
A C D O Rohtak	2000-01	1	7	52 33
A C D O Yamunanagar	2000 01	1	5	250 35
			2	58 64
			3	75 38
A C D O Panipat	2000-01	1	7	41 61
		5	30	538 59

- (i) An amount of Rs 60 04 lakh is due against the Piccadilly Agro Industries Ltd Bhadson (Karnal) For effecting the recovery Cane Commissioner Haryana Panchkula had issued certificate vide No 4584 dated 14-10-2004 to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of clause 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 Further efforts are being made to recover the balance amount
- (ii) An amount of Rs 0 24 lakh does not relate to Agriculture Department As such no Audit observation made by A G Haryana
- (iii) An amount of Rs 8 84 had been deposited by Challan No 19 dated 12-4-02 out of Rs 52 33 lakh was due as purchase tax and interest against the Co operative Sugar Mill Rohak For effecting the recovery Cane Commissioner Haryana Panchkula had issued certificate vide No 4584 dated 14-10 2004 to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of clause 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 Further efforts are being made to recover the balance amount and a D O letter No 3650 dated 16 7 07 was sent to M D Rohtak for depositing the outstanding amount
- (iv) An amount of Rs 269 79 lakh had been deposited by Sugar Mill Yamunanagar vide challan No 25 A dated 20 4-2002 (copy attached) which includes Rs 250 35 lakh Hence this para may be dropped
- (v) An amount of Rs 134 02 lakh was due against Naraingarh Sugar Mills Ltd Naraingarh which falls under the jurisdiction of A C D O Yamunanagar As far as the recovery of purchase tax from the Naraingarh Sugar Mills Ltd Naraingarh is concerned no amount is deposited by Sugar Mills
- (vi) An amount of Rs 41 61 lakh was due as purchase tax and interest against the Cooperative Sugar Mill Panipat For effecting the recovery Cane Commissioner Haryana Panchkula had issued certificate vide No 4584 dated 14-10 2004 to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of clause 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 Further efforts are being made to recover the balance amount a D O letter No 3645 dated 16-7-07 was sent to M D Panipat for depositing the outstanding amount

(ii) Misc Irregularities

Name of Office	Para No	No of cases	Amount (Rs in lakh)
A C D O Karnal	3	8	137 17 8 00 (Actual it is 800)
A C D O Palwal	1		0 15
A C D O Shahabad	1	1	27 13
A C D O Jind	1	1	2 37
Total	4	10	174 82

- (i) It is submitted that this was actually cane price amounting to Rs 800 00 lakh instead of Rs 8 00 lakh and interest Rs 137 17 lakh which was to be paid by the Sugar Mills to the Cane Growers. It was neither purchase tax nor interest thereon. Therefore, it was not a Govt. receipt under the Head 0045 Revenue Receipt. It is intimated that Sugar Mills had purchased Sugarcane from the cane growers directly as per their agreement and the Sugar Mills had to pay the prices of Sugarcane to the farmers in due course. In view of the position explained above, the objection raised by the Audit was out of the purview of audit. Therefore, it is requested that this para may please be deleted.
- (ii) An amount of Rs 48165 had been deposited by Cooperative Sugar Mill Palwal vide Challan No 55 dated 11-1-07 including amount of Rs 0 15 lakh. Hence, para may be settled.
- (iii) An amount of Rs 27 13 lakh was due against Cooperative Sugar Mill Shahabad. The Sugar Mill Shahabad adjusted this amount by themselves without the approval/sanction of the State Govt. The Sugar Mill requested for refund/adjustment of this amount. The file was submitted to the State Govt. The Chief Minister has ordered on file for refund of purchase tax to those Mills who had exported Sugar or shared loss up to 1995-96. The orders are being issued. Thereafter, the Sugar Mills will be asked to deposit balance amount immediately.
- (iv) An amount of Rs 2 37 lakh had been deposited by the Cooperative Sugar Mill Jind and para is already settled by A G Haryana (Audit) vide their letter No 994 97 dated 26 12-2002.

The Committee desired the department to reconcile with A G. office and settle the matter under intimation to the Committee within a period of three months

[46] 1 8 Outstanding inspection reports and audit observations

- (i) Audit observations on incorrect assessments, short levy of taxes, dues, 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 up to 31 December 2001 and which were pending settlement by the departments as on 30 June 2000, 2001 and 2002 are given below —

Particulars	At the end of June		
	2000	2001	2002
Number of inspection reports pending settlement	2517	2785	3043
Number of outstanding audit observations	6176	6560	6863
Amount of receipts involved (Rupees in Crore)	650 03	461 36	556 19

- (iii) Department-wise break-up of the inspection reports and audit observations issued upto December 2001 and outstanding as on 30 June 2002 is as follows —

Department	Number of outstanding		Amount of receipts involved (rupees in crore)	Number of inspection reports to which even first replies had been received
	Inspection reports	Audit observations		
Others	1054	1690	206.39	55

The matter was brought to the notice of the Government in June/July 2002 replies regarding steps taken to settle the outstanding inspection reports and audit observations had not been received (July 2002)

The department in its written reply stated as under —

As per C A G report there are 1690 outstanding paras involving Rs. 206.39 crore upto 2002 out of which 37 paras are related to Agriculture Department (Sugarcane Section) involving Rs. 16.62 crore as per latest information received from A G Haryana Chandigarh at personal level in which A G Haryana shown 36 paras instead of 37 paras. Efforts are being made to settle the 37 outstanding paras (RR)

Mostly outstanding paras relates to purchase tax amount. Efforts are being made to recover the due outstanding amount from sugar mills. As soon as recovery is made or any decision is taken by Govt. action will be taken accordingly to get the outstanding paras settled from A G. Haryana

The Committee desired the department to reconcile with A G office and settle the matter under intimation to the Committee within a period of three months

[47] 5.8 Non/Short 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 framed 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 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. The Act further provides that all sums payable to Government but not paid by the due date shall be recoverable as arrears of land revenue.

During test-check of records of Assistant Cane Development Officers (ACDO) Rohtak and Panipat for the year 2000-2001 it was noticed (between November and December 2001) that two assesseees (one each of Panipat and Rohtak) Purchased 56,80,077.53 quintals of sugarcane between November 2000 and May 2001. However purchase tax and interest of Rs. 97.62 lakh though payable by them was not paid. This resulted in non recovery of purchase tax of Rs. 85.20 lakh besides interest of Rs. 12.42 lakh (calculated upto February 2002).

On this being pointed out (between November and December 2001) in audit ACDO Panipat intimated (November 2001) that the matter would be taken up with the Cane

Commissioner to recover the amount ACDO Rohtak intimated (February 2002) that the Sugar Mill has been asked to deposit the amount. The Cane Commissioner Haryana however intimated (March 2002) that no tax had been deposited by the Sugar Mills Panipat and Rohtak. Action to effect the recovery of tax due as arrears of land revenue under Section 17(3) of the Act had not been initiated (November 2002).

The matter was referred to Government (December 2001 and February 2002) reply had not been received (November 2002).

The Department in its written reply stated as under —

An amount of Rs 97.62 lakh (Rs 85.20 lakh and Rs 12.42 lakh) upto February 2002 was due as purchase tax and interest against the Cooperative Sugar Mills Panipat Rs 43.51 lakh and Rohtak Rs 54.11 lakh. For effecting the recovery Cane Commissioner Haryana Panchkula had issued certificates vide No 4584 dated 14.10.2004 to the concerned Collectors to recover the arrear of cane purchase tax and interest as arrear of land revenue as per provisions of clause 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953.

In this connection a meeting was held on 15.2.2002 under the Chairmanship of Financial Commissioner & Principal Secretary to Govt Haryana Cooperation Department for monitoring the recovery of cane purchase tax and interest thereon. In the meeting it was decided that Managing Director Haryana Cooperative Sugar Mills Rohtak will deposit the purchase tax for the current period as well as a part of arrears of purchase tax and interest thereon & Managing Director Cooperative Sugar Mill Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly instalments. The strenuous efforts are being made to recover the balance amount.

The Committee desired the department to reconcile with A.G. office and settle the matter under intimation to the Committee within a period of three months.

COOPERATION DEPARTMENT

[48] 6.1 Results of Audit

Test check of records in departmental offices relating to revenues of Town and Country Planning Public Works (Irrigation Public Health Buildings and Roads) Home (Police) Mines and Geology Forest Rehabilitation Co operation Finance (State Lotteries) Agriculture (Crop Husbandry and Horticulture) Medical Food and Supplies Animal Husbandry and Industries conducted in audit during the year 2001-2002 revealed under-assessments and losses of revenue amounting to Rs 68.16 crore in 87,101 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
A	Town and Country Planning	1	0.16
B	Public Works Department		
	(i) Irrigation	120	46.04
	(ii) Public Health	84,770	2.89
	(iii) Buildings and Roads	258	0.09
	Home (Police)	266	1.73
C	Mines and Geology	399	2.03
D	Forest	329	4.86
E	Rehabilitation	1	0.21
F	Co operation	611	5.02
G	Finance (State Lotteries)	51	4.63
H	Agriculture		
	(i) Crop Husbandry	7	0.05
	(ii) Horticulture	7	0.03
I	Medical	30	0.05
J	Animal Husbandry	124	0.20
K	Food and Supplies	123	0.02
L	Industries	4	0.15
Total		87,101	68.16

The department accepted under assessments/loss of revenue etc. of Rs 13.29 crore in 54 cases which were pointed out during the year 2001-2002. Besides, an amount of Rs 1.67 crore had been recovered in 82 cases pertaining to earlier years.

A few illustrative cases involving Rs 11.01 crore are mentioned in the following paragraphs

The department in its written reply stated as under —

The cooperative societies registered under Haryana Coop Societies Act 1984 are liable to pay audit fee as per norms fixed by the R C S Haryana

The audit fee is initially assessed on the basis of annual statement prepared by the society After availability of audited profit & loss A/c the audit fee is re assessed and difference of audit fee is recovered accordingly

The recovery position of this para is as under —

	No of cases	Amt (in crores)
Total No of cases & amount recoverable	611	5 02
Paras settled & amount recovered	189	1 14
Balance paras & Amount recoverable	422	3 88

Efforts are being made to recover the remaining balance of audit fee & all the A Rs are directed to recover the remaining balance vide this office D O letter No 1377 92 dated 4 2 04

During the course of oral examination, the Committee asked the departmental representatives to look into the old system of charging the Audit fee from the various categories of Cooperative Societies The Financial Commissioner and Principal Secretary promised to do so The Committee also desired the department to send the latest position of recovery year-wise and category wise of the societies

[49] 6 8 Non redemption of Government share capital

The State Government contributes towards the share capital of Co operative Societies registered with the Co operative Department The share capital so contributed by Government is required to be redeemed in accordance with the instructions/terms and conditions stipulated in the sanction issued by Co-operative Department/State Government State Government further directed (March 1979) all the heads of departments that primary responsibility for maintenance of accounts relating to shares held by Government in various undertakings and their timely repayment rests with the Head of the Department

During test check of records of Assistant Registrar Co-operative Societies Jind for the year 1997-2000 it was noticed (November 2000) that share capital of Rs 9 61 crore was invested by the Haryana Government during the years 1981-82 to 1988 89 in three Co operative Sugar Mills (Jind Rs 3 13 crore Shahbad Rs 3 47 crore and Palwal Rs 3 01 crore) and amounts were released by the Registrar Co operative Societies Haryana Chandigarh without fixing terms and conditions in the sanction orders granting share capital to the Sugar Mills The terms and conditions for redemption of the share capital were issued in November 2001 These stipulate that the share capital would be retired in 12 years and retirement would start from the expiry of 3rd year Thus recovery should have been started with effect from 1984 85 to 1991 92 Further scrutiny revealed that share capital of Rs 2 23 * crore out of Rs 9 61 crore only had been redeemed by the Sugar Mills leaving thereby Rs 7 38 crore not redeemed as on 31 March 2002 The late issuance (November 2001) of the terms and conditions thus resulted in blockage of revenue of Rs 7 38 crore

On this being pointed out (November 2000) in audit the Managing Director Sugar Mills Shahbad and Palwal intimated (March 2002) that no action was taken due to non-receipt of terms and conditions and Kisht bandi statements (repayment schedule) from the Government/Registrar Co operative Societies Assistant Registrar Co operative Societies Haryana Jind directed (December 2001) the Managing Director Co operative Sugar Mill Ltd Jind to deposit immediately the amount of Rs 3 crore

The matter was referred (December 2000 and March 2002) to Government reply had not been received (November 2002)

The department in its written reply stated as under —

Reply of para 6.8 (Rs in crores)

Name of Sugar Mills	Year	Due Amount	Amount Recovered	Balance
1 Jind	81-82 to 88-89	3.13	0.12	3.01
2 Shahbad	-do-	3.47	2.00	1.47
3 Palwal	-do-	3.01	0.23	2.75
Total		9.61	2.35	7.25

Efforts are being made to recover the balance amount of Rs 7.26 crores of share capital from these Cooperative Sugar Mills. The letters were written to these Mills on 01.05.2003 calling a meeting on 19.05.2003 to sort out issue. All the mills replied that their financial position is too poor to evaluate share capital presently.

The Department in their reply stated the position of recovery of amount and stated that a meeting had been called on 19.5.2003 and nothing was stated after that. During the course of Oral examination the departmental representatives promised to send the latest position in this regard. The Committee also desired the Department to see whether the terms and conditions of grant of share Capital to Sugar Mills were incorporated in the sanction order or not and a compliance Report in this regard may be submitted to the Committee within a period of three months.

Part-II 2002–2003
(Civil)

AGRICULTURE DEPARTMENT

[50] 3 1 27 Two Hundred sixty one acre seven marla agriculture land of Agriculture Station Hansi was on lease (patta) with 34 labourers/farmers (tenants) since the formation of Haryana State in 1966 for which pattanama was executed with them upto 1987-88. According to pattanama the tenants were to give one third of the agriculture produce to the department. However since 1988-89 no pattanama was executed and no share of produce was given to the department but the land was still in illegal possession of these farmers. The department failed to take timely action for getting the land vacated and hence sustained revenue loss. The revenue loss during 2002-03 alone worked out to Rs 15.66 lakh at the rate of Rs 6,000 per acre.

The department had been auctioning 73 acre 3 kanal 9 marla land (in four districts) every year to farmers without specific directions for its use and had no plans for monitoring of agricultural activities in future also.

The department in its reply stated as under —

The area of the agriculture land of Govt. Agriculture Farm Hansi was purchased by the Government in 1926-27. There were dense forests on this land which were got cleared by engaging the forests on this land which were got cleared by engaging the labourers at that time. The labourer engaged for the clearing the area were provided some land on lease at that time. Thus 35 tenants are tilling this land on lease since its acquisition by the Govt. The lease deed were renewed every year. The tenants were required to give one third share of the produce to Govt. They kept on depositing their share with Govt. regularly till 1990-91 but from 1991-92 the tenant failed to contribute their share to the Govt. In the absence of the non-contribution of the one third share of the produce the lease deed with tenants were not renewed. Besides notices from time to time were issued for the recovery of the outstanding dues. The revenue losses of Rs 15.66 lakh for the year 2002-03 as stated in the audit report is not true. However a sum of Rs 18,66,844/- was accrued against the tenants from 1991-92 to 2002-03. Efforts were made regularly to recover the outstanding amount. The Department could recover Rs 3,33,243/- from the total recoverable amount till 2002-03. Efforts are being made to recover the balance amount. Besides notices for the vacation of the land are issued. Thus there is no laxity on the part of the department in recovering the lease money. The para may therefore be dropped.

Though the total area in four districts is 73 acre 3 kanal and 09 marla but the cultivable area in these district is 26 acre 0 kanal 18 marla. Remaining area is either not fit for cultivation or under buildings and road. It is not true that this area is auctioned without specific directions/instructions. Specific directions/instructions were issued at the time of auction. The agricultural activities are monitored by the department in this leased land and action is initiated in case of breach of any of the instructions. Thus the para may be dropped.

After hearing the departmental representatives, the Committee is of the view that the land in question may be given to the Patedars after fixing the reasonable rate and if the Patedars are not in a position to pay the amount in lumpsum

the same may be recovered in instalments. The Committee recommends that the proposal on these lines may be sent to the Government for approval and outcome of the same may be intimated to the Committee within a period of six months.

[51] Insecticides/pesticides

3.1.31 The department had 5,514 to 5,937 insecticides/pesticides selling units in the State during 2000-03 (upto January 2003). Annual targets for collection of samples during 2000-03 ranged between 2,100 and 2,251, i.e. 38 to 39 percent of the total selling units. The department did not have system to ensure that the samples were drawn at least once in a given time frame from all the units. The department stated (June 2003) that targets for collection of samples were fixed considering the annual analysing capacity of 1,100 samples each of the two laboratories at Karnal and Sirsa. There was thus a need to strengthen the laboratories.

Quality standards of insecticides/pesticides sold in the market did not improve as the percentage of misbranded samples (to total samples drawn) was nine percent in 2000-01 and remained the same in 2002-03 also.

In the districts test checked, it was noticed that the entire stock of the batch of insecticides/pesticides from which the samples were drawn by inspectors was sold by the concerned units by the time laboratory test reports were available. Thus no stock was seized to stop sale in the market. Government should consider the desirability of reducing the time limit of 60 days for test reports by laboratories to stop the sale of misbranded insecticides/pesticides.

Non maintenance of records of inspections

3.1.32 In six districts test checked, it was noticed that the concerned quality control inspectors (QCs) did not maintain a record/register of inspections of insecticides selling/manufacturing units and seed selling units during 2000-03 though these were required to be maintained under Insecticides Rules, 1971 and Seed Rules, 1968. In the absence of such records, frequency of inspection of individual units vis-à-vis prescribed under the rules was not verifiable. Details of units having remained un-inspected during 2000-03 were not maintained and no programme was formulated to cover such units in subsequent years.

The department in its reply stated as under —

As per the provisions of the Insecticides Act, 1968, each unit is inspected at least twice a year. The samples are drawn only in case where the Insecticide Inspectors have doubts about the quality of insecticides. Samples are also drawn from manufacturing units & distributors who supply the insecticides to the retailers and therefore it is not necessitated to draw samples from all retailers. Sometimes material of same batch is also supplied by the manufacturer/distributors to a number of dealers and therefore drawl of samples from each dealer is sometime avoided.

As regards the achievement of targets for drawl of samples the same could not be achieved because of shortage of staff since some posts remained vacant during this period.

The percentage of misbranded samples was 9% in 2000-2001 and remained the same in 2002-2003 also. The percentage of misbranded samples in Haryana is lower than

the country percentage of misbranded samples which indicates the quality of insecticides in the State. Normally sale of the pesticides is not stopped of which the sample is drawn. The sale is stopped only in the case where there are specific complaints or the sample on analysis are not found conforming to prescribed standards. The Insecticide Rules 1971 have been amended and now is provided that the laboratory will test the sample and dispatch the report to the concerned Insecticides inspector within 30 days. This has been done in view of the fact that delay in testing and sending the report in 60 days used to result in the situation where the entire stock of the misbranded pesticides were sold by the dealers since the period has long. The reduction in time will help to tide over such situation. In case of failed samples action is initiated against the defaulters through law of Court which include imprisonment & fines etc. Moreover the material is generally not seized in view of the facts that in case the sample is found conforming to prescribed standards the dealer or the distributor may go to take legal course against the seizure praying such compensation which may cause embarrassing situation for the Government. Therefore seizure of stock/stoppage of sale is done in very specific situation as per the procedure laid down in the Insecticide Act 1968 and Rules made thereunder 1971. It is therefore requested that the Para may kindly be dropped.

All the Insecticides/fertilizers/Seed Inspectors have been directed to carry out the inspections of the input outlets in a systematic manner. A proforma has been devised by the Department and every inspector under different Acts is now required to carry out the inspections as per the proforma and maintain proper record of the inspections. They have also been instructed to draw samples from the stocks of the different dealers/distributors covering almost every manufacturer who supply the material in the State of Haryana. Therefore it will be seen that steps have already been initiated to make inspections more purposeful. Record is being maintained. It is therefore requested that the para may kindly be dropped.

After hearing the departmental representatives, the Committee is of the view that there should be surprise checking and the raids should be conducted under the supervision of an officer at the level of H C S , who should fix the place, date and time of the raid. A foolproof system in this regard may be evolved and the outcome of the surprise checkings after evolving a foolproof system may be informed to the Committee, within a period of six months.

[52] Unjustifiable expenditure on staff salary

3 1 44 Emphasis under Bee Keeping scheme was on farmers training demonstration of bee rearing and subsidy on purchase of bee keeping appliances. The department had two bee-keeping Centres at Yamunanagar and Karnal.

The scheme did not have any budget provision for imparting training and giving subsidy on bee keeping appliances during 2000-03. HAIC released Rs 0.40 lakh to the department in 2002-03 against which two groups of 23 and 27 farmers were provided training by Yamunanagar and Karnal Centres respectively. Against target of selling 660 bee colonies to farmers only 89 (13 percent) were sold during 2000-03 (upto December 2002) which fetched only Rs 4.30 lakh. Thus Rs 38.65 lakh spent on salary of staff during 2000-03 (upto December 2002) were not justifiable.

In reply to audit observation the Director stated (March 2003) that training to 1 522 small/marginal farmers had been imparted upto 2002 03 and achievement of targets for development of bee colonies and their sale depended upon availability of flora and proper weather conditions. Reply was not tenable as these were known factors and there was no record to prove that 1 522 farmers were imparted training during 2000 03.

The department in its reply stated as under —

Bee keeping scheme was introduced in 1979 80 with the objective to educate farmers for bee keeping to enable them to earn some additional income through self employment. To achieve this the scheme laid emphasis on farmers training demonstration of bee keeping and subsidy on purchase of bee keeping appliances. The department had two bee keeping centers at Yamunanagar and Karnal which served as demonstration cum nucleus seed stock farms.

The purpose for introduction of the scheme was to educate the farmers about bee keeping in order to supplementing their income. It is fact that there was no provision of funds in the scheme for imparting training and giving subsidy on bee keeping appliances during 2002 03. However with the release of Rs 0 40 lakh from HARC so that the department could organize trainings to the bee farmers during the year 2002 03 in addition to other extension activities. With the release of this amount from HAIC 50 farmers were imparted training about bee keeping at Yamunanagar and Karnal centers of the department besides development of 660 Bee colonies for sale during the year 2000 01 2001 02 and 2002 03. 129 Bee colonies were developed and sold during the period. The development of bee colonies depends upon the availability of flora and weather condition. From the year 2000 01 to 2002 03 the weather remained dry and drought like situation was there in the State. On account of this there was less availability of flora and the required bee colonies could not be developed. The Department has made all-out efforts to achieve the set targets but on account of adverse weather condition the target could not be achieved in full. The main object of the scheme is to educate the farmers about the importance of bee keeping through extension services. The field staff visits the existing beekeeper for solving their problems and also to educate the farmers for the adoption of this programme. Thus there is no direct income from the scheme. However the farmers could produce and sell honey and were able to supplement their farm income. Thus the observation of the audit about the unjustifiable expenditure of Rs 38 65 lakh is not correct. As the farmers have gained manifolds by adopting bee keeping. No expenditure was incurred from the State Budget for imparting training to the farmers.

1522 Small/ Marginal farmers were imparted training at Yamunanagar and Karnal centers so far. The record of which has already maintain in office register.

After hearing the departmental representatives, the Committee is of the view that the bee keeping should be encouraged in Haryana to augment the income of the farmers and the steps taken in this regard may be intimated to the Committee, within a period of six months.

[53] Salary without work

3 1 47 The State Government converted plan scheme for soil conservation on watershed basis in sub mountainous areas into non plan scheme from 2002-03 and accorded sanction to the continuation of existing posts without any provision of funds for soil conservation works. In July 2002 the Director Agriculture sent a proposal to the Government for sanctioning fund for soil conservation works which was not accepted. The staff remained idle during 2002-03 and expenditure of Rs 24.20 lakh incurred on their salary was wasteful. The Director stated (March 2003) that the staff was engaged in implementation of NWDPRAs and Improved On Farm Water Management schemes. Reply was not tenable as separate staff was deployed for NWDPRAs.

The department in its reply stated as under —

The amount sanctioned under the scheme was spent on establishment and management component at HQ and Subject Matter Specialist (Engg.) Panchkula because the scheme was converted into non plan scheme. Due to financial constraints the State Government could not provide funds under works component. However the staff available under the scheme executed soil and water conservation activities approved under other ongoing soil & water conservation schemes implemented by the Department of Agriculture and funds provided by District Rural Development Agency in the Panchkula district. The District Rural Development schemes are implemented by Additional Deputy Commissioner Panchkula such as Integrated Waste Land Development on Watershed basis and Employment Assurance Scheme. Besides these schemes soil conservation works are also executed under Shivalik Development Agency programme in Shivalik area falling in Panchkula district. Shivalik area is highly prone to soil erosion. No separate staff under all above mentioned schemes is sanctioned by the State Government to execute various soil conservation measures/works which were adopted in very susceptible eco fragile system in Shivalik range to control soil erosion and to recycle run off water by construction of medium to large size structure silt detention dam gully plugging sub surface dams percolation embankment and digging out village pond and re-augmentation of old ponds. Natural kools (streams) are tamed & tapped by constructing water points laying underground pipelines for domestic uses. Highly trained and experience staff is required to execute soil conservation works. It is further added that no expenditure was incurred on staff sanctioned under NWDPRAs scheme during 2002-03. Hence expenditure incurred on staff provided in non plan scheme to execute these highly technical programme are fully justified. Keeping in view above explained facts it is requested to drop the para.

The Committee recommends that the soil conservation wing should be tagged with some other activities of the Agriculture Department and should be placed under the Agriculture Department officers up to the lower level.

[54] Internal audit

3 1 49 The Directorate had one Audit Branch comprising of an Accounts Officer two Section Officers and supporting ministerial staff. The branch conducted internal audit of four units only during 2000-03. The staff of audit branch was not assigned with any other accounting or budgeting work.

The department in its reply stated as under —

As far as conducting of internal audit by the S A S posted in Agriculture Department is concerned it is pointed out that due to paucity of staff the internal audit could not be completed as only one S O is working and one post of S O is lying vacant since long. The S O posted looks after the work of audit paras i.e. PAC as well as CAG para and prepare reply of all outstanding AG's paras and make arrangement of meeting with AG Party for settlement of old outstanding paras.

Besides the above it is intimated that there are about 174 DDOs in this Department whose internal audit is required to be conducted by the S Os. Anyhow a proposal was sent for creation of S A S post in each DDA office which could not be matured due to one or the other reasons. As soon as the post of S O will be filled up by the F D the work of internal audit will be taken in hand. However a proposal for posting of another three S Os is being sent to Govt. for smooth functioning of internal audit.

In view of the above the para may be dropped.

The Committee is of the view that the internal audit of each department is very important to keep the account in proper manner and the Government should not shirk for providing staff to the Agriculture Department for conducting the internal audit. The Committee may be informed within a period of 6 months.

[55] Monitoring and evaluation

3.1.50 The field offices of the department sent monthly financial/physical progress reports under various schemes to the Directorate which were not consolidated monthly to ascertain overall status of implementation of individual schemes for the State as a whole. As per GOI's instructions (November 2000) State Government was to constitute an inter departmental co-ordination committee to monitor the implementation of schemes under MMM. The Committee was constituted only in February 2003 and was yet to hold its meeting. The Director paid (March 2002) Rs five lakh to HLRDC for conducting evaluation study of scheme report of which was not furnished so far (February 2003).

These points were referred to the Financial Commissioner and Principal Secretary to Government Haryana Agriculture Department (May 2003) reply had not been received (September 2003).

The department in its reply stated as under

The progress reports of individual schemes under Macro Management Mode are consolidated for every quarter as it is not possible to consolidate the same every month. The quarterly progress report (physical and financial) of all the schemes of Macro Management Mode are regularly submitted to Govt. of India also time to time.

Review of performance of all the schemes under Macro Management Mode is regularly done by Director Agriculture and Financial Commissioner and Principal Secretary to Govt. Haryana Agriculture Deptt. Inter department committee i.e. State Level Committee has been constituted to monitor the performance of all the components related schemes including MMM under the Chairmanship of Worthy Chief Secretary Haryana. The meeting of State Level Committee are held every year. The meeting were held on 4.6

2003 to review the performance of all the schemes under MMM. The representative of Govt. of India has also been present in that said meeting.

As far as Monitoring and Evaluation (M&E) of implementation of MMM schemes is concerned, the evaluation as per Govt. of India guidelines was required to be done for the year 2001-02. Therefore the amount allocated for this purpose had to be drawn and placed at the disposal of HLRDC as no institution in public sector by then had given the consent for conducting the study. Now the study has been entrusted to NABARD which would be completed shortly.

After hearing the departmental representatives, the Committee is of the view that the department should get the details of each scheme of the Agriculture Department written on the walls after painting in every village so that the farmers may know the same and get benefit out of the same.

MEDICAL & HEALTH DEPARTMENT

Manpower

[56] State Drug Controller Haryana

3 2 11 As laid down in the Drugs and Cosmetic Act Drug Inspectors were responsible for inspection of premises of manufacturers and sellers drawing samples of drugs and cosmetics to determine their standards etc

As per recommendations of the task force of the Central Council of Health and Family Welfare there was a requirement of 50 drug inspectors. However as on 31 March 2003 there were only 23 sanctioned post of inspectors against which 16 inspectors were in position. Thus there was shortage of 34 inspectors in comparison to the norms recommended by the task force which resulted in delayed action against defaulting units lesser number of inspections delayed attending of complaint cases etc as discussed in paragraph 3 2 20 to 3 2 26. As the State Government had imposed (April 1999) complete ban on fresh recruitments vacancies were not filled. Shortage of drug inspections adversely affected the implementation of the Act.

The department in its reply stated as under

It is informative

During the oral examination, on questioning the representatives of the Department informed the Committee that Government has completely put ban on the recruitment of posts of all categories. The Committee as of the view that this ban should be lifted on the recruitment of posts of technicians and such type of other technical posts.

During the course of oral examination on being suggested by the Committee, the departmental representatives promised that they will recommend to the Government of India for making posting of Doctors in rural areas for one year compulsory and degree should be given after serving one year in the rural areas. The Committee desired that a compliance report in this regard be sent to the Committee within a period of 3 months.

[57] Manufacturing and selling units

3 2 13 As of 31 March 2003 there were 445 manufacturing 8 051 selling units for Allopathic drugs and cosmetics and 366 manufacturing units for Ayurveda and Unani medicines in the State. Though the State Drug Controller Haryana was the licensing authority for drug manufacturing yet the records/registers maintained in his office were not updated as a result of which details of 409 manufacturing (out of total of 445) units was only available and supplied.

No survey was conducted by the department during 1998-2003 for detecting manufacturing and selling units operating in the State without valid licences.

Testing infrastructure

3 2 14 The State had only one Drug Testing Laboratory at Chandigarh which was set up in the year 1976 for testing samples of drugs and cosmetics with the objective to determine their quality standards. Of the 15 sanctioned posts of laboratory technical staff three to five posts remained vacant during 1998-2003 due to ban on recruitment imposed by the Government.

Testing facilities for determining the standards and quality of Sera vaccines toxins antigens anti-toxins oral polio vaccine anti-sera for veterinary use intra uterine devices Homoeopathic and Ayurvedic medicines were neither available at State Drug Laboratory nor any other alternative arrangement was made by the department

The laboratory maintained a register indicating the details of drug/cosmetic samples received from the inspectors and also recorded test results of such samples. Test results were communicated to the inspectors in the prescribed form. At the beginning of 1998 99 993 samples were pending in the laboratory for testing 13 910 samples were received during 1998 2003. Out of which 13 938 samples were tested and 14 samples rejected leaving a balance of 951 samples untested. Out of 13 938 samples tested at the laboratory during the above period 59 were found spurious and 853 sub-standard.

Follow-up action on samples found sub-standard or spurious effectiveness thereof

3 2 26 In the districts test checked 78 cases of spurious (34) and sub standard (44) drugs were test checked. It was noticed that out of 34 spurious drug cases 11 cases were launched against the offenders in 30 cases which were pending in various courts. Remaining four cases were under process for launching the cases in courts. Out of 44 substandard cases 26 cases related to manufacturers from other States for which matter was reported to the concerned State Drugs Controllers for taking suitable action against the offenders but no follow up action was taken by the SDC Haryana. Further details of supply of these sub standard drugs in Haryana were not obtained from the SDCs of the other concerned States to initiate action for recalling the sub standard drugs from the market. As regards manufacturers of Haryana licences were suspended in 16 cases and cancelled in two cases but no action was taken to recall sub standard drugs from the market.

Instances of specific drugs procured by various civil hospitals which were found sub standard on testing in Government Laboratory were as under:

Sr No	Sample collecting authority	Sample collected from	Name of drug	Total quantity	Quantity withdrawn	Balance quantity
1	District Drug Inspector (DDI) Ambala (August 20(2)*)	Civil Surgeon Ambala	Prochloroperazine 5 mg tablet (Batch AT 1 526)	4 04 lakh	0 31 lakh	3 73 lakh
2	Senior Drug Inspector (SOI) Panchkula (April 20(2)*)	Civil Surgeon Panchkula	CPD bags	25 000 bags	—	24 603 bags (397 bags used)
3	DOI Ambala (October 2002)*)	PMO Ambala and Karnal	Triful perazime 5 mg (Batch AT-01 529)	10 000 9 400 tables	3 400 —	6 600 9 400 CI
4	DOI Ambala (November 2(02)*)	Civil Surgeon Ambala	Biscodyle tablet 5 mg (Batch PT 77)	7 6 lakh	—	7 6 lakh

As evident from the above table negligible quantity of sub-standard drugs was withdrawn/ replaced while for the bulk of quantities there was nothing on record of SOC Haryana as to whether these were withdrawn or not. Circulation of sub standard drugs posed a serious problem to public health

The department in its reply stated as under —

The records/registers maintained in this office have been updated. The inspectorate staff has been directed to conduct survey programme regularly for detecting manufacturing/selling units operating in the State without valid licences

No person could be spared to be sent for training as existing staff is quite/less and there is a large pendency of samples. However every effort has been made to keep the laboratory technical staff well conversant with the advancement in analytical technique at our own level

Central Govt. has notified under Rule 34 of Drugs & Cosmetics Act 1940 and Rules there under Various Drugs Laboratories for these categories for whole of the India

Whenever a notice is issued to manufacturer of Haryana State case of a subject standard sample the SDIs concerned are also directed to ensure complete withdrawal of the unsold stock of the medicine from the market. Whenever a test report relating to a manufacturer outside to other state of Haryana is referred to the concerned State. The Drug Inspector is invariably requested to ensure drug recall from the market under intimation to this State. The Govt. of India has also framed a Drug Recall Policy which is being implemented in the State with full force. The issue of replacement of sub-standard medicines in respect of Govt. Hospitals is a matter between purchaser and seller and has to be taken care of by them only. Whenever unsold stocks are received by the manufacturers from the market they are destroyed by the concerned inspector for which he has to maintain complete record

The Committee discussed in detail, the various aspects of implementation of Drugs and Cosmetics Act with the departmental representatives and the departmental representatives, on being asked, promised to supply the details of the cases initiated against the manufacturers who were found involved in manufacturing of spurious drugs along with grounds thereof and the punishments awarded to such manufacturers during the last 5 years

The Committee also felt that the punishment in such cases is highly inadequate and the same should be more stringent. In case of the retailers who indulge in selling of spurious drugs punishment should not be less than 10 years imprisonment. The Committee recommended that the Government of Haryana should consider these two points and recommend these points to the Government of India for making necessary amendments in the Central Act

[58] Adequacy of inspection

3 2 24 The department had not devised any system to ensure that all the sale units were inspected as per prescribed frequency of at least once/twice a year

Year-wise position of inspections of Allopathic/Homeopathic drug selling units was as under

Year	Selling units	Inspections' required	Inspections conducted	Shortfall	Percentage of shortfall
1998-99	6 200	12 400	3 277	9 123	74
1999-2000	6 100	12 200	4 524	7 676	63
2000-01	6 200	12 400	4 401	7 999	65
2001 02	7 862	7 862	4 555	3 307	42
2002 03	8 051	8 051	4 716	3 335	41
Total		52,913	21,473	31,440	59

There was a shortfall of 59 percent in conducting the inspection of selling units as a result of which large number of selling units continued their business without valid licences as discussed in paragraph 3 2 20 to 3 2 22. The State Drug Controller attributed (February 2003) the shortfall to shortage of inspecting officers. Reply was not convincing since the shortfall was proportionately of alarming magnitude even if the shortage of staff is taken into account.

In the districts test checked 522 inspections were carried out against the requirement of 2 064 (for 358 Allopathic units) resulting in shortfall of 1 542 inspections (75 percent). State Drug Controller Haryana attributed (July 2003) the shortfall to manpower constraints, non provision of facilities of vehicles and the number of licenced units being high. The contention was not convincing as shortage in these districts was negligible.

3 2 25 Under Ayurvedic and Unani systems of medicine against requirement of 2 978 inspections of 230 to 366 manufacturing units in the State 1 887 inspections were carried out during 1998-2003 resulting in shortfall of 37 per cent.

There was neither any provision for periodical inspection of Ayurvedic and Unani drugs selling units in the Act/Rules nor any inspection was conducted by the department. In the absence of any quality control over sales and distribution of Ayurvedic and Unani medicines possibility of passing on spurious/fake drugs to the consumers could not be ruled out.

The department in its reply stated as under —

The shortfall in inspections was attributed towards the shortage of inspectors as well as large number of licenced units. Now this problem will not arise because of the amendment in rules 51 and 52 of by which Govt. has reduced the frequency of the inspection from twice to at least once a year.

Drugs Inspectors can inspect manufacturing units twice in a year. Hence target given in respect of inspection of manufacturing units accordingly.

During the course of oral examination, it was suggested that senior Doctors should conduct the raids on the Chemist shops in the private hospitals to check the sale of spurious drugs and the CMOs should supervise such surprise checkings.

[59] Statistics of prosecutions vis a vis cases filed

3 2 28 When a drug was found spurious adulterated or grossly sub-standard prosecution was to be launched against the concerned firm Details of prosecution launched cases decided and pending in courts during 1998-2003 were as under

Year	Pending cases at the beginning of the year	Prosecution launched	Total	Decided	Pending
1998-99	324	90	414	17	397
1999-2000	397	45	442	22	420
2000-01	420	54	474	28	446
2001-02	446	28	474	18	456
2002-03	456	91	547	25	522
		308		110	

Out of 522 pending cases 228 were more than five years old Though the prosecution cases were on the increase the department did not take up the matter with the Government for considering setting up special/designated courts for their speedy disposal SOc Haryana replied (July 2003) that an average of 25 cases per district were under trial in the State which did not suggest necessity of setting up of special/designated courts The fact remains that a large number of pending cases pertained to very old period and department should devise appropriate system for their speedy disposal in case setting up of special/designated courts is not necessitated

Out of 110 court cases decided during April 1998 to March 2003 44 cases (40 per cent) ended in acquittal A scrutiny of 23 acquittal cases revealed that acquittals were due to launching of cases before issue of notification by the Government empowering the Chief Judicial Magistrates to try such cases launching of cases after the expiry date of the drugs declaration of the drug as standard by Central Drug Laboratory Kolkata change of statements by witnesses and launching of cases after the prescribed period of three years etc Thus the department failed to defend their cases properly Acquittals by default in large number reduced the fear of punishment in the minds of offenders

The department in its reply stated as under —

The issue of setting up of designated courts for the speedy disposal of the court cases is to be looked after by Govt of India by amending the Act accordingly A large number of acquitted cases is attributed towards the notification by Govt of Haryana relating to powers of CJMS to try cases of summary nature U/S 36A of the Drugs & cosmetics Act 1940

The Committee recommends that such offences should be cognizable and non bailable The Police should register FIRs without delay and the prosecution should be through the District Attorney only

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

[60] 3 3 1 Welfare of handicapped the complex social issue involving coordination of curative promotional and rehabilitational activities directed at different forms of handicapped and multitude of welfare measures. There is neither a single legislative channel nor a single focal department for co ordination even though the subject falls in the scope of social security. Further the definition of handicapped for the purpose of coverage is so widely dispersed over such a large area of disability that no single focus emerges automatically from the efforts undertaken by different agencies entrusted with the delivery of the programme objectives.

The Government of India enacted the Persons With Disability (Equal Opportunities Protection of Rights and Full Participation) Act 1995 (Act) which aimed at identification of handicapped information sharing generation of public awareness accessibility of facilities education training/ employment prevention of disability etc. In order to address these areas of concern the major activities carried out in Haryana State includes

- * Identification of persons with disabilities
- * Providing the institutional framework for management and rehabilitation of specific disabilities,
- * Implementation of 'National Programme for Rehabilitation of Persons with Disabilities (NPRPD) and
- * Creating awareness in the public through mass media in order to change their attitude towards disabilities and providing for preventive measures where ever required

The programme for the welfare of handicapped comprised of 13 schemes mainly for running training centres for adult blind schools for providing education to boys/girls establishment of rehabilitation centres grants in aids to non-government organisations etc and aimed at developing the skills of handicapped persons in different crafts to make them self sufficient providing employment and rehabilitation services etc

The department in its reply stated as under —

During the year 1998 a survey was conducted to identify handicapped persons in which 2 211 lakh handicapped persons were identified from various categories of disabilities. Persons having disability of 40% or above as per report of State Health Department vide letter dated 13 2 03 are 1 11 790 74 000 persons are presently receiving Handicapped Pension which have not been included by the Audit. This scheme has not been included in the handicapped welfare schemes while submitting this review report. The persons of 18 years of age or above having disability 70% or above are eligible to receive pension @ Rs 200/- per month w e f 1 11 1999 & Rs 300/- per month w e f 1 11 2004

The State Govt has provided 3% reservation in the matter of employment to the handicapped persons i e 1 % each to the blind orthopaedically handicapped and deaf and dumb person. As on 31 3 02 3065 handicapped persons have been employed by

the State Govt. Till date 926 handicapped persons have been aided by way of providing loans by Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam. During the financial year 2002-03 under self-employment scheme of Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam 400 persons was the target. As per new recruitment policy the posts meant for handicapped persons are advertised apart from inviting the names from the Employment Exchange. Therefore it is not necessary that persons registered with special Employment Exchange are recruited. The rates of unemployment allowances were revised w.e.f. 9.12.03 and there is a proposal to further enhance the rates. As regards the prosthetic aids to handicapped persons around 25,000 persons were given benefits by providing artificial limbs, wheel chair, spectacles and sticks etc.

NPRPD Scheme is being implemented in Sirsa and Ambala Districts. The scheme involved selection of village level and block level workers (CBRs & MRWs) and their training which was a time-consuming process. The training of CBRs has been completed in both the districts. A sum of Rs. 70.00 lakhs have been sanctioned and disbursed to the identified agencies out of Rs. 2.57 crores released by GOI. As per provisions in the scheme, Haryana Saket Council, Chandimandir has been declared referral centre orthopaedically handicapped persons and Haryana Welfare Society for Hearing and speech handicapped, Panchkula for the deaf and dumb persons. The decision to declare Medical College Rohtak as Referral Centre for the mentally retarded and visually handicapped is under consideration. The department has transferred the Training Centre for Adult Blind, Sonapat along with staff and its assets in the Govt. Institute for the Blind, Panipat, keeping in view the decreasing strength of the inmates and staff.

After hearing the departmental representatives, the Committee directed the department to send a detailed report about the implementation of the schemes alongwith the purpose, targets fixed if any, achievement of targets, number of beneficiaries districtwise in each scheme and the proposed further plans for the welfare of the handicapped persons.

The Committee observed that in some districts the blind, deaf and dumb persons are being asked to pay some amount for their rehabilitation by the private centers. The Committee recommends that such persons should be given all necessary facilities for their rehabilitation by the Govt. itself without getting any amount from them. The Committee further recommends that there should not be any bar of 18 years for providing such facilities to the handicapped persons.

[61] Budget provision and expenditure

3.3.4 The department implemented 13 State funded schemes for which provisions were made through annual budgets. Besides GOI released grants in-aid under four per cent centrally sponsored schemes directly to the non-government organisations.

The budget provision and expenditure under the schemes funded by State Government during 1998-2003 were as under—

Year	Budget provision	Expenditure (Rupees in crore)	(-) Saving (+) Excess
1998-99	3 13	3 01	(-) 0 12
1999-2000	3 17	3 63	(+) 0 46
2000-01	3 71	3 04	(-) 0 67
2001-02	3 94	3 27	(-) 0 67
2002-03	3 50	3 31	(-) 0 19
Total	17 45	16 26	(-) 1 19

Funds remaining unutilised shows department's half hearted approach in implementing the welfare schemes like providing posthetic aid unemployment allowance to handicapped and their rehabilitation

The department in its reply stated as under —

From the expenditure figures it is clear that Rs 16 26 crore have been spent against budget provision of Rs 17 45 crore which is more than 93% of the budget provision. The handicapped persons were preferring handicapped pension instead of unemployment allowance because of which I agree under unemployment allowance was not satisfactory. Therefore rates of unemployment allowance were revised w e f December 2003 and there is proposal to further enhance these rates considerably. Regarding providing the prosthetic aids to handicapped person around 25 000 persons have been benefited by providing artificial limbs wheel chairs spectacles sticks etc.

After hearing the departmental representatives, the Committee desired to know the details of the expenditure incurred on the salaries and the Aids and Appliances provided to the physically handicapped persons separately and districtwise. The Committee also desired the department to supply the breakup of 25 000 handicapped persons districtwise.

The Committee recommends that these Aids and Appliances should be provided to the needy handicapped persons as and when these are required by them without waiting for any fixed special day for this purpose.

[62] Identification of persons with disabilities

3 3 5 Section 25 of the Act provided for prevention and early detection of disabilities. As per GOI's guidelines all children were required to be screened at least once a year for identifying at risk cases. People were to be educated through village level workers, schools, radio, television etc. It was however noticed that the Health Department implemented polio immunisation programme to prevent polio but the SJE Department did not devise any system/mechanism for early detection of disability. The survey to identify the disabled was conducted during 1998.

To carry out a survey for identifying handicapped persons the State co-ordination committee constituted (December 1997) committees comprising health workers anganwari workers teachers and gram sachivs/patwaris in rural areas and workers of municipal committees in urban areas. The Committees conducted the survey during 1998 and identified 2.21 lakh disabled persons in the State.

The department in its reply stated as under —

A survey was conducted through District Red Cross Societies during the year 1998 and 2.21 lakh handicapped persons were identified. As per report the Health Department the number of eligible handicapped persons whose disability is 40% or more under each category of disability is as under

70 179	Orthopaedically Handicapped
11 030	Visually Impaired/Low Vision
5 985	Hearing Handicapped
5 165	Mentally Retarded
678	Leprosy Cured
18 753	Others
1 11 790	

For awareness generation prevention detection management and rehabilitative comprehensive approach is being provided through the Health camps in each district in rural as well as in urban areas regularly under various health programmes. Total number of health camps up to 30.6.2004 in various districts was 453.

Under School Health Programme children are being regularly screened and education regarding personal hygiene proper nutrition physical exercises are being given. All primary school children are medically examined thrice in their primary school tenure. Total children examined under School Health Programme are 10 11 982. Out of this 1559 found impaired in hearing and visually handicapped. These children were referred for treatment.

Medical Officers working at the Primary Health Centres were trained for management of disability. 18 resource persons from Kalka Panchkula Chandimandir and Rohtak were trained as Master Trainers. These Trainers have imparted training to 404 P H C Medical Officers in 28 batches.

Awareness regarding prevention of disabilities is generated in every health camp. Well baby clinics Ante-natal clinics. Public/persons are given education regarding nutrition hygiene sanitation and immunization.

Regular camps are being organized for detection correction of disability if possible at district head quarter by the specialist on every Wednesday.

Facilities of ante-natal natal and post natal are available in various health centers in the State. The mothers are given tetanus toxoid and the children are given immunization against polio tetanus and diphtheria.

During the year 2003-04 18 42 840 school children were examined out of which 17 361 were found suffering defective vision 1975 had defective hearing 84 had deformity. In the year 2004-05 upto June 2004 322 children were found suffering defective vision 52 had defective hearing 12 had postural defects 5 had some deformity. NGOs like Red Cross Society Hisar are running a project for pre-school and early intervention and training. Welfare Society for Hearing & Speech handicapped persons has set up a unit at Panchkula where early detection of hearing problems in children is undertaken.

The department in its reply stated that the survey to identify the physically handicapped/disabled persons was conducted during the year 1999-2001. The Committee recommends that a fresh survey in this regard may be conducted and schemes be formulated accordingly. The Committee further observed that the working of NGOs was not satisfactory and in order to have a close watch on the activities of the NGOs random checking be conducted periodically and a compliance report in this regard be submitted to the Committee within a period of six months.

[63] Non maintenance of record

3.3.17 As per terms and conditions for grants in aid separate accounts were to be maintained for each grant. Haryana Saket Council Chandimandir did not maintain grant wise separate account although 21 grants totaling Rs. 1.21 crore were released by the State Government to the Council during 1998-2003. In the absence of separate accounts for each grant unspent balance if any under a particular grant could not be ascertained in audit.

The department in its reply stated as under —

Haryana Saket Council has informed that separate accounts have been maintained as per advice of the audit party which will be shown at the time of next review/audit.

During the course of oral examination, the departmental representatives admitted themselves that there should be schemewise accounts. The Committee recommends that for proper monitoring and maintenance of accounts/records, Chartered Accountants may be engaged for giving suitable guidelines for maintainance of accounts and the record of the schemes.

[64] Monitoring

3.3.18 State Co-ordination Committee (SCC) and State Executive Committee (SEC) formed under Section 13 (i) of the Act were to meet after every six months and three months respectively for reviewing and coordinating the activities of all the departments and other Government and non-government organisations dealing with the matters relating to disabled persons. However against the requirement of 10 meetings of SCC and 20 of SEC only four and 11 meetings respectively were held during 1998-2003. At these meetings also no major decisions were taken for effective implementation of the programme. The Commissioner for exclusively monitoring the activities under Persons with Disabilities Act, 1995 was appointed only in February 2003 and therefore no monitoring at his level was done.

The Directorate office did not devise any system to obtain input reports from various field organisations regarding educational infrastructure training preferential allotment of land screening of children at risk cases employment of disabled persons etc. for regular monitoring of the implementation of various schemes.

These points were referred to the Financial Commissioner and Principal Secretary to Government Haryana Social Justice and Empowerment Department (May 2003) reply had not been received (September 2003)

The department in its reply stated as under —

The Govt has designated the Director Social justice & Empowerment Deptt as Commissioner for persons with Disabilities prior to the present Commissioner during the year 1997 Then State Govt designated Financial Commissioner & Secretary to Govt Haryana and Social Welfare Department as Commissioner for Persons with Disabilities Later independent Commissioner was appointed in February 2003

This Deptt obtains input reports from Education Deptt which is running 38 integrated school in the State and the Vol Orgn working in the field of handicapped welfare in the matter of education and vocational training All the Chief Medical Officers in the State have been declared Immunization Officers by the Health Deptt in case of at risk cases and are submitting their monthly reports to this department regularly A committee has been constituted under the chairmanship of Commissioner & Secretary to Govt Haryana Social Welfare Dett to monitor the progress under the self employment scheme Chief Secretary has issued instructions on dated 12 5 03 to all the heads of the departments etc regarding filling up the posts meant for handicapped persons Backlog on the posts meant handicapped persons in various departments is also monitored from time to time

During the course of oral examination, the departmental representatives admitted that there was acute shortage of staff and the department is required to be strengthened in this regard

The Committee recommends that exercise to strengthen the department keeping in view the number of schemes, funds of the schemes, number of beneficiaries etc be undertaken without further loss of time and persons with higher qualifications and training with suitable pay scale may be appointed for proper and useful implementation of the schemes The Committee may be informed of the same after strengthening the department

URBAN DEVELOPMENT DEPARTMENT

[65] Non enactment of Fire Force Bill

3 4 4 Government of India (GOI) requested all the State Governments in 1958 to strengthen fire services in their States. A model Fire Force Bill drafted in the Ministry of Home Affairs was forwarded to State Governments for similar enactments by State Legislatures. Accordingly the Director Urban Development Haryana sent the proposal to the State Government for enactment of fire force bill in August 1994 after 36 years of these guidelines of GOI. The bill was not accepted (January 2001) on the ground that creation of new posts would involve substantial expenditure. The department did not revive the proposal thereafter.

As regards safety measures for permanent structures and buildings the State Government made Haryana Building (Amendment) bye laws in May 2000 under Haryana Municipal Act 1973 by adopting and incorporating therein the relevant provisions of the National Building Code 1983.

Assessment of measures for preparedness

Infrastructure

3 4 10 Infrastructure facilities like fire stations, machinery, equipments, water tenders/sources were an essential requirement for controlling fire incidents with due promptness. The details of infrastructure with the department/municipal committee at the beginning of 1997-98 and at the end of 2002-03 were as under:

Type of infrastructure	As of April 1997	As of March 2003
Fire stations	27	28
Hydrants	276	123
Static water tanks	31	38
Tubewells	17	12
Fire fighting vehicles/equipments	82	105

As evident from above table, number of hydrants and tubewells declined to 123 and 12 at the end of 2002-03 compared to 276 and 17 respectively at the beginning of 1997-98. The department drew Rs 4.96 crore during 1997-2003 for the construction of fire stations at various places, purchase of fire fighting vehicles and equipments. Audit findings relating to these aspects are discussed in succeeding paragraphs.

Manpower

3 4 21 The department had a sanctioned strength of 558 operational staff in the State against which 435 were in position as on 31 March 2003.

The requirement of operational staff as per recommendations of SFAC sanctioned

strength and men in position for operating 41 fire machines in districts test checked as of March 2003 were as under

Sr No	Category	Requirement as per recommendation of SAFC	Sanctioned strength	Men in position	Shortfall with reference to requirement
1	Fire Men	435	151	147	288
2	Leading Fire Men	120	46	31	89
3	Driver/operator	123	105	67	56
Total		678	203	245	433

As evident from above considering SFAC recommendations there was shortfall of 64 per cent of operational staff. Even 57 sanctioned posts of operational staff remained vacant. Further the Assistant Fire Station Officers were not in position at five Fire Stations. The shortage of staff was attributable to weak financial position of the MCs. Shortage of manpower led to increase in response time and consequential loss of life and property.

To adopt Fire Force Bill in the State of Haryana, a case has been forwarded to Govt. A committee under the Chairmanship of Sh. K.K. Bhungra, E.I.C. HUDA was constituted in which XEN (H.Q.) Urban Local Bodies Haryana, Under Secretary Revenue, Assistant Director (Election) Urban Local Bodies Haryana, Fire Officer (H.Q.) Urban Local Bodies Haryana, Fire Station Officer, Fire Station, Bhim Nagar, Gurgaon and representative of Civil Defence Department were the members. Eight meetings of this committee were held from time to time. Proceedings of the above said committee have been received on 13.06.2007 which are being processed.

In the State of Haryana National Building Code as amended from time to time stands already adopted.

There was a ban to fill up the vacant posts. Now the Haryana Staff Selection Commission has been asked to fill up the vacant posts of 204 Fireman and 83 Fire Drivers. In addition 617 Firemen and 117 Fire Drivers have been allowed to be engaged on contract basis. Accordingly all the Deputy Commissioners have been requested to fill up these posts through reputed agencies. Against these posts 487 fireman and 84 fire drivers have been filled up through reputed agencies by respective Deputy Commissioners.

When Fire Force Bill shall be adopted in the State then all the recommendations of Standing Fire Advisory Committee of Govt. of India shall be considered.

The roads in the municipal limits got repaired every year. Due to this repair the level of roads has gone up and a large number of hydrants have been unserviceable. Now at every fire station filling points have been provided through tubewells to fill up the water in the fire fighting vehicles.

All the Deputy Commissioners have been requested to fill up vacant posts through reputed agencies and the same have been filled up through reputed agencies by respective Deputy Commissioner.

The Committee discussed various matters concerning prevention and control of fire including the shortage of staff and equipments required for prevention and control of fire in the Municipal Corporations and Municipal Committees, with the departmental representatives and during the course of oral examination, the departmental representatives admitted that there is shortage of staff and equipments and there should be separate department for this purpose. It was also informed that the draft for amendment in the Fire Act has been prepared and the same was under consideration. The Committee desired that it may be informed after finalization of the matter.

[66] Non-collection of fire tax

3 4 23 The State Government directed (May 2000) all the MCs/Corporation to impose fire tax at one per cent of the annual value assessed for the purpose of imposing tax on building and land.

A test check of records of 27 MCs of districts test checked and Municipal Corporation Faridabad revealed that these bodies had collected Rs 3 96 crore from the building owners as fire tax during 2000-03 against the assessment of Rs 12 69 crore and balance of Rs 8 73 crore remained outstanding.

It was noticed that 17 MCs collected Rs 81 54 lakh towards fire tax but no Fire Station existed in their areas. Thus funds collected by way of fire tax were not spent for providing fire services and protection of life and property in cases where fire incidents occurred. Scrutiny of record further revealed that the area of eight MCs where Fire Stations were not in existence 12 fire incidents occurred for which services had to be arranged from near by Fire Stations after covering distance ranging between 15 and 90 kms.

The department in its reply stated as under —

The Fire Tax on Commercial Industrial and Institutional Buildings in the State of Haryana is @1% of the annual value assessed for the purpose of imposing tax on buildings and lands.

All the municipalities have been directed to collect the whole of outstanding Fire Tax. All the municipalities which are not having fire stations have been directed to submit the proposal for opening of fire stations.

The Committee recommended that immediate steps be taken to amend the Fire Act and provide all necessary staff and equipments for prevention and control of fire. The Committee was also of the view that where the fire fighting facilities are not available tax should not be levied.

EDUCATION DEPARTMENT

Haryana Prathmik Shiksha Pariyojna Parishad

67] 4 4 1 District Primary Education Programme (DPEP) was implemented in seven educationally backward districts with the main objective to improve the efficiency in the process of production and distribution of teaching learning materials (TLM). TLM was meant for the guidance of teachers and not for children. Training on TLM at district level and block level had been imparted and about 19 000 teachers in all these seven districts had been trained in the preparation and use of TLM. To meet the demand raised by primary teachers, two books namely *Nanhe Kadam Vigyan Ki Ore* and *Pitara Khole Ank Bole* had been developed on Science and Mathematics respectively.

Test-check of records (January 2003) of *Haryana Prathmik Shiksha Pariyojna Parishad* (*Parishad*) revealed that under TLM component *Parishad* got printed 12.03 lakh copies of these two books viz. *Nanhe Kadam Vigyan ke Ore* (6.03 lakh copies) and *Pitara Khole Ank Bole* (6.00 lakh copies) at a cost of Rs 2.96 crore against 18 455 sanctioned posts of teachers in these seven districts during 2000-02. Records indicated that the excess copies of TLM were got printed by creating an artificial demand on the plea that it would be provided to students also. Printing of excess TLM resulted in avoidable expenditure of Rs 2.77 crore.

Commissioner Education and Language ordered (September 2002) to fix responsibility as the demand for TLM was not checked to ascertain whether the material was actually meant for children or not but no action had been taken as of September 2003.

Thus, on printing of TLM in excess of actual requirement *Parishad* had to bear an avoidable expenditure of Rs 2.77 crore.

Under another scheme of providing text books free of cost to students under DPEP *Parishad* requested (June 2000) the Controller Printing and Stationery (P&S) Department Haryana to intimate the rates for printing of text book *Tarang* for class-II on 70 GSM paper with a cover of 210 GSM impored art card. The Controller P&S Department intimated (August 2000) that in Haryana the text books were being printed on 60 GSM white cream wove paper with a cover of 130 GSM paper at the rate of Rs 1050 per copy. The *Parishad* ignoring the advice of the Controller got 1 98 745 copies of the said text books printed from the open market through a Chandigarh based private firm on 70 GSM Maplitho paper with a cover of 220 GSM Art card and paid Rs 57.60 lakh (March 2001 to September 2001) at the rate of Rs 2898 per copy.

Test-check of records (January 2003) revealed that the *Parishad* itself felt subsequently (March 2002) that the books meant for children studying in class II were to be used only for one academic session and therefore such high specifications of paper and cover were not desirable. As a result *Parishad* decided to get the text books for the next year printed as per the specifications given by P&S Department Haryana.

Thus, by getting the text books printed on 70 GSM Maplitho paper with a cover of 220 GSM Art card in violation of the specification prescribed by Government during 2001-02 from the private firm *Parishad* incurred an extra expenditure of Rs 36.73 lakh.

The draft audit paragraph was demt officially forwarded to the Financial Commissioner and Secretary to Government Haryana Education Department in March and April 2003 but no reply was received from the Government (September 2003).

The Department in its reply stated as under —

It is a fact that there were about 19000 teachers to whom teaching Learning Material was to be distributed But in the year 2000-01 three lacs books of TLM each i.e. *Naneh Kadam Vigyan Ki Aur* and *Ank Bole Pitara Khole* were published and distributed to students There is no order on record why 6 lacs books were published and distributed to the students On the analogy of this again in the year 2001-02 six lacs books were published There is an order for printing of 3 lacs books each for *Nanehe Kadam Vigyan Ki Aur* and *Ank Bole Pitara Khole* on the file but no reason has been given why these were published for the students Sanction in this regard has duly obtained from the Commissioner Education *Naneh Kadam Vigyan Ki Aur* contains space for exercise for the students after each example It appears that these books were considered useful for all students Therefore they were distributed among all the children

So far as the fixation of responsibility in this case is concerned the enquiry by the Vigilance Deptt. was conducted vide which FIR lodged against Sh. Sanjeev Kumar IAS the then SPD, Shri Sushant Swain SPO, CAO, XEN, Sh. Girotra, Smt. Kran Mishra the then Deputy Director, Sh. A. K. Bhalla Deputy Director. The services of the then Store Purchase Officer, Sh. Sushant Swain, Assistant Editor, Sh. Ramji Tiwari, Smt. Kiran Mishra, Deputy Director Media, Sh. A. K. Bhalla the then DPC, Sirsa & XEN, Sh. Girotra have been terminated However on the direction of the Supreme Court the case has been transferred to CBI for further investigation Further action will be taken on receipt of the CBI Report In view of the above it is requested that this para may kindly be dropped

During the year 2001-02 about 2.50 lacs books namely Tarang of Class-II with the following specifications were to be supplied to all students

Inner Page	70 GSM
Cover Page	220 GSM

Accordingly before coming the tenders the following Govt. approved sources were requested to indicate the rates of these books on 30.05.2000 (copy enclosed)

1. Director Haryana SAKET Council Chandigarh
2. Controller Printing & Stationary Department Haryana
3. Har Kalayan Binders & Printers Industrial Area Phase I Panchkula
4. Haryana State Small Industries of Export Corporation Chandigarh

Out of the above following two sources quoted rates on 30.06.2000 as per specification and requirement as under —

(i) SAKET Council	Rs 30/-
(ii) Har Kalyan	Rs 28/-

Thereafter tenders for printing of text books/work books were invited in the month of June 2000. The intimation in writing to the above four Govt. approved sources was also sent to participate in the tenders (copy of letter attached). At the time of submission of tenders only 20 firms submitted the tenders of text books/work books. No one from

the Govt approved sources submitted the tenders. Out of the 20 firms only three firms for Tarang work book quoted rates as follows —

- | | | |
|---|---------------------------|-----------|
| 1 | M/s Super Offset Printers | Rs 30/- |
| 2 | M/s Maya Offset Printers | Rs 29 40/ |
| 3 | M/s Manju Art Press | Rs 28 99/ |

The committee for evaluating the tenders was constituted with the following members —

- 1 District Project Coordinator Gurgaon
- 2 District Project Coordinator M/garh
- 3 District Project Coordinator Jind
- 4 Store Purchase Officer Headquarter
- 5 Accounts Officer Headquarter
- 6 Assistant Editor Headquarter

The committee had duly evaluated the tenders and recommended the allotment of work to M/s Manju Art Press Chandigarh being the lowest tenderers (Rs 28 98). The State Project Director had approved it. The final rate of the work book was finalized on 21 07 2000 and orders in this regard were issued on 27 07 2000 to the lowest bidder i.e. Manju Art Press Chandigarh.

Controller Printing & Stationery Department sought some clarification about the specification on 3 07 2000 (copy enclosed) and the specification was supplied to the Controller Printing & Stationery on 5 07 2000. The Parishad again wrote to the Manager Government Text Book Press Haryana Sector 6 Panchkula to supply rates for the books sending a copy of the advertisement. The Controller Printing & Stationery Department had shown its inability to supply the books according to the prescribed specification and supplied rates with lower specification i.e. 60 GSM Inner Page 120 GSM Outer Page on 24 8 2000 i.e. about one month after the issue of the orders to the printers.

The Word Bank procedure on procurement clearly indicates that the approved source can be one of the bidders and in case that approved source does not participate/submit tenders the work cannot be allotted to the approved source.

It seems that specifications of the books were framed according to the need and use of the books because the students have to write on it again and again.

In view of the position explained above it is requested that the para may kindly be dropped.

During the course of oral examination it was informed that the matter was under investigation by the CBI in a case related to Shri Sanjiv Kumar, IAS and the file was with the CBI. The Committee desired that the outcome of the CBI inquiry may be intimated to it.

FINANCE AND JUSTICE DEPARTMENTS

68/ 4 2 2 State Government decided in January 1996 that no appointment on daily wages would be made in future. However, in emergency cases the competent authority was, with prior permission of Finance Department, allowed to engage an employee on contract basis limited to three months. Government also made it (May 1998) mandatory for the requisitioning authority/establishment to engage the daily wages staff through employment exchange. Government while reiterating these instructions further directed (August 2001) all Heads of the Departments that recovery would be effected from the officers who had appointed the daily wage workers in violation of the instructions *ibid*.

Test check of records (May 2002-January 2003) of Director, Haryana State Lotteries (DOL), Advocate General, Haryana and Forest Department revealed that these departments in contravention of the Government orders *ibid* continued to engage daily wage workers direct without getting the approval of Finance Department and incurred an irregular expenditure of Rs. 2.25 crore on daily wage workers as discussed below —

Sr No	Name of Department	Gist of Irregularities
1	Lotteries	The Department had not engaged the daily wage workers through Employment Exchanges and continued to engage such workers direct. While seeking relaxation from the Government for deploying daily wage workers directly, the DOL had justified (November 1997-September 1998) that the deployment of daily wage workers depends upon the sale of lottery tickets which may increase or decrease from time to time, as such it was not feasible to engage the daily wage workers through employment exchanges to which the Government did not agree. Instead of recovering the amount from the officers who had appointed the daily wage workers in violation of the instruction <i>ibid</i> , the department continued to engage daily wage workers and paid Rs. 85.21 lakh.
2	Justice	The department engaged 15 to 34 daily wage workers during August 1999 to August 2003, paid Rs. 6.42 lakh as per Government pay scales up to January 2000 and Rs. 32.19 lakh on daily wage rates from February 2000 to August 2003. Irregular payment of Rs. 38.61 lakh had been made to daily wage workers during August 1999 to August 2003. Despite repeated requests of the Advocate General to the Government during November 2002 and July 2003 for according ex-post-facto sanction to engage daily wage workers, the Government did not agree. Chief Secretary on the other hand had already issued a general circular (August 2001) to all the departments to identify all such cases and recover the amount from the defaulting officers. Further developments were awaited.

The draft audit paragraph was semi-officially forwarded to the Financial Commissioner and Principal Secretary to Government, Haryana, Finance and Justice Departments in November 2002, but no reply was received from the Government (September 2003).

The department in its reply stated as under —

In this connection it is stated that the nature of work of Lottery Department was very peculiar. The volume of Lottery business remained changing from time to time depending upon the market conditions, taxation policy of various states, Law and order situation and several unforeseen circumstances. Therefore, the Daily Wager staff was also appointed by the Sales Officers depending upon the volume of work. The Sales Officers used to engage trust worthy and reliable persons on the job of daily wager workers. They handled the lottery tickets including checking, loading, unloading and sorting of PWTs etc. Since the work was voluminous and of emergent nature, it was not possible for the Sales Officers to get the name sponsored every time and on short notice from the employment exchange. The existing regular staff was not sufficient to dispose other work load of the Department.

Sale of lottery tickets had shot up. For example in the year 1999-2000, the gross sale of lottery tickets was to the tune of Rs. 254.94 crores which increased to Rs. 300.48 crores during Financial Year 2000-2001. No doubt a sum of Rs. 85.21 lac was incurred for payment of wages to the daily wages staff but this has to be seen in the context of high volume of work. Without this staff, it would not have been possible to cope with the work of checking and handling of prize winning tickets accounts.

Considering the circumstances in which the Department was forced to engage the daily workers, it is requested that the para may be dropped.

After going through the written reply of the department, the Committee is of the view that since the recovery was to be effected from the officers who had appointed the daily wage workers in violation of the Govt. instructions, the department did not take any steps to recover the amount or even no approval of the Govt. before engagement of the daily wage workers was obtained. The Committee desired that the matter may be inquired into by the Financial Commissioner & Principal Secretary to Govt., Haryana, Finance Department and after inquiry the Committee may be informed of the outcome of the same.

As regards Department of Justice, no reply to audit para had been sent to the Committee. Therefore, the Department of Justice is directed to send the reply without further loss of time for consideration of the Committee.

FOREST DEPARTMENT

69] **4 2 3** As per Punjab Financial Rules applicable to Haryana State for every work a proper estimate should be prepared and technical sanction obtained from the competent authority Further the works should not be split up so as to avoid sanction of higher authority

Test check of records (February 2003) of Divisional Forest Officer (DFO) (Production) Kurukshetra revealed that an expenditure of Rs 84 11 lakh was incurred during 2001 02 on logging works which included felling of trees their transportation loading and unloading by splitting up the works in small quantities to avoid the sanction of higher authorities The work was also allotted on quotation basis rather than through open tendering system Further all the bills/vouchers of small payments were prepared by affixing thumb impressions Thus all the quotations and bills prepared by the DFO were of doubtful nature In the absence of systematic procedure it could not be verified in audit whether the different kinds of works of felling of trees loading/unloading transportation etc were actually done in full complete measure as no entry was made in any other subsidiary records by the department There was neither any address of any small contractor/labourer who had executed this work nor any contractor was registered for executing the works in this production Division This has resulted in an irregular and doubtful expenditure of Rs 84 11 lakh

On being pointed out the DFO stated (May 2003) that the works were done under the orders of the competent authority Reply was not tenable because neither the prescribed financial rules were followed nor subsidiary records were maintained Hence each voucher was observed as doubtful and requires thorough investigation

The draft audit paragraph was demt officially forwarded to the Commissioner and Secretary to Government of Haryana Forest Department in March 2003 but no reply was received from the Government (September 2003)

The department in its reply stated as under —

The expenditure had been incurred on 659 different forest Reaches of Kurukshetra & Kaithal Division This involved mainly felling of Dead and Dry trees their carriage to the Sale Depots loading & unloading and finally stacking of timber in the Sale Depots All this work of felling has been done as per Haryana Forest Department Technical Note No 7 In the absence of approved working Plan for the jurisdiction of Kurukshetra Production Division for 2001-02 only for the felling of either Dead & Dry trees or emergency departmental felling have been done Such type of fellings cannot foreseen or preplanned During the year 2001 02 this division felled of total volume 37431 m³ out of which 36462 m³ was dead & dry and 969 m³ was under emergency felling Since all these felling areas were not concentrated at a single place rather they were scattered on 659 different Forest Reaches it becomes impossible to foresee or preplan such type of scattered forest felling activity The total revenue generated during the financial year 2001 02 was to the Rs 585 46 lacs and the same was deposited irregular and doubtful

The activities of this division are directly related to the felling list Marking List handed over from time to time by the Territorial Forest Division during different months of financial year The quantum of these felling activities individually is very small which involves very small felling period Therefore to execute all such minor emergent activities

it is neither possible to invite tenders nor it is stipulated under rules as all these works come under the category of minor works. It is also noteworthy to mention here that none of these 659 forests reaches involved an expenditure of more than 50 000/- rupees. Therefore all the works involving an expenditure of more than 500/- rupees works have been executed after inviting the quotations and keeping in mind the approved department S O R. It is also mentioned here that the different felling activities like conversion of logs carriage loading/unloading stacking of timber etc. all are different types of technical activities which involve skilled labour trained in respective activities. Hence it becomes impossible to allot all these activities to a single person.

The comments given by the audit party are replied as under —

- 1 The felling activities were sub divided in small parts not with the intension to keep the expenditure per bill below 20 000/- rupees. As already stated the different categories of felling activities namely felling conversion loading unloading stacking grading etc. require different type of skilled labour and these activities have been done during different periods of time. Hence the objection raised by the audit party that work has been executed through small contractors and intentionally divided into small parts to keep the expenditure per bill less than 20 000/- is not justified.
- 2 As already stated the felling activities were scattered on 659 different forest reaches. The activities of this division are dependent on the felling lists provided by respective Territorial Forest Divisions which are obtained during different months of year. All these felling activities are very small and have very small felling period. Hence it is neither possible to invite tenders nor it is necessary as all these works come under the category of minor works. Moreover even the Working plan for the year 2001-02 was not sanctioned for the areas lying under the jurisdiction of this division. Therefore it is clear that for the financial year 2001-02 felling activities were distributed on 659 different reaches which were executed during different months of the year for which it is not possible to allot tender to a single person.
- 3 As the quantum of most of these felling activities is very small and emergent in nature for all the works above 500 rupees three quotations obtained as per rules keeping in mind the approved departmental SOR. The draft of the quotation is written in same handwriting in which the worker quotes the suitable rates and then signs it. Quotation is obtained by in charge of felling activity which is counter signed by Range Forest Officer. Felling activity in most of the cases is done by small felling parties who are either Nepali or Kashmiri migrants most of whom are illiterate persons. Hence the quotations are rarely signed. The thumb impressions are obtained from the labourers by the Forest Guard and then the counter signed copy is submitted by the Range Officer to division office for approval. The quotations having the lowest rate as per the departmental SOR are sanctioned by D F O.
- 4 For the year 2001-02 the budget was allotted for carrying out the departmental fellings by the senior officers of the department which is under their competency. The expenditure on different felling activities has been done as

per competency of D F O It is also mentioned here that as per **P F R Volume I, rule 19 6 Sr No 55** the DFO is fully competent to carry out departmental activities within the allotted budget for which sanction of any Senior Officer is not required Hence no procedural or financial irregularity has been committed

The Committee discussed the matter of felling of trees with the departmental representatives and after discussion, the Committee desired the departmental representatives to send a list of places where the dry and wet trees were being cut within a period of two days after which the Committee will undertake on the spot visit The said list was not supplied till the drafting of the report The Committee desired that the same may be supplied at the earliest

TOWN AND COUNTRY PLANNING DEPARTMENT
(Haryana Urban Development Authority)

70] 4 5 1 The Principal Excise and Taxation Commissioner Haryana clarified (December 1996) that material supplied by the contractees to contractors constitute an independent sale for which they are required to be registered under the Haryana General Sales Tax Act 1973. Such value of the material supplied to contractors becomes eligible to sales tax.

Test check of records of two 22 Executive Engineers (EEs) HUDA revealed that these EEs supplied cement and bitumen to various contractors on chargeable basis for use in the execution of works but no such recovery of sales tax was made from the contractors. The assessing authorities (Sales Tax) at Hisar while finalising the assessment of the EEs for the year 1993-94 to 1996-97 raised (January 1998 to January 1999) a demand of sales tax of Rs 12.35 lakh (Division No. 1 Hisar Rs 5.45 lakh and No. II Hisar Rs 6.90 lakh). The two EEs of Hisar had to deposit Rs 12.31 lakh out of HUDA funds during March 1998 to March 2001 against demand of Rs 12.35 lakh.

Both the EEs filed an appeal before Joint Excise and Taxation Commissioner (Appeal) Hisar (JETC) against their demands of Rs 4.95 lakh (assessment orders of January and March 1998) but the appeal was rejected (July 1998).

Similarly test check of records of EE Haryana State Agricultural Marketing Board (HSAMB) Division Hisar (November 2002) also revealed that EE did not recover any sales tax from the bills of contractors on the value of cement and bitumen supplied to them on chargeable basis for executing various works. Excise and Taxation Officers Hisar while finalising the assessments for 1992-93 to 1997-98 levied tax and raised (February) 1998 to January 1999) demands of Rs 5.99 lakh. EE had deposited (March 1999 to December 1999) Rs 5.99 lakh from HSAMB funds.

Thus due to failure of EEs to recover sales tax from the contractors on the value of material supplied to them on chargeable basis HUDA/HSAMB had to pay Rs 18.30 lakh out of their own funds during March 1988 to March 2001 resulting in an undue financial aid to the contractors. No action has been taken against the concerned EEs for not complying with Government orders resulting in the loss to the Government.

The draft audit paragraph was demt officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana Agriculture.

The department in its reply stated as under —

State of Haryana with effect from 01.04.1989 through notification No. SO 49/H.A. 20/73/G 26/89 dt 24.03.1989 got issued by the competent authority of Prohibition, Excise & Taxation Department Haryana without any exception (Annexure A). Under the provisions of above notification the sum in lieu of the tax payable by the contractor shall be calculated at the rate of 2% of the total value of the work contract being executed by him. Till 31.07.2001 HUDA recovered and deposited the sale tax with Prohibition, Excise and Taxation Department at par with other State Govt. organizations within the preview of above notification with Prohibition, Excise and Taxation Department. The aforesaid notification was superceded by new notification No. G.O/07/H/A/20/

G 26/ 2001 dated 15th August 2001 (Annexure B) According to the new notification the works contract on or after 1st day of August 2001 the sum in lieu of the tax payable by the contractor under Haryana General Sales Tax Act 1973 (20 of 1973) shall be calculated at the rate of 4% of the total value of the work contract being executed by him Again without any exception to any State Govt organization Since 1st August 2001 the provisions of above notification are followed in HUDA at par with other state owned organization/Department and sales tax is being recovered from the contractors and deposited

The sale tax is to be paid only once to the Prohibition Excise and Taxation Department and the same has been paid @2% upto 31 7 2001 and @4% after the revision of notification on 15th August 2001 to be implemented w e f 1st August 2001 and onward As per the said notification the Sales Tax has been deducted from the respective contractors for the work executed by them and none has been exempted

The sale Tax Department have done certain assessments of sale tax after the cement issued by HUDA to various contractors at the price as indicated in the contract to be used for the work allotted to them Sale Tax Department has considered this issue of cement as sale by HUDA and levied sales tax as per their assessments

The Government Departments i e PWD B&R etc has been exempted from the payment of such tax *vide* Prohibition Excise and Taxation Commissioner letter No 1511 dated 19 6 2001 (Annexure C) The matter was brought to the notice of the Govt and a meeting was held under the Chairmanship of FCTCP Haryana where Excise & Taxation Commissioner was also present

As decided in the meeting held on 14 5 2003 (Annexure D) the case was referred to L R Haryana for his opinion on the subject The L R Haryana has given his opinion as under —

In the opinion of his Department HUDA should be treated at par with PWD B&R Departments & clarification circulated vide memo No 1511 dated 19 6 2001 should be made applicable to it also However a proper remedy in this case to challenge the assessment order before Appropriate appellate authority on all legally sustainable grounds and discrimination may also be pleaded while filing the appeal The queries raised at noting page 17 in the AD file are answered accordingly

Keeping in view of the opinion of L R Haryana (Annexure E) the case has been referred to Excise and Taxation Commissioner Haryana for exemption vide letter No 776 dated 3 9 2003 (Annexure F) The reply of the Excise and Taxation Commissioner Haryana is awaited

As such it is clarified that no irregularity of any type has been committed by the office in the field As such para may be dropped

During the course of oral examination, the Committee was informed that the matter was pending in the High Court The Committee desired that the Committee may be informed of the decision of the High Court as and when obtained

IRRIGATION DEPARTMENT

71] **4 6 4** The Executive Engineer (EE) Construction Division 23 Panipat allotted (February 1999) the work of Rehabilitation of Gohana Distributory from RD 0 1 12 118 including repair of ghats and replacement of bridges to a contractor for Rs 133 crore. The agreement inter alia provided that (i) the contractor shall request the Engineer to issue a certificate of completion of the works and the Engineer will do so upon deciding that the work was completed (ii) the liquidated damages would be imposed at the stipulated rate subject to maximum of 10 per cent of the final contract price for delay and (iii) for incomplete work 20 percent of the value of work not completed shall be payable by the contractor.

During audit (May 2002) of Construction Division 23 Panipat it was noticed that the work was shown as completed on 9 July 2001 and final bill for Rs 1.09 crore was paid in March 2002 and February 2003 but completion certificate was neither asked for by the contractor nor the same was issued by the Engineer as it was actually not completed. Further scrutiny of payment vouchers with reference to the quantities of work as provided for in the agreement and confirmed by the new EE revealed that the work can not be treated as final as the remaining items of work valuing Rs 31.45 lakh were still left unexecuted as per site requirement.

The department in its reply stated as under —

The reply could not be sent due to non receipt of complete reply from the field office.

2 6 4 The Executive Engineer (EE) Construction Division 23 Panipat allotted (February 1999) work of Rehabilitation of Gohana Distributory from RD C-1 12 118 including repair of ghats and replacement of bridges to a contractor for Rs 133 crore. The agreement inter-alia provided that (i) the contractor shall request the Engineer to issue a certificate of completion of the works and the Engineer will do so upon deciding that the work was completed (ii) the liquidated damages would be imposed at the stipulated rate subject to maximum of 10 percent of the value of work not completed shall be payable by the contractor.

During audit (May 2002) of Construction Division 23 Panipat it was noticed that the work was shown as completed on 9 July 2001 and final bill for Rs 1.09 crore was paid in March 2002 and February 2003 but completion certificate was neither asked for by the contractor nor the same was issued by the Executive Engineer as it was actually not completed. Further scrutiny of payment vouchers with reference to the quantities of work as provided for in the agreement and confirmed by the new Executive Engineer revealed that the work can not be treated as final as the remaining items of work valuing Rs 31.45 lakh were still left unexecuted as per site requirement.

Thus the contractor was liable to pay Rs 4.80 lakh being 20 percent of Rs 24 lakh of the value of the work as per agreement not completed in addition to liquidated damages of Rs 3.30 lakh (10 percent of value of the work allotted) against which liquidated damages of Rs 0.54 lakh only were deducted in August 2002 from the running bill of the contractor.

Thus non adhering to the provision contained in the contract agreement had resulted in a loss of Rs 17.56 lakh to the Government. The Government had decided to charge sheet the defaulting Executive Engineers for the lapses.

It is agreed that Executive Engineer Construction Division No 23 Panipat allotted the work of Rehabilitation of Gohana Disry From RD 0 112118 including repairs of Ghats and replacement of bridges to Sh Kashmir Singh Contractor for Rs 1 33 Crores vide Agreement No 1/23/59 dated 17 2 99 Clauses as mentioned (i) (ii) and (iii) exist in the Agreement

From the record it is not coming out that the Agency had ever submitted completion certificate or Employer had ever written about in completion of the works Recovery / liquidated damage in August 2001 only for nine days reveals that work was accepted or completed with lesser cost of the work It can be due to the reason that physically the quantum of work was less as provided in the estimate and in the agreement The Contractor Sh Kashmir Singh vide his letter dated 12 2 2001 bearing receipt No 12-A/1701 dated 14 2 2001 received in Executive Engineer Construction Division No 23 Panipat office on 14 2 2001 reveals that scope of work has been reduced by 30% because a large No of patches of lining provided in the estimate in reaches 26 35 and 35 50 are not required to be done due to the fact that after clearance of sites it has been noticed that various patches of lining are existing in these reaches and in other reaches also It would there for be observed that due to reduction of scope of work on this accounts the percentage of work already completed work out to 85% and the balance are not required to be done Secondly the estimate for rehabilitation of Gohana Distributory was framed where there was silt deposited in the bed and sides of Distributory The exact quantity could not be assessed Executive Engineer Construction Division No 23 Panipat had issued the orders for actual measurement before start of work The actual measurement could not be done due to salutation in the channel as reported by the Sub Divisional Officer Sub Division No V These are the reasons for variation in the quantity sanctioned in the estimate to the actual quantity executed at site Hence the work was executed as per requirement of site Executive Engineer Water services Division had reported that Gohana Distributory is running satisfactorily after its rehabilitation and is taking authorized full supply discharge it seems that fact were not placed before the Audit Party in May 2002 by the Executive Engineer Construction Division No 23 Panipat Office

On the reduction of scope of work as explained in para above the penalty @ 20% can not be imposed on the balance cost of the work as per agreement and similarly liquidated damage of 10% of value of the work are also not to be levied when the work had been accepted as completed in August 2001 Only liquidated charges of Rs 0 54 Lakh for the delay of nine days had been recovered by the Employer in August 2001 from the running bill of the contractor as the work was completed after nine days of validity extension granted up to 30 6 2001

The Audit para had came up due to non production of proper- facts/record and presentation to the Audit party by the Divisional accountant and Executive Engineer Construction Division No 23 Panipat in May 2002 The work was finally settled by Sh D S Joon Executive Engineer and Audit inspection was done in the incumbancy of Sh G S Narwal Executive Engineer

Initially this para was framed as an Advance para Draft para and C&AG para No 4 6 4 The competent authority after perusal this para decided to serve upon charge

sheet under Rule 7 of P&A Rules 1987 against S/Sh D S Joan and G S Narwal Executive Engineer

The decision of the competent authority is awaited. In view of facts narrated/explained above Department is of the opinion that the para needs review

The Committee was informed that Sarvshri D S Joon and G.S, Narwal, Executive Engineers had been charge sheeted and the decision of the competent authority was awaited. After hearing the departmental representatives the Committee desired that the final action taken against the above mentioned Executive Engineers may be informed to the Committee

Non responsiveness to Audit findings and observations resulting in erosion of accountability

72] 4 9 3 After periodical inspection of the Government departments Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the Heads of offices inspected with a copy to the next higher authorities who are required to rectify the defects and omissions promptly and report their compliance to the AG within six weeks. A half-yearly report of pending IRs for more than six months is also sent to the concerned Administrative Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs

A review of IRs issued upto March 2003 of 98 Divisions of Public Works Department (PWD) Irrigation Branch disclosed that 883 paragraphs of 411 IRs (as per Appendix-XXI) remained outstanding at the end of March 2003. Of these 106 IRs containing 135 paragraphs were for more than 10 years old. Divisional Officers of 68 Divisions have failed to submit even the initial replies for IRs issued during April 2002 to March 2003

The Administrative Secretary of the Department who was informed of the position through half yearly reports also failed to ensure prompt and timely action by the Departmental Officers. Even serious irregularities such as recoverable amounts of Rs 23.50 crore from officers and contractors/agencies due to shortage of material, excess payments, works got completed on risk and cost of the defaulting agencies etc. as categorised in Appendix XXII and XXIII remained unsettled as of June 2003

These amounts were placed in routine in the Miscellaneous Public Works Advances against the concerned officials/contractors/agencies but no action was taken to recover the amount from them. As a result possibility of permanent loss of huge amounts cannot be ruled out

Similar paragraphs were floated in the Audit Report (Civil) for the year ended March 1996 and 1999. Public Accounts Committee while discussing the Report for the year 1995-96 directed the Department to settle the old outstanding inspection reports/paragraphs with Accountant General. But 204 old paragraphs involving 158 IRs for period ending March 1996 were still pending. Audit Report for the year 1998-99 is yet to be discussed by the PAC

The Audit paragraph was demi-officially forwarded to Financial Commissioner and Principal Secretary Haryana Government PWD Irrigation Branch in May 2003 but no reply was received (August 2003)

The department in its reply stated as under —

After periodical inspection of the Government Department Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the Heads of offices inspected with a copy to the next higher authorities who are required to rectify the defects and omissions promptly and report their compliance to the AG within six weeks. A half yearly report of pending IRs for more than six months is also sent to the concerned Administrative Secretary of the department to facilitate monitoring of the audit observations in the pending IRs.

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The Administrative Secretary of the Department who was informed of the position through half yearly reports also failed to ensure prompt and timely action by the Departmental Officers. Even serious irregularities such as recoverable amounts of Rs. 23.50 crore from officers and contractors/agencies due to shortage of material, excess payments, works got completed on risk and cost of the defaulting agencies, etc. as categorised in remained unsettled as of June 2003.

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The Audit paragraphs were demi-officially forwarded to the Financial Commissioner & Principal Secretary to Government Haryana Irrigation Department in May 2003 but no reply was received.

As per list of IR paras received from AG Audit Haryana vide letter dated 14.5.2007, all the old IR paras up to the period ending March 1997 had been settled and out of 883 paragraphs of 411 inspection reports involving the amount of Rs. 321.05 crore, the department has got settled 800 paragraphs of 345 inspection reports involving Rs. 229.59 crore, leaving a balance of 83 paragraphs of 66 inspection reports of Rs. 91.46 crore.

The Department has been directed to send the justifiable replies of remaining paragraphs to A.G. (Audit) Haryana Chandigarh for getting these IR paras settled.

The Committee desired that efforts may be made for expeditious settlement of outstanding inspection reports and paragraphs and the Committee may be informed of the latest position in this regard.

FOOD AND SUPPLIES DEPARTMENT

[73] 468 Food and Supplies Department

Food and Supplies Department Haryana procures paddy for Central pool and provides the same to the millers who deliver rice to the Food Corporation of India (FCI) after milling. The milling agreements entered with a miller (October 1999 and November 2000) *inter alia* provide that the miller would take delivery of paddy for milling either against bank guarantee or delivery of advance rice to FCI. In the event of failure to supply within the stipulated period the miller would be liable to pay interest at the prevailing rate of Cash Credit limit (CCL) of Reserve Bank of India for the period of default in supply of required quantity of rice from the paddy delivered to him. All the disputes and differences arising out of the agreement shall be referred to the arbitrator only within one year of the date of completion or on expiry of the period of contract.

Scrutiny of records (December 2002) of the District Food and Supplies Controller (DFSC) Fatehabad revealed that 48 418 50 quintal of paddy was delivered to a miller at Fatehabad during *kharif* 1999-2000. The miller was required to deliver 32 668 68 quintal of the rice to FCI by February 2000. However the miller delivered 23 600 31 quintal of rice to FCI during 1999-2000 and deposited cost of 135 55 quintals of undelivered rice in July 2000. Balance 13 136 50 quintal of paddy (equivalent of 8 932 82 quintal of rice) valuing Rs. 83 lakh was not milled by the miller during agreed period. However this paddy was milled by the miller during 2000-01 alongwith paddy issued during *kharif* 2000-01 but no action for delayed supply was taken against him. Though the performance of the miller in the past was unsatisfactory DFSC again delivered 42 883 53 quintal of paddy to the same miller (during *kharif* 2000-01) against which 36 093 88 quintal of rice was due. But again the miller delivered only 30 129 17 quintal of rice to FCI during November 2000 to March 2001. Thus 5 964 71 quintal of rice valuing Rs. 58 90 lakh was short supplied. As the miller failed to deliver full quantity of rice to FCI the security of Rs. one lakh only of the miller was adjusted in December 2001. On physical verification conducted by Assistant Food and Supplies Officer Fatehabad on 14 March 2002 no stock of rice was found with miller. The department lodged an FIR against the miller (April 2002). Upon this the miller delivered post-dated cheques for Rs. 43 lakh encashable between July 2002 and September 2004. The department had so far recovered a paltry amount of Rs. 24 lakh and Rs. 34 90 lakh were still recoverable from the miller (January 2003).

It was further noticed that the department had not filed a claim for recovery of interest which worked out to Rs. 21 25 lakh (Rs. 7 35 lakh for 1999-2000 and Rs. 13 90 lakh for 2000-01) upto May 2003 on recoverable amount of Rs. 34 90 lakh before the Arbitrator and had thus lost an opportunity for recovery of the same as no claim was filed with the Arbitrator within the required period of one year from the date of execution of the agreement. Thus in terms of agreement the miller stood discharged of liability. Besides the action of department to engage the same miller for *Kharif* 2000-01 knowing well his past status was not in consonance with the commercial practice. This had resulted in a loss of Rs. 56 15 lakh to the Government.

Similarly the DFSO Yamunanagar delivered 13 121 quintal of paddy grade A to a miller at Mustafabad Yamunanagar during *kharif* 2001-02 for milling without obtaining bank guarantee bond of Rs. 7 21 lakh and without ensuring delivery of advance rice. The miller was required to deliver 8 922 28 quintals of rice grade A by February 2002 against which only 6 904 89 quintals of rice was delivered to FCI till January 2003. Balance 2 017 39 quintals of

rice valuing Rs 20.23 lakh was still to be recovered from the miller besides interest of Rs 3.92 lakh as of May 2003 causing loss of Rs 24.15 lakh to Government

Thus the failure of DFSCs Fatehabad and Yamunanagar to enforce the provisions of agreement had resulted in loss of Rs 80.30 lakh (Rs 56.15 + Rs 24.15 lakh) to Government

The Financial Commissioner and Secretary (FC&S) to Haryana Government stated (July 2003) that in the case of Fatehabad an indemnity bond against the liabilities of Rs one crore and Rs 38 lakh alongwith interest had been obtained in February 2003. Further efforts were being made to recover the balance amount and disciplinary action for failure to obtain bank guarantees against the defaulting officials had also been initiated

The department in its reply stated as under —

Audit had observed through this para that during Kharif 1999&2000 Distt Food and Supplies Controller Fatehabad and during Kharif 2001 Distt Food and Supplies Controller Yamunanagar did not deliver 5964.72 qtl and 2017.39 CMR qtl respectively to FCI causing loss of Rs 56.15 lacs and Rs 24.15 lacs respectively

The position with regard to Fatehabad and Yamunanagar districts is explained as under —

Fatehabad

During Kharif 1999 initially deliveries of CMR were to be accepted by FCI before the commencement of next Kharif Season i.e. 15.9.2000. However Govt. of India issued instructions on 22.3.2000 not to accept the deliveries of CMR after 30.4.2000. Thus a qty of 5432.82 qtl CMR remained undelivered as on 30.4.2000. This qty was delivered to FCI during KMS 2000. The realization of this qty was made from FCI on the rates fixed by Govt. of India for KMS 2000. Thus no action was required to be taken against the millers for this lapse. Regarding loss of Rs 58.90 lacs due to non delivery of 5964.72 qtl CMR during KMS 2000-01 it is submitted that DFSC Fatehabad got conducted physical verification of stocks from his Asstt. Food and Supplies Officer on 14.3.2002. As the shortage of 5964.72 qtl came to the notice at the time of physical verification therefore AFSO requested S.H.O. Fatehabad on 15.3.2002 to register criminal case against the party. The S.H.O. Police Fatehabad registered case against the party vide FIR No. 171 dated 4.4.2002. Consequently owner of the rice mill applied for anticipatory bail in the Hon'ble Court Fatehabad on 7.4.2002 which was rejected by the Hon'ble Court on 28.6.2002. The owner of the rice mill issued twenty post dated cheques of Rs 43.00 lacs in favour of Distt. Food and Supplies Controller Fatehabad payable from 2.7.2002 to 30.9.2004. Out of twenty cheques four cheques of Rs 11.00 lacs were encashed and remaining were dishonoured by the bank due to paucity of funds. The Distt. Food and Supplies Controller Fatehabad filed complaints in the Hon'ble Court under Section 138 of Negotiable Instrument Act. The Distt. Food and Supplies Controller Fatehabad in consultation with the Distt. Administration also opted to obtain indemnity bond payable by 31.12.2004 but party did not discharge its liability by 31.12.2004.

The owner of the rice mill was arrested by the police on 04.07.2005 and he was bailed out on 08.07.2005 by the Hon'ble Court. There after the owner of the rice mill also deposited an amount of Rs 28.00 lacs with the Distt. Food and Supplies Controller

Fatehabad on 8 7 2005 and 3 8 2005 After adjusting dues like transportation charges security and milling charges etc payable to the rice miller the entire principle amount of Rs 58 90 lacs stand recovered/adjusted as per details given below —

Rice balance with the firm as on 27 11 2001	5964 71 qtl
Cost of rice	Rs 58 89 555/-
Amt recovered through cheques/pay orders/draft	Rs 47 26 640/-
Cost of 68429 bags @ Rs 13 36 payable to the miller	Rs 9 14 211/-
Total	Rs 56,40,851/-
Balance amt against the miller	Rs 2,48,704/-
Amount payable to the miller —	
(i) Security Amount	Rs 1 00 000/-
(ii) Milling Charges	Rs 1 72 970/-
(iii) Transportation charges of CMR	Rs 2 925/-
Total amount payable	Rs 2,75,895/-
Net amt payable to the miller	(+) Rs 27191/-

Efforts are being made to recover the interest amounting to Rs 14 40 lacs upto 31 7 2005 on the delayed payments from the party

The Distt Food and Supplies Controller and Distt Food and Supplies Officer Fatehabad were charge sheeted on 9 6 2004 and 10 6 2004 respectively under Rule 8 of the Punishment & Appeal Rules for not obtaining the bank guarantee The AFSSO Inspector Food & Supplies and Sub Inspector were also charge sheeted on 15 12 2003 under Rule-7 of the Punishment and Appeal Rules for not obtaining the bank guarantee etc The Enquiry Officer has also been appointed to enquire the charges levelled against them

Yamunanagar

As per para a qty of 2017 39 qtl CMR valuing Rs 20 23 lacs was to be recovered from the millers besides interest of Rs 3 92 lacs causing total loss of Rs 24 15 lacs The latest position of outstanding CMR and its value is given as under —

(i) Qty un delivered as per para 2017 qtl	
(ii) Qty delivered from June 2003 to May 2004	1028 qtl
(iii) Balance Rice	989 qtl
(iv) Value of the balance CMR	Rs 10 70 lac
(v) Amount deposited on 15 6 2005	Rs 7 00 lac
(vi) Balance Amount	Rs 3 70 lac
	Rs 3 70 lac

Efforts are being made to recover the balance amount of Rs 3 70 lacs besides interest amounting to Rs 5 48 lacs. The departmental proceedings have been initiated against the DFSC Yamunanagar. The IFS and SIFS were charge sheeted under Rule 7 on 12 1 2004 for not comply with the instructions to obtain the bank guarantee etc. The Enquiry Officer has also been appointed.

Thus out of Rs 80 30 lacs an amount of Rs 65 95 lacs has been recovered and efforts are being made to recover the balance amount of Rs 14 35 lacs.

After hearing the departmental representatives, the Committee dropped the matter relating to Fatehabad and as regards the case of Yamuna Nagar, the Committee desired that the details of the actions taken along with the dates in this case may be intimated to the Committee. The Committee may be informed what criteria was adopted while chargesheeting the employees under rule 7 and the officers under rule 8. The Committee further asked the department to get it examined from the Legal Department whether an officer of the department can be appointed as an arbitrator in a case where the department itself was a party. The Committee was of the view that in such cases the department should take the bank guarantee instead of cheques as the cheques normally got bounced and the department had to go in litigation.

SPORTS DEPARTMENT

[74] 4 6 10 Financial rules provide that no money should be drawn from the treasury unless required for immediate disbursement or for recoupment of the amount paid out of permanent advance Drawal of advance from the treasury for execution of works the completion of which is likely to take considerable time is also not permissible Any unspent amount not required for immediate disbursement is to be refunded into the treasury promptly Retention of funds outside Government account is also irregular

State Government under the scheme Construction of Modern Sports Infrastructure sanctioned (January 1997 to December 2001) Rs 35 10 lakh for disbursement to the District Sports Councils (DSCs) for construction/main enance of various Sports infrastructures The sanctions *inter alia* provided that the grant was subject to 50 percent matching contribution to be arranged through local sources and agreement bonds were to be got executed from the recipient before disbursing the amount The amount was to be utilised within one year and the unspent balance if any was required to be refunded in treasury

Scrutiny of records of eight District Sports and Youth Welfare Officers (DSWOs) revealed that Rs 35 10 lakh as detailed below were withdrawn during January 1997 to December 2001 and transferred to the concerned DSCs who kept these amounts in the banks No agreement bond was however got exected at the time of transfer of funds to DSCs

Sr No	Name of DSWO	Name of work	Date of sanction	Amount sanctioned (Rs in lakh)	Date of drawal of amount	Amount utilised (Rs in lakh)	Amount unspent (Rs in lakh)	Replies of DSWO
1	2	3	4	5	6	7	8	9
1	Bhiwani	Construction of sports stadium at Tosham maintenance of Isherwal Stadium	28 1 1997 30 9 1998	4 00 1 00	12 3 1997 13 11 1998	Nil Nil	4 00 1 00	Amount could not be utilised due to disputed land made available by the municipality for the construction of Sports Stadium at Tosham and non availability of land required for athletic track at Isherwal
2	Fatehabad	Construction of Ratia Stadium Sports Stadium Fatehabad	30 9 1998 8 3 1999	2 00 2 00	15 3 1999 15 3 1999	Nil Nil	2 00 2 00	Work in progress
3	Hisar	Extension of sitting sheds and stage	21 12 2001	3 66	28 12 2001	Nil	3 66	The work could not be taken up due to non preparation of drawing and estimates
4	Jhajar	Construction of Gymnasium hall at Bahadurgarh stadium	10 12 1999	5 00	24 12 1999	Nil	5 00	Permission to divert the funds for the construction of wrestling shed in place of Gymnasium hall had

1	2	3	4	5	6	7	8	9
		Construction of pucca cemental ground at Bahadurgarh stadium	10 12 1999	3 00	24 12 1999	Nil	3 00	not been granted so far
		Construction of bathrooms toilet at Bahadurgarh stadium	10 12 1999	1 00	24 12 1999	Nil	1 00	
5	Jind	Construction of multipurpose hall at Jind	28 1 1997	2 00	25 2 1997	Nil	2 00	After incurring expenditure of Rs 3 50 lakh on the filling work upto DPC level for the construction of Boxing/ Wrestling shed work had to be stopped due to court case The electrical work in multipurpose hall had also not been done due to court case However the work had been taken up and was in progress
		Construction of Boxing shed at Jind	6 3 1998	5 00	24 3 1998	3 50	1 50	
		Construction of wrestling at Jind	6 3 1998	4 00	24 3 1998	Nil	4 00	
6	Narnaul	Laying cricket pitch at Netaji Subhash Chander Bose Stadium	11 8 2000	0 50	18 10 2000	Nil	0 50	Laying of cricket pitch at Netaji Stadium could not be done as the amount had been misutilised by Ex DSWOs for conducting Women Sports Festival at Panipat which has now been recovered (December 2002) from him and the work would be taken up shortly
7	Rohtak	Levelling of cricket pitch	6 3 1998	0 50	27 3 1998	Nil	0 50	The work could not be done due to non availability for proper site
8	Sonapat	Construction of mini stadium Halaipur	23 2 2001	0 34	30 3 2001	Nil	0 34	Mini stadium at Halaipur and Basketball court at Subhash Stadium Sonapat could not be constructed due to non receipt of permission from GOI and matching contribution from local resources
		Construction of Basket ball court at Subhash Stadium	23 2 2001	0 10	30 3 2001	Nil	1 10	
Total				35 10		3 50	31 60	

This shows that out of total amount of Rs 35 10 lakh only Rs 3 50 lakh were spent and remaining amount of Rs 31 60 lakh remained unspent over a period of one to six years

Commissioner and Secretary to Government Haryana Sports and Youth Welfare Department while admitting the facts stated (July 2003) that the work of creating of sports infrastructure at Bhiwani Jhajjar Rohtak and Sonapat could not be taken up and the amount was being deposited Further developments were awaited

Thus due to non construction of Sports Complexes at various places in the State not only the objective of scheme was defeated but also the funds of Rs 31 60 lakh remained outside the Government account over a period of one to six years on which Government also sustained a loss of interest of Rs 9 63 lakh as of August 2003

The department in its reply stated as under —

Annexure 'C'

Sr No	Name of DSWO	Name of work	Date of sanction	Amount sanctioned (Rs in lakh)	Date of drawal of amount	Amount utilised (Rs in lakh)	Amount unspent (Rs in lakh)	Replies	Reply of Department
1	2	3	4	5	6	7	8	9	10
1	Bhiwani	Construction of Sports Stadium at Tosham Maintenance of Ishwerwal Stadium	28.1.1997 30.9.1998	4.00 1.00	12.3.1997 13.11.1998	Nil Nil	4.00 1.00	Amount could not be utilized due to land made available by the municipality for the construction of Sports Stadium at Tosham and non availability of land required for athletics track at Isserwal Stadium could not be constructed on account of non availability of land from the villages A D O letter from Commissioner & Secretary Sports was also written to D C & President District Sports Council Bhiwani on 30.12.2002. Even after this work could not be started. Now amount of Rs 5.04.153/- and Rs 1.26.078/- inclusive interest have been deposited in the Govt Treasury vide Treasury Challan form on 18.2.05 against the amount of Rs 4.00 lacs and Rs 1.00 lac sanctioned by the State Government for Tosham Stadium (District Bhiwani) and Issarwal Stadium Annexure D & E respectively.	Amount could not be utilized due to disputed land made available by the municipality for the construction of Sports Stadium at Tosham and non availability of land required for athletics track at Isserwal Stadium could not be constructed on account of non availability of land from the villages A D O letter from Commissioner & Secretary Sports was also written to D C & President District Sports Council Bhiwani on 30.12.2002. Even after this work could not be started. Now amount of Rs 5.04.153/- and Rs 1.26.078/- inclusive interest have been deposited in the Govt Treasury vide Treasury Challan form on 18.2.05 against the amount of Rs 4.00 lacs and Rs 1.00 lac sanctioned by the State Government for Tosham Stadium (District Bhiwani) and Issarwal Stadium Annexure D & E respectively.
2	Fatehabad	Construction of Rata Stadium Sports stadium Fatehabad	30.9.1998 8.3.1999	2.00 2.00	15.3.1999 15.3.1999	Nil Nil	2.00 2.00	Work in progress	The full amount has been spent by the Distt Sports Council and the U Cs have been adjusted in the office of A G Hayana vide their letter No DC9/2007 08/GJA/2204/704 dated 27.12.2007 (F)
3	Hisar	Extension of sittings sheds and stage	21.12.2001	3.66	28.12.2001	Nil	3.66	The work could not be taken up due to non preparation of drawing and estimates	Due to non preparation of drawings and estimates the work could not be started. Now the work has been completed and the U C from the Distt Sports & Youth Affairs Officer Sports

1	2	3	4	5	6	7	8	9	10
									Officer Hisar have been received. The U Cs have been adjusted in the office of A G Haryana vide their letter No DC9/2007 08/GIA/2204/704 dated 19 12 2007 Annexure (A)
4	Jhajjar	Construction of gymnasium hall at Bahadurgarh stadium	10 12 1999	5 00	24 12 1999	Nil	5 00	Permission to divert the funds for the construction of wrestling shed in place of Gymnasium hall had not been granted so far	Now this amount has been spent and the U Cs of which have been adjusted in the office of A G Haryana vide their letter No DC9/2007 08/GIA/2204/704 dated 19 12 2007 Annexure (A)
		Construction of pucca cemented ground at Bahadurgarh Stadium	10 12 1999	3 00	24 12 1999	Nil	3 00		The amount of Rs 3 80 528/ inclusive interest has been deposited by the District Sports & Youth Affairs Officer Jhajjar vide Treasury Challan on 2/3/05 Annexure G
		Construction of bathrooms toilet at Bahadurgarh stadium	10/12/1999	1 00	24/12/1999	Nil	1 00		
5	Jind	Construction of multipurpose Hall at Jind Construction of Boxing shed at Jind	28/1/1997 6/3/1998	2 00 5 00	25/2/1997 24/3/1998	Nil 3 50	2 00 1 50	After incurring expenditure of Rs 3 50 lakh on the filling work upto DPC level for the construction of Boxing Wrestling shed work had to be stopped due to court case. The electrical work in multipurpose Hall had also not been done due to court case	This amount has been spent by the District Sports Council Jhajjar the U Cs of which have been adjusted in the office of A G Haryana vide their letter No DC9/2007 08/GIA/2204/704 dated 19 12 2007 Annexure (A)

During the course of oral examination the Committee discussed the latest position of construction of Sports Stadium at Bhiwani, Fatehabad, Hisar, Jhajjar Jind, Narnaul, Rohtak and Sonapat in detail and the Committee desired that explanatory note after completing the inquiry in all these cases may be sent to the Committee within a period of six months

The Committee was of the view that Rs 40 crores or 60 crores is not sufficient amount and the same may be increased suitably The Committee recommended that the cricket should not have any priority in Haryana It should be left to the private people Priority should be given to Football, Hockey Volley Ball Basket Ball and Kabaddi etc and these games should be encouraged

PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS)

Stores and Stock accounts

[75] 4 8 1 Stores comprise of all articles and material purchased or otherwise acquired for use on works. These include expendable and issuable articles in use or accumulated for specific purposes as well as articles of dead stock of the nature of plant and machinery instruments equipment fixtures etc. Stores are purchased through Director General Supplies and Disposals (DGS&D) Government of India or Director Supplies and Disposals (DS&D) Haryana or by departmental officers for use on works. Test check of records relating to purchase custody issue and management of stores for the years 2000 to 2003 in respect of 15 out of 60 Divisions of Public Works Department (PWD) Buildings and Roads (B&R) Branch was conducted during October 2002 to March 2003.

Budgetary arrangement and misuse of LOC system

4 8 2 No specific allocation of funds for procurement of stores is made in annual budget of the PWD (B&R). To enforce strict financial control and discipline the Finance Department introduced the letter of credit (LOC) system in the PWD in July 1972. No separate LOC for the purchase of stores is issued. Payments for purchase of stores are made out of the funds released through LOC for works.

During test check following cases of injudicious drawal and misutilisation of LOC were noticed

- * The Executive Engineer (EE) Provincial Division Narwana drew Rs 1.52 crore under Central Road funds schemes (Rs 1.13 crore) and *Prime Minister's Gramin Sadak Yojana* (Rs 0.39 crore) during March 2002 (Rs 0.94 crore) and June 2002 (Rs 0.58 crore) for making advance payment to Indian Oil Corporation (IOC) Panipat for purchase of 1,620.87 metric tonnes (MT) of bitumen on photo copies of two proforma invoices. However only 174.17 MT of bitumen valuing Rs 20 lakh was procured in March and June 2002. Balance amount of Rs 1.32 crore was converted in bank drafts for making payment to IOC Panipat and were subsequently cancelled. Of these Rs 0.84 crore were spent on annual/special repair works other than those for which the funds were originally drawn.
- * Engineer-In Chief (EIC) PWD B&R placed (June 2002) LOC of Rs 2.95 crore at the disposal of EE Provincial Divisional II Hisar for the period upto 30 June 2002. Instead of making payments to contractors EE prepared bank draft for Rs 66.75 lakh on 28 June 2002 in favour of IOC for purchase of 555.09 MT of bitumen without any invoice or any requirement. After cancelling this bank draft in August 2002 the amount was utilised for making payments to contractors. Thus the LOC meant for June 2002 was irregularly utilised in August 2002.
- * EE Provincial Division PWD (B&R) Bhiwani withdrew Rs 82.82 lakh during March 2002 for the purchase of 869.67 MT bitumen. Of this Rs 52.82 lakh were paid in March 2002 to IOC Panipat. Balance amount Rs 30 lakh was retained in Divisional Office in the form of two bank drafts of Rs 15 lakh each which were cancelled during April and May 2002 and funds were utilized for making payment to contractors for execution of work. Thus funds were drawn without immediate requirement only to avoid lapse of LOC.

Store management

4 8 3 The Divisional Officer is mainly responsible for assessment acquisition custody and disposal of stores at divisional level. A chronological record of receipt issue and running balance of each article of stock is kept in a Bin Card. The value accounts of stores are kept in the Priced Store Ledger (PSL) maintained at the divisional level. According to the procedure prescribed for maintenance of stock accounts value of stores received is debited to stock suspense head and on issue/transfer to works/other units is cleared by charge to the concerned works and other units.

The department in its reply stated as under —

The LOC was allotted in bulk amount at the fag end of the year and it was not possible to make the payment to the contractors. Hence to utilize the LOC- Bank drafts were prepared for purchase of bitumen from IOC Panipat. But due to non availability of space in the store and to avoid deterioration of quality of material the bank drafts were not sent to IOC at one time and these were sent to IOC as and when the material is required. During this period the bank drafts were cancelled to make the payments to contractors against other work so that the progress of these works may not suffer due to non availability of funds. The LOC was utilized to keep the pace of work by making available the material and payments as per requirements. However S E Jind has been directed to utilize the amount for this purpose it was allotted/drawn vide this office letter No. 1760 dated 17.11.04.

The reply received from S E NH Faridabad was not found satisfactory. Superintending Engineer Faridabad has again advised to send detailed reply strictly as per observations of A G Audit vide this office letter No.1698/Audit dated 8.11.04.

It is intimated that out of Rs. 82.82 lacs Rs. 52.82 lacs were paid to IOC Panipat and balance amount of Rs. 30 lacs was retained in the shape of bank draft for supply of bitumen. Superintending Engineer Bhiwani placed supply order of 1000 MT bitumen to IOC. But IOC supplied only 501.18 MT bitumen during April 2002 and 238.55 MT bitumen during May 2002. The remaining bitumen was supplied during June 2002 to August 2002. Keeping in view of delayed supply of bitumen by the IOC bank drafts were cancelled so as to avoid advance payment. Further bank drafts were got cashed and used for urgent payment for HHUP to avoid interest payment as per contract conditions. However that point is noted for future compliance. In view of position explained above sub para may be settled.

The Store Accounts of field offices are being maintained in accordance with the Rules/instructions issued in this regard from time to time.

During the course of oral examination, the Committee was informed that there is only procedural violation and no misappropriation or embezzlement of any amount is involved. The Committee desired that these procedural violations may be scrutinized by the Head Office properly and the Committee may be informed of the same within a period of three months.

Non adjustment of storage charges

[76] 486 Storage charges were required to be fixed every year by the Divisional Officers so that all expenditure on maintenance and upkeep of stores watch and ward expenses rent repairs and electricity charges of godown or yards etc as far as possible were recovered from issue of stores. These charges were required to be adjusted finally in the account of the same year. A test check of records of 54 Divisions revealed that credit balance (profit) of Rs 0.48 crore in 16 Divisions (**Appendix XVI**) and debit (loss) balance of Rs 3.37 crore in 27 Divisions (**Appendix-XVII**) at the end of March 2003 were lying unadjusted.

The department in its reply stated as under —

It is intimated that out of credit balance (profit) of Rs 0.48 crore in 16 divisions mentioned in Appendix XVI a sum of Rs 14.41 lakhs of 6 divisions namely Provincial Division Narwana Electrical Division Hissar Mechanical Division Hissar No I & II Kurukshetra and Electrical Division Gurgaon has now been adjusted. The remaining 10 divisions have been directed to adjust the amount at the earliest vide this office memo No 1710-23 dated 8.11.2004. It is further intimated that out of debit (loss) balance of Rs 3.37 crore a sum of Rs 12.11 lakhs have been adjusted now. Serious efforts are being made by the department for the adjustment of balance amount.

In reply to query of Sub Committee of PAC, the Committee was informed that all the SEs have been directed to fix the responsibility for any lapse. The Committee desired that the final outcome of the whole exercise may be intimated to the Committee and the action may also be taken against the SEs who did not take any action on the directions of the Head Office under intimation to the Committee within a period of six months.

Irregular/un-authorised expenditure of storage charges

[77] 487 Storage charges are recovered on issue of stores and are required to be spent on maintenance and upkeep of stores watch and ward rent etc.

Contrary to these provisions it was noticed that in seven test checked Divisions Rs 57.54 lakh were irregularly spent on the construction of office buildings (Rs 19.97 lakh) purchase of stationery articles for office use (Rs 3.72 lakh) payment of electricity bills (Rs 0.76 lakh) telephone bills (Rs 1.32 lakh) payment of compensation for accident (Rs two lakh) celebration of Republic/Independence days (Rs 8.50 lakh) protection of Ghaggar bridge (Rs 1.99 lakh) payment of wages (Rs 0.55 lakh) and on miscellaneous items (Rs 18.73 lakh) between April 2000 and March 2003 by charging the expenditure to storage instead of respective works.

The department in its reply stated as under —

Executive Engineer Provincial Division NH Hissar has intimated that the amounts spent on construction of office building had been withdrawn and charged to respective works. The reply received from remaining divisions was not found convincing and all the field offices have been directed not to repeat such irregularity in future vide this office memo No 1724-29/Audit dated 8.11.04.

The Committee desired the Commissioner & Secretary to Government Haryana PWD (B&R) to look into the matter at his own level and a proper reply may be

sent to the Committee within a period of three months as the reply sent by the Department was not satisfactory

Non recovery of difference of sales tax

[78] 4 8 11 In the meeting of SEs and EEs held on 6 August 2001 under the Chairmanship of Financial Commissioner and Secretary to Government Haryana PWD B&R it was decided that where the contractors are arranging bitumen at their own level and are paying sales tax at the concessional rate of four *percent* instead of normal rate of 10 *percent* the difference of six *percent* should be recovered from the bills of the contractors. In audit (December 2002) of Construction Division (NH) Hissar it was noticed that two contractors arranged 3 879 179 MT of bitumen valuing Rs 3 66 crore during October 2001 to October 2002 from IOC by paying sales tax at concessional rate of four percent for Government works. Thus an amount of Rs 21 96 lakh became recoverable but the same had not been recovered as of September 2003.

The department in its reply stated as under —

This sub para relates to E E Construction Division (NH) Hissar regarding non recovery of difference of sales tax amounting to Rs 21 96 lakhs. Superintending Engineer National Highway Faridabad has directed vide this office memo No 1730/Audit dated 8 11 04 to recover the excess amount of Sales Tax from concerned contractor at the earliest.

The Committee desired the Commissioner & Secretary to Government Haryana PW (B&R) Department to look into the matter at his own level and the factual latest position be intimated to the Committee within a period of three months

INDUSTRIAL TRAINING AND VOCATIONAL EDUCATION DEPARTMENT

Training of Audit Personnel

[79] 5 1 3 No training was imparted to SAS personnel and other staff during 1998 2003

The Department in its reply stated as under —

The Internal Audit Officer and Sectional Officer posted in the audit wing of this departments are S A S qualified and as per S A S syllabus different type of financial rules and regulations laid down in CSR PFR DFR Commercial Accounts etc are included Therefore there is no provision for imparting training to SAS personnel

The Committee is of the view that training to the S A S personnel is also necessary as it widens the audit mind of the staff Therefore the Committee recommends that necessary training from the Finance Department for conducting internal audit from the Finance Department, may be imparted to the concerned staff

Delay in issue of Inspection Reports and settlement of old objections

[80] 5 1 6 Inspection Reports were required to be issued to the concerned institutions within one month of the completion of audit

Out of 108 Inspection Reports test checked 44 Inspection Reports were found to be issued late by two to six months 10 by six to twelve months and two by more than twelve months Out of 543 outstanding paras 42 paras were settled on the basis of first reply and 501 paras were still outstanding No efforts were made to settle these paras Further no record was maintained to show the total number of paras outstanding and the amount involved therein

The Department in its reply stated as under —

It is incorrect to say that no efforts for the settlement of 510 paras was not taken is also not based on facts Actually after issue of every internal audit report the reminders are issued Moreover at the time of audit the review of pending paras are also taken up The review was not conducted only where the concerned institutes do not submit the annotated reply Necessary directions in this regard are issued after finalization of audit

So far delay in issuing the audit reports is concerned it is submitted that before 1998 the pendency of audit between 10 to 13 years was accumulated and to minimise the pendency the audit of some institutions was conducted in 2 to 3 phase as such the audit report is issued only after completing the audit Moreover neither there is government as well as departmental instructions to the Internal Audit Party to issue the audit report within a month However the instructions on this point is noted for compliance in future so that they may not be any lapse in this regard

The Committee may be informed of the latest position regarding outstanding inspection report and settlement of the old objections

GENERAL**Financial assistance to local bodies and other institutions**

[81] 1 7 2 Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. 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 Government. The grants are given by 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.

The quantum of assistance provided to different Bodies, etc. during the period of five years ending 2002-03 was as follows:

Table 15

(Rupees in crore)

Sr No	Bodies/authorities etc	1998-99	1999-2000	2000-01	2001-02	2002-03
1	Universities and Educational Institutions	102.12	130.43	167.48	215.59	190.14
2	Municipal Corporations and Municipalities	103.76	103.55	116.26	144.03	158.95
3	Zila Parishads and Panchayati Raj Institutions	2.67	4.97	9.78	35.77	5.02
4	Development Agencies	87.27	91.76	119.06	128.32	116.82
5	Hospitals and other Charitable Institutions	8.39	19.29	12.10	16.04	16.26
6	Other Institutions (including statutory bodies)	76.55	61.42	87.49	128.71	120.61
	Total	380.76	411.42	512.17	668.46	607.80
	Percentage increase(+)/decrease () over previous year	21	8	24	31	(-)9
	Assistance as a percentage of revenue receipts	7	7	8	9	7
	Percentage of assistance to revenue expenditure	5	6	7	8	7

Delay in furnishing utilisation certificates

1 7 3 The Financial rules of 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 3 062 utilisation certificates due in respect of grants in aid of Rs 1 155 63 crore paid during 1991-92 to 2001-02 only 794 utilisation certificates for Rs 556 48 crore were furnished to AG by 30 June 2003 and 2 268 certificates for Rs 599 15 crore were in arrears. Department wise and age wise break is given in **Appendix II**

Delay in submission of accounts by Autonomous Bodies

174 The status of submission of accounts by the autonomous bodies and submission of Audit Reports thereon to the State Legislature as of June 2003 is given in **Appendix III**

Audit arrangements

175 The audit of local bodies (Zila Parishad, 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.

The accounts of eighty-eight bodies/authorities which were received for the year 2001-02 attracted audit by Comptroller and Auditor General of India. Of these 68 bodies/authorities audit of which was due were audited during 2002-03.

Two hundred and forty-eight annual accounts of 93 bodies/authorities for 2002-03 and earlier years had not been received as of July 2003 by the Accountant General (Audit). The details are given in **Appendix IV**. Of these bodies/authorities 12¹ Municipal Committees and one² Aided College did not submit their accounts for five years or more.

Non furnishing of accounts of utilisation of grants

176 Out of 271 autonomous bodies to whom various Government departments released grants in aid of Rs 172 68 crore during the year 2002-03 as detailed in **Appendix V**, 171 did not render the accounts for the utilisation of grants to the concerned departments as of July 2003.

The Committee observed that this para is regarding non furnishing of utilisation certificates by various departments/autonomous bodies. The Finance department gives grants to different departments on the basis of allocation. It is the responsibility of the concerned departments to submit utilisation certificates well in time.

The Committee recommends that all outstanding utilisation certificates be furnished and Finance department should ensure before the release of further grants to the departments that they have furnished all the outstanding utilisation certificates of previous grants.

Misappropriations, defalcations, etc

[82] 177 State Government reported 260 cases involving Rs 1 61 crore on account of misappropriations, defalcations, etc. of Government money. These cases pertained to the period from 1971-72 to the end of March 2003 on which final action was pending at the end of June 2003. The department wise/year-wise and category-wise break up of pending cases is given in **Appendix VI and VII** respectively.

It has been observed by the Committee that huge number of cases of misappropriation, defalcation etc were pending for investigation/finalisation by various Departments. The Committee would like to know the progress made in disposing off these cases alongwith the department wise break up of latest position through the Finance Department.

The Committee recommends that Finance Department may issue instructions to the concerned Departments to dispose off the cases concerning their department within three months and latest position be intimated to the Committee accordingly.

The Committee further recommends that such cases of misappropriation, defalcation etc be also investigated and decided at the earliest to avoid financial irregularities.

Follow-up on Audit Reports

[83] 491 According to the instructions issued (October 1995) by the Finance Department and reiterated in March 1997 and July 2001 the Administrative Departments were to initiate *suo motu* positive and concrete action on all Audit Paragraphs and Reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases are taken up for examination by the Public Accounts Committee or not. They were also to furnish details notes duly vetted by audit indicating the corrective/remedial action taken or proposal to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ending 31 March 2002 revealed that the ARs for the period 1998-2002 were presented to State Legislature in September 2000, March 2002 and March 2003 respectively. Of the 170 paragraphs/reviews of 35 Administrative Departments included in ARs 1998-2002, 24 Administrative Departments had not submitted the remedial/corrective ATNs on 86 paragraphs/reviews as per details given in the **Appendix-XIX**. Out of this, 10 Administrative Departments have not taken any action to recover the amount of Rs. 363.31 crore in respect of 16 paragraphs/reviews as per details given in the **Appendix XX**.

The Committee is of the view that the department should send Action Taken Notes on the Audit Reports immediately after three months of their presentation to State Legislature. However, it is observed by the Committee that Department do not care to send the replies to paras contained in audit Reports. The Committee recommends that all the concerned departments should take immediate action for sending Action taken Notes on these paras through Finance Department to the Committee and A.G. (Audit) Haryana in future.

Appendix II
(Refer paragraph 1 7 3, page 13)

Details of utilisation certificates required, received and outstanding

Sr No	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
1	2	3	4	5	6	7	8	9
1	Housing	2001 02	8	58 17			8	58 17
2	Urban Development	1994 95	35	423 92	1	350 00	34	73 92
		1995 96	4	28 91	1	25 00	3	3 91
		1996 97	10	7 00	1	0 17	9	6 83
		1997 98	31	22 65	3	10 89	28	11 76
		1998 99	22	630 76	3	45 43	19	585 33
		1999 2000	190	1 152 18	17	151 20	173	1 00 98
		2000 01	250	2 094 15	87	875 35	163	1 218 80
		2001 02	535	2 900 42	35	691 81	500	2 208 61
3	Irrigation	1998 99	2	100 00			2	100 00
		1999 2000	2	120 00			2	120 00
		2000 01	17	4 126 95	14	3 805 27	3	321 68
		2001 2002	15	4 701 89	12	4 319 20	3	382 69
4	Power	2001 02	5	2 537 36			5	2 537 36
5	Agriculture	1998 99	1	0 50	1	0 50		
		2000 01	11	6 425 00			11	6 425 00
		2001 02	10	7 135 78	10	7 135 78		
6	Rural Employment	1999 2000	4	12 65	3	12 18	1	0 47
		2000 01	13	154 48	3	1 33	10	153 15
		2001 02	61	5 609 46	29	3 545 21	32	2 064 25
7	Development and Panchayat	1997 98	1	11 76			1	11 76
		1998 99	6	26 29	1	16 55	5	9 74
		1999 2000	42	426 81	19	375 23	23	51 58
		2000 01	33	953 06	10	742 83	23	210 23
		2001 02	60	3 577 26	18	2 147 51	42	1429 75
8	Economical and Statistical Advisor	1999 2000	1	33 21		27 82	1	5 39
		2000 01	28	640 00	19	638 73	9	1 27
		2001 02	38	1 000 00			38	1 000 00
9	Medical	1991 92	1	5 00			1	5 00
		1992 93	2	35 00			2	35 00
		1993 94	13	250 15			13	250 15
		1994 95	16	232 96			16	232 96
		1995 96	9	74 82			9	74 82
		1998 99	2	18 93			2	18 93
		2000 01	5	7 66	1	0 27	4	7 39
		2001 02	53	93 13	28	85 92	25	7 21
10	Education	2000 01	6	3 282 27	6	3 282 27		
		2001 02	228	19 019 79	160	13 829 10	68	5 190 69
11	Revenue	1992 93	3	60 00			3	60 00
		1995 96	1	4 34			1	4 34

1	2	3	4	5	6	7	8	9
		1998 99	1	50 50			1	50 50
		2000 01	3	95 00			3	95 00
		2001 02	8	372 72			8	372 72
12	Social Security and Welfare	1996 97	12	666 09			12	666 09
		1997 98	32	286 05	1	0 50	31	285 55
		1998 99	43	511 44	20	80 00	23	431 44
		1999 2000	37	1 773 89			37	1 773 89
		2000 01	60	1 048 78	31	83 24	29	965 54
		2001 02	91	1 510 59	3	13 50	88	1 497 09
13	Technical Education	2000 01	1	189 21	1	189 21		
		2001 02	56	2 350 73	27	854 19	29	1 496 54
14	Sports	1999 2000	9	15 38			9	15 38
		2000 01	2	84 01		3 00	2	81 01
		2001 02	8	184 00	1	31 50	7	152 50
15	Science and Technology	1993 94	1	1 00			1	1 00
		1999 2000	1	4 42			1	4 42
		2000 01	6	22 09	6	22 09		
		2001 02	11	186 11	6	101 36	5	84 75
16	Ecology and Environment	1997 98	3	12 89			3	12 89
		1998 99	4	16 66			4	16 66
		1999 2000	3	8 94			3	8 94
		2000 01	1	6 62			1	6 62
		2001 02	3	0 98			3	0 98
17	Tourism	2000 01	2	42 00			2	42 00
		2001 02	2	42 00			2	42 00
18	Public Health	1995 96	12	592 27	12	592 27		
		1996 97	21	11 166 43	10	2 100 05	11	9 066 38
		1997 98	14	2 123 86	14	2 123 86		
		1998 99	17	3 231 73	17	3 231 73		
		1999 2000	5	364 06	5	364 06		
		2000 01	165	4 366 70	110	2 923 40	55	1 443 30
		2001 02	544	14 402 86			544	14 402 86
19	Art and Culture	2001 02	3	4 27	3	4 27		
20	Animal Husbandry	2001 02	10	436 00	9	416 00	1	20 00
21	Fisheries	2001 02	16	222 12			16	222 12
22	Non conventional sources of energy	1993 94	1	1 99			1	1 99
		1996 97	1	1 72			1	1 72
		2000 01	6	20 28	5	18 99	1	1 29
		2001 02	8	65 36	5	16 72	3	48 64
23	Village and Small Scale Industries	1998 99	4	39 41			4	39 41
		1999 2000	14	296 85			14	296 85
		2000 01	14	310 74	2	2 50	12	308 24
		2001 02	18	397 32	9	318 12	9	79 20
24	Civil Aviation	2000 01	1	1 34	1	1 34		
		2001 02	14	40 50	14	40 50		
Total Say			3 062	1 15 562 58	794	55 647 98	2 268	59 914 63
				Rs 1 155 Crore		Rs 556 crore		Rs 599 crore

Appendix III

(Refer paragraph 174, page 14)

Details with status of accounts submitted by Autonomous bodies to State Legislature

Sr No	Name of the body	Period of entrustment of audit of accounts CAG	Year for which accounts due	Year upto which accounts submitted	Year upto which Report issued	Year upto which Report submitted to State Legislature	Reasons for non finalisation of Audit Reports
1	2	3	4	5	6	7	8
1	Haryana Khadi and Village Industries (Board) Manimajra Chandigarh	2002 03 to 2006 07	2002 03	2001 02	2000 01	1996 97	
2	Haryana Labour Welfare Board Chandigarh	1998 99 to 2002 03	2002 03	2001 02	2001 02	1999 2000	
3	Haryana Urban Development Authority Panchkula	2002 03 to 2006 07	2000 01 2001 02 2002 03	1999 2000	1999 2000	1989 90	
4	Haryana Housing Board Panchkula	1999 2000 to 2003 04	2002 03	2001 02	2001-02	2000 01	
5	Haryana State Agricultural Marketing Board Panchkula	2000 01 to 2004 05	2000 01 2001 02 2003 03	1999 2000	1999 2000	Not yet submitted	Accounts for 2000 01 are to be re submitted
6	Mewat Development Agency Nuh (Gurgaon)	2000 01 to 2004 05	2000 01 2001 02 2002 03	1999 2000	1999 2000	Not applicable	
7	Haryana State Legal Service Authority Chandigarh	1996 97 to 2000 01 ¹	1996 97 to 2002 03				Accounts not submitted since 1996 97
8	Haryana Urdu Akademi Panchkula	1996 97 to 2000 01 2001 02 to 2005 06	1996 97 to 2002 03				do

¹ No further entrustment is required as the audit is required to be undertaken under section 19(2) of CAG s Act 1971

Appendix IV

(Refer paragraph 175, page 14)

Statement showing names of 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 received (Rupees in lakh)
1	Municipal Committee Bahadurgah	1986-87	35.93
		1993-94	34.08
		1996-97	50.00
		1997-98	25.95
		1999-2000	49.50
		2000-01	48.93
2	Municipal Committee Bhiwani	1987-88	36.40
		1988-89	33.25
		1989-90	36.00
		1995-96	50.00
		1997-98	27.56
		1998-99	72.00
		1999-2000	1156.87
		2000-01	247.58
3	Municipal Committee Karnal	2002-03	169.48
		1982-83	7.00
		1988-89	32.61
		1997-98	36.12
		1998-99	26.25
		2000-01	60.08
		2001-02	57.73
4	Municipal Committee Narnaul	2002-03	62.67
		1988-89	25.30
		1989-90	28.63
		1997-98	36.12
		1998-99	26.25
		2000-01	60.08
5	Municipal Committee Rohtak	2001-02	75.88
		1987-88	34.00
		1988-89	37.61
		1989-90	32.35
		1996-97	25.08
		1997-98	78.44
		1999-2000	266.56

1	2	3	4
		2000 01	197 41
		2001 02	101 20
		2002 03	155 48
6	Municipal Corporation Faridabad	1995 96	39 38
		1996 97	50 00
		1997 98	30 00
		1998 99	669 00
		1999 2000	394 00
		2000-01	111 61
		2002-03	93 29
7	Municipal Committee Sonapat	1997-98	69 93
		1998-99	326 25
		1999-2000	263 23
		2000-01	167 82
		2002-03	132 73
8	Municipal Committee Jagadhri	1996-97	50 00
		1998-99	26 55
		1999-2000	28 15
		2000-01	108 53
		2001 02	131 66
		2002 03	27 69
9	Municipal Committee Panipat	1996-97	65 00
		1998-99	528 00
		1999-2000	306 30
		2000 01	146 26
		2002 03	55 65
10	Municipal Committee Hisar	1996 97	50 00
		1997 98	48 31
		1998 99	58 25
		1999 2000	61 81
		2000-01	176 93
		2002 03	207 76
11	Municipal Committee Gurgaon	1996-97	31 69
		1997-98	42 78
		1998-99	471 25
		1999-2000	235 76
		2000-01	170 38
		2002-03	34 96
12	Municipal Committee Yamunanagar	1998-99	350 00
		1999-2000	578 66
		2000-01	172 96

1	2	3	4
		2001 02	273 05
		2002 03	419 51
13	Municipal Committee Palwal	1995-96	50 00
		1998 99	30 00
		1999 2000	105 00
		2000 01	62 75
14	Municipal Committee Charkhi Dadri	1995 96	33 33
		1999 2000	50 00
		2000 01	43 14
		2001 02	50 00
15	Municipal Committee Rewari	1996 97	50 00
		1997-98	38 82
		1999 2000	229 73
		2000 01	84 17
16	Municipal Committee Barwala	1996-97	33 33
		1999 2000	50 00
		2000-01	31 04
		2001 02	70 54
17	Municipal Committee Thanesar	1997 98	31 81
		1999-2000	26 76
		2000 01	80 81
		2002 03	126 28
18	Municipal Committee Ambala City	1998 99	70 25
		2000 01	676 27
		2002 03	145 80
19	Municipal Committee Ambala Cantt	2002 03	26 43
20	Municipal Committee Kurukshetra	1998 99	33 75
21	Municipal Committee Kaithal	1998 99	62 25
		1999 2000	638 42
		2000 01	98 95
22	Municipal Committee Gannaur	2002 03	41 16
23	Municipal Committee Gohana	1999-2000	70 00
		2001 02	35 90
24	Municipal Committee Bawani Khera	1998 99	32 03
		1999 2000	40 00
25	Municipal Committee Kharkhoda	1998 99	50 00
26	Municipal Committee Pehowa	1999 2000	36 16

1	2	3	4
		2000 01	41 81
		2001-02	32 67
		2002-03	50 00
27	Municipal Committee Jhajjar	1999 2000	180 00
28	Municipal Committee Safidon	2000 01	81 62
29	Municipal Committee Sirsa	2001 02	48 66
		2002 03	127 27
30	Municipal Committee Dabwali	2002 03	140 23
31	Municipal Committee Taoru	1999 2000	40 00
32	Municipal Committee Uchana	1999 2000	30 00
33	Municipal Committee Asandh	1999 2000	120 00
34	Municipal Committee Naraingarh	1999-2000	34 79
		2002-03	59 62
35	Municipal Committee Kalanaur	1999 2000	40 00
36	Municipal Committee Tosham	1999-2000	28 40
37	Municipal Committee Ratia	1999-2000	30 00
38	Municipal Committee Shahabad	2000 01	73 04
39	Municipal Committee Ladwa	2000 01	45 16
40	Municipal Committee Tohana	2001 02	137 98
41	Municipal Committee Meham	2000 01	31 06
42	Municipal Committee Sohna	2000 01	37 58
43	Municipal Committee Narwana	2000 01	60 58
44	Municipal Committee Hansi	2000 01	108 50
		2001 02	105 25
		2002 03	83 89
45	Municipal Committee Mohindergarh	2000 01	38 55
46	Municipal Committee Jind	2000 01	135 63
		2001-02	73 50
		2002-03	57 39
47	Municipal Committee Fatehabad	2000-01	50 23
		2002-03	40 16
48	Municipal Committee Ellenabad	2000-01	43 10
49	Municipal Council Panchkula	2001-02	116 06

1	2	3	4
50	Shri Bhuteshwar Temple Tirath Jind	1994-95	25 29
51	Aravali Vikas Sangathan Gurgaon	1995 96	100 00
52	Software Technology Park of India New Delhi	2002 03	250 00
53	Haryana Slum Clearance Board Chandigarh	1998 99	700 48
54	Rajay Sainik Vocal Training Centre Panchkula	1998 99	46 25
55	District Council for Child Welfare Rewari	1999 2000	38 75
56	Fish Farm Development Agency Gurgaon	2000-01	45 85
57	Charitable Endowment Haryana Manimajra	2001-02 2002 03	478 00 478 00
58	Society for I T Initiative fund for Governance Chandigarh	2002 03	165 55
59	Haryana Energy Development Agency Chandigarh	2001-02 2002 03	67 30 41 50
60	Manager Sanik Parwar Bhawan Sector 12 Panchkula	2002-03	80 00
Private Aided Colleges			
61	S L D A V College of Education Ambala City	2000-01 2001-02 2002-03	38 65 54 59 73 24
62	SM Lubana Khalsa Girls College Barara (Ambala)	2000 01 2001 02 2002 03	38 20 40 55 33 65
63	M P N College Mullana (Ambala)	2000 01 2001-02 2002-03	34 00 33 80 43 63
64	Maharaja Aggarsein College Jagadhri	1999-2000 2000 01 2001-02 2002-03	48 60 47 90 47 24 36 20
65	DAV College Sadhaura	2000-01 2001 02 2002 03	40 70 53 06 50 75
66	M L N College Radaur	2002 03	41 98

1	2	3	4
67	Adarsh Mahila M V Bhiwani	2000 01 2001-02 2002 03	88 75 98 80 120 60
68	K M College of Education Bhiwani	2001 02 2002-03	31 35 27 74
69	APJ Saraswati College of Education Charkhi Dadri	2001 02	35 92
70	B L J Suwala College Tosham	2000 01 2001-02 2002 03	25 25 29 70 27 59
71	RLS College of Education Sidhrawali (Gurgaon)	1999-2000 2000 01	33 00 35 60
72	DAV Centenary College Faridabad	2002-03	38 78
73	Saraswati Mahila Mahavidyalya Palwal	2000 01 2001-02 2002 03	31 63 36 30 44 11
74	SD Mahila Mahavidyalya Hansi	2002 03	54 66
75	CR College of Education Hisar	1999 2000 2000-01 2001-02 2002-03	26 40 27 50 48 73 40 12
76	SD Mahila Mahavidyalya Narwana (Jind)	2000 01 2002 03	27 95 26 43
77	DAV College Pundri (Kaithal)	1999-2000 2000 01 2001-02 2002-03	30 00 32 75 39 10 42 46
78	DAV College Cheeka (Kaithal)	1999-2000 2000-01 2001 02 2002 03	42 70 43 35 50 50 51 96
79	Kanya Mahavidyalya Dhand (Kaithal)	1999 2000 2000 01 2001 02 2002 03	31 40 36 05 34 60 40 78
80	Bhagwan Parshu Ram College Kurukshetra	1999 2000 2000 01 2002 03	37 30 44 30 44 30

1	2	3	4
81	RDS Public Girls College Rewari	1998 99 1999 2000 2000-01 2001 02 2002-03	39 30 30 40 29 55 38 55 30 42
82	SP College of Education Rewari	2000-01 2001 02	25 80 32 82
83	GB Degree College Rewari	1996 97 1997 98 1998 99	29 90 31 70 31 30
84	CR College of Education Rohtak	1999-2000 2000 01 2001-02 2002 03	31 00 36 50 34 01 39 86
85	MK Jat Kanya Mahavidyalya Rohtak	2000 01 2001 02 2002 03	46 90 52 60 62 30
86	Guru Hari Singh Mahavidyalya Jiwan Nagar Sirsa	2002 03	34 88
87	Vaish Arya Kanya Mahavidyalya Bhadurgarh (Jhajjar)	1999-2000 2000 01 2001 02 2002 03	27 00 35 75 38 02 40 05
88	M A College for Women Jhajjar	2000-01 2001 02 2002 03	40 70 46 40 40 43
89	TR College of Education Sonapat	2000 01 2001 02 2002 03	29 10 35 51 28 60
90	BPS College of Education Khanpur Kalan	2000-01 2002 03	26 40 29 47
91	Dr Ganesh Dass DAV College of Education Karnal	2001 02	31 85
92	B Shri Krishan College of Education Dabwali	2001 02	50 90
93	T R Girls College Sonapat	1999 2000 2000 01 2001 02 2002 03	33 10 30 70 33 39 38 53

Appendix V

(Refer paragraph 176 page 14)

Details and status of grants in aid released by State Government

Sr No	Name of the Department	Total number of bodies	Did not render the accounts/ year of accounts	Did not render accounts in prescribed format	Did not utilise 50 per cent of grants given in a year	Which diverted/ misutilised the funds (including grants released by GOI)/ amount diverted misutilised	Defaulted repayment of loans/ amount overdue (Rupees in crore)	Which did not maintain cash book/ maintained irregularly	Which did not invest its surplus/ huge balance in each chest/ average amount of surplus funds	Any other interesting points noticed from the audit of accounts	Grant paid (Rupees in crore)
1	2	3	4	5	6	7	8	9	10	11	12
1	Medical	12	Nil		Fully utilised	No	Nil	Nil	Nil	Nil	0.52
2	Technical Education	8	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	15.09
3	Housing	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.52
4	Agriculture	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.02
5	Sports	53	Nil	Nil	Fully utilised	Nil	Nil	Nil	NA	Rs 0.45 crore as unutilised grant of previous year	1.01
6	Urban Development	68	68		Not available	Not available	303.24	Nil	NA	Rs 8.53 crore as unutilised grant of previous year	33.60
7	Rural Development	19	Nil	Nil	Nil	Funds are diverted on loan basis	Nil	Nil	Nil	Rs 6.41 crore as unutilised grant of previous year	35.30

1	2	3	4	5	6	7	8	9	10	11	12
8	Education	103	103	Nil	Fully utilised	No	NA	Nil	Nil	Nil	76 63
9	Science and Technology	2	Nil	Nil	Fully utilised	Nil	Nil		Nil	Nil	1 59
10	Animal Husbandry	4	Nil	Nil	Fully utilised	Nil	Nil	Nil	Nil	Nil	8 40
Total		271	171				303 24			15 39	172 68

Not applicable

Appendix VI

(Refer paragraph 1 7 7 page 15)

Department-wise/year wise break up of the cases in which final action was pending at the end of June 2003

Name of the Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to more	Total
1	2	3	4	5	6	7	8
Agriculture		1 (0 45)					1 (0 45)
Animal Husbandry	1 (0 52)	1 (2 91)	5 (1 02)	1 (0 09)			8 (4 54)
Education	7 (6 36)	5 (2 50)	8 (5 83)	4 (1 82)	2 (0 98)	2 (0 94)	28 (18 43)
Fisheries			1 (2 28)	1 (0 23)			2 (2 51)
Food and Supplies		1 (1 22)	2 (2 27)	1 (2 75)			4 (6 24)
Forest	8 (11 56)	4 (3 33)	8 (2 16)		1 (0 15)		21 (17 20)
Irrigation	25 (15 8)	7 (0 16)	39 (6 52)	19 (5 11)	10 (2 44)	1 (0 03)	101 (30 06)
Labour and Employment			2 (0 17)				2 (0 17)
Medical and Health	2 (1 51)	2 (0 02)	2 (11 92)	1 (4 07)			7 (17 52)
Mines and Geology			1 (1 44)				1 (1 44)
Public Health (PH)	1 ()	3 (0 24)	12 (1 95)	9 (1 20)	12 (12 98)		37 (6 37)
Public Relations	1 (0 08)						1 (0 08)
Public Works (PW) (B&R)	4 (1 14)	4 (0 55)	2 (0 29)	6 (3 49)	4 (0 30)	3 (1 20)	23 (6 97)
Revenue	1 (9 28)						1 (9 28)
Social Welfare			1 ()				1 ()
Technical Education	9 (20 55)						9 (20 55)
Transport	1 (3 17)	3 (13 04)	4 (1 57)	2 (0 63)	1 (0 22)	2 (0 25)	13 (18 88)
Total	60 (69 97)	31 (24 42)	87 (37 42)	44 (19 39)	30 (7 07)	8 (2 42)	260 (160 69)

(Figure in bracket indicated Rupees in lakh)

Appendix VII

(Refer paragraph 177, page 15)

Department wise details in respect of cases relating to theft, misappropriations/loss of Government material and fire/accident at the end of June 2003

Name of the Department	Theft cases		Misappropriations/loss of Government material		Fire Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
1	2	3	4	5	6	7
Agriculture	1	0 45				
Animal Husbandry	3	3 63	4	0 91	1	
Education	19	11 80	9	6 63		
Fisheries			1	0 23	1	2 28
Food and Supplies					4	6 24
Forest	5	5 84			16	11 36
Irrigation	63	7 87	30	11 94	8	10 75
Labour and Employment	2	0 17				
Medical and Health	3	1 53	2	4 07	2	11 92
Mines and Geology					1	1 44
Public Health	27	4 51	8	1 20	2	0 66
Public Relations					1	0 08
Public Works (B&R)	11	2 53	12	4 44		
Revenue			1	9 28		
Social Welfare			1			
Technical Education	7	8 88	1	11 38	1	0 29
Transport	5	11 30	7	4 98	1	0 60
Total	146	60 51	76	54 56	38	45 62

Appendix-XVI

(Refer paragraph 4 8 6, page 128)

Statement showing details of non adjustment of credit balance (Profit) of storage charges

Sr No	Name of Division	Closing balance of storage charges during 2002 03
		(Rupees in lakh)
1	Provincial Division Narwana	3 59
2	Construction Division (NH) Hisar	2 14
3	Provincial Division II Sirsa	4 35
4	Electrical Division Hisar	1 72
5	Electrical Division Rohtak	0 14
6	Provincial Division I Gurgaon	4 58
7	Electrical Division Ambala cantt	0 63
8	Electrical Division Karnal	0 68
9	Mechanical Division Hisar	0 16
10	Provincial Division II Karnal	0 51
11	Provincial Division I Rohtak	9 25
12	Provincial Division Nuh	5 61
13	Provincial Division I Karnal	8 50
14	Electrical Division Gurgaon	0 30
15	Provincial Division Hansi	6 08
16	Provincial Division I Panipat	0 04
Total		48 28
Say		Rs 0 48 crore

Appendix-XVII**(Refer paragraph 4 8 6, page 128)****Statement showing details of non adjustment of debit balance (loss) of storage charges**

Sr No	Name of Division	Closing balance of storage charges during 2002-03
		(Rupees in lakh)
1	Chandigarh Provincial Division Panchkula	180.10
2	Provincial Division II Hisar	2.85
3	Provincial Division Rewari	3.54
4	Provincial Division I Ambala Cantt	0.10
5	Provincial Division III Hisar	0.88
6	Provincial Division Palwal	18.01
7	Provincial Division II Kurukshetra	0.38
8	Provincial Division Fatehabad	1.11
9	Provincial Division II Ambala Cantt	0.42
10	Electrical Division Gurgaon	0.30
11	Mechanical Division Karnal	0.51
12	Provincial Division III Karnal	22.34
13	Provincial Division Kaithal	8.17
14	Construction Division NH Panchkula	1.71
15	Provincial Division III Rohtak	18.94
16	Provincial Division II Rohtak	23.97
17	Provincial Division Narnaul	0.40
18	Provincial Division II Sonapat	3.98
19	Provincial Division I Sonapat	20.92
20	Provincial Division Naraingarh	6.73
21	Provincial Division I Faridabad	4.95
22	Provincial Division Jind	4.72
23	Provincial Division Panipat renamed as Quality Control Division Panipat	0.34
24	Provincial Division I Sirsa	0.17
25	Bridge Construction Division Chandigarh	11.61
26	Provincial Division II Gurgaon	0.09
27	Provincial Division IV Rohtak	0.21
Total Say		337.45 Rs 3.37 crore

Appendix XIX

(Refer paragraph 4 9 1 , page 132)

Statement showing the names of departments where Action Taken Notes were awaited

Sr No	Name of Administrative Department	Year of Audit Report	Para Number	Number of paragraphs	Total
1	2	3	4	5	6
1	Agriculture	2000 01 2001-02	6 3 6 4 6 5 6 6 6 7 6 4 6 5	5 2	7
2	Animal Husbandry	2000 01 2001 02	3 3 3 4 6 3	1 1	3
3	Co-operative	2000-01	3 5 6 8 6 9	3	3
4	Development and Panchayat	2001-02	3 2	1	1
5	Education	1998-99 1999 2000 2000 01	3 2 3 1A 3 1B 3 6	1 2 1	4
6	Finance	1998-99 2001-02	3 7 3 3	1 1	2
7	Forest	1998 99	3 3	1	1
8	Food and Supplies	1999 2000 2000-01 2001 02	7 2 7 3 7 4 7 2 7 3	1 2 2	5
9	General	1999 2000 2000 01 2001 02	6 1 7 1 3 17 3 18 2 19 6 1 7 2 3 10 3 11a b 6 2 7 1	2 ¹ 5 ² 4 ³	11
10	Home	1998 99 1999-2000 2001 02	3 9 3 10 3 9 3 10	2 2	5
11	Housing	2001-02	6 6	1	1
12	Irrigation	1999 2000 2000-01 2001-02	4 1 4 1 4 5 4 6 4 7 4 3 4 4	1 4 2	7
13	Jail	2000 01	3 9 3 10 3 11	3	3
14	Medical and Health	2001 02	3 4 3 5	2	2

1	2	3	4	5	6
15	PWD(PH)	1998 99	4 7	1	9
		2000 01	4 2 4 8 4 9 4 10 4 11	5	
		2001-02	4 5 4 6 5 1	3	
16	PWD(B&R)	2001 02	4 1 4 2	2	2
17	Revenue	1998 99	3 13 3 14 3 15	3	5
		2000 01	3 13 3 14	2	
18	Rural Development (DRDA)	2001 02	6 1 6 7 6 8 6 9	4	4
19	Small Savings	2001 02	3 7	1	1
20	Sports	2001-02	3 8	1	1
21	Town and Country Planning (HUDA)	2000-01	3 16	1	5
		2001-02	3 9 6 10 6 11 6 12	4	
22	Transport	2000-01	7 1	1	2
		2001 02	7 4	1	
23	Urban	2000-01	6 18	1	1
24	Welfare of Schedule Castes and Backward Classes	2001 02	3 1	1	1
Total				86	86

Appendix XX**(Refer paragraph 4 9 1 page 132)**

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments

Sr No	Name of Administrative Department	Year of Audit Reports	Para Numer	Amount (Rupees in lakh)
1	Agricultural	2000 01	6 3	40 45
			6 6	30 60
		2001 02	6 4 2	114 00
			6 4 4	1 765 00
2	Animal Husbandry	2000 01	3 4	21 96
		2001 02	6 3	747 00
3	Finance	2001 02	3 3	19 86
4	Home	1998-99	3 9	155 00
			3 10	16 26
5	Irrigation	2000 01	4 1 5 (iv) (a)	4 886 00
			4 1 5 (iv) (b)	7 127 00
			4 1 7 (v)	345 00
6	Jail	2000 01	3 11	417 00
7	Public Health	2001 02	5 1 8 (vi)	22 96
8	PWD (Buildings and Roads)	2001 02	4 1 8 (iv)	280 00
			4 1 9 (iii)	64 15
9	Rural Development	2001 02	6 1 11	1 87
10	Town and Country Planning (HUDA)	2000 01	3 16	15 529 00
		2001-02	3 9	693 00
			6 10	4 055 00
Total			16	36 331 11

Appendix XXI**(Refer paragraph 4.9.3 , page 133)**

Statement showing the yearwise break up of outstanding IRs and Paras

Year	IRs	Paras	Amount (Rupees in crore)
1975-76 to 1992-93	106	135	10.58
1993-94	16	27	1.14
1994-95	18	23	2.72
1995-96	18	19	1.33
1996-97	16	21	1.25
1997-98	17	21	4.78
1998-99	16	21	3.10
1999-2000	16	26	4.65
2000-01	32	46	14.51
2001-02	57	139	64.38
2002-03	99	405	212.61
Total	411	883	321.05

Appendix XXII**(Refer paragraph 4 9 3 , page 133)**

Details of serious irregularities pointed out through outstanding Inspection Reports

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1	Loss due to theft misappropriation and embezzlement	17	0 12
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 sales tax and liquidated charges	71	20 64
3	Recoverable amounts on account of shortage/ excess payments from government officials	88	2 86
4	Non-observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasuries maintenance of cash books and irregular utilisation of departmental receipts and non observance of codal provisions	192	30 92
5	Extra and avoidable expenditure excess expenditure incurred on deposit works irregular unauthorised and infructuous expenditure	385	197 27
6	Irregular/injudicious purchases	9	5 42
7	Undue financial aid to contractors	10	1 26
8	Execution of sub standard works	9	1 24
9	Blocking of funds	22	8 75
10	Non accounting/short receipts of material	14	0 18
11	Non preparation of tools and plant returns non closing of manufacturing accounts and under utilisation of machinery	24	2 36
12	Unsanctioned estimates and loss of measurement books	29	48 06
13	Non adjustment under stock/suspense other sub head/Cash Settlement Suspense Account	13	1 97
Total		883	321 05

Appendix XXIII
(Refer paragraph 4 9 3 , page 133)

Details of amount recoverable from various categories of officers/officials

Sr No	Name of officers/officials	Number of officers/officials	Amount (Rupees in crore)	Period for works outstanding
1	Executive Engineers	4	0 03	Between July 1983 and 2001
2	Sub Divisional Engineers	14	0 07	Between August 1981 and 2001
3	Junior Engineers	60	1 09	Between 1975 76 and 2002 03
4	Others	24	1 67	Between March 1980 and 2003
Total		102	2 86	

APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decision

Sr No	Name of Department	Paragraph	Brief Subject
1	2	3	4
7th Report			
1	PWD (B&R)	33	Payment of work done
9th Report			
2	Industries	5(2)	Credit facilities for development of small industries
11th Report			
3	Welfare of SC & BC	26	Loan for Social Welfare
14th Report			
4	Industries	16	Purchase of Cotton Yarn
16th Report			
5	Industries	2(a) and 2(d)	Subsidy of setting up industries Units in selected Backward areas (Cases of M/s B K Steel Rolling Mill) Tohana and M/s Modern Industries Charkhi Dadri
18th Report			
6	Co operation	39	Co operative Consumer Stores
19th Report			
7	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra)
8	Excise and Taxation	40	Loss of duty on excess wastage
21st Report			
9	PWD (Public Health)	12	Outstanding Recoveries against contractor
22nd Report			
10	Industries	10(ii)	Industrial Estate
11	Co operation	16	Co operative Consumer Stores
12	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
13	Revenue	39(6 ii) (8)	Land holding tax
14	Revenue	40	Non levy of registration fee
15	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation

1	2	3	44
16	Excise and Taxation	53	Loss of duty on excess storage wastage
17	Excise and Taxation	54	Shrotfall in duty
18	Excise and Taxation	56	Recovery due from contractor
23rd Report			
19	Co operation	34	Co-operative Consumer Stores
20	Food and Supplies	35	Haryana State Federation of Consumer Co operative Wholesale Stores Limited Chandigarh
21	Excise and Taxation	47	Uncollected Revenue
22	Excise and Taxation	55	Result of test audit in general
23	Excise and Taxation	57	Failure to initiate action to recover the licence fee
24	Excise and Taxation	58	Loss of duty on excess storage wastage
25	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
25th Report			
26	Co-operation	5	Co operative consumer Stores
27	Colonization	9	Encroachment of Land
28	Colonization	11	Recoveries from plot holders
29	Food and Supplies	15	Abnormal shortage/Quality cuts on damaged wheat stocks
30	Fisheries	31	Development of Fisheries
31	Excise and Taxation	54	Un collected revenue
32	Excise and Taxation	58	Incorrect camputation of tax on interstate sales
33	Excise and Taxation	67	Irregular allowance for wastage
34	Excise and Taxation	69	Failure to enforce licence conditions
26th Report			
35	Revenue	10	Gratuitous relief for crops/houses damaged
36	Irrigation	22	Faulty measurement of work resulting in over payment
37	Excise and Taxation	49	Uncollected revenue
38	Excise and Taxation	61	Duty not recovered on spint loss in bottling operation in excess of norms
39	Excise and Taxation	63	Non recovery of licence fee and interest
28th Report			
40	Education	5	Irregularities on release/utilisation of grant
41	Irrigation	10	Masanı Barrage Project

1	2	3	4
42	PWD (B&R)	14	Shortage of Steel
43	Excise and Taxation	41	Registration of dealers under Sale Tax Act
44	Excise and Taxation	44	Non recovery of licence fee and interest
29th Report			
45	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
46	Irrigation	17	Excess issue of coal
47	Irrigation	21	Misappropriation
48	Development	32	Forestry sector
49	Excise and Taxation	47	Non levy of penalty
50	Excise and Taxation	50	Non levy of penalty
51	Excise and Taxation	51	Non levy of penalty
52	Excise and Taxation	53	Interest not charged
53	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
54	Transport	58	Results of Audit
55	Revenue	62	Results of Audit
56	Revenue	63	Under valuation of immovable property
57	Mines and Geology	71	Results of Audit
32nd Report			
58	Industries	4	Development of small Industries
59	Industries	6	Outstanding recoveries of loan
60	Irrigation	10	Excess measurement
61	Irrigation	12	Misappropriation
62	Irrigation	20	Shortage of Stores
63	Revenue	25	Inadmissible payment
64	Town and Country Planning (HUDA)	35	Alleged embezzlement
65	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
66	Public Health	42	Commencement of work without sanction
67	Mines and Geology	47	Uncollected revenue
68	Mines and Geology	48	Results of Audit
69	Mines and Geology	49	Short recovery or non recovery of royalty on bricks
70	Agriculture	56	Embezzlement of licence fee money
71	Excise and Taxation	61	Uncollected revenue

1	2	3	4
72	Excise and Taxation	69	Irregular levy of tax at concessional rate
73	Excise and Taxation	71	Interest penalty not charged

34th Report

74	Development and Panchayats	8	Irregular and wasteful expenditure on books
75	Revenue	29	Land reforms
76	Revenue	30	Compensation to landowner
77	Revenue	31	Consolidation of holdings
78	Food and Supplies	47	Under Storage of wheat
79	Mines and Geology	55	Uncollected revenue
80	Mines and Geology	56	Non recovery short recovery of royalty
81	Excise and Taxation	63	Uncollected revenue
82	Excise and Taxation	66	Short levy/non levy of purchase tax
83	Excise and Taxation	69	Non levy of penalty
84	Excise and Taxation	70	Non filling the quarterly returns
85	Irrigation	72	Arrears of revenue
86	Irrigation	73	Short recovery of water charges
87	Irrigation	74	Non raising of demand
88	Chief Electrical Inspector	78	Uncollected revenue
89	Chief Electrical Inspector	80	Arrears of electricity duty
90	Chief Electrical Inspector	81	Reconciliation o treasury receipts
91	Public Health	82	Results of Audit
92	Revenue	83	Results of Audit
93	Revenue	84	Under valuation of immovable property
94	Revenue	86	Short recovery of stamp duty on exchange

35th Report

95	Local Self Government	3	Non recovery of Government dues
96	Food and Supplies	7	Loss due to storage of wheat
97	Transport	9	Irregular payment of overtime allowance
98	Industries	13	Non utilization of loan
99	Town and Country Planning	16	Loss on auction of a shop cum flat
100	Revenue	18	Inadmissible gratuitous relief
101	Civil Aviation	19	Procurement operation and maintenance of aircraft
102	Public Health	23	Consturction of a water tank
103	Haryana State Lotteries	25	Suspended misappropriation of Government money

1	2	3	4
104	PWD (B&R)	29	Excess measurement
105	PWD (B&R)	31	Misappropriation of stores
106	Irrigation	37	Shortage of stores
107	Revenue	43	Results of Audit
108	Revenue	45	Irregular grant of exemption
109	Revenue	46	Misclassification of instruments
110	Revenue	48	Uncollected Revenue
111	Mines and Geology	50	Non recovery/Short recovery of royalty
112	PWD (B&R)	51	Results of Audit
113	Excise and Taxation	53	Uncollected Revenue (P G T)
114	Excise and Taxation	54	Uncollected Revenue (State Excise)
115	Excise and Taxation	58	Results of Audit (Sales Tax)
116	Excise and Taxation	59	Short levy/Non levy of purchase
38th Report			
117	Science and Technology	16	Evaluation and monitoring
118	Medical and Health	18	Stores and Stock
119	Irrigation	28	Excess payment of Earth Work
120	Irrigation	32	Surplus material
121	Irrigation	34	Other point of interest
122	Irrigation	35	Shortage/Misappropriation of material
123	Irrigation	36	Shortage of tiles
124	Public Health	41	Excess payment to the contractor
125	Public Health	42	Excess Payment
126	Mines and Geology	50	Results of Audit
127	Mines and Geology	51	Receipts from Mines and Minerals
128	Agriculture	56	Interest not charged on belated payments
129	PWD (B&R)	61	Arrears of rent
130	PWD (B&R)	62	Sale of empty bitumens drum
131	Revenue	63	Outstanding inspection reports
132	Revenue	64	Results of Audit
133	Revenue	68	Misclassification of Instrument
134	Excise and Taxation	70	Assessments in arrears
135	Excise and Taxation	71	Uncollected revenue
136	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court

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137	Excise and Taxation	79	Suppression of purchases
138	Excise and Taxation	81	Irregular stay of tax and interest
139	Excise and Taxation	85	Non recovery of loss on re auction of Vend
140	Excise and Taxation	87	Recovery at the instance of Audit
40th Report			
141	Town and Country Planning	18	Non realization of service charges
142	Town and Country Planning	19	Delay in land acquisition cases
143	Town and Country Planning	20	Extra contractual payment
144	Irrigation	25	Injudicious purchases
145	Public Health	32	Irregular expenditure
146	Public Health	33	Stores and stock
147	Public Health	34	Injudicious purchases
148	PWD (B&R)	37	Extra payment due to incorrect entries in Measurement Books
149	PWD (B&R)	38	Avoidable extra expenditure due to retendering
150	Co operation	41	Embezzlement
151	Food and Supplies	47	Damage caused to wheat in Storage
152	Supplies and Disposals	49	Extra expenditure due to retendering
153	Excise and Taxation	50	Assessment in arrears
154	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
155	Excise and Taxation	52	Uncollected Revenue (State Excise)
156	Excise and Taxation	54	Results of Audit
157	Excise and Taxation	55	Delay in re assessment of remand cases
158	Excise and Taxation	57	Appeals entertained without deposit of tax
159	Excise and Taxation	59	Other interesting cases
160	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
161	Excise and Taxation	61	Application of incorrect rate to tax
162	Excise and Taxation	62	Non levy of tax
163	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
164	Excise and Taxation	68	Non levy of penalty
165	Excise and Taxation	69	Interest not charged
166	Excise and Taxation	74	Non recovery of duty on wastage in excess norms
167	Excise and Taxation	75	Interest not charged
168	Revenue	79	Outstanding Inspection Reports

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169	Revenue	80	Results of Audit
170	Revenue	81	Under valuation of immovable property
171	Revenue	82	Misclassifications of instruments
172	Revenue	83	Irregular grant of exemption
173	Revenue	84	Non/Short levy of stamp duty
174	Revenue	85	Irregular registration of supplementary deeds
175	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
176	Revenue	89	Embezzlement of Government revenue
177	Mines and Geology	93	Outstanding Inspection Reports
178	Mines and Geology	94	Results of Audit
179	Co operation	95	Results of Audit
42nd Report			
180	Irrigation	11 ₀₉	Excess payment due to inflated/fictitious measurements
181	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
182	Irrigation	16	Unfruitful expenditure due to non energisation of pumps
183	Irrigation	17	Defective execution of work
184	Irrigation	18	Avoidable payment of interest
185	Transport	26	Performance of minibuses
186	Agriculture	38	Unfruitful expenditure on idle equipment
187	Food and Supplies	42	Loss due to negligence
188	Public Health	53	Targets and achievements
189	Public Health	55	Other points
190	Public Health	60	Inflated/Fictitious measurement
191	Public Health	63	Infructuous expenditure on abandoned work
192	PWD (B&R)	71	Shortage of Tools and Plant
193	PWD (B&R)	74	Sub standard execution of work
194	Education	82	Fraudulent drawal of Leave Travel Concession
195	Education	84	Operation Blackboard
196	Co operation	95	Outstanding Inspection Reports/Paragraphs
197	Co operation	99	Results of Audit
198	Revenue	101	Outstanding Inspection Reports
199	Revenue	102	Land Revenue
200	Revenue	103	Results of Audit

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201	Revenue	104	Irregular exemption of stamp duty
202	Excise and Taxation	108	Uncollected Revenue
203	Excise and Taxation	109	Frauds and evasion of taxes
204	Excise and Taxation	110	Outstanding Inspection Reports
205	Excise and Taxation	111	Results of Audit
206	Excise and Taxation	112	Details of appeals pending on 31 3 90
207	Excise and Taxation	113	Delay in taking up of appeal cases
208	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
209	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
210	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
211	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
212	Excise and Taxation	120	Irregular grant of exemption certificate
213	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
214	Excise and Taxation	122	Other interesting cases
215	Excise and Taxation	123	Evasion of tax
216	Excise and Taxation	125	Application of incorrect rate of tax
217	Excise and Taxation	126	Non/Short levy of interest
218	Excise and Taxation	127	Results of Audit
219	Excise and Taxation	128	State Excise Duty
220	Excise and Taxation	129	Loss of revenue due to re auction of vends
221	Excise and Taxation	130	Short recovery of composite fee
222	Excise and Taxation	131	Non recovery of license fee and interest
223	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
224	Excise and Taxation	133	Interest not recovered
225	Excise and Taxation	134	Non recovery of penalties
226	Excise and Taxation	135	Assessments in arrears
227	Excise and Taxation	136	Uncollected Revenue
228	Excise and Taxation	138	Results of Audit
229	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
230	Excise and Taxation	140	Under assessments due to short/non levy of purchase tax

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231	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
232	Excise and Taxation	144	Short levy of penalty
233	Excise and Taxation	145	Results of Audit
44th Report			
234	Public Health	3	Sub Standard execution of work
235	Public Health	4	Recovery due from contractor
236	Irrigation	12	Surplus materials
237	Irrigation	17	Shortage of T&P articles
238	Labour and Employment	20	Cost of sub standard medicines not recovered
239	Social Welfare	21	Old Age Pension
240	Social Welfare	23	Payment of pension to ineligible persons
241	Social Welfare	26	Liberation of scavengers
242	Medical and Health	27	Family Welfare programme including India Population Project
243	Local Government and Housing	32	Financial outlay and expenditure
244	Local Government and Housing	33	Scheme of Employment through Housing and Shelter Upgradation (SHASU)
245	Rural Development	35	Non recovery of subsidy misutilised
246	Rural Development	36	Integrated Rural Development Programme
247	Town and Country Planning	38	Unfruitful Expenditure
248	Town and Country Planning	41	Functioning of State Planning Cell
249	Town and Country Planning	42	Idle investment
250	Town and Country Planning	43	Avoidable payment of interest
251	Revenue	46	Mewat Development Board
252	Sports and Youth Welfare	47	Embezzlement of funds
253	Mines and Geology	48	Uncollected Revenue
254	Mines and Geology	50	Results of Audit
255	Mines and Geology	53	Short Calculation of interest
256	Mines and Geology	54	Uncollected Revenue
257	Mines and Geology	56	Results of Audit
258	Mines and Geology	57	Non realisation of contract money and interest
259	Mines and Geology	58	Non recovery of dead rent and interest thereon
260	Mines and Geology	59	Interest not charged on delayed payments
261	Mines and Geology	60	Uncollected revenue
262	Mines and Geology	61	Results of Audit

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263	Mines and Geology	62	Non recovery of contract money and interest
264	Mines and Geology	63	Non recovery/Short recovery of royalty
265	Mines and Geology	64	Interest not charged
266	Revenue	65	Uncollected Revenue
267	Revenue	66	Uncollected Revenue (Land Revenue)
268	Revenue	67	Result of Audit
269	Revenue	68	Short levy of Stamp duty
270	Revenue	69	Under valuation of immovable property
271	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
272	Revenue	71	Irregular exemption of Stamp duty and registration fee
273	Revenue	72	Misclassification of instruments
274	Revenue	73	Uncollected Revenue
275	Revenue	74	Uncollected Revenue (Land Revenue)
276	Revenue	76	Results of Audit
277	Revenue	78	Irregular exemption of stamp duty
278	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
279	Revenue	80	Misclassification of instruments
280	Transport	88	Short realisation of permit/counter signature fee
281	Transport	90	Short realisation of permit/ Counter signature fee
282	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
283	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
284	Prohibition Excise and Taxation	94	Results of Audit
285	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
286	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
287	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding crossverifications
288	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
289	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
290	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms

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291	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
292	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
293	Prohibition Excise and Taxation	103	Other points of interest
294	Prohibition Excise and Taxation	104	Non/short levy of purchase tax
295	Prohibition Excise and Taxation	106	Results of Audit
296	Prohibition Excise and Taxation	107	Interest not charged
297	Agriculture	108	Non recovery of purchases tax and interest
298	Agriculture	109	Non recovery of purchase tax and interest
299	Power	111	Uncollected Revenue
300	Power	113	Shortfall in statutory inspection of electrical installations
301	Power	114	Non Reconciliation of treasury receipts
302	Irrigation	116	Under assessment of water charges

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303	Housing	5	Infructuous expenditure
304	Housing	6	Loss owing to construction of houses on unapproved layout plan
305	P W D (B & R)	18	Extra expenditure
306	P W D (B & R)	23	Surplus materials
307	P W D (B & R)	25	Short receipt of material
308	P W D (B & R)	27	Procurement of sub standard cement
309	Irrigation	34	Procurement of sub standard cement
310	Haryana State Lotteries	36	Appointment of main stockists
311	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
312	Haryana State Lotteries	39	Outstandings against Sales Officers
313	Haryana State Lotteries	40	Other points of interest
314	Prohibition and Excise	41	Arrears in revenue
315	Prohibition and Excise	42	Results of Audit
316	Commercial Taxes	43	Arrears in revenue
317	Commercial Taxes	44	Arrears in assessment
318	Commercial Taxes	46	Outstanding inspection reports and audit observations
319	Commercial Taxes	47	Results of Audit
320	Commercial Taxes	48	Sales Tax Check Barriers
321	Commercial Taxes	50	Short levy of Purchases Tax

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322	Commercial Taxes	51	Non/Short levy of interest and penalty
323	Commercial Taxes	52	Results of Audit
48th Report			
324	Rural Development	3	Implementation and Achievement
325	Agriculture	4	Arrears in revenue
326	Animal Husbandry	8	Frauds and evasion of taxes/duties
327	Co operation	11	Arrears in revenue
328	Mines and Geology	14	Arrears in revenue
329	Mines and Geology	15	Outstanding inspection reports and audit observations
330	Transport	20	Outstanding audit objections in Internal Audit
331	Agriculture	23	Outstanding inspection reports/paragraphs
332	Food and Supplies	25	Extra expenditure
333	Housing	27	Avoidable liability of interest
334	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants
335	Education	29	Purchases without assessment of requirement
336	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
337	Excise and Taxation	33	Arrears in revenue
338	Excise and Taxation	37	Results of Audit
339	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
340	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
341	Excise and Taxation	45	Non levy of interest and penalty
50th Report			
342	Finance (Lotteries)	3	Printing of lottery tickets
343	Industries	5	Capital investment subsidy
344	Industries	6	Irregular release/ non recovery of assistance
345	Social Welfare	8	Panjiri Plants
346	Home (Jail)	9	Injudicious purchase
347	Public Health	13	Recovery due from contractor
348	Irrigation	18	Stores and Stock
349	Irrigation	20	Tools and plants returns
350	Irrigation	21	Physical verification
351	Irrigation	22	Surplus materials

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352	Town and Country Planning	24	Construction of Building and Roads by HUDA
353	Town and Country Planning	25	Construction of Building
354	Town and Country Planning	26	Test check of records relating to construction of roads
355	Town and Country Planning	27	Other points of interest
356	Town and Country Planning	28	Non recovery of compounding fee
357	Town and Country Planning	29	Avoidable payment of interest
358	Transport	30	Material Management and Inventory control
359	Transport	31	Loss on wreckers
360	Transport	32	Purchase of Sub-standard tubes of butyl rubber
361	Transport	35	Avoidable payment of compensation and interest thereon
362	Forest	36	Generation of employment
363	Forest	38	Alkali/saline land plantation
364	PWD (B&R)	47	Construction of Major Building including Staff Quarters
365	PWD (B&R)	48	Time overrun
366	PWD (B&R)	49	Execution of works without technical sanction of cost estimates
367	PWD (B&R)	52	Undue financial favour to the contractors
368	PWD (B&R)	53	Other points of interest
369	PWD (B&R)	55	Fictitious debit to work
370	PWD (B&R)	56	Monitoring
371	PWD (B&R)	57	Reimbursement claims
372	PWD (B&R)	58	World Bank and Asian Development bank loan
373	PWD (B&R)	59	Physical targets and achievements
374	PWD (B&R)	60	Execution
375	PWD (B&R)	61	Release of advances not covered by agreement
376	PWD (B&R)	62	Non deduction of unconditional rebate and irregular payment to compensate income tax/sales tax deductions at source
377	PWD (B&R)	63	Excess payment of price increase on diesel
378	PWD (B&R)	64	Under utilisation/idle machinery
379	PWD (B&R)	65	Irregular adjustment of expenditure
380	PWD (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
381	PWD (B&R)	67	Infructuous expenditure on construction of swimming pool

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382	Irrigation	70	Loss and avoidable extra expenditure due to non fulfilment of contractual obligations
383	Rural Development	75	Payment of wages
384	Rural Development	76	Quality Controls
385	Rural Development	77	Other points
386	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
387	Rural Development	79	Non recovery of misutilised subsidy
388	Town and Country Planning	80	Non levy of Penalty
389	Town and Country Planning	81	Non recovery of auction money
390	Town and Country Planning	82	Non transfer of developed sectors
391	Transport	87	Avoidable payment of compensation due to incorrect filing to affidavit before the tribunal
392	Food and Supplies	88	Loss due to wrong charging of cost of gunny bags
393	Revenue	92	Arrears in revenue
394	Revenue	93	Frauds and evasion of taxes/duties
395	Revenue	94	Results of Audit
396	Revenue	95	Internal Audit
397	Revenue	96	Results of Audit
398	Revenue	97	Stamp duty and Registration Fees
399	Revenue	98	High Pendency of cases of undervaluation with Collectors
400	Revenue	99	Misclassification of instruments
401	Revenue	100	Short levy of stamp duty
402	Revenue	101	Pre audit of registrable documents
403	Revenue	102	Arrears in Revenue
404	Revenue	103	Frauds and evasion of taxes/duties
405	Revenue	104	Results of Audit
406	Revenue	105	Outstanding audit objections in Internal Audit
407	Revenue	106	Results of Audit
408	Revenue	107	Short recovery of stamp duty on mortgage deed
409	Revenue	108	Evasion of stamp and registration fees through power of attorney
410	Revenue	109	Evasion of Stamp Duty
411	Chief Electrical Inspector	110	Arrears in revenue
412	Mines and Geology	112	Results of Audit

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413	Co operation	114	Arrears in revenue
414	Animal Husbandry	115	Frauds and evasion of taxes/duties
415	Excise and Taxation	116	Arrears in revenue
416	Excise and Taxation	117	Arrears in assessment
417	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
418	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
419	Excise and Taxation	121	Under assessment
420	Excise and Taxation	122	Under assessment
421	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
422	Excise and Taxation	125	Non short levy of purchase tax
423	Excise and Taxation	126	Results of Audit
424	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
425	Excise and Taxation	128	Low yield of spirit
426	Excise and Taxation	129	Loss of spirit due to re-distillation
427	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
428	Excise and Taxation	133	Interest short charged
429	Excise and Taxation	134	Short realisation of composite fee
430	Revenue	135	Results of Audit
431	Revenue	137	Arrears in revenue
432	Mines and Geology	139	Arrears in revenue
433	Agriculture	141	Arrears in revenue
434	Agriculture	142	Results of Audit
435	Agriculture	143	Non recovery of purchase tax and Interest
436	Finance (Lotteries)	146	Results of Audit

52nd Report

437	Education	5	Colour television under Education Technology Scheme lying unused
438	Education	6	Extra expenditure on purchase of paper
439	Agriculture	10	Outstanding Inspection Reports/paragraphs
440	Agriculture	12	Chaudhary Charan Singh Haryana Agriculture University Hisar
441	Agriculture	13	Other points of interest

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442	Agriculture	14	Irregular Adhoc appointments
443	Agriculture	15	Non recovery of principal and interest from Sugar Mills
444	Revenue	16	Withdrawal of funds twice against one sanction and keeping of the funds outside the Government accounts
445	Revenue	17	Misutilisation of funds meant for flood relief
446	Forest	20	Payment of Rs 12.74 lakh for fictitious earth work for plantation
447	Transport	22	Sanction Procurement and Utilisation of Government vehicles
448	Transport	23	Maintenance and repairs of vehicles
459	Transport	24	Inventory of stores
450	Transport	25	Miscellaneous irregularities and avoidable expenditure
451	Irrigation	30	Other points of interest
452	Irrigation	35	Unfruitful expenditure due to non commissioning of an irrigation channel
453	Irrigation	39	Miscellaneous Public Works Advances
454	PWD (B&R)	40	Infructuous expenditure on construction of a road
455	PWD (B&R)	41	Blocking of funds due to non utilisation of a road constructed without railway level crossing
456	PWD (B&R)	43	Miscellaneous Public Works Advances
457	PWD (B&R)	44	Stores and Stock
458	PWD (B&R)	45	Purchase without sanctions
459	PWD (B&R)	46	Short receipt of material
460	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
461	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
462	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
463	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
464	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
465	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
466	Social Welfare	60	Embezzlement of Rs 3.99 lakh

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467	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
468	General	65	Write off of losses etc
469	Animal Husbandry	67	Arrears in revenue
470	Revenue	68	Arrears in revenue
471	Revenue	69	Results of Audit
472	Revenue	70	Short levy of Stamp Duty due to misclassification of instruments
473	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
474	Power (Chief Electrical Inspector)	72	Arrears in revenue
475	Power (Chief Electrical Inspector)	73	Results of Audit
476	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
477	Power (Chief Electrical Inspector)	76	Non charging of electricity duty on extended load
478	Power Electrical Inspector)	77	Short realisation of electricity duty due to (Chief application of incorrect rates
479	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
480	Transport	79	Results of Audit
481	Haryana State Lotteries	86	Results of Audit
482	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
483	Agriculture	88	Arrears in revenue
484	Agriculture	89	Results of Audit
485	Excise and Taxation	94	Arrears in revenue
486	Excise and Taxation	95	Arrears in assessment
487	Excise and Taxation	96	Frauds and evasions of taxes/duties
488	Excise and Taxation	97	Results of Audit
489	Excise and Taxation	98	Exemption/deferment from payment of tax to new industries
490	Excise and Taxation	99	Non recovery of tax
491	Excise and Taxation	100	Under assessment due to irregular exemption
492	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
493	Excise and Taxation	102	Under assessment due to non submission of declaration forms
494	Excise and Taxation	103	Under assessment due to application of incorrect rates of tax

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495	Excise and Taxation	104	Arrears in assessments
496	Excise and Taxation	105	Evasion of tax due to suppression of purchases
497	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
498	Excise and Taxation	107	Incorrect levy of concessional rate of tax
499	Excise and Taxation	108	Inadmissible deduction from turnover
500	Excise and Taxation	109	Non levy of purchase tax
501	Excise and Taxation	110	Irregular stay of tax
502	Excise and Taxation	111	Application of incorrect rate of tax
503	Excise and Taxation	112	Non levy of tax
504	Excise and Taxation	113	Short levy of tax
505	Excise and Taxation	114	Under assessment due to excess rebate
506	Excise and Taxation	115	Non levy of penalty
507	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
508	Excise and Taxation	117	Results of Audit
509	Excise and Taxation	118	Short/non recovery of passenger tax
54th Report			
510	Animal Husbandry	6	Poultry Development Programme
511	Medical and Health	15	National Malaria Eradication Programme
512	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
513	Revenue	18	Fictitious payment of gratuitous relief
514	Revenue	19	Drawal of funds without requirement
515	PWD (B&R)	22	Avoidable payment of interest
516	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
517	Irrigation	25	Unfruitful expenditure on silt clearance
518	Agriculture	29	Unfruitful expenditure due to non acquisition of land and execution of work without transfer of land
519	Agriculture	30	General
520	Education	31	Nugatory expenditure due to payment of idle wages
521	Town and Country Planning	32	Land Acquisition transfer of land and utility thereof
522	Town and Country Planning	33	Non allotment and non handing over of land

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523	Town and Country Planning	34	Non utilisation of land
524	Town and Country Planning	35	Loss due to non recovery of rebate
525	Printing and Stationery	36	Pilferage of Paper
526	Transport	37	Accidents in Haryana Roadways
527	Transport	38	Accidents
528	Transport	39	Payment of Compensation
529	Animal Husbandry	46	Arrears in revenue
530	Animal Husbandry	47	Frauds and evasions of taxes/duties
531	Chief Electrical Inspector	48	Arrears in revenue
532	Revenue	49	Arrears in revenue
533	Revenue	50	Results of Audit
534	Revenue	51	Results of Audit
535	Revenue	52	Non/Short recovery of stamp duty
536	Revenue	53	Incorrect exemption of stamp duty
537	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property,
538	Revenue	55	Short levy of stamp duty due to misclassification of instruments
539	Revenue	56	Incorrect refund of stamp duty
540	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
541	Revenue	58	Short recovery of stamp duty on exchange deeds
542	Revenue	59	Results of Audit
543	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
544	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
545	Revenue	62	Return of RRCs
546	Excise and Taxation	63	Impact of prohibition on Revenue of the State
547	Excise and Taxation	64	Arrears in revenue
548	Excise and Taxation	65	Arrears in assessment
549	Excise and Taxation	66	Frauds and evasions of taxes/duties
550	Excise and Taxation	67	Results of Audit
551	Excise and Taxation	68	Disposal of appeal cases
552	Excise and Taxation	69	Delay in finalising assessments
553	Excise and Taxation	70	Delay in finalisation of remand cases

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554	Excise and Taxation	71	Collection of sales tax demands in arrears
555	Excise and Taxation	72	Recovery certification cases
556	Excise and Taxation	73	Incorrect levy of concessional rate of tax
557	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
558	Excise and Taxation	75	Inadmissible deduction from turnover
559	Excise and Taxation	76	Short levy of tax on sales to Non government bodies
560	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
561	Excise and Taxation	78	Under assessment due to excess rebate
562	Excise and Taxation	79	Results of Audit
563	Excise and Taxation	80	Incorrect levy of entertainments duty
564	Transport	81	Results of Audit
565	Irrigation	83	Results of Audit
566	Irrigation	84	Recovery of Water rates from canal water
567	Irrigation	85	Arrears of revenue
568	Irrigation	86	Less measurement of area Irrigated
569	Irrigation	87	Non imposition of penalty for unauthorised supply of water
570	Irrigation	88	Excess credit to an industrial unit
571	Irrigation	90	Short recovery of lease rent
572	Agriculture	91	Arrears in revenue
573	Agriculture	92	Results of Audit
574	Agriculture	93	Non recovery of purchase tax and interest
575	Mines and Geology	97	Arrears in revenue
576	Mines and Geology	98	Results of Audit
577	Mines and Geology	99	Short recovery of contract money and interest
578	Cooperation	100	Arrears in revenue
579	Cooperation	101	Results of Audit (Non Tax Receipts)

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580	Education	3	Introduction of 10+2 pattern of education
581	Education	4	Nutritional Support to Primary Education
582	Forest	5	Rehabilitation of common lands in Aravalli Hills
583	Medical and Health	6	Working of Medical and Health Department including Manpower Management

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584	Medical and Health	7	Hospitals and dispensaries
585	Medical and Health	8	Community Health Centres (CHCs)
586	Medical and Health	9	Hospital Waste Management
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589	Social Welfare	13	Training and orientation of ICDS personnel
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593	Prohibition Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
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595	Revenue	22	Excess payment of Gratuitous Relief
596	Sports and Youth Welfare	23	Non responsiveness to Audit findings and observations resulting in erosion of account ability
597	Irrigation	28	Wasteful expenditure
598	Irrigation	30	Non responsiveness to Audit findings and observations resulting in erosion of account ability
599	Irrigation	32	Defects in procedure treasury and financial rules
600	Irrigation	34	Undue retention of heavy Cash Balances
601	Agriculture	36	Wasteful expenditure on construction of road
602	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
603	Town and Country Planning	38	Payment of loan to Sugar Mill from the funds of H U D A
604	Town and Country Planning	39	Avoidable loss due to delay in allotment of plots
605	Food and Supplies	40	Public Distribution System
606	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period
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608	Excise and Taxation	4	Arrears in revenue

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609	Excise and Taxation	5	Arrears in assessment
610	Excise and Taxation	6	Frauds and evasions of taxes/duties
611	Excise and Taxation	7	Outstanding inspection reports and audit observations
612	Excise and Taxation	8	Results of Audit
613	Excise and Taxation	9	Cross verification by Audit
614	Excise and Taxation	10	Incorrect deduction from turnover
615	Excise and Taxation	11	Incorrect levy of concessional rate of tax
616	Excise and Taxation	12	Non levy of Purchase tax
617	Excise and Taxation	13	Non recovery of tax
618	Excise and Taxation	15	Non/short levy of purchase tax
619	Excise and Taxation	16	Non levy of tax
620	Excise and Taxation	17	Results of Audit
621	Excise and Taxation	18	Short realization of passenger tax
622	Mines and Geology	19	Arrears in revenue
623	Mines and Geology	20	Result of Audit
624	Mines and Geology	21	Receipts from Mines and Minerals
625	Mines and Geology	22	Non/short recovery of dead rent royalty and interest
626	Mines and Geology	23	Non/short recovery of royalty from Brick Kiln Owners
627	Mines and Geology	24	Non recovery of lease fee on short term permits
628	Mines and Geology	25	Non recovery of interest on belated payments
629	Animal Husbandry	26	Arrears in revenue
630	Animal Husbandry	27	Frauds and evasions of taxes/duties
631	Revenue	29	Results of Audit
632	Revenue	30	Stamp Duty and Registration Fees
633	Agriculture	31	Arrears in revenue
634	Agriculture	32	Result of Audit
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636	Transport	34	Non deposit of token tax
637	Transport	35	Short levy of penalty
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639	Irrigation	37	Utilisation of departmental receipts observations resulting in erosion of accountability

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640	Co-operative	38	Results of Audit
641	Finance	39	Non charging of interest and penal interest
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650	Education	50	Internal Audit
651	Education	51	Sanctioned posts and actual strength
652	Education	52	Deployment of teachers beyond norms
653	Education	53	Outstanding inspection reports
654	Education	54	Monitoring and evaluation
655	Education	55	District Primary Education Programme
656	Education	56	Management cost in excess of norms
657	Education	57	Programme management
658	Education	58	Civil Works
659	Education	59	Appointment of teachers/instructors/staff
660	Education	60	Training
661	Education	61	Monitoring and Evaluation
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663	Medical and Health	63	Programme implementation
664	Medical and Health	64	Performance indicators of maternal health services
665	Medical and Health	66	Manpower position
666	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak
667	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
668	Co operative	70	Avoidable payment of interest
669	Co operative ^{1 3}	71	Storage gain on account of moisture in wheat stocks below norms

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671	Home	73	Non responsiveness to Audit findings and observations resulting in erosion of accountability
672	Irrigation	74	Water Resources Consolidation Project
673	Irrigation	75	Modernisation
674	Irrigation	76	Unauthorised excess execution of work in post tender stage
675	Irrigation	77	Hathnikund Barrage
676	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
677	Irrigation	79	Unfruitful expenditure on extension of existing channel
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690	Town and Country	93	Non recovery of enhanced compensation of land
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693	General	100	Commercial Activities
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701	Excise and Taxation	108	Under assessment of notional sales tax liability computed on taxable turnover
702	Excise and Taxation	109	Non levy of purchase tax
703	Excise and Taxation	110	Non recovery of tax
704	Excise and Taxation	111	Non levy of interest
705	Excise and Taxation	112	Under assessment due to excess rebate
706	Excise and Taxation	113	Results of Audit
707	Excise and Taxation	114	Short realization of passengers tax towards expenditure
708	Excise and Taxation	115	Non recovery of licence fee
709	Revenue	116	Results of Audit
710	Revenue	117	Short levy of stamp duty on exchange of property
711	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
712	Revenue	119	Evasion of stamp duty
713	Revenue	120	Short levy of stamp duty
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715	Transport	122	Embezzlement of token tax and registration fees
716	Transport	123	Short realization of permit/countersignature fee
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718	Transport	125	Non recovery of token tax in respect of Stage Carnage buses
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724	Forest	132	Absence of physical verification of timer
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732	Medical and Health	4	Preventive intervention for the general Community
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740	Medical and Health	12	National Tuberculosis Control Programme
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744	Animal Husbandry	16	Non recovery of cost of land
745	Co operative	17	Non responsiveness to Audit findings and observations resulting in erosion of accountability
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747	Technical Education	19	Stores and Stock
748	Technical Education	20	Financial arrangements of Guru Jambheshwar University
749	Technical Education	21	Academic activities
750	Technical Education	22	Poor library facilities
751	Technical Education	23	Miscellaneous activities

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753	Revenue	25	Drawal of funds in advance of requirement
754	Social Welfare	26	Fraudulent payment of Old age Pension
755	Town and Country Planning	27	Non collection of External Development Charges (EDCs)
756	Town and Country Planning	28	Loss of interest due to short transfer of funds
757	Town and Country Planning	29	Less recovery of plan scrutiny fee
758	Town and Country Planning	30	Avoidable loss due to delay in handing over possession of plots
759	Town and Country Planning	31	Unnecessary purchase of RCC pipes
760	Irrigation	32	Integrated Audit including Manpower Management of Irrigation
761	Irrigation	33	Department Programme Management
762	Irrigation	34	Formulation of Schemes
763	Irrigation	35	Non utilization of staff
764	Irrigation	36	Implementation of schemes
765	Irrigation	37	Wrong adjustment of expenditure
766	Irrigation	38	Unfruitful expenditure on the re activation of course of old abandoned drain No 6
767	Irrigation	39	Land under unauthorized possessions
768	Irrigation	40	Collection of Revenue
769	Irrigation	41	Recoverable amount
770	Irrigation	42	Store Management
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775	Irrigation	47	Irregular payment of pay and allowances
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777	Irrigation	49	Consultancy
778	Irrigation	50	Incomplete project Hathnikund Barrage Project
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784	Public Health	56	Execution of works
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788	Public Health	60	Unfruitful expenditure on sewerage scheme
789	Public Health	61	Acquisition of land in excess of requirement
790	Public Health	62	A voidable payment of interest on transfer of land
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792	PWD (B&R)	64	Non responsiveness to Audit findings and observations resulting in erosion of accountability
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796	Environment	68	Stone crushing units
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798	Environment	70	Vehicular pollution
799	Environment	71	Training/mass education programme
800	Environment	72	Waste management
801	Environment	73	Prosecution under Air Act
802	Agriculture	74	Non recovery of extension fee from allottees
803	Agriculture	75	Loss due to non realization of enhanced rent
804	Agriculture	76	Non recovery of expenditure on fire service charges
805	Rural Development	77	Irregular/excess release of grant
806	Urban Development	78	Avoidable loss due to delay in utilization of loan
807	Transport	79	Human Resources Material Management in Haryana Roadways
808	Transport	80	Deployment of staff
809	Transport	81	Expenditure on store

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810	Transport	82	Purchase procedure and irregularities in purchases
811	Transport	83	Extra expenditure on purchase of conversion kits
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814	Transport	86	Non disposal of dead stock
815	Transport	87	Blockade of funds due to holding excess inventory
816	Transport	88	General lack of accountability for the use of public funds in department commercial undertakings
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818	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
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833	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
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841	Excise and Taxation	112	Non recovery of tax
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843	Revenue	114	Results of audit
844	Revenue	115	Outstanding inspection reports and audit observation
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846	Revenue	117	Short levy of stamp duty on exchange of property
847	Revenue	118	Short levy of stamp duty on plant and machinery
848	Revenue	119	Short levy of stamp duty on lease deed
849	Revenue	120	Embezzlement/evasion of stamp duty
850	Revenue	121	Incorrect exemption of stamp duty
851	Agriculture	122	Results of Audit
852	Agriculture	123	Outstanding inspection reports and audit observations
853	Agriculture	124	Results of Audit
854	Agriculture	125	Non/short recovery of purchase tax and interest
855	Agriculture	126	Non realization of lease money
856	Agriculture	127	Results of Audit
857	Transport	128	Results of audit
858	Transport	129	Non/short charging of fitness fee (passing fee)
859	Transport	130	Non realisation of fees
860	Home	131	Arrears in revenue
861	Home	134	Arrears of revenue
862	Co-operative	136	Results of Audit
863	Co operative	137	Non redemption of Government share capital
864	Irrigation	138	Utilization of departmental receipts towards expenditure
865	Forest	139	Outstanding inspection reports and audit observations
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886	Rural Development	21	Physical verification of assets not conducted
887	Rural Development	22	Reclamation work not taken up for 2 1/4 years
888	Rural Development	23	Idle wages
889	Animal Husbandry	24	Non recovery of lease money
890	Agriculture	25	Development of mandis by the Haryana State Agriculture Marketing Board
891	Town and Country Planning	26	Non recovery of external development charges
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