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HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE

(2009-2010)

(SIXTY FOURTH REPORT)

REPORT

ON THE

REPORTS OF THE

Comptroller and Auditor General
of India for the year ended
31st March, 2004
(Civil and Revenue Receipts)



(Presented to the House on 16th March, 2010)

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH

2010

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Signature

(ii)

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2009-2010 upto 21 st August, 2009)

CHAIRPERSON

- 1 Shri Shamsheer Singh Surjewala

MEMBERS

- 2 Shri Venod Kumar Sharma
- 3 Shri Tejender Pal Singh Mann
- 4 Dr Sita Ram
- 5 Shri Nirpender Singh Sangwan
- 6 Smt. Sumita Singh
- 7 Rao Yadavendra Singh
- 8 Shri Kulvir Singh Beniwal
- 9 Shri Ramesh Kumar Gupta

(2009-2010 from 28th October, 2009)

CHAIRPERSON

1. Prof Sampat Singh

MEMBERS

- 2 Shri Ashok Kumar Arora
- 3 Shri Anil Vij
- 4 Rao Yadavendra Singh
- 5 Smt. Sumita Singh
- 6 Shri Sat Pal Sangwan
- 7 Shri Krishan Lal Panwar
- 8 Shri Jai Tirath
9. Shri Parminder Singh Dhull

SECRETARIAT

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

INTRODUCTION

1 I, Jai Tirath, a Member of the Public Accounts Committee, having been authorized by the Committee in this behalf, present this Sixty fourth Report on the Reports of the Comptroller and Auditor General of India for the year ended 31st March, 2004 (Civil & Revenue Receipts).

2 The Reports of the Comptroller and Auditor General of India for the year ended 31st March, 2004 (Civil & Revenue Receipts) were laid on the Table of the House on 22nd March, 2005

3 The Committee examined the Reports of the Comptroller and Auditor General of India for the year ended 31st March, 2004 (Civil & Revenue Receipts) and also conducted the oral examination of the representatives of the concerned departments. The Public Accounts Committee in its meeting held on 28-4-2009 under rule 231 (9) has appointed its two Sub-Committees from amongst its Members to liquidate the arrears with a view to identify/scrutinize all the paras of remaining Reports of the C & A G of India which involve huge financial irregularities and required to be discussed by the whole Committee and rest of the paras were to be decided on the basis of written replies and to scrutinize the replies received from the department in respect of implementation of recommendations made by the Committee in its various Reports and to make further observations thereon. The Sub-Committee (A) has scrutinized/identified important paras of C & A G Reports for the years 2003-2004 and 2004-2005 (Civil & Revenue Receipts) and raised/made queries/observations on the Audit Paras. The Sub-Committee (B) up to 21st August, 2009 and thereafter the main Committee 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 27th February, 2010

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.

New Delhi .
The 27th February, 2010

Member
of the Committee

REPORT GENERAL

1 The Committee for the year 2009-2010 was nominated on 2nd April, 2009 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 13th February, 2009, authorizing him to nominate the Members of the Committee on Public Accounts for the year 2009-2010. With the dissolution of the Haryana Vidhan Sabha on 21st August, 2009, this Committee also stood dissolved. Thereafter on the constitution of 12th Assembly, a new Committee for the remaining period of the year 2009-2010 was nominated on 28th October, 2009 by Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 28th October, 2009 authorizing him to nominate the Member of the Committee on Public Accounts for the remaining period of the year 2009-2010

2. The Committee held 40 meetings in all at Chandigarh and other places upto 27th February, 2010

25/11/14 , 4-11-14 , 2014-15

PART-I 2003-2004
(Civil)

PUBLIC HEALTH DEPARTMENT

3.2 Sewerage and Sanitation Schemes including Yamuna Action Plan.

[3] 3.2.8 Non-recovery of loans and non-contribution of share by MCs

As per conditions of loans sanctioned to the Municipal Council/ Committees (MCs), the loan was to be repaid in 30 equal annual instalments and the recovery (principal and interest) was to start one year after its drawal. In case the payment of instalment was not made on due dates, compound interest at prescribed rate of 12 per cent was chargeable. It was, however, noticed that recoveries were not made regularly and Rs 35.42 crore (including interest of Rs. 12.37 crore) had accumulated at the end of 2003-04. The Director, Urban Estates did not maintain details of amounts and the period for which the recoveries were outstanding. On being asked in audit, the Director stated (August 2004), that the details were being ascertained from MCs.

Besides, the MCs were required to share five per cent of the total expenditure on sanitation and sewerage schemes. During 1999-2004, Rs 2.27 crore fell due for recovery on this account against which the MCs had not paid any amount. These aspects were earlier commented vide paragraph 4.1.8 of the Comptroller and Auditor General of India's Report (Civil), Government of Haryana for the year ended 31 March 1998. The Public Accounts Committee (PAC) in March 2003 recommended that the matter regarding realisation of arrears of contribution and loan amount from the Municipalities be taken up with the Government for early settlement. No action on these recommendations had been taken so far (June 2004).

The department in its written reply stated as under —

It is submitted that the loans were given to the Municipal Committees being autonomous bodies by the Government of Haryana against the schemes of water supply & sewerage facility in Urban area when these schemes were Under the Municipal Committees and water and sewerage charges from the consumers were also collected by them. But now Government vide his notification No. 1/6/92-3CI dated 2/4/93 has transferred these schemes (Water supply & sewerage) to PWD (Water Supply and Sanitation) w.e.f. 2/4/93. The water and sewerage charges from the consumers are also being collected by this department and credited in the revenue head of the Haryana Government through PIT by this department.

It was not possible to recover the loan from Municipal Committees because of very weak financial position of Municipal Committees.

The Committee observed that this para has been lingering on for a long time and there are assumptions that this loan pertains to the MCs in most of the cases till 1993. The Government is requested to settle this para either by writing off the amount or effecting recovery of the amount from whichever source it is possible.

[4] 3.2.9 Recoverable amount from HUDA

Under YAP, STPs were constructed in various towns. Sewage from HUDA's area in these towns except Gurgaon (where HUDA had its own STP) was also diverted to these STPs.

It was noticed that Rs. 13.74 crore for the periods between 1977-78 and 2003-04 remained unrecovered as of March 2004 from HUDA in six towns on account of proportionate maintenance charges of STPs based on sewage generated in HUDA and other areas.

The department in its written reply stated as under —

- It is submitted that the regular efforts are being made to recover the operation & maintenance charges of Rs. 4.58 crores, due up to 3/06 on account of proportionate
- maintenance charges of Sewerage Treatment Plants in 6 original towns viz Yamuna Nagar, Kamal, Panipat, Sonapat, Faridabad & Gurgaon from HUDA. Meetings at the level of Financial Commissioner & Principal Secretary to Govt. of Haryana, Public Health Department, were also conducted with HUDA authorities for early deposition of these proportionate O & M charges. Number of references in this regard have also been made by Engineer-in-Chief, Haryana, Public Health Branch, Panchkula to Engineer-in-Chief, Haryana, HUDA vide No. 494 dated 29/4/2004, No. 730 dated 22/6/2004, No. 802 dated 5/7/2004 and No. 899 dated 11/8/04, No. 1 dated 03/1/05 and No. 225 dated 7/3/05, No. 905 dated 2/8/05, No. 1442 dated 31/10/05, No. 109 dated 18/1/06 & S.E. YAP No. 1163 dated 22/6/06. Meeting was again held with HUDA on 24/8/06 for getting the proportionate funds deposited.

The Committee desired that this matter should be taken up at the level of the Financial Commissioners and Principal Secretaries of the concerned Departments and it should be finalized within a period of three months.

Improper Planning

[5] 3.2.11 Non-completion of sewerage schemes

The HSSB approved four schemes for providing sewerage facilities in Narnaund, Bawani Khara, Loharu and Siwani towns during August 1997 to July 1999. The schemes provided laying of sewer line, construction of screening chamber, collection tanks, pump chamber, etc. for disposal works. As provided in GOI's Sewage and Sewerage Manual, the sewerage work should begin from the final disposal points going backwards. Contrary to this, in several cases, the works relating to sewer lines were being completed first and the works for disposal of sewage were being either completed later or left incomplete. Almost all the divisions were repeating this practice. Details of four such schemes where sewer lines were laid but disposal works were non-completed were as under —

Sr No	Name of Scheme	Estimated cost/date sanction (Rs in lakh)	Date of start	Date of completion of sewer	Quantum off sewage (MLD)	Upto date expenditure on completion (Rs in lakh)	Remarks
1.	Sewerage scheme at Narnaund	65 00 July 1999	May 2000	December 2002	1.13	39 41	Due to non-availability of land
2.	Sewerage Scheme at Bawani Khera	85 00 January 1995	June 1998	December 2002	1 35	35 94	Due to change in the site of disposal works
3	Surface drain with intercepting outfall sewer at Loharu	60 50 August 1997	July 1999	March 2001	1 36	32 57	Due to non-availability of funds
4	Surface drain with intercepting outfall sewer at Siwani	70 00 January 1999	March 1999	December 2002	1 31	58 97	Due to non-availability of funds
Total		280 50			5 15	166 89	

Thus taking up of works of sewer lines without ensuring availability of land and funds for disposal works, Rs. 1 67 crore spent on laying of surface drains and sewer lines were rendered unfruitful.

The department in its written reply stated as under —

Sewerage Scheme Narnaund

1. An estimate amounting to Rs 65 00 lacs for providing main surface drain and laying of sewer line in Narnaund was administratively approved by State Sanitary Board, Haryana vide Resolution No. 29 dated 29/4/1998

The work of laying main sewerage was completed in 12/2002. The matter regarding transfer of land for construction of disposal work was taken up with Haryana State Agriculture Marketing Board but the cost asked by the HSAMB was too much.

In the mean time the sewer so laid had been put to use by providing pump sets on the last manhole, thereby making the sewer functional. In view of the escalated cost of land as asked by the HSAMB, it has been decided to acquire 6 acre 1 Kanal 14 Marla land near Month drain for which notification under Section 4 of Land Acquisition Act stands published on 11.11.2005. Land Acquisition papers under Section 6 is under process and the process has been stayed by the Hon'ble Punjab & Haryana High Court. In addition, the estimate to lay sewer in the balance area of Narnaund town and for construction of disposal work has been revised to Rs 291 60 lacs and has been approved by State Sanitary Board Haryana in its meeting held on 17.5.06

The sewer already laid is functioning and land acquisition process is at the final stage. Hence the para may be dropped

2. Sewerage Scheme Bawani Khera

An estimate costing Rs 85 00 lacs for sewerage scheme, Bawani Khera was approved by State Sanitary Board Haryana vide resolution No. 30 dated 9.6.98. 90% of the work of laying sewer upto the proposed site of disposal in the estimate

was complete. The proposed site of disposal was made available by Municipal Committee, Bawani Khera vide its resolution dated 5/98. The work was started only after the resolution of the Municipal Committee, Bawani Khera made available the land for construction of disposal. The residents of the area objected for the construction of disposal at the land made available by M C Bawani Khera and the residents obtained stay from the Civil Court. Subsequently, M C Bawani Khera made available another site which was 800 ft away from the original site of disposal but again some other residents obtained stay from the Civil Court. The case is still pending in the court under stay and last date is fixed for 4/4/2007.

In view of the peculiar circumstances which are beyond any control of the Deptt. It was not possible to make the sewer functional. Hence para may be dropped.

3. Sewerage Scheme Loharu

An estimate amounting to Rs. 60.00 lacs for providing surface drain & outfall sewer in Loharu town was approved by State Sanitary Board Haryana in 8/97 against which 70% of the sewer stands laid and against expenditure of Rs. 32.57 lacs. The sewer so laid is being utilized by making small pit which is capable to dispose off sewerage water in Low lying area of the town. The sewer line so laid is taking the discharge from SDO (Civil) Judicial Complex and Govt. Polytechnic institutions. In the mean time the Loharu was denotified by the Govt. and given the status of village Panchayat. The adequate funds could not be given due to denotification of the town from Municipal Committee to village Panchayat. To complete the balance scope of work an estimate amounting to Rs. 22.10 lacs has been approved by State Sanitary Board on 15.7.2005 against which full funds of Rs. 22.10 lacs stands released. Now the adequate funds as pointed out by Audit have been made available and work taken in hand. Hence, the para may be dropped.

4. Sewerage Scheme Siwani

An estimate amounting to Rs. 70.00 lacs for providing surface drain with intercepting outfall sewer was approved during January, 1999. The work of laying intercepting outfall sewer was proposed to be undertaken in the estimate and it was not intended to provide individual sewer connections for which identifying the beneficiaries was required. The construction of disposal work remained withheld as the Siwani was De-notified by the Government and was given a Status of Village Panchayat in the year 2000. In the meantime, the sewer laid at site was put into operation after installing pumping machinery at the last manhole. The sewer is now functioning properly since 1.4.2003. However, Siwani has again being declared as a Urban area by the Government in 2006 and an estimate amounting to Rs. 250.00 lacs has been administratively approved by State Sanitary Board on number of sewer connections. The Department has taken appropriate action and sewer already laid is functioning. Hence, para may be dropped.

The Committee observed that some Sewerage Schemes are yet to be completed and the departmental representatives, during the course of their oral examination, assured the Committee that all the remaining Schemes will be completed upto 31st December, 2009. The Committee desired that all these Schemes may be completed at the earliest and a compliance Report in this regard be sent to the Committee after completion of these Schemes.

[6] 3.2.19 Yamuna Action Plan

To reduce pollution load in Yamuna river, which is the main Source of water Supply to Delhi and some parts in Haryana, Yamuna Action Plan (YAP) was started as part of Phase II of Centrally sponsored Ganga Action Plan started from May 1994. The scheme covered 12 towns of the State as shown in the map

Location of 12 towns under YAP

1 Yamunanagar	2 Chhachhrauli	3 Jagadhari
4. Radaur	5 Karnal	6 Indri
7 Gharaunda	8. Panipat	9 Sonapat
10. Gohana	11 Gurgaon	12 Faridabad

A project at an estimated cost of Rs. 232.20 crore was under execution for providing 18 Sewage Treatment Plants (STPs) in 12 towns in Haryana, besides works of laying internal and trunk sewer to enable disposal of sewage and waste water, interception and diversion of sewage water, low cost sanitation, construction of electric crematorium and river -front development

Scrutiny of records revealed lack of planning for sewage treatment, partial completion/ under-utilisation of STPs, non-maintenance of prescribed standards in treatment of effluent, non-laying of internal sewer lines/drains to link interception and diversion sewers, construction of oxidation ponds without ensuring disposal of treated effluent, under utilization of mechanical structures, construction of toilet units in unidentified areas, etc. as brought out in the following paragraphs.

3.2.20 Two-third of the sewage generated in the State was not treated

Sewage Treatment Plants of 322 MLD capacity were constructed under YAP in 12 towns against which quantum of sewage received was 254.50 MLD, whereas the level of sewage in these towns was 419 MLD as of 2002-03. Thus, 164.50 MLD sewage was going untreated into the Yamuna river as shown below

Sr No	Name of Town	Present level of sewage generated	Capacity created (MLD)	Sewage received in the STPs	Quantum of untreated sewage
1	Yamunanagar/ Jagadhari (2)	40	35	29	11
2	Karnal (2)	50	48	38	12
3	Faridabad (3)	205	115	76	129
4	Panipat (2)	45	45	45	-
5	Sonapat	30	30	30	-
6	Gurgaon	30	30	30	-
7	Chhachhrauli	1	1	-	1
8	Radhaur	1	1	-	1
9	Indri	1.50	1.50	-	1.50
10	Gharaunda	3	3	3	-
11	Palwal	9	9	-	9
12	Gohana (2)	3.50	3.50	3.50	-
Total		419	322	254.50	164.50

Note:— Figures within bracket indicate the number of STPs in the town

Besides this, 91.50 MLD sewage of 10 other towns (not covered under YAP) was going untreated into Yamuna system for which no remedial measures were initiated by the department except in two towns (where STPs were under construction) as shown under —

Sr.	Name of towns	Sewage generated (MLD)	Remarks
1	Samalkha	4.00	
2	Shahbad	6.00	
3	Hodel	4.50	
4	Jhajjar	5.00	STP under construction
5	Ganaur	3.50	
6	Ladwa	4.00	
7	Nilokheri	3.00	
8	Taravan	3.00	
9	Bahadurgarh	8.50	STP under construction
10	Rohtak	50.00	
Total		91.50	

Besides, Haryana Urban Development Authority (HUDA) at Panchkula was maintaining a sewage treatment plant. Panchkula town generated 54 MLD sewage but the details of treated sewage were not intimated by HUDA.

The department replied that pre-feasibility reports of these 10 towns were submitted to NRCD for approval, which was awaited.

In the remaining 59 towns in the State, 184.65 MLD sewage was generated but no sewage treatment system existed as no scheme had been approved for the purpose so far. Untreated sewage of these towns was being disposed off into fields/open drains causing environmental hazards.

Thus, in the State, of 749.15 MLD sewage generated as of March 2004, 494.65 MLD of sewage had been going untreated in open areas/drains.

3.2.21 Underutilisation of Sewage Treatment Plants

In Haryana, Yamuna Action Plan covers various towns including Faridabad. The waste water from Faridabad town was discharged into nalas, drains, (which ultimately reach river Yamuna) becoming the main cause of water pollution in the river. In order to prevent pollution of river in Faridabad area, GOI administratively approved (November 1993) a scheme, estimating the quantum of total sewage as 108.5 MLD, for construction of three STPs of 20 MLD, 45 MLD and 50 MLD capacity. The work of these STPs was completed between August 1998 and March 1999 at a cost of Rs. 51.27 crore. However, 50 to 65 MLD sewage going untreated into Yamuna River through Movai Drain, Buria Nala and storm drains escaped the estimates and were not included while preparing detailed project reports.

It was noticed that all the three STPs never ran to their installed capacity due to less flow of sewage. Zone wise position of inflow of sewage as on December 2003 was as under —

Sr. No.	Installed Capacity	Sewage received	Shortage	Percentage of capacity
Zone I	20 MLD	16 MLD	4 MLD	80
Zone II	45 MLD	25 MLD	20 MLD	56
Zone III	50 MLD	35 MLD	15 MLD	70
Total	115 MLD	76 MLD	39 MLD	66

Thus, the STPs were running below their installed capacity. The reasons for receipt of less sewage were large number of sewers getting choked and outfall sewer of many colonies and HUDA not being connected with the main system. Thus STPs remained underutilized and defeated the very purpose of the scheme as the raw sewage was still being discharged into drains, which ultimately polluted river Yamuna. It was also noticed that no sewage from the initially planned area was going to STP for Zone - I. To utilise the STP of Zone - I, the discharge from Buria Nala and Movai Drain was temporarily diverted to STP - I and thus the STP - I was receiving 16 MLD sewage.

The EE stated (March 2004) that Municipal Corporation, Faridabad had connected the blocked sewers with these drains. The fact remained that the department failed to get the choked sewers cleared/repared for running the system successfully.

3.2.22 Discharge standards in Sewage Treatment Plants not maintained

The discharge standards for the treated effluent were biochemical oxygen demand (BOD) 30 mg/l and Total Suspended Solids (TSS) 50 mg/l as per YAP standards. Test reports of Central Pollution Control Board revealed that the working of 50 MLD, STP, Zone III at Faridabad and 30 MLD, STP at Gurgaon was not upto the YAP standards as BOD and TSS levels exceeded the desirable limit as depicted below:—

Name of STP		Levels of treated effluent				
		January 2003	June 2003	November 2003	December 2003	January 2004
(Mg/1)						
50 MLD	BOD	128	28	58	88	87
Faridabad	TSS	168	80	71	222	51
30 MLD	BOD	114	48	62	73	114
Gurgaon	TSS	53	140	59	62	62

The concerned division, however, had not devised any system to check the BOD and TSS level by testing samples of treated effluents

3.2.23 Mixing of treated and untreated effluent

The treated, effluent from STPs was discharged into various drains, which also carried untreated domestic and industrial waste at Yamunanagar and Panipat to river Yamuna and Western Jamuna Canal (WJC). As the treated effluent got mixed with the untreated one, the pollution level increased which ultimately polluted river Yamuna/WJC as detailed below

Sr. No.	Name of towns	Capacity (MLD)	Pollution level after treatment		Pollution level after mixing with untreated effluent	
			BOD	TSS	BOD	TSS
1.	Yamunanagar	25	28	45	94	61
		10	29	55	74	76
2	Panipat	35	27	50	148	74

Thus, appropriate planning was not done to save river Yamuna/WJC water from pollution

Lack of Planning

3.2.24 Unfruitful expenditure due to improper planning

To check pollution caused by sewage of some colonies in Gurgaon flowing into drain number 8 and river Yamuna, GOI approved a scheme to provide 'Interception and Diversion (I&D)' sewer in Avadh puri, Rajinder park and adjoining colonies across railway line for Rs 2 65 crore after an assurance from the EE, PH Division, Gurgaon that open drains would be constructed in the area to carry the discharge of streets into the main I&D sewer. This work was to be completed by December 2001. Though the work of main I&D sewer was completed in February 2002 at a cost of Rs 2 64 crore, drains/internal sewer were not constructed to link with I&D sewer. Thus, laying of I & D sewer without constructing the internal sewer had rendered the huge expenditure of Rs 2 64 crore as unfruitful as the I & D sewer was underutilized.

Executive Engineer stated (February 2004) that the work for laying branch sewer was in progress and considerable discharge of the area was going into the I&D sewer through branch line/open drains. The reply was not tenable as revised technical approval for laying sewer in the town was, sanctioned only in February 2004 and funds were not allotted as of March 2004.

3.2.25 Construction of oxidation ponds without ensuring disposal of treated effluent

To treat the sewage water of Karnal, 8 MLD oxidation pond was constructed (completed in December 1999) under YAP at a cost of Rs 1 06 crore. As there was no appropriate arrangement for discharge of effluent, the low lying area near the plant was filled. The Forest Department as well as the farmers objected to the water being released on their land. The proposal for construction of effluent channel from sewage treatment plant to Barota Drain was

not accepted by Engineer-in-Chief, as the scope of work was not covered in the detailed project report of the scheme and also in view of GOI's instructions that arrangements for conveying the treated effluent from STPs to final disposal were to be made by State Government. Another proposal for discharging the treated effluent into the irrigation channel was also not accepted by the irrigation Department.

Executive Engineer stated (April 2004) that permission to construct the effluent channel had been received from Irrigation Department and the work had been started. The reply was not tenable, as Irrigation Department had asked for a certificate that there would be no death of any human and cattle by drinking effluent discharged from the STP. Also, permission of Forest Department on whose land effluent channel was to be constructed had not been obtained. Moreover, due to absence of tackling the coliform load of sewage water in oxidation ponds, the chances of contamination of potable water and occurrence of diseases could not be ruled out.

Thus, the oxidation ponds were constructed without making arrangement for disposal of treated effluent.

3.2.26 Non-completion of pollution abatement scheme

With the growing emphasis on abatement of pollution in river Yamuna, GOI (August 1997) approved a scheme for I&D sewers at Palwal, to be completed by August 1998. The work was partially completed in April 2001 at a cost of Rs 1.69 crore. Thereafter, no action to complete the sewer lines in the remaining areas and also to link the already laid sewer lines was taken.

Government of India separately sanctioned (August, 2001) the construction of STP and Main Pumping Station at Palwal at an estimated cost of Rs 3.64 crore with the condition to complete the same by June 2003. The work was still (January 2004) incomplete after spending Rs 1.67 crore. Thus delay in construction of I&D sewer and STP had resulted in nugatory expenditure of Rs 1.69 crore incurred on laying of partial sewer lines besides delay in controlling the pollution level in Yamuna. EE, YAP, PH Division, Faridabad stated (March 2004) that revised proposal for laying of I&D sewer in Palwal town was submitted to GOI in 1998, approval to which was still awaited (May 2004).

Thus, the fact remained that the activities were taken up without any proper synchronisation and planning, as I&D sewers were partially laid and revised proposal for laying complete I&D sewer in Palwal town was not yet approved by GOI despite its submission six years back.

3.2.27 Absence of disposal system for treated effluent

According to DPRs for construction of 25 MLD Upflow Anaerobic Sludge Blanket (UASB) sewage treatment plant at Yamunanagar (Camp area), the treated effluent from the STP was to fall into adjoining drain, which, ultimately was to join WJC. However, PH Department did not obtain prior permission of the Irrigation Department for discharging the treated effluent into WJC. PH Division 1, Yamunanagar took up the work in May 1996 and completed the construction in January 2003 at a cost of Rs. 9.02 crore. The plant was, however, partially commissioned in September 2000 as only one of the two reactors could be completed by that time. Thus the work was completed without ensuring the method and location of release of the treated effluent.

In 1996, the irrigation authorities did not allow the discharge of treated effluent into WJC, because the canal water was utilized for drinking purposes also. The Chairman, Delhi Jal Board also stressed upon the Irrigation Department time and again to stop discharge of treated/untreated sewage in WJC as the water was utilised for drinking purpose in Delhi also.

For discharge of treated effluent the department submitted (December 1997) a proposal to GOI for construction of effluent channel at an estimated cost of Rs 3.83 crore. GOI refused to finance the project and asked the State Government to arrange funds from their own resources. The matter remained undecided till May 2003 when, Haryana State Pollution Control Board (HSPCB) took a decision to construct a ditch/drain along WJC at a cost of Rs 7.94 crore of which Rs 3.08 crore and Rs 4.86 crore were to be borne by the Public Health Department and by the industries (who were discharging their effluent into WJC) respectively. No action in the matter had been taken so far (May 2004). Thus, the plant was conceived ignoring the provisions of the Haryana Canal and Drainage Act, 1974, (as amended in July 2001), which did not permit the discharge of treated/untreated sewage into canals. No action had been taken so far though the discharged effluent was being released in WJC against the codal provisions and against the instruction of Irrigation Department.

3.2.28 Unutilised sewerage structures

Government of India approved (June 1996) a pollution abatement scheme under YAPs phase II in Indri, Chhachhrauli and Radaur towns at a cost of Rs 4.30 crore. The works included laying of I&D sewer, construction of STPs and other ancillary works. As no sewerage facilities existed in these towns, it was proposed to complete sewerage works by 2001. Work on laying of I&D sewer was started in 1998 and completed during 2001 at a cost of Rs 1.47 crore. Work on construction of STPs was under progress and a total expenditure of Rs 3.83 crore had been incurred upto March 2004.

No provision for internal sewer lines was made and thus no internal sewer had been laid in any of these towns due to which I&D sewer laid at a cost of Rs 1.47 crore in these towns remained non-functional thereby defeating the very purpose of the pollution abatement.

3.2.29 Under utilization of structures resulting in recurring expenditure on running of Sewage Treatment Plant

Under YAP, the department constructed, 10 upflow anaerobic sludge blanket (UASB) plants in six towns. The domestic waste water treated in a UASB reactor was suitable for discharging in river water, and the biogas generated through process could also be utilized for generating electricity for running the plant. In order to utilize the energy generated from biogas, various structures and equipments were provided and electricity generating system installed at all the UASB Plants at a cost of Rs 2.27 crore.

It was noticed that against capacity of generating electricity for 6-8 hours daily, electricity was generated for 2 hours per day on an average in all the STPs (except STP at Faridabad). This was much less than what was projected during the preparation of detailed project report on the basis of the design of UASB technology. For the remaining time electricity was arranged from external sources to run the STPs and its auxiliary pumps. Had the electricity been fully produced from the biogas as envisaged in the detailed project reports and design of UASB technology, the department would have saved Rs 77,000 per month as energy charges (at the rate of Rs 11,000 per month per STP).

Failure of the department in not generating enough energy sufficient to run the plant had resulted in unfruitful expenditure of Rs 2 27 crore incurred on infrastructures raised for generating electricity

The EE, Panipat stated (November 2003) that cost of electricity produced from the biogas was equal to the electricity used from external source. The fact remains that since the equipments have been installed for generation of electricity, the same should have been utilized to optimum capacity to save upon electricity that had to be sourced externally particularly in view of electricity being a scarce resource

3.2.30 Unjustified expenditure due to deviation from scheme norms

In several towns of the State, there were large number of dry latrines, which were environmentally/aesthetically unsuitable and created unhygienic conditions. In these towns, there were certain identified slum areas where people did not have latrines in their houses or nearby. So in order to have better sanitation facilities, it was decided to construct community toilets/complexes in six towns. However, instead of constructing the community toilets in identified slum areas, the department constructed 33 units at a cost of Rs 2 95 crore at places like bus stands, administrative complexes, etc. where such facilities were already existing.

Executive Engineers, YAP Division, Yamunanagar and Panipat stated (November 2003) that as per allotment letter, the site was to be selected in consultation with the Non-Government Organisations (NGOs) keeping in view the viability of these units. The reply was not tenable as the purpose of construction of these toilets was to reduce pollution level in slum areas where no such facilities existed. Besides, the reply was silent about the diversion of funds for sites other than slum areas. Thus, the expenditure was not justified under the scheme.

3.2.31 Industrial Pollution

A large number of industries are located in the catchments of WJC at Yamunanagar/Jagadhari and Yamuna river at Panipat, some of which were generating heavy organic pollution. At Jagadhari/Yamunanagar, 96 13 MLD of treated, untreated or partially treated industrial and domestic effluent was discharged into the WJC. Central Pollution Control Board in a survey conducted during February 2003 measured high concentration of Total Suspended Solids (TSS) (158mg/l), Bio-chemical Oxygen Demand (BOD) (190 mg/l) and Ammonia Nitrogen (30 5 mg/l). Similarly, 92 81 MLD untreated or partially treated industrial and domestic effluent including treated effluent from Panipat town was discharged into Yamuna river through drain number 2. Details of major industries discharging heavy pollution load in these towns were as under —

Sr. No.	Name of town	Name of industries	BOD	TSS
1	Yamunanagar	Haryana Distillery	292	661
2	Sonipat	Sterling Agro	68	59
3	Kundli	Industrial area of Kundli town	2407	1272
4	Sonipat	Bharat leather	393	223
5	Sonipat	Sugra leather Akbarpur	61	566
6	Samalkha	Haryana organics	139	127

Haryana State Pollution Control Board had not initiated any action against these polluting units to take remedial measures

The department in its written reply stated as under —

It is an introduction given by A G Haryana regarding execution of STPs under Yamuna Action Plan. The reply of the subsequent paras is given in the following paragraphs

Para 3.2.20

- 1 (a) Under YAP — I, STPs with a total capacity of 303 MLD have been constructed in 6 towns of Haryana & commissioned between 1998 to 2001, with financial assistance of JBIC as under —

		STP Capacity	
		(MLD)	Commissioned
1	Yamunanagar	(i) 25	11/1999
	Jagadhari	(ii) 10	8/2001
2	Karnal	(i) 40	11/1999
		(ii) 08	11/1999
3	Panipat	(i) 35	10/1999
		(ii) 10	7/1999
4	Sonepat	30	1/1999
5	Gurgaon	30	9/1998
6	Faridabad	(i) 20	2/1999
		(ii) 45	10/1998
		(iii) 50	3/1999
		303	

All these STPs are working satisfactorily & their effluent parameters are regularly being monitored by BHEL Hardwar/CPCB on behalf of National River Conservation Directorate NRCD, Ministry of Environment & Forests, Govt. of India

(b) 6 Additional towns as under were included in YAP in 1997, as per directions of Hon'ble Supreme Court of India. STPs in these towns are being provided with 100% assistance of Govt. of India, except for cost of land, which has been borne by State Govt.

		STP Capacity	Position of Partially/	
		(MLD)	commissioned	
1	Chhachhrauli	1 00	Commissioned	12/03
2	Radaur	1 00	-do-	1/04
3	Indri	1 50	-do-	3/04
4	Gharaunda	3 00	Commissioned	4/03
5	Gohana	(i) 3 00	-do-	8/01
		(ii) 0 50	-do-	8/01
6.	Palwal	9 00	Commissioned	12/05

Total**19.00**

This implementation of sewerage & Sanitation schemes under YAP did not suffer due to lack of planning. In fact, Haryana was the only State to complete within the STPs under JBC assisted programme. They are being maintained efficiently & prescribed standards of effluent are being duly met.

However, to run the STP's to their full capacity (installed capacity), there is proposal in hand under YAP Phase—II to lay internal sewers and tapping/interception of open drains. The DPR are under preparation & the work for laying of sewer will start by November /2006.

Sr. No.	Name of towns	Sewage Generated (MLD)	Year of Sewage Generation of Sewage	Remark
1	2	3	4	5
1	Kaithal	17.00	2020	Proposal sent to ministry of Urban Development and poverty Alleviation under Japanese grant Aid Programme
2.	Narwana	8.00	-do-	-do-
3	Jind	20.00	-do-	-do-
4	Bhiwani	28.50	-do-	-do-
5.	Naranaul	10.50	-do-	-do-
6.	Mohindergarh	4.00	-do-	-do-
7	Ambala Cantt	18.00	-do-	-do-
8	Ambala City	23.50	-do-	-do-
9	Sirsa	22.00	2016	Proposal sent to Govt of India under Ghaghar Action Plan.
10	Tosham	6.50	-do-	-do-
11	Barara	2.50	-do-	-do-
12	Cheeka	5.00	-do-	-do-
13	Ellenabad	3.00	-do-	-do-
14	Fatehabad	11.00	-do-	-do-
15	Jakhai	1.50	-do-	-do-
16.	Kalayat	3.00	-do-	-do-

1	2	3	4	5
17	Narangarh	3 00	-do-	-do-
18	Pheowa	3 00	-do-	-do-
19.	Rania	3 00	-do-	-do-
20	Pinjore	3 00	-do-	-do-
21	Rana	3 00	-do-	-do-
22	Sadhaura	2 00	-do-	-do-
23	Rewan	8 00	-do-	-do-
24.	Sohana	5 00	-do-	Sent to Govt of India NCR Programme
Total			214.00	

Para 3.2.21

The 45 MLD and 50 MLD STPs received less sewage for treatment in beginning, at the time of commissioning But now the discharge being received at these STPs has increased & is as below—

Sr. No.	Installed	Capacity	Present Discharge % working being received
Zone-I	20 MLD	8 MLD	90%
Zone-II	45 MLD	43 MLD	86%
Zone-II	50MLD	50 MLD	100%
Total	115 MLD	111 MLD	97%

As such, the plants are running at 97% of their capacity on an average and likely to run to their full capacity The maintenance of sewerage system at Faridabad (except STPs) is with HUDA and Municipal Corporation, Faridabad Therefore efforts are being made continuously by Public Health Department by holding meetings at the level of Financial Commissioner Public Health with Haryana Development Authority (HUDA) and Municipal Corporation, Faridabad (MCF) ,authorities for disconnection of unauthorized sewer connections from Storm water drains and to connect the same with Sanitary sewers so that required sewage reaches the 20 MLD and 45 MLD STPs.

Moreover, the balance untapped sewage shall be tapped during phase-II of the Yamuna Action Plan for which the work has started

In view of the above, the para may please be settled

Para No. 3.2.22

The 50 MLD STP at Faridabad and 50 MLD STP Gurgaon are working satisfactorily fulfilling all required /designed parameters laid down for treated effluents and their effluents are being regularly monitored by CPC B on behalf of National River Conservation Directorate NRCD, Ministry of Environment & Forests, Govt. of India. Every efforts are made to ensure that the parameters of treated effluent are within permissible limit, but in some stances, these parameters can vary due to local factor i.e. cleaning/repair of Final Polishing unit, blockage of down take pipes in reactors. In that eventuality, immediate action is taken to keep the parameters within limits

In view of the above the para may be settled.

Para No. 3.2.23

Presently, the treated effluent from 25 MLD STP at Yamuna Nagar is being discharged into abandoned WJC which after being routed through Dhanora escape is being used by farmer for Irrigation purposes Yamuna river is 40 km. away from 25 MLD STP and since no effluent is reaching Yamuna river and therefore, there is no pollution of river Yamuna due to this discharge treated effluent

Similarly, the treated effluent from 35 MLD STP at Panipat having parameters within norms is being discharged in Panipat drain and from 10 MLD STP, it is being discharged into Norah Drain. The treated effluent is very fertile having manure value and therefore, is being used for Irrigation purpose

Thus it is wrong to say that appropriate planning was done to save river Yamuna/ WJC from Pollution

In view of the above mentioned facts, the para may please be settled

Para No. 3.2.24

After completion of I&D sewer in Gurgaon in 1999, internal sewer work has been taken in hand on schemes costing Rs 524 70 under various plans viz State Haryana & NRC and internal sewer worth Rs 361 98 has since been laid (Annexure-A)

Para No. 3.2.25

It is submitted that previously, the treated effluent of 8 MLD STP at Karnal was being discharged into fields and being utilized by farmers for Irrigation

Now a Kutcha drain has been constructed to carry the treated effluent to Barota Drain by providing a siphon under Bazida Distributory with the consent of Irrigation Department. Therefore, there is proper arrangement for disposal of treated effluent

Under YAP-I there were no standards for Coliform and moreover the treatment effluent is being discharged into Borota Drain upon which no drinking water supply is based

In view of the above, the para may please be settled

Para No. 3.2.26

It is submitted that the I&D Scheme for laying of sewer at Palwal town was approved by Govt of India for Rs 4 25 crore during 8/97. Due to rise in spring level as well as to accommodate additional discharge of sector floated by HUDA (intimated in 5/98) and to avoid the construction of 3 Nos intermediate pumping station, the DPR was received to Rs 7 57 crore which has been approved by Govt of India vide NRCD No M-12019/1/97 NRCD dated 1 2 06 for Rs 757 24 lacs

Now the balance work of I & D has been completed The work of Sewerage Treatment Plant has also been completed and the same has been commissioned since December 2005

In view of the facts mentioned above, the para may please be settled

Para No. 3.2.27

Treated Effluent of 25 MLD STP at Yamuna Nagar is being discharged into abandoned portion of W J C which after traveling for distance of 14 KM from STP is discharged into a escape route through Dhanaura escape and is being utilized by farmers for Irrigation purpose Moreover the Yamuna river is 40 KM away from 25 MLD STP at Yamuna Nagar, no effluent reaches the river Yamuna & hence there is no pollution of the river due to this discharge

As a permanent solution, a ditch drain is proposed to be constructed by irrigation Department, parallel to W J C to carry treated discharge of this STP and treated discharge of 4 major industries viz Haryana Distillery, Ballarpur Paper Mill, Sarswati Sugar Mill & Bharat Starch Mill Cost of these shall be borne by these industries & Govt proportionately Part funds for the same have been deposited by industries with HSPC for this purpose But it is still at the inception/premature stage and Public Health Department has not far as contributed any amount, so far as such view of audit is very premature

Thus, the observation of audit is unjustified and unreasonable and para needs to settled

Para No. 3.2.28**(i) Indri Town**

Indri is situated at the bank of WJC Before the execution of works under YAP, the whole domestic waste was flowing into river Yamuna through different open drains & was therefore Polluting river Yamuna Moreover, these open drains were creating unhealthy and unsanitary conditions in the town. Approximately 6 Km of I & D sewer has been laid in different parts of town & upto STP /MPS This I & D sewer has been laid in such a way that all the open drains & nallas have been intercepted into I & D sewer through catch pits Sewage of the town which was earlier directly flowing into river Yamuna has been diverted to MPS/STP through I & D sewers The STP/Mps have been commissioned w e f March, 2004 and the sewage is being disposed of properly after treatment.

(ii) Chhachhrauli Town

It is a small town situated at the bank of River Som which ultimately joins River Yamuna. Before the execution of work under YAP, the whole domestic waste was flowing into River Som through different open drains & was ultimately polluting River Yamuna. Moreover these open drain were creating unhygienic and in-sanitary conditions in the town. I & D sewer having 3 km length has been laid in different parts of the town to bring sewage up to STP. These I & D sewers have been laid in such a way that all the open drains and Nallahs have been intercepted into I & D sewer through catchpits. Whole sewage /waste water of the town which was earlier directly flowing into River Yamuna through River Som has now been diverted to STP through I & D sewers. The STP has been partially commissioned and the sewage is being discharged after treatment up to required standards.

(iii) Radaur Town

Radaur is situated on the bank of WJC. Before the execution of the works under YAP, the whole domestic waste was flowing into abandoned Yamuna canal through different open drains and was ultimately polluting River Yamuna. Moreover, these open drains were creating unhygienic and in sanitary conditions in the town. I & D sewer has been laid in different parts of the town and upto MPS. These I & D sewers have been laid in such a way that all the open drains and Nallahs have been intercepted into I & D sewer through catchpits. Whole of the sewage of town which was earlier directly flowing into River Yamuna has now been diverted to MPS through I&D sewers. The STP/MPS has been commissioned w e f March 2006 and Sewage is being disposed of properly after treatment.

So the version of the Audit that I & D sewer laid at the cost of Rs 1.47 crores in these towns remained non-functional due to non laying of internal sewers is not correct.

In view of the facts mentioned above, the para may please be settled.

• Para No. 3.2.29

The UASB sewage treatment plants were constructed under Yamuna Action Plan, under the guidance of NRCD, Ministry of Environment & Forests GOI, New Delhi. The primary aim of these plants was to reduce the pollution load of river Yamuna. The technology adopted for these plants was UASB, because of its easy and less operation and maintenance cost. This technology works in anaerobic conditions & Biogas (Methane) is a By-product of this treatment process. Since this gas is a combustible-gas therefore there were two options for its disposal i.e. either to burn this gas after collection or to utilize it in any useful manner.

It was decided to collect this biogas & to utilize it for generation of electricity. To take care of plant during power failure, it was decided to install dual fuel generators, instead of diesel generators. In any of the above two alternatives, system of gas collection, gasholder, generator room etc. was mandatory to be provided.

But the A G Audit Party while working out the cost of generation system has included the cost of gas collection, Gas Holder, Dual Fuel Generator and Generator.

Room also whereas the cost of generator room and Diesel Generator Set would have been incurred even other-wise had the Diesel Generating sets been installed at site instead of dual fuel generators to run the machinery in case of electricity failure. Further, in that case also Gas Collection System and Gas Holder would have been constructed in order to flare up the gas being generated at site (as a by product). Therefore no extra expenditure has been incurred in constructing the structures.

Further, the Biogas generated at STP's is being used to generate the electricity by dual fuel generator, which consumes 70% Biogas and 30% Diesel. These STP's have also been provided with independent power feeders, where power availability is assured. The cost of running machinery at STP's with electric power supplied by Power utilities works out to equivalent or less than the cost of electric power generated with Dual Fuel Generator by the department, besides extra cost of frequent repair and servicing etc. of these generators involved due to moisture present in the methane. Thus these generators are used mostly when power is not available. However these dual fuel generators are operated daily for an average of 2-3 hours so as to keep these in working conditions to meet with any emergency. Hence there is no under utilization of structures.

Para No. 3.2.30

The selection of site for construction of Community toilet was made keeping in view the following factors to be provided —

- 1 Availability of site (free of cost by Municipal Committee)
- 2 Proximity with slum area
- 3 Utilization level.
- 4 To facilitate in reducing the pollution load

Keeping all these factors into consideration and consent of Municipal Committee Authorities, the sites were selected. Survey of site selection was conducted by the Officers of Public Health Department alongwith Distt. Administration, reputed persons of the concerned slum areas & the NGO M/s Sulabh International etc. after identifying the slum areas with the help of Municipal Authorities. During survey, it was observed by the Distt. Administration that Bus Stand, Grain Market, Mini Sectt. etc. are such places which are frequented daily by large volume of Public and provision of these Toilet Complexes at such places was of utmost importance as these could be utilized both by residents of the nearby slum areas as well as public visiting these places. Special survey was conducted by NRCD for checking the utilization of community toilets. Blocks and according to them, the level of utilization was quite satisfactory. The usage of these toilets blocks has confirmed that these have helped in improving sanitary conditions in these areas and there by reducing in pollution.

In view of the facts mentioned above, the para may please be settled

Para No. 3.2.31

The para does not relate to the Public Health Department as mentioned in the para its self

After discussion with the departmental representatives, the Committee desired that an on the spot study of all the treatment plants from Yamunanagar to Kundli will be undertaken by the Committee and the dates for the visits will be intimated in due course of time. All these paras will be discussed during these visits.

The Committee could not find time till drafting of the Report and the Committee will undertake on the spot study in due course of time.

REVENUE DEPARTMENT

SHIVALIK DEVELOPMENT AGENCY

[7] 3.4.3 Organizational set up

The Board is an Apex Policy Making Body and exercises control with regard to formulation and review of special schemes in Shivalik area. A Coordination Committee (23 member body) monitors the implementation of schemes and is to report regularly to the Board.

Shivalik Development Agency (SDA) executes development programmes through implementing agencies as given in **Appendix XVII**.

The composition of the Board and other agencies is indicated below.

SHIVALIK DEVELOPMENT BOARD

Chairman: Chief Minister

Members

- Ministers and Administrative Secretaries of the following departments

— Finance	— Irrigation and Power	— Animal Husbandry
— Cooperation	— Development	— Health
— Forests	— Education	— Public Health
— Buildings and Roads	— Industry	— Tourism
— <u>Fisheries</u>		
- Chief Secretary
- Members of Parliament representing the area
- Member of Legislative Assembly representing the area

Co-ordination Committee

President

To be nominated by the Government

Vice President

Commissioner, Ambala Division

Members

- Heads of Departments concerned with development programmes,
- Deputy Commissioners of the districts concerned, and
- Chief Executive Officer of the Shivalik Development Agency

Shivalik Development Agency

Chairman

Commissioner, Ambala Division

Members

- Deputy Commissioners/Additional Deputy Commissioners of the districts concerned;
- Heads of district level offices of the districts concerned; and
- Members of Legislative Assembly representing the area of the districts concerned.

3.4.8 Non-formulation of specific schemes

Co-ordination Committee was to formulate specific schemes, which could raise the economic status/living standard of the people. The Committee was also to identify prospective beneficiaries belonging to weaker sections in particular. However, no scheme was formulated either by the Co-ordination Committee or by the SDA. The works for execution were selected from the proposals submitted by the concerned Deputy Commissioners each year.

The CEO, SDA while admitting the facts stated (August 2004) that the schemes could not be formulated as the Co-ordination Committee was non functional.

The SDA did not conduct any survey during 1999-2004 and therefore schemes formulated by the Board were not based on any techno-economic study or other relevant details. Budget proposals submitted by SDA were not supported by the estimates of the respective departments/ implementing agencies. The Board did not fix any physical target or time schedule in respect of any scheme and thus achievements were not comparable in audit. Further, no parameters were set by the Board to measure the effectiveness of the implementation of the programme.

3.4.10 Non-completion of roads rendered the expenditure unfruitful

The Board accorded (June 1995) administrative approval for construction of two link roads viz link road from village Badyal to Raji Tikkari and Tikkartal to Meerpur for Rs. 1.40 crore and Rs. 1.04 respectively. For this purpose, Rs. 50 lakh were provided by the SDA during 1996-2002 (Rs. 40 lakh in March 1997 and Rs. 10 lakh in 1998-99) to EE, Provincial Division, Panchkula. The Division took up the works without obtaining technical sanction to their cost estimates and executed upto earth level (7.5 km out of 12 km and 2 km out of 10 km) during August 1997 to March 2000 at a cost of Rs. 60.40 lakh. Thereafter, further execution of works was stopped because funds were not provided by SDA. The SDA did not provide funds because the Deputy Commissioner failed to send demands for funds to complete the work. The roads were in neglected condition and chances of the earthwork getting washed away could not be ruled out due to vagaries of weather. Executive Engineer, Provincial Division, Panchkula stated (February 2004) that revised cost estimates of Rs. 2.02 crore for construction of road from Budyal to Raji Tikkari had been submitted to Government for approval which was still awaited. No action was indicated in the reply with respect to completion of Tikkartal to Meerpur road. However, reasons for starting the work without obtaining technical sanctions were not furnished.

3.4.13 Unfruitful expenditure due to delay in laying of pipeline

SDA released Rs. Nine lakh in April 2000 to HSMITC for extension of pipeline from 1500 ft to 3000 ft in Pinjore block to use the full potential of the tubewells in the area. HSMITC utilized Rs. 0.13 lakh on another work (lying of pipeline upto 1500 ft). The work of extension of pipeline of the stretch between 1500 ft and 3000 ft however, was not done and balance Rs. 8.87 lakh were lying in bank in the form of FDR in the joint account of EE HSMITC and

CEO, SDA till date (May 2004) Due to non-laying of pipeline from 1500 ft to 3000 ft, full potential of tubewells in the area could not be utilized Thus due to slackness on the part of HSMITC coupled with absence of monitoring on the part of the Board led to denial of intended benefits of the scheme to the inhabitants of Shivalik area

3.4.14 Non-repairing of tubewells

The Board released Rs 43.63 lakh to HSMITC in 1997 for repair of 72 tubewells In July, 2001, the Board, further decided that possession of 72 damaged tubewells, after repair, should be handed over by HSMITC to the Village Farmers' Co-operative Societies However, the HSMITC handed over only 20 tubewells, the remaining 52 damaged tube wells were neither got repaired nor handed over to the Farmers Co-operative Societies as of May, 2004. The SDA had no clue whether the 20 handed over tubewells were functioning Specific reasons for non-repair of 52 tubewells could not be ascertained from records Non-functioning of the tubewells defeated the very objective of the scheme

3.4.15 Absence of details of expenditure spent on creation of infrastructure for power supply

To provide power infrastructure for electricity facility in the remote area of Shivalik range, the Shivalik Development Board released Rs 1.03 crore to Haryana State Electricity Board during February, 1995 to July, 2000 The Electricity Board submitted expenditure account for Rs 99.80 lakh for electrification works carried out in 351 *dhanies* of Morni block and unspent balance of Rs 2.80 lakh was returned (January, 2003) to SDA Of the above expenditure, Rs 52.29 lakh were spent for creation of infrastructure for power supply but Rs 47.51 lakh were irregularly spent on purchase of electric material instead of on infrastructure for power supply Further, vouchers/ documents in support of these purchases were also not available on record of the EE, Haryana Vidyut Prasaran Nigam (HVPN), Naraingarh though the payment was stated to have been made to the respective firms Executive Engineer, HVPN stated (February 2004) that neither vouchers in support of purchase of material nor any inspection note was submitted to the division by the purchase committee (consisting of Executive Engineer, Accounts Officer, Sub-divisional Officer and a nominee of the Additional Deputy Commissioner) In the absence of details of expenditure, the extent to which funds were spent on creation of infrastructure for power supply remained unverified in audit

3.4.16 Non-electrification of dhanies due to non-conducting of survey

To provide electricity to the people living in dhanies in rural areas of Morni Block (District Panchkula), the Board directed (December, 2001) the DC, Panchkula to constitute joint survey team of HVPN and revenue staff to carry out a survey of all *dhanies* having a minimum habitat of five households The HVPN was to frame a self contained proposal with correct cost for seeking requisite funds for the electrification of the unelectrified dhanies No such survey was conducted so far (March, 2004) and the work of electrification of remaining dhanies could not be taken up Of the 658 dhanies in Morni block, 351 *dhanies* were electrified as of December, 2000 but the remaining 307 *dhanies* (which might have increased over the years) had not been electrified so far and the people living in these dhanies were deprived of the intended benefits

3.4.17 Delay in construction of Primary Health centres

The Board released Rs 2.52 crore to PWD (B&R) during 1999-2004 for construction of Primary Health Centre buildings for promotion of health service activities in Shivalik area

SDA released to EEs, PWD (B&R) Division, Yamunagar, Panchkula and Ambala Rs 266 crore (Rs 14 lakh prior to 1999 and Rs 2.52 crore thereafter) during 1997-2004 for construction of five PHCs but no time schedule was fixed for their completion. Further, detailed cost estimates for obtaining technical sanction were not prepared in respect of any of the PHCs. Till March, 2004, only two PHCs had been completed after incurring an expenditure of Rs 35.05 lakh and the remaining three had not been completed even after lapse of three to four years. The administrative approvals accorded initially for Rs 1.25 crore in respect of these three incomplete works had been revised to Rs 1.61 crore in the years 2001-04, an increase of 28 percent. Besides, the delay in completion of works had adverse impact on making health service activities available in the Shivalik area.

3.4.18 Decrease in production of vegetables, mushrooms and spices

The Board took up the development of horticulture through Horticulture Department. Rs 4.90 lakh were released to District Horticulture Officer (DHO), Yamunanagar during 2001-02 for supply of certified seeds at subsidized rates to the farmers for cultivation of garlic, ginger, mushroom and vegetables to raise the income of the people of the area. As a result of supply of certified seeds, the production of vegetables, mushrooms and spices increased from 24,500 tonnes, 11.50 tonnes and 3,200 tonnes respectively in 2000-01 to 55,000 tonnes, 22 tonnes and 6,050 tonnes respectively in 2001-02. However, the production in subsequent years declined and dwindled to 46,800 tonnes for vegetables, 18.50 tonnes for mushrooms and 5,700 tonnes for spices in 2003-04 as the scheme for providing certified seeds was discontinued after 2001-02. Reasons, if any, apart from discontinuance of the scheme, for the declining trend were not intimated by the DHO and the same was mainly attributed to the discontinuance of scheme.

Even though this was the only scheme, which was directly related to increasing the income of farmers, the scheme was discontinued without any justification.

3.4.19 Inadequate coverage of income generating schemes

The Board was constituted for integrated development of area in Shivalik ranges by providing self employment to improve the living standard of the people. However, no schemes in important sectors which could increase the income of the people such as tourism, poultry development, banking and wild life, were taken up though activities in these fields were envisaged in the objectives of the Board.

The CEO, SDA stated (August 2004) that the schemes under these sectors could not be undertaken due to non-receipt of proposals from the concerned departments through DCs. The reply is indicative of absence of monitoring at various levels.

3.4.20 Inadequate focus upon manpower management

The Board had no manpower of its own for execution of schemes/programmes. The schemes were implemented through other concerned Government Departments, which had their own sanctioned manpower.

The Board had reviewed the vacancy position of such departments from time to time. The maximum shortage of manpower was in Education and Health Departments as

indicated below —

Education Department	2000-01				2003-04			
	Panchkula	Ambala	Yamuna-nagar	Total post vacant	Panchkula	Ambala	Yamuna-nagar	Total posts vacant
Principal/ Headmaster	22	87	42	151	23	88	57	168
Lecturers/ Teachers	16	221	278	515	16	398	306	720
Total	38	308	320	666	39	486	363	888
Health Department	2000-01				2003-04			
	Panchkula	Ambala	Yamuna-nagar	Total post vacant	Panchkula	Ambala	Yamuna-nagar	Total posts vacant
Sr MO/MO	1	2	3	6	1	3	-	4
Other staff	37	26	38	101	36	31	36	103
Total	38	28	41	107	37	34	36	107
Grand Total	76	336	361	773	76	520	399	995

Note:— Manpower position indicated in the above table is of blocks of three districts falling under the Shivalik area

The Board suggested at each meeting to these departments to fill up the vacant posts expeditiously but the vacancies continued to persist, impacting upon efficient implementation of scheme and services

Large number of vacancies (888) at the critical level i.e. in the cadre of head of institutions/teaching staff (principals, headmasters, lecturers and teachers) had adverse consequences on extent and quality of education that was being imparted. Similarly, health care was another critical area where large vacancies of medical/para medical staff existed, adversely affecting the health care services

The Board, however, failed to get the vacant posts filled by pursuing the matter with the Government

3.4.21 Internal Audit

No internal audit system existed in the Board

3.4.22 Monitoring

The Board was to meet twice a year for framing policies and exercising control over the formulation and implementation of schemes. Against the requirement of 10 meetings, only four meetings were held during 1999-2004. The Board failed to formulate any policy for formulation and implementation of specific programmes for raising the income and living standards of the people of Shivalik area.

Co-ordination Committee responsible for monitoring the progress of the schemes and reporting it regularly to the Board, was required to meet at least quarterly but it did not hold any meeting during 1999-2004 and was thus nonfunctional

Shivalik Development Agency, the main executive body of the Board responsible for getting the actual programmes implemented, failed to monitor the progress of works and proper utilization of funds. Monthly progress reports were not being obtained from the implementing departments. Since there was no regular CEO or the Administrative Officer or project Officer(s) in place, the part time officers apparently could not devote adequate time and attention to the activities of the Board. It was observed in Audit that SDA held only five meetings against the requirement of having 20 meetings to monitor the progress of activities during 1999-2004

Thus despite the high profile Board and highest level of nominees in the Board and the State Level Co-ordination Committee, the Board was not managed very professionally and its functioning was far from satisfactory, both, for programme implementation and financial management, as brought out in the previous paragraphs

3.4.24 Conclusions

The Board did not formulate schemes/programmes on long term basis to achieve its aims, objectives and scope for raising the standard of living of the people of Shivalik area. Funds remained unutilised due to non-formulation of schemes. Delay/non-execution of works led to non-achievement of the desired objectives. Large number of tubewells remained non-functional for want of repairs. Co-ordination committee did not hold its meeting even once during last five years to monitor the implementation of schemes. The Board failed to manage the utilization of funds and implementation of schemes effectively. Neither were any parameters fixed by the Board to measure the improvement in the living standard of the people in the area nor was any evaluation got done to assess the impact of schemes

3.4.25 Recommendations

As a result of the review of the activities of the Board, Audit of the opinion that Government of Haryana should seriously consider winding up the Shivalik Development Board since it has so far not been able to give adequate special attention to the development of the three districts of Panchkula, Ambala and Yamunanagar in the Shivalik range, although this was the basic objective at the time of setting up of the Board. In case the Government still wants to continue with it, we suggest that the following recommendations may be considered to gear up the efforts of the Board

- ✓ Shivalik Development agency should have a regular dedicated Chief Executive Officer supported by Project Officers and an Administrative Officer in order to manage the affairs of the Board professionally;
- ✓ The Board must formulate schemes/programmes on a long-term basis based on techno-economic surveys of the area, prepare Detailed Project Reports specifying special needs of the area and set measurable targets for assessing the achievements and impact on the living standards of the inhabitants of Shivalik area; and

- ✓ Evolve a system to monitor and evaluate the progress effectively for taking measures to ensure proper execution of the schemes/projects and utilisation of funds

These points were referred to Government in July 2004, their reply had not been received (August 2004)

The department in its written reply stated as under —

3.4.3 The Financial Commissioner, Revenue has been nominated Chairman of Co-ordination Committee vide a Revenue & Disaster Mgmt. deptt. notification No 385-M-2007/11589 dt 22 6 07. A meeting of Co-ordination Committee was held on 15-10-07. The meetings of SDB were held on 27-3-06, 28-3-07 & 19-8-08. Rs 18.16 crore, 8.00 crore & 8.80 crore were received as grant from State Govt during 2005-06, 2006-07 & 2007-08 respectively.

3.4.8 The Annual Action Plans are prepared on the basis of proposal/scheme received from the concerned MPs, MLAs. The viability and technical aspects are discussed in the meeting and then included in AAP. The funds are released only after receiving the estimates and technical approval of the competent authority of the concerned department and instructions have been issued to ADCs and DCs to monitor/review the progress on monthly basis.

A detailed survey has been got conducted by an independent agency and a Development Vision/ Plan for next 15 years has been got prepared. The report has been sent to the Govt. and all the line departments have been requested to prepare their Action Plan on the basis of recommendation given in the 'Development Vision-2021'.

3.4.10 It is mentioned that as per decision of State Govt funds for construction of major roads are to be provided by State Govt. Hence the Board did not release further installment of funds. The revised cost estimates has since been submitted by executing department to State Govt for release of funds for ongoing works.

3.4.13 It is submitted that HSMITC has already completed the work of laying of pipelines from 1500 ft to 3000 ft. However, the expenditure was not booked. HSMITC has provided the detail of expenditure and UCs for the released fund.

3.4.14 Due to closer of HSMITC, the position of tubewell can't be sought out. The SYL/Irrigation deptt., Ambala has been asked to submit the reply/comments from the record of MITC.

3.4.15 In this regard, it is submitted that UHBVN has booked the expenditure under their own Head along with the supporting document/vouchers which can be seen/verified by the audit. There has not any irregularity except the book adjustment.

3.4.16 In this regard, a committee comprising of the officials of UHBVN & Revenue staff conducts the survey and it was decided that those dhanies/ villages having 20 or more habitation will be electrified by UHBVN and remaining

will be covered by HAREDA. All the dhanies have been covered by UHBVN/ HAREDA and electrified the villages. All the Bhojes are availing the facility of electricity.

3.4.17 All the 5 nos PHCs Kot, Sadhaura, Pathereri, Majri and Panjokhra have been constructed and handed/over to the Health deptt and UC & unspent Balance have also been obtained.

3.4.18 In this regard, it is stated that farmers of Shivalik area have time and again given demonstration/training of various horticulture crops and hybrid seeds have also been provided to them on subsidy. This facility was provided only to BPL/Poor families. The farmers who were provided the financial assistance have good results and are in good position to invest at their own level. Hence no further assistance is required to be provided to the same families.

3.4.19 Efforts are being made to develop in the field of tourism, poultry, banking and wild life. These schemes are required huge investment, technical know how. A prospective plan has been prepared for integrated development in the area. The results can be seen in future.

3.4.20 The matter was discussed in the Board meeting held on 27-3-06 and 28-3-07 under the Chairmanship of Hon'ble Chief Minister. The posts in Education deptt have been filled by promotion or appointing the guest teachers and the instructions have been issued to the Health Deptt to fill up the posts in Shivalik areas on priority basis and most of the key posts are filled up.

3.4.21 Internal Audit

No internal audit system existed in the Board.

3.4.22 The SDA has an Accounts Officer from Finance/Treasury Deptt, who is acting/responsible for internal Audit and maintaining the Accounts system.

The matter is under consideration with the Govt for monitoring of works. A Consultative Committee under the Chairmanship of Financial Commissioner, Revenue has been constituted for the monitoring of work.

3.4.24 The observations have been noted for future compliance.

3.4.25 An integrated plan has been prepared for the next 15 years and attention will be given in the area which requires immediate attention and long term attentions.

The SDB has spent a sum of Rs 56.24 crore for the development of Shivalik area. An infrastructure has been created. Now the results for development are coming, people are aware for development. At this stage more funds are required for further development to fulfil the demands of people and the line deptts. A prospective plan for next 15 years has been prepared. The line deptts are also informed to prepare their plan as per the recommendation. The Govt, MPs/MLAs/IPs are also taking interest in development & monitoring of project.

Keeping the above more & more funds are required for the integrated development of the area

The Committee observed that so far as the functioning of the Board and the Coordination Committee is concerned, it remained dismal for all these years. Therefore, the Committee is of the view that if the functioning of the Board is continued like this, there is no need of such a Board. But keeping in view the backwardness of the area and requirement for speedy development, the Committee recommends to the Government that the Board should take this job seriously.

The Committee also recommends that adequate funds should be allotted for the development of this area and execution of various schemes by the respective departments. If the Government thinks proper, the total structure of the Board may be pruned and brought under some change. Efforts made in this regard be intimated to the Committee.

PW (B&R) DEPARTMENT

[8] 4.1.2 Overpayment to contractors E/- 16/08/22

Non-implementation of Government's decision to recover the differential amount of sales tax resulted in overpayment to contractors and loss of Rs 47.82 lakh to Government

A meeting of Superintending Engineers (SEs) and Executive Engineers (EEs) was held on 6 August 2001 under the Chairmanship of Financial Commissioner and Secretary to Government of Haryana, Public Works Department, Buildings and Roads Branch. It was decided at the meeting that where the contractors were arranging bitumen at their own level for works of Ministry of Rural Development and Housing Urban Development Corporation of India and were paying sales tax at concessional rate of four per cent instead of ten per cent, the difference of six per cent be recovered from the bills of the contractors. The concessional rate was payable on goods sold to Haryana Government for use and consumption subject to furnishing of declaration in Form B. This condition was required to be made clear to the agencies in advance and an undertaking to this effect was to be obtained from the lowest tenderers.

Test-check of records (October-December 2003) of three divisions revealed that in seven works, the departmental rates prepared before calling tenders were inclusive of 10 per cent sales tax on cost of bitumen, but in six cases (five allotted by Engineer-in-Chief and one by SE) the condition of recovery of difference of sales tax was not incorporated in the contract agreements. The contractors purchased, 6,253 373 metric tonnes of bitumen valuing Rs 7 97 crore between March and November 2003 from three suppliers by paying sales tax at the concessional rate of four per cent but the recovery of Rs 47.82 lakh on account of difference of sales tax at the rate of six per cent was not made from them. In one case (allotted by EE) though the clause of recovery of difference of sales tax was incorporated, the recovery was not made.

The Engineer-in-Chief (EIC), while admitting the lapse stated (May 2004) that had this clause been included in tenders, the rates would have been higher by equivalent amount. He further, stated (July 2004) that the analysis of rates of bitumen with 10 per cent sales tax was only for the purpose of assessment and evaluation of tenders and all the SEs have been instructed to evaluate tender cases in future with four per cent sales tax on purchase of bitumen. The reply was not tenable as the tenderers quoted their rates only after taking into account the departmental evaluation. The rates approved and paid to the contractors were inclusive of 10 per cent sales tax, therefore, the excess amount paid on account of sales tax was to be recovered. Though, the instructions were issued for future evaluations, no action was taken to recover the excess amount already paid.

Thus, the failure of the EIC SE and EE to implement the Government's decision for recovery of difference of sale tax led to overpayment to contractors and loss of Rs 47 82 lakh to the Government. No responsibility for the failure was fixed as of July 2004.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana PWD, B&R Branch, in March 2004, but reply had not been received (August 2004).

The department in its written reply stated as under —

A series of meetings have been held in this case wherein senior officers from the department of Excise & Taxation were also associated. It is not clear from the papers available as to whether the contractors have been unduly benefited or not. Instructions have been issued to the concerned Executive Engineers vide memo no 482-487/RII, dated 18.2.09 to effect recovery from concerned agencies if they are so benefited. However, no recovery could be effected except one case from the Agencies in the absence of any such provision in the agreement. A recovery amounting to Rs 6,38,667/- on account of difference in sales tax of bitumen from M/S M G Contractors Pvt Ltd Panchkula was made, who subsequently move an application in the Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court has appointed Sh B R Gupta, Retd. Additional Session Judge as an Arbitrator. The next date of hearing has been fixed for 22.5.09 in this case.

The exact position, therefore is yet to be determined. The committee is requested to give one month more for the issue.

During the course of oral examination, the departmental representatives informed the Committee that since the matter of levying the sales tax related to Excise and Taxation Department, the para may be sent to the said department. It was further informed that the department recovered the sales tax @ 10% from one contractor who approached the Court and an arbitrator has been appointed.

The Committee desired that the matter may be sent to the Excise & Taxation Department and the decision of the arbitrator be also informed to the Committee as and when received.

GENERAL

[9] 1.7.2 Financial assistance to local bodies and other institutions

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 2003-04 was as follows.

Table 15

(Rupees in crore)

Sr No	Bodies/authorities, etc.	1999-2000	2000-01	2001-02	2002-03	2003-04
1.	Universities and Educational Institutions	130.43	167.48	215.59	190.14	242.31
2.	Municipal Corporations and Municipalities	103.55	116.26	144.03	158.95	175.96
3.	Zila Parishads and Panchayati Raj Institutions	4.97	9.78	35.77	5.02	59.25
4.	Development Agencies	91.76	119.06	128.32	116.82	114.68
5.	Hospitals and other Charitable Institutions	19.29	12.10	16.04	16.26	10.55
6.	Other Institutions (including statutory bodies)	61.42	87.49	128.71	120.61	124.46
Total		411.42	512.17	668.46	607.80	727.21
Percentage increase(+)/ decrease (-) over previous year		8	24	31	(-) 9	20
Assistance as a percentage of revenue receipts		7	8	9	7	7
Percentage of assistance to revenue expenditure		6	7	8	7	7

1.7.3 Delay in furnishing utilization certificates

The financial rules require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees.

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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 4,111 utilisation certificates due in respect of grant-in-aid of Rs 1,206.95 crore paid during 1991-92 to 2002-03, only 1,575 utilisation certificates for Rs 732.43 crore were furnished to AG by 30 June 2004 and 2,536 certificates for Rs 474.52 crore were in arrears. Department-wise and age-wise break-up is given in Appendix II

1.7.4 Delay in submission of accounts by Autonomous Bodies

The status of submission of accounts by the autonomous bodies and submission of separate Audit Reports thereon to the State Legislature as of June 2004 is given in Appendix III

1.7.5 Audit arrangements

The audit of local bodies (Zila Parishads, Nagar Palikas, and Town Area/Notified Area Committees), Educational Institutions, Panchayati Raj Institutions and others was conducted by the Director, Local Fund Audit, Haryana, Chandigarh. Audit of Co-operative Societies is conducted by the Registrar, Co-operative Societies, Haryana, Chandigarh

The accounts of 84 bodies/authorities, which were received for the year 2002-03, attracted audit by Comptroller and Auditor General of India. Of these, 70 bodies/authorities, audit of which was due, were audited during 2003-04

Two hundred and seventy four annual accounts of 99 bodies/authorities for 2003-04 and earlier years had not been received as of July 2004 by the Accountant General (Audit). The details are given in Appendix IV. Of these bodies/authorities, 22 Municipal Committees and seven Aided Colleges did not submit their accounts for five years or more

1.7.6 Non-furnishing of accounts of utilisation of grants

Out of 270 autonomous bodies to whom various Government departments released grants-in-aid of Rs 216.62 crore during the year 2002-03, as detailed in Appendix V, 242 did not render the accounts for the utilisation of grants to the concerned departments as of July 2004

The Committee observed that this para is regarding non-furnishing of utilization 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 utilization certificates well in time.

The Committee recommends that all outstanding utilization certificates be furnished and Finance department should ensure before the release of further grants to the departments that they have furnished all the outstanding utilization certificates of previous grants.

[10] 1.7.7 Misappropriations, defalcations, etc.

State Government reported 251 cases involving Rs 1.73 crore on account of misappropriations, defalcations, etc. of Government money. These cases pertained to the period from 1971-72 to the end of March, 2004 on which final action was pending at the end

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of June 2004. The department-wise/year-wise and category-wise break-up of pending cases is given in Appendix VI and VII respectively

After going through written reply of various departments, the Committee observe that a large number of cases of misappropriations and defalcations are still pending for settlement despite its earlier recommendations contained in earlier reports of the Committee. The Committee took it seriously and further recommends that afresh instructions be issued by the Finance Department so that pending cases of misappropriations and defalcations are settled by the concerned departments at the earliest. The progress report be sent to the Committee within a period of three months.

[11] 1.7.8 Write off of losses, etc.

During 2003-04, Rs. 9 18 lakh representing losses due to theft, fire and irrecoverable revenue, etc were written off in 8 cases by competent authorities as reported to audit. The relevant details were as under .—

Table 16

Sr. No.	Department	Number of cases	Amount (Rupees in lakh)
1	Animal Husbandry	2	0.72
2.	Agriculture	1	0.45
3	Forest	1	0.97
4	Industries	1	1.44
5.	Medical and Health	3	5.60
Total		8	9.18

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Having gone through the written reply sent by the concerned departments, the Committee recommends that the detailed reports regarding written off losses etc. be sent to the Committee within a period of three months for its consideration.

PART-II 2003-2004
Revenue Receipts

AGRICULTURE DEPARTMENT

[12] 1.7 Arrears of revenue

The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs 851.46 crore, of which Rs 227.33 crore were outstanding for more than five years as detailed in the following table; (Rupees in crore)

Sl. No.	Head of revenue receipts	Amount outstanding as on 31 March 2004	Amount outstanding for more than 5 years as on 31st March 2004	Remarks
1-5	-	-	-	-
6	Other taxes and duties on commodities and services (i) Receipt under the Sugarcane (Regulation of purchase and supply) Act	6.54	3.48	Three sugar mills (Yamunanagar Rs. 0.77 crore, Panipat Rs. 3.49 crore and Rohtak Rs. 2.28 crore) did not deposit the tax.
Total		851.46	227.33	

The arrears outstanding for more than five years constituted 27 per cent of the total arrears. Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously as observed by 10th and 11th Finance Commission. It is recommended that effective steps for collecting these arrears be taken to augment government revenue.

The department in its written reply stated as under -

As per details received from Accountant General, Haryana, the department involved in three cases for Rs. 6.54 crores. The Sugar mills wise detail is as under -

S. No	Name of office	Year	No. of cases	Amount (Rs. in crores)	Present position
1	2	3	4	5	6
1	A.C.D.O.Y Nagar	2003-04	1	0.77	No recovery affected, action is being taken to recover the amount.

1	2	3	4	5	6
2	A.C D O Panipat	2003-04	1	3.49	No recovery affected, action is being taken to recover the amount
3	A C D O Rohtak	2003-04	1	2.28	An amount of Rs. 59.61 lakh deposited vide challan No 2,3,4, & 5 dated 26.5.2005 by the Sugar mills, Rohtak and balance amount of Rs. 1,68,39,000 is to be deposited

At present a sum of Rs. 5,94,39,000 is outstanding against the Sugar mills for the year 2003-04

The following efforts have been made to recover the outstanding arrears. -

- (i) 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. It was decided in the meeting 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 immediately. The Managing Director, Cooperative Sugar Mills, Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly installments.
- (ii) A meeting was held on 29.3.2004 under the chairmanship of Principal Secretary to Chief Minister, Haryana. It was decided that all the Cooperative Sugar Mills and Private Sugar Mills will deposit the cane purchase tax and interest. The Managing Director, Sugar Federation was directed to submit plan before 10.4.2004 to Cane Commissioner, Haryana, Panchkula for depositing purchase tax along with interest. Similarly Private Sugar Mills were also directed to submit plan for depositing cane purchase tax & interest. The proceedings of the said meeting was issued to the concerned vide this office letter no 1610-16 dated 12.4.2004. A reminder was also issued vide this office letter No 1732 dated 29.4.2004. As a follow up of the decisions taken, in the meeting held under the chairmanship of PSCM, a meeting was called on 15.4.2004 by Additional Cane Commissioner, Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon due against Rohtak and Panipat Sugar Mills otherwise a serious action will be taken against them.

- (iii) A meeting was convened under the chairmanship of Cane Commissioner, Haryana on 26.2.2004 wherein the representatives of all the sugar mills were directed to submit their deposit plan otherwise a serious action will be initiated against them.
- (iv) All the Heads of the Sugar factories have been asked through demi official letter dated 13.12.2004 to deposit the outstanding dues by the Director of Agriculture-cum-Cane Commissioner, Haryana
- (v) The certificates have been issued to the concerned Collectors for affecting the recovery, as arrear of land revenue vide this office memo No. CC/Acct/4584 dated 14.10.2004.
- (vi) A Demi Official letter No. 4177 dated 16.9.2004 has been written by, Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No. 1233 dated 18.3.2005 has been written by Cane Commissioner, Haryana to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount

In view of the position explained above, it is evident that the Department is serious about the recovery of the cane purchase tax alongwith the interest thereon and efforts are being initiated for the recovery

The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.

[13] 1.13 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, Passengers and Good Tax, Taxes on Motor Vehicles, Entertainment and Show Tax, Agriculture (Purchase Tax and Crop Husbandry), Mines and Geology, Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries) Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted during the year 2003-04 revealed under-assessment, non-levy and short levy of taxes, duties and losses of revenue amounting to Rs. 441.80 crore in 1,03,489 cases. During the year 2003-04, the Departments concerned accepted under-assessment etc. of Rs. 27.63 crore involving 1,873 cases. Out of these, 1,106 cases involving Rs. 25.30 crore were pointed out by audit during 2003-04 and the rest in earlier years. An Amount of Rs. 15.22 crore was recovered in 707 cases during 2003-04 of which Rs. 14.37 crore recovered in 644 cases related to earlier years

This Report contains 33 paragraphs including three reviews relating to non-levy/short levy of taxes, interest and penalties etc. involving Rs. 315.26 crore. The Department accepted audit observations involving Rs. 80.37 crore out of which Rs. 0.34 crore had been recovered upto August 2004. In respect of observations not accepted by the Department, gist of reasons for Department's non-acceptance has been included in the related paragraph itself along

with suitable rebuttal. However, replies from the Government had not been received (September 2004)

The department in its written reply stated as under:-

As per details received from the office of Accountant General, Haryana, Chandigarh The department involved in 27 cases amounting to Rs 186 67 lakh The Sugar Mills wise detail is as under -

S. No	Name of office	Year	No of cases	Amount (Rs in Lakhs)	Present position
1	2	3	4	5	6
1	A.C D.O Shahabad	2002-03	4	0 24	An amount of Rs. 23,791 deposited vides challan No 5 dated 10.12 2004 (copy enclosed)
2	A C D.O Karnal	2002-03	9	113 67	Court case is pending before Hon'ble Punjab & Haryana High Court at Chandigarh. The case has been admitted and requested for fixing of early date for next hearing but the same was rejected by the Hon'ble Court
3	A.C.D.O Panipat	2002-03	8	45.90	No recovery affected. Action is being taken to recover the amount.
4	A.C D O. Y Nagar	2002-03	4	21.07	No recovery affected Action is being taken to recover the amount
5	A C D O. Palwal	2002-03	2	5.79	An amount of Rs 5,45,233 has been deposited on 17.11.2003 (copy of challan is enclosed). The balance amount of Rs 0 34 lakh is to be recovered. In this regard, efforts are being made to recover the balance amount.
Total			27	186.67	

At present a sum of Rs 180 98 lakh is outstanding against the Sugar Mills for the year 2002.03.

The following efforts have been made to recover the outstanding arrears:-

- i 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. It was decided in the meeting that the Managing Director, Cooperative Sugar Mills, Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly installments.
- ii. A meeting was held on 29.3.2004 under the Chairmanship of Principal Secretary to Chief Minister, Haryana. It was decided that all the Cooperative Sugar Mills and Private Sugar Mills will deposit the cane purchase tax and interest. The Managing Director, Sugar Federation was directed to submit plan before 10.4.2004 to Cane Commissioner, Haryana, Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed to submit plan for depositing cane purchase tax & interest. The proceedings of the said meeting was issued to the concerned vide this office letter no. 1610-16 dated 12.4.2004. A reminder was also issued vide this office letter No. 1732 dated 29.4.2004. As a follow up of the decisions taken, in the meeting held under the chairmanship of PSCM, a meeting was called on 15.4.2004 by Additional Cane Commissioner, Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon due against Rohtak and Panipat Sugar Mills otherwise a serious action will be taken against them.
- iii. A meeting was convened under the Chairmanship of Cane Commissioner, Haryana on 2.6.2004 wherein the representatives of all the sugar mills were directed to submit their deposit plan otherwise a serious action will be initiated against them.
- iv All the Heads of the Sugar factories have been asked through demt official letter dated 13.12.2004 to deposit the outstanding dues by the Director of Agriculture-cum-Cane Commissioner, Haryana.
- v The certificates have been issued to the concerned Collectors for affecting the recovery, as arrear of land revenue vide this office memo No CC/Acctt/4584 dated 14.10.2004.
- vi. A Demt Official letter No. 4177 dated 16.9.2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No. 1233 dated 18.3.2005 has been written by Cane Commissioner, Haryana to Financial Commissioner & Principal Secretary to Government Haryana,

Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount.

In view of the position explained above, it is evident that the Department is serious about the recovery of the cane purchase tax alongwith the interest thereon and efforts are being initiated for the recovery.

The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.

[14] 4.1 Results of Audit

Test-check of records in departmental offices relating to revenues received from State Excise Duty, Passengers and Goods Tax, Taxes on Motor Vehicles, Purchase tax (Agriculture) and Electricity duty conducted in audit during the year 2003-04 revealed under-assessment of taxes and duties and loss of revenue amounting to Rs. 33.73 crore in 98,397 cases as depicted below

Sl No	Heads of revenue	Number of cases	Amount (Rupees in crore)
1-5			
6	Purchase Tax (Agriculture)	27	1.87
Total		98,397	33.73

In the cases of taxes on Motor Vehicles, State Excise Duty, Passengers and Goods Tax and Purchase tax (Agriculture), the Department accepted under-assessment of Rs. 11.27 crore in 927 cases which was pointed out during the year 2003-04 and recovered an amount of Rs. 2.57 crore in 107 cases during 2003-04 of which Rs. 2.51 crore recovered in 105 cases pertained to earlier years.

A few illustrative cases involving Rs. 25.81 crore are mentioned in this Chapter of these, the Department accepted three audit observations involving Rs. 11.47 crore and made part recovery of Rs. 0.09 crore in one case.

The department in its written reply stated as under:-

As per details received from the office of Accountant General, Haryana, Chandigarh. The department involved in 27 cases amounting to Rs. 186.67 lakh. The Sugar Mills wise detail is as under -

S No	Name of office	Year	No of cases	Amount (Rs in lakhs)	Present position
1	2	3	4	5	6
1	A.C.D.O. Shahabad	2002-03	4	0.24	An amount of Rs. 23,791 deposited vide

1	2	3	4	5	6
					challan No 5 dated 10 12 2004 (copy enclosed)
2	A.C D O. Karnal	2002-03	9	113 67	Court case is pending before Hon'ble Punjab & Haryana High Court at Chandigarh. The case has been admitted and requested for fixing of early date for next hearing but the same was rejected by the Hon 'ble Court
3	A C D.O Panipat	2002-03	8	45 90	No recovery affected Action is being taken to recover the amount
4	A C D O Y.Nagar	2002-03	4	21 07	No recovery affected Action is being taken to recover the amount.
5	A.C.D O Palwal	2002-03	2	5 79	An amount of Rs. 5,45,233 has been deposited on 17 11 2003 (copy of challan is enclosed) The balance amount of Rs 0.34 lakh is to be recovered. In this regard, efforts are being made to recover the balance amount
Total			27	186.67	

At present a sum of Rs 180 98 lakh is outstanding against the Sugar Mills for the year 2001-02.

The following efforts have been made to recover the outstanding arrears -

- i. 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. It was decided in the meeting that The Managing Director, Cooperative Sugar mills, Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly installments.

- ii. A meeting was held on 29.3.2004 under the chairmanship of Principal Secretary to Chief Minister, Haryana. It was decided that all the Cooperative Sugar mills and Private Sugar mills will deposit the cane purchase tax and interest. The Managing Director, Sugar Federation was directed to submit plan before 10.4.2004 to Cane Commissioner, Haryana, Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed to submit plan for depositing cane purchase tax & interest. The proceedings of the said meeting was issued to the concerned vide this office letter no. 1610-16 dated 12.4.2004. A reminder was also issued vide this office letter No. 1732 dated 29.4.2004. As a follow up of the decisions taken, in the meeting held under the chairmanship of PSCM, a meeting was called on 15.4.2004 by Additional Cane Commissioner, Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon due against Rohtak and Panipat Sugar mills otherwise a serious action will be taken against them.
- iii. A meeting was convened under the chairmanship of Cane Commissioner, Haryana on 2.6.2004 wherein the representatives of all the sugar mills were directed to submit their deposit plan otherwise a serious action will be initiated against them.
- iv. All the Heads of the Sugar factories have been asked through demi official letter dated 13.12.2004 to deposit the outstanding dues by the Director of Agriculture-cum-Cane Commissioner, Haryana.
- v. The certificates have been issued to the concerned Collectors for affecting the recovery, as arrear of land revenue vide this office memo No. CC/Acctt/4584 dated 14.10.2004.
- vi. A Demi Official letter No. 4177 dated 16.9.2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No. 1233 dated 18.3.2005 has been written by Cane Commissioner, Haryana to Financial Commissioner & Principal Secretary to Government Haryana Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount.

In view of the position explained above, it is evident that the Department is serious about the recovery of the cane purchase tax alongwith the interest thereon and efforts are being initiated for the recovery.

The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.

[15] 4.7 Non/short recovery of purchase tax and interest

According to the notification issued in 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 of Rs. 1.50 per quintal on purchase of sugarcane latest by 14th of the following month and send a monthly return to the Cane Commissioner in a prescribed format. In the event of default in payments or for belated payments, interest at 15 per cent per annum shall be charged for the period of default. The Act, further provides that 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, Kaithal and Panipat it was noticed between July, 2002 and December, 2003 that two sugar mills purchased 96,58,041 quintals of sugarcane during April, 2001, November, 2001 to April, 2002 and November, 2002 to April, 2003. Purchase tax and interest of Rs. 1.73 crore though payable was not paid by them as of December 2003.

The Department admitted the facts. However, report on recovery has not been received (September, 2004).

The matter was referred to the Government in February, 2004; reply had not been received (September, 2004).

The department in its written reply stated as under :-

As per details received from the office of Accountant General, Haryana, the department involved for two paras amounting to Rs. 95,81,178 instead of Rs. 1.73 crores.

S No	Name of office	Year	No of cases	Amount (Rs)	Present position
1	A C D O.Kaithal	2001-02	1	57,26,938.00	No recovery affected, action is being taken to recover the amount
2	A C D O Panipat	2001-02	1	38,55,240.00	No recovery affected, action is being taken to recover the amount
Total			2	95,81,178.00	

At present a sum of Rs. 95,81,178.00 is outstanding against the Sugar mills for the year 2001-02.

The following efforts have been made to recover the outstanding arrears -

- (i) 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. It was decided in the meeting that The Managing Director,

Cooperative Sugar mills, Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly installments

- (ii) A meeting was held on 29.3 2004 under the chairmanship of Principal Secretary to Chief Minister, Haryana. It was decided that all the Cooperative Sugar mills and Private Sugar mills will deposit the cane purchase tax and interest. The Managing Director, Sugar Federation was directed to submit plan before 10.4 2004 to Cane Commissioner, Haryana, Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed to submit plan for depositing cane purchase tax & interest. The proceedings of the said meeting was issued to the concerned vide this office letter no 1610-16 dated 12.4.2004. A reminder was also issued vide this office letter No 1732 dated 29.4.2004. As a follow up of the decisions taken, in the meeting held under the chairmanship of PSCM, a meeting was called on 15.4.2004 by Additional Cane Commissioner, Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon due against Rohtak and Panipat Sugar mills otherwise a serious action will be taken against them.
- (iii) A meeting was convened under the chairmanship of Cane Commissioner, Haryana on 2.6.2004 wherein the representatives of all the sugar mills were directed to submit their deposit plan otherwise a serious action will be initiated against them.
- (iv) All the Heads of the Sugar factories have been asked through demi official letter dated 13.12.2004 to deposit the outstanding dues by the Director of Agriculture-cum-Cane Commissioner, Haryana.
- (v) The certificates have been issued to the concerned Collectors for affecting the recovery, as arrear of land revenue vide this office memo No CC/Acct/4584 dated 14.10.2004.
- (vi) A Demi Official letter No 4177 dated 16.9.2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No. 1233 dated 18.3.2005 has been written by Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount.

In view of the position explained above, it is evident that the Department is serious about the recovery of the cane purchase tax alongwith the interest thereon and efforts are being initiated for the recovery.

The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.

[16] 6.1 Results of Audit

Test-check of records in departmental offices relating to Home (Police), Public Works (Building and Roads), Public Health, and Irrigation), Forest, Finance (State Lotteries), Agriculture (Crop-Husbandry), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted in audit during the year 2003-04, revealed under-assessments and losses of revenue amounting to Rs 68.17 crore in 2,367 cases as depicted below

S No	Name of Department	Number of cases	Amount (Rs. in crore)
5	Agriculture (Crop Husbandry)	44	0 12

The Department accepted under-assessments of revenue of Rs 13 44 crore in 747 cases during the year, 2003-04 of which Rs. 1.92 crore in 704 cases pertain to earlier years. Besides, an amount of Rs. 7.43 crore had been recovered in 211 cases during 2003-04 of which part recovery of Rs 7 28 crore recovered in 208 cases pertained to earlier years.

A few illustrative cases involving Rs.9.08 crore are mentioned in this Chapter. Of these, the Department accepted four observations involving Rs. 7.11 crore.

The department in its written reply stated as under :-

Test-check of records in departmental offices relating to Agriculture (Crop-Husbandry) conducted in audit during the year, 2003-2004 revealed under assessment and losses of revenue amounting to Rs 11 74 lakhs in 44 cases as depicted below -

Sr No.	Subject	No . of cases	Amount (Rs.In lakhs)
1	Loss of revenue due Non renewal of licences	23	0 12
2	misc irregularities	1	10 50
3.	Misutilisation of departmental receipt towards expenditure	20	1.12
Total		44	11.74

Every dealer/distributor is required to obtain the licence for the sale of fertilizer, seed and pesticides from the Deputy Director of Agriculture concerned. The licence for the sale of pesticides is granted for two years and for fertilizer and seeds is granted for three years. After this period, the dealer or distributor is required to get his licence renewed in case he is interested for the sale of above agricultural inputs. The renewal of the licence is not mandatory since

the same depends upon the dealer or distributor, as if the particular dealer/distributor is not interested to continue the sale of agricultural inputs, the renewal of the licence is not required to be one and licence expires automatically

The dealers falling in the jurisdiction of Deputy Director of Agriculture, Bhiwani obtained the licence upto the year, 2001-02 and some of the dealers/distributors did not get their licences renewed because they did not carry on the business of the sale of agricultural inputs during the year, 2002-03 and therefore, the amount of Rs 11,650/- had not become due against them. Therefore, the State Govt. has not suffered any revenue loss on this account. The number of dealers kept on fluctuating year by year and thereby the revenue receipts on account of grant of licences also keep increasing and decreasing.

Government seed farms having total area 1092 acre, 6 kanal were leased out to the HLRDC in April, 1998 at the rate of Rs. 1000/- per acre. So far as the late deposit of instalment is concerned, due to non signing of MOU, the lease money could not be deposited. No sooner the MOU was got signed on 3rd January, 2001, the lease money was deposited immediately. The corporation has deposited complete lease money the corporation has written that as soon as the MOU was signed, the lease money was deposited immediately but the interest on it has been wrongly calculated because no interest becomes due before signing of MOU. The detailed position has been explained to the Accountant General (Audit), Haryana vide this office memo no 728/SS-II dated 5.5.04. Further observations from Accountant General office is still awaited.

Government Seed Farm, Kohlawas was leased out to the HLRDC on 1.4.98, whereas during 1997-98 due to winding up of schemes relating to the farms, no budget was allocated to the Department. During this year, different rabi crops i.e. mustard, wheat and barley were sown. Expenditure on the purchase of seed, fertilizer, pesticide and labour for these crop had to be borne out of the income accrued from previous crops. At that time, an income of Rs. 1.81 lakh was derived out of which an expenditure of Rs. 1.12 lakh was incurred on different agriculture inputs. Remaining amount was deposited in the treasury. There was no other alternative except it for saving the standing crop in the field. For the ex-post-facto sanction the case was sent to the Government during the year, 2004-05 vide letter No. 900/SS-II dated 31.5.2004 but no sanction was received even by the end of the financial year. Now during current year i.e. 2005-06, we are submitting a fresh case regarding the ex post facto sanction in question.

The Committee observed that the department in its reply has not stated about the amount of recovery to be effected from the dealers who have not obtained the licences. However, keeping in view the small amount of recovery i.e. Rs.12,000/- as pointed out by the Accountant General also, the Committee dropped this matter.

As regards the deposit of lease money by the HLRDC, the department in its reply has stated that detailed position has been explained to the Accountant General and further observations of the Accountant General are still awaited. The Committee desired that the observations of the Accountant General be intimated to the Committee.

So far as the recovery from Govt. Seed Farm, Kohlawas is concerned, the department in its reply has stated that fresh case for ex-post- facto sanction is being submitted. The Committee would like to know the latest position in this regard and whether any amount is to be recovered from this farm or not be also intimated to the Committee.

[17] 6.4 Utilisation of departmental receipts towards expenditure

6.4.1 Under the State Financial Rules, utilization of departmental receipts towards expenditure is strictly prohibited. All moneys received by or tendered to a Government servant on account of revenue of the State Government shall be paid into treasury or Bank on the same day or the next day at the latest.

During test-check of records of Deputy Director, Agriculture, Bhiwani it was noticed in March, 2001 that out of the total receipts of Rs 1.81 lakh realised during the year, 1998-2000 on account of sale of Rabi crops, an amount of Rs 1.12 lakh was not deposited into the treasury/bank but utilised to meet the Departmental expenditure.

After this was pointed out in March, 2001, the Department admitted the facts and stated in March, 2004 that the amount was utilised on the purchase of manure, pesticides, and labour charges for the standing crops of wheat and sarson etc. Departmental reply was not tenable as utilisation of Government receipts towards departmental expenditure was in contravention of State Financial Rules.

The matter was referred to the Government in April, 2004. Final reply had not been received (September, 2004).

The department in its written reply stated as under :-

Government Seed Farm, Kohlawas was leased out to the HLRDC on 1.4.98, whereas during 1997-98 due to winding up of schemes relating to the farms, no budget was allocated to the Department. During this year, different rabi crops i.e. mustard, wheat and barley were sown. Expenditure on the purchase of seed, fertilizer, pesticide and labour for these crops had to be borne out of the income accrued from previous crops. At that time, an income of Rs 1.81 lakh was derived out of which an expenditure of Rs 1.12 lakh was incurred on different agriculture inputs. Remaining amount was deposited in the treasury. There was no other alternative except it for saving the standing crop in the field. For the ex post facto sanction the case was sent to the Government during the year, 2004-05 vide letter No 900/SS-II dated 31.5.2004 but no sanction was received even by the end of the financial year. Now during current year i.e. 2005-06, we are submitting a fresh case regarding the ex post facto sanction in question.

The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.

TRANSPORT DEPARTMENT

[18] 1.6 Cost of collection

The gross collections in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collections during the years 2001-2002, 2002-2003 and 2003-2004 along with the relevant all India average percentage for 2002-2003 are given below

(Rupees in crore)

Sl. No.	Head of revenue receipts	Year	Collection	Expenditure on collection of revenue	Percentage Col. 5 to Col. 4	All India percentage for the year 2002-2003
1	Taxes on Sales, Trade etc	2001-02	2,944.81	41.08	1.39	1.18
		2002-03	3,337.43	39.45	1.18	
		2003-04	3,838.00	37.34	0.97	
2	Taxes on Vehicles	2001-02	103.62	5.07	4.89	2.86
		2002-03	114.39	5.45	4.76	
		2003-04	132.39	6.57	4.96	
3	State Excise	2001-02	875.39	7.78	0.89	2.92
		2002-03	878.72	11.26	1.28	
		2003-04	923.28	6.74	0.73	
4	Stamp Duty & Registration Fee	2001-02	488.29	1.95	0.40	3.46
		2002-03	541.39	3.44	0.64	
		2003-04	695.63	5.59	0.80	

It may be seen from the above that percentage in respect of taxes on vehicles was high as compared to All India percentage.

The department in its written reply stated as under :-

Efforts are being made to reduce the cost of collection

The Committee would like to know the details of the efforts which are being made to reduce the cost of collection and whether any success has been achieved so far.

[19] 1.13 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, Passengers and Goods Tax, Taxes on Motor Vehicles, Entertainment and Show Tax, Agriculture (Purchase Tax and Crop Husbandry), Mines and Geology, Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted during the year, 2003-04 revealed under-assessments, non-levy and short levy of taxes, duties and losses of revenue amounting to Rs.441.80 crore in 1,03,489 cases. During the year 2003-04, the Departments concerned accepted under-assessment etc. of Rs 27.63 crore involving 1,873 cases. Out

of these, 1,106 cases involving Rs 25.30 crore were pointed out by audit during 2003-04 and the rest in earlier years. An amount of Rs.15.22 crore was recovered in 707 cases during 2003-04 of which Rs 14.37 crore recovered in 644 cases related to earlier years.

This Report contains 33 paragraphs including three reviews relating to nonlevy/short levy of taxes, duties, interest and penalties etc., involving Rs 315.26 crore. The Department accepted audit observations involving Rs.80.37 crore out of which Rs 0.34 crore had been recovered upto August, 2004. In respect of observations not accepted by the Department, gist of reasons for Department's non acceptance has been included in the related paragraph itself along with suitable rebuttal. However, replies from the Government had not been received (September, 2004).

The department in its written reply stated as under :-

Only 3 Draft paragraphs involving Rs 12.13 crore relates to this department. Reply of two paragraph amounting to Rs 12.02 crore has already been sent to AG (Audit) Haryana vide this office Memo No. S A O. (Audit) SO-I/1753 dated 13.8.04 Memo No 22278 AT-3 dated 16.8.04 respectively. As regards third paragraph an amount of Rs. 6.17 lacs out of Rs. 11.27 lacs has already been recovered by District Transport Officer, Ambala and efforts are being made to recover the balance amount.

In the departmental reply, it is mentioned that in one paragraph, an amount of Rs. 6.17 lacs out of Rs. 11.27 lacs has been recovered by the District Transport Officer, Ambala. The Committee desired that the balance amount may also be recovered at the earliest and the Committee may be informed accordingly.

[20] 1.14 Failure of senior officials to enforce accountability and protect interest of Government.

Replies to Inspection Reports

Accountant General (Audit) Haryana conducts periodical inspection of government departments to test-check transactions and verify the maintenance of important accounting and other records as prescribed in rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities etc. detected during inspection and not settled on the spot, which are issued to the heads of offices inspected with copies to next higher authorities for taking prompt corrective action. The Heads of offices/Government are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report on compliance through initial reply to the Accountant General within six weeks from the dates of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and to the Government.

Inspection Reports issued up to December, 2003 disclosed that 6,975 paragraphs involving money value of Rs.1,208.21 crore relating to 3,212 IRs remained outstanding at the end of June, 2004. Of these, 634 IRs containing 1,107 paragraphs involving money value of Rs 42.62 crore had not been settled for more than ten years by various departments. Even the first replies, required to be received from the heads of offices within six weeks from the date of issue of the IRs, were not received in respect of 502 paragraphs of 177 IRs issued between April, 2002 and December, 2003.

Department-wise break-up of IRs and audit observations outstanding as on 30 June 2004 is given below

Department	Position of Inspection Reports issued up to December 2003 but not settled at the end of June 2004			Position of Inspection Reports and paragraphs not settled for more than 10 years			Position of Inspection reports in respect of which first reply not received		
	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	
			(Rupees In crore)			(Rupees in crore)			Earliest year to Which IRs relate
7 Transport									
Motor Vehicles	477	948	31 45	70	108	0 61	28	76	2002-03

The department in its written reply stated as under -

This table shows the trend of outstanding reports/paras made upto December 2003 by A G (Audit) Haryana for which regular efforts are being made to settle these paras

The Committee desired that strenuous efforts be made to settle the outstanding reports/paras.

[21] 1.15 Departmental Audit Committee Meetings

In order to expedite settlement of outstanding audit observations contained in Inspection Reports, Departmental Audit Committees were constituted by the Government in September 1985. These Committees are chaired by the Administrative Secretary of the Department concerned and attended among others by the officers concerned of the State Government and of the Office of the Accountant General (Audit), Haryana.

The meetings were required to be held quarterly for reviewing and monitoring the progress of settlement of audit observations/audit paras. During the year 2003-04, only twelve Drawing and Disbursing Officers (DDOs) out of 23 DDOs concerned dealing with different heads of accounts convened meetings of the Audit Committee. Thus most government departments did not take any initiative for settling outstanding audit observations through this meeting. Government should ensure periodical meetings of this committee for effective progress in this work.

The department in its written reply stated as under -

The department would review the outstanding audit paras from time to time and take necessary action to settle these paras.

The Committee would like to know as to whether the Departmental Audit Committees under the Administrative Secretaries are holding meetings regularly, if not, the reasons thereof.

[22] 1.16 Response of the Departments to Draft Audit Paragraphs

Department of Finance issued directions to all departments on 5 January 1982 to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The Draft Paragraphs are forwarded by Accountant General to the Secretaries of the Departments concerned through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the Departments are invariably indicated at the end of each paragraph included in the Audit Report.

Forty two Draft Paragraphs (clubbed in 30 paragraphs) and three Reviews included in the Report of the Comptroller and Auditor General of India for the year ended March 2004 were forwarded to the Secretaries of the Departments concerned during January to August 2004 through demi-official letters. Replies were received in 14 cases relating to Sales Tax Department.

The department in its written reply stated as under -

Only 3 Draft paragraphs involving Rs 12.13 crore relates to this department. Reply of two paragraph amounting to Rs 12.02 crore has already been sent to AG (Audit) Harvāna vide this office Memo No. S A O (Audit)SO-I/1753 dated 13.8.04. Memo No. 22278 AT-3 dated 16.8.04 respectively. In third paragraph an amount of Rs 6.17 lacs out of Rs. 11.27 lacs has already been recovered by District Transport Officer, Ambala and efforts are being made to recover the balance amount.

In the departmental reply it is mentioned that in one paragraph, an amount of Rs. 6.17 lacs out of Rs. 11.27 lacs has been recovered by the District Transport Officer, Ambala. The Committee desired that the balance amount may also be recovered at the earliest and the Committee may be informed accordingly.

[23] 4.1 Results of Audit

Test-check of records in departmental offices relating to revenues received from State Excise Duty, Passengers and Goods Tax, Taxes on Motor Vehicles, Purchase Tax (Agriculture) and Electricity duty conducted in audit during the year 2003-04 revealed under-assessment of taxes and duties and loss of revenue amounting to Rs. 33.73 crore in 98,397 cases as depicted below:

Sr. No.	Heads of revenue	Number of cases	Amount (Rupees in crore)
3.	Taxes on Motor Vehicles	92,645	14.53

In the cases of Taxes on Motor Vehicles, State Excise Duty, Passengers and Goods Tax and Purchase Tax (Agriculture), the Department accepted under assessment of

Rs 11.27 crore in 927 cases which was pointed out during the year 2003-04 and recovered an amount of Rs 2.57 crore in 107 cases during 2003-04 of which Rs 2.51 crore recovered in 105 cases pertained to earlier years

A few illustrative cases involving Rs.25.81 crore are mentioned in this Chapter. Of these, the Department accepted three audit observations involving Rs 11.47 crore and made part recovery of Rs 0.09 crore in one case

The department in its written reply stated as under -

Out of Rs 14.53 crore an amount of Rs 0.41 crore relates to non/short realization of competence fee of driving licence, an amount of Rs 12.41 crore relates to short realization of permit/countersignature fee, an amount of Rs 0.31 crore relates to non charging of passing fee of personal vehicles, an amount of Rs 0.66 crore relates to short charging of driving licence fee which comes to Rs 13.79 crore was not livable. Out of Rs 0.74 crore an amount of Rs 0.57 crore has already been recovered and efforts are being made to recover Rs 0.17 crore

The Committee desired that strenuous efforts be made to recover the balance amount.

[24] 4.5 Short realisation of bid money on stage carriage permits

Under Section 99 of the Motor Vehicles Act, 1988 "Private bus service scheme in Haryana-year 2001" was introduced for the grant of stage carriage permits to the existing societies under 1993 scheme, general public and to the new cooperatives of unemployed youth on certain routes. The permits and rights of operation were to be given to the operators on lease for a period of five years by inviting bids and the route to be allotted to the highest bidder. The bid money was required to be deposited before 10th of each month.

During test-check of records of the DTO, Ambala for the year 2002-03, it was noticed (July 2003) that under this scheme seven Transport Co-operative Societies were granted permits between January, 2002 and March 2003 for a period of five years. These co-operative societies were required to deposit bid money each month, which was not deposited regularly resulting in short realisation of Rs 11.27 lakh.

After this was pointed out in audit in July 2003, the Department accepted the fact in January 2004 and instructed the concerned operators to deposit the balance amount. Further progress of recovery was awaited.

The case was referred to the Government in February 2004, reply had not been received (September 2004).

The department in its written reply stated as under -

In this case out of Rs 11.27 lacs an amount of Rs 6.17 has already been recovered by D T O Ambala and efforts are being made to recover the balance amount.

In the departmental reply, it is mentioned that in one paragraph, an amount of Rs. 6.17 lacs out of Rs. 11.27 lacs has been recovered by the District Transport Officer, Ambala. The Committee desired that the balance amount may also be recovered at the earliest and the Committee may be informed accordingly.

EXCISE AND TAXATION DEPARTMENT

[25] 1.7 Arrears of revenue

The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs 851.46 crore, of which Rs 227.33 crore were outstanding for more than five years as detailed in the following table:

(Rupees in crore)

Sl. No.	Head of revenue receipts	Amount outstanding as on 31 March 2004	Amount outstanding for more than 5 years as on 31 March 2004	Remarks
1	2	3	4	5
1	Taxes on sales, trade etc	717.39	161.04	Demand for Rs.101.36 crore was stayed by Courts and other Judicial Authorities, Rs.33.96 crore was held up due to dealers becoming insolvent, Rs.12.77 crore were proposed to be written off, Rs.3.48 crore were under rectification/review, appeal. Specific action to recover the remaining amount of Rs 565.82 crore was not intimated.
2.	Taxes and duties on electricity	64.06*	35.49	Rs 0.38 crore were recoverable from M/s Rama Fibres, 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 of Rs.62.22 crore from consumers by HVPNL.

* Provisional figures

1	2	3	4	5
3	State excise	28 67	16 24	Rs 0 07 crore were covered under recovery certificates, Rs 0.96 crore were stayed by High Court and other Judicial Authorities, Rs 0 33 crore were proposed to be written off and action taken to recover the remaining amount of Rs 27 31 crore was not intimated by the Department
4	Taxes on goods and passengers	29 87	9 13	Rs 0.39 crore were stayed by the courts and other Judicial Authorities Rs 0 02 crore were proposed to be written off. Action to recover the remaining amount of Rs 29 46 crore was not intimated
5	Police	3 56	1 60	The amount of Rs.3 56 crore was due from 10 States
6	Other taxes and duties on commodities and services			
	(i) Receipt under the Sugarcane (Regulation of purchase and supply) Act	6.54	3 48	Three sugar mills (Yamunanagar Rs 0 77 crore, Panipat Rs 3 49 crore and Rohtak Rs 2 28 crore) did not deposit the tax
	(ii) Receipts under entertainment duty and show tax	1.37	0 35	Rs 0 34 crore were stayed by court and other Judicial Authorities, Rs 0.90 crore were under rectification/ review, Rs 0 01 crore were likely to be written off and reason for remaining amount of Rs 0 13 crore was not intimated by the Department
Total		851.46	227.33	

The arrears outstanding for more than five years constituted 27 *per cent* of the total arrears. Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously as observed by 10th and 11th Finance Commission. It is recommended that effective steps for collecting these arrears be taken to augment Government revenue.

The department in its written reply stated as under -

TAXES ON SALES TRADE ETC.

This para is based on information supplied by the department to the A.G (Audit) Haryana. Out of total arrear in revenue of Rs. 717.39 crore, Rs. 366.75 Crore stands recovered up to 31.5.2009 leaving a balance of Rs. 350.64 Crore. The reason-wise details of balance arrears are given below -

		(Amount in Crore)
1	Under Stay	109.20
2	Under Liquidation	100.02
3	Interstate arrear	46.62
4	Inter Distt. Arrear	08.01
5	For writing off	18.01
6	Property attached	30.91
7.	Under installments	03.96
8	Net recoverable	33.91
TOTAL		350.64

STATE EXCISE

Out of total arrear in revenue of Rs. 28.67 crore, Rs. 1.38 crore have been recovered upto 31.5.2009, leaving a balance of Rs. 27.29 crore. The reason-wise breakup of balance arrears are as under:-

		(Amount in Crore)
1	Under Stay	11.05
2	Under Liquidation	1.01
3.	Interstate arrear	2.27

4	Inter Distt Arrear	0.27
5	For writing off	8.85
6	Property attached	0.36
7	Under installments	0.14
8	Net recoverable	3.34
	TOTAL	27.29

TAXES ON PASSENGER AND GOODS TAX

Out of total arrear in revenue of Rs 29.87 crore, Rs 24.06 crore have been recovered upto 31.5.2009, leaving a balance of Rs 5.81 crore. The reason-wise balance arrears are as under;-

		(Amount in Crore)
1	Under Stay	0.19
2	Inter State Arrear	1.95
3	Net recoverable	3.67
	TOTAL	5.81

ENTERTAINMENT DUTY AND SHOW TAX

Out of total arrear of Rs 1.37 crore, Rs 0.12 crore have been recovered upto 31.5.2009, leaving a balance of Rs 1.25 crore. The reason-wise breakup of balance arrears are as under.-

		(Amount in Crore)
1	Under Stay	0.34
2	Writing off	0.01
3.	Net recoverable	0.90
	TOTAL	1.25

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.

[26] 1.8 Arrears in assessments

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 number of cases pending finalisation at the end of each year during 1999-2000 to 2003-04 as furnished by the Department are as follows:

Year	Head of revenue receipts	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
1	2	3	4	5	6	7	8
1999-2000	ST*	86,416	1,99,560	2,85,976	1,27,082	1,58,894	44
	PGT**	896	651	1547	567	980	37
2000-2001	ST	1,58,894	1,68,142	3,27,036	1,64,418	1,62,618	50
	PGT	980	472	1452	450	1,002	31
2001-2002	ST	1,62,618	1,59,063	3,21,681	1,14,003	2,07,678	35
	PGT	1002	693	1695	555	1,140	33
2002-2003	ST	2,07,678	1,79,265	3,86,943	1,53,078	2,33,865	40
	PGT	1140	673	1813	711	1102	39
2003-04	ST	2,33,865	1,64,386	3,98,251	1,92,321	2,05,930	48
	PGT	1102	667	1769	457	1312	26

* Taxes on sales, trade etc

** Passengers and goods tax

The above table shows that pending cases in respect of taxes on Sales, Trade etc at the beginning of 1999-2000 were 86,416 which increased to 2,05,930 at the end of 2003-04 i.e. 238 per cent while the percentage of cases finalised increased from 44 per cent in 1999-2000 to 48 per cent in 2003-04. The closing balance at the end of 2003-04 of cases due for assessment was 2,05,930 an increase of 30 per cent over the position at the end of 1999-2000. The percentage of cases finalised in respect of taxes on Passengers and Goods Tax remained at the level of 26 per cent.

The department in its written reply stated as under —

(ST + PGT)

This para is based on the information supplied by the department for Chapter -1 to the Accountant General (Audit) Haryana. In the CAG Report for the year 2003-04, 207242 cases (205930 ST + 1312 PGT) were shown pending for assessment under Sales Tax and Passenger and Goods Tax Acts. Out of 207242 cases, 206615 cases have been disposed off upto 31.05.2009, leaving a balance of 627 (464 Sales Tax + 163 PGT) cases. Efforts are being made to clear the pendency 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.

[27] 1.10 Evasion of tax

The details of evasion of tax detected by the Sales Tax and State Excise Departments, cases finalised and the demands for additional tax raised as reported by the Departments are given below

Sl. No	Head of revenue receipts	Cases pending as on 31 March 2003	Cases detected during the year 2003-2004	Total (3+4)	Number of cases in which assessments/ investigations completed and additional demand including penalty etc. raised		Number of cases pending finalisation as on 31 March 2004
					No. of cases	Amount of demand (Rupees in crore)	
1	2	3	4	5	6	7	8
1	Taxes on Sales, Trade, etc	121	840	961	846	1 71	115
2	State Excise	Nil	391	391	375	0 14	16
3	Passengers and goods tax	61	4,423	4,484	3,869	1 08	615

The department in its written reply state as under —

1. ST

Out of 115 Cases, 110 Cases have been disposed off by creating an additional demand of Rs 327 48 lacs, out of which Rs 57 78 lacs stands recovered, leaving a balance of Rs 269 70 lacs, Remaining 5 cases are still under process and efforts are being made to recover the balance amount.

2. Excise

All the 16 cases have been disposed off by creating an additional demand of Rs 2 76 lacs, out of which Rs 1 52 lacs stands recovered, leaving a balance of Rs 1.24 lacs. Efforts are being made to recover the balance amount

3. PGT

Out of 615 cases, 601 cases have been disposed off by creating an additional demand of Rs 13 36 lacs, which stands recovered. Remaining 14 cases are still under process and efforts are being made to recover the balance amount

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.

[28] 1.11 Write-off and waiver of revenue

During the year 2003-04, demands for Rs 12.77 crore in 269 cases and Rs.0 33 crore in 27 cases relating to Sales Tax and State Excise respectively were written off by the Department as irrecoverable. Reasons for the write-off as reported by the Departments were as follows:

Sl. No.	Reasons	Sales Tax		State Excise	
		No. of cases	Amount	No. of cases	Amount
			(Rupees in lakh)		(Rupees in lakh)
1	Whereabouts of defaulters not known	115	701 26	10	19 14
2	Defaulters no longer alive	8	28 83	6	3 33
3	Defaulters not having any property	105	429 87	11	10.92
4	Defaulters adjudged insolvent	6	25 17	-	-
5	Other reasons	35	92 34	-	-
Total		269	1,277.47	27	33.39

The department in its written reply stated as under :-

The decision regarding writing off is taken in cases where all possibilities for the recovery of the arrears are exhausted and the chances for the recovery are Nil. All such cases have been referred to the committee constituted under the Chairmanship of the Chief Minister or the Excise & Taxation Minister as per norms fixed. Lately amount of Rs 2.49 crore involving 18 cases was written off by the Govt. Action in remaining cases is under process.

The Committee desired that action to write-off and waive-off revenue in remaining cases be completed at the earliest and the Committee may be informed accordingly.

Taxes on Sales, Trade etc.

[29] 2.1 Results of Audit

Test-check of sales tax assessments, refund cases and other connected records conducted during the year 2003-04 revealed under-assessments of sales tax amounting to Rs 213 30 crore in 890 cases, which broadly fall under the following categories

Sl. No.	Particulars	Number of cases	Amount (Rupees in crore)
1	Incorrect computation of turnover	34	5 34
2.	Application of incorrect rates	161	5 03
3.	Non-levy of interest	91	6 39
4	Non-levy of penalty	28	7 60
5	Under-assessment of turnover under CST Act	50	1 35
6.	Other irregularities	525	41 19
7.	Review on Delay in assessments and their impact on revenue collection	1	146 40
Total		890	213.30

During the year 2003-04, the Department accepted under-assessments of tax of Rs 1 79 crore involved in 93 cases of which 81 cases involving Rs 1.65 crore had been pointed out in audit during 2003-04 and the rest in earlier years. An amount of Rs.0 76 crore had been recovered in 54 cases during the year 2003-04, of which Rs 0 13 crore recovered in 12 cases related to earlier years

A few illustrative cases involving Rs 10 23 crore and a review on "Delay in assessments and their impact on revenue collection" involving Rs 146 40 crore highlighting important cases are mentioned in this chapter. Of these, the Department accepted 51 audit observations involving Rs 5 03 crore

The department in its written reply stated as under -

Out of total 890 cases, 889 cases involving an amount of Rs 66 90 crore have been reviewed with the following results -

Number of cases	Amount pointed out by Audit (Rs in Crore)	Result of review
145	8.75	Settled with additional demand
519	37 01	Settled without demand
225	21 14	Cases are under process
889	66.90	

As regards the remaining one case involving an amount of Rs 146 40 crore, as per Sr. No. 7 of the table, reply is given in succeeding paras 2.2.5 to 2.2.14

After hearing the department representatives, the Committee desired that all out efforts may be made to settle pending cases the pending cases and recover the amount under intimation to the Committee.

[30] 2.2 Delay in assessments and their impact on revenue and collection of sales tax demands

2.2.5 Monitoring and control of assessments

As per Rule 32 of HGST Rules, a "Demand and Collection Register" (DCR) was required to be maintained by each Assessing Authority. This register contains the details of levy, assessment and collection of tax from each dealer. No time limit has been fixed for the disposal of assessment cases once the proceedings are initiated.

During the course of audit, it was noticed that the DCR was not maintained properly. The details of the returns/assessments were not recorded in the register. The Department did not have any record to indicate the opening balance, receipts and clearance of the assessment during a particular year/quarter. Thus, the correctness of the returns sent to the higher authority could not be ascertained in audit. As per the information received from ETC, 2,57,286 cases were pending finalisation as on 31 March 2003. Year-wise position of assessments in arrears as furnished was as under.

Year	Number of cases pending/instituted at the beginning of the year	Number of cases disposed off during the year	Number of cases pending at the close of the year	Percentage of 4 to 2
1	2	3	4	5
2000-01	3,91,643	2,02,855	1,88,788	48.20
2001-02	4,02,406	1,30,586	2,71,820	67.55
2002-03	4,47,041	1,89,755	2,57,286	57.55

It would be seen from the above that assessments pending finalisation at the end of each financial year ranged between 48.20 and 67.55 *per cent*. The reason for such huge pendency though called for has not been received (September 2004).

The department in its written reply stated as under

The Department has changed to VAT from HGST etc. w.e.f. 1.4.2003 and there exists period stipulation (time limit) with which disposal of cases is to be achieved. It is added that the assessments under H.G.S.T. Act (where there was no time limitation for finalization thereof) continued and at present 627 cases for the period upto 2003-04 are pending which will be shortly disposed off.

The Committee desired that the pending cases may be disposed-off at the earliest and quarterly progress report be sent to the Committee accordingly.

[31] 2.2.6 Absence of provisions for finalizing assessments

In accordance with the instructions issued by ETC in January 1982, a limitation period of three years was fixed for finalisation of the assessments. However, no such provision was made in the Act.

It was noticed in 10 district units that 232 assessments of 177 dealers pertaining to the period from 1991-92 to 2000-01 were finalized between 1997-98 and 2002-03 i.e. after a delay of more than one year as detailed below.

Assessments finalized	No. of cases	Amount (Rupees in crore)
After 12 months but upto 24 months	32	6.13
After 24 months but upto 36 months	39	6.67
After 36 months but upto 48 months	50	5.26
After 48 months but upto 60 months	46	9.56
After 60 months	65	36.07
Total	232	63.69

It would be seen from the above that 161 assessments were finalized after a lapse of three years. Further it was revealed that 15 dealers involving tax of Rs 2.94 crore had closed their business during the pendency of assessments. A test check of 68 cases involving a tax effect of Rs.47.72 crore revealed that interest and penalty of Rs 13.71 crore though leviable was not levied/collected. A few instances indicating the impact of delay on collection of tax are indicated as under.

Sr. No.	Name of DETC	Assessment year/Date of order	Number of cases	Delay involved	Amount involved (Rupees in crore)
1	Kaithal	1997-98/ November 2002	1	4 years	Tax 0.17 Interest 0.04 Penalty 0.24

A dealer after submitting his returns for the year 1997-98 had closed his business and his Registration Certificate was cancelled w.e.f. April 1998. Demand for tax was raised in November 2002 i.e. four years and six months after cancellation of Registration Certificate. Interest and penalty was not levied. Recovery was pending (September 2004).

The department in its written reply stated as under.—

M/s Anmol Agro India, Kaithal, A.Y. 1997-98

The assessment proceedings in this case were immediately started by the Assessing Authority by issuing notice in form ST-25 for 23.07.1998, however the dealer has closed down its business and his whereabouts were not known. The Assessing Authority has issued final notice which was also served by way of pasting at his last known business premises. The case was decided ex parte on 14.10.2002.

This resulted the delay of the case beyond control. Since the dealer left Kaithal and his whereabouts are not known Recovery proceedings were initiated against his relatives and sureties. An amount of Rs. 2,50,000/- has already been recovered from the sureties of the firm as per details given below :—

Amount	Dated
Rs. 50,000/-	21 01.2009
Rs 50,000/-	19 02 2009
Rs. 50,000/-	20 03 2009
Rs 50,000/-	20 04 2009
Rs 50,000/-	21 05 2009

Best efforts are being made to recover the balance amount.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

Sr. No.	Name of DETC	Assessment year/Date of order	Number of cases	Delay involved	Amount involved (Rupees in crore)
2	Hisar	1997-98 and 1998-99/ March, 2002	2	5 years/ 4 years	Tax 0.32 Penalty 0.54

A dealer filed incorrect returns and evaded tax during the years 1997-98 and 1998-99. By the time demand for tax of Rs. 31.73 lakh was raised in March 2002 the dealer had already closed his business and his whereabouts were not known. As such demand notice for tax could not be served and penalty could not be levied.

The department in its written reply stated as under —

M/s Devendra Enterprises, Adampur, Hisar, A.Y. 1997-98, 1998-99.

In this case, it is intimated that the firm had been granted R.C.s under the Haryana General Sales Tax Act, 1973 and Central Sales Tax Act, 1956 by the then Assessing Authority fixing liability and validity of the firm w.e.f. 9.12.1997 and 17.12.1997 respectively. The assessment cases of the firm for the years 1997-98 and 1998-99 have been assessed by the then Assessing Authority vide orders dated 26.03.2002 creating the Additional Demand to the tune of Rs. 921292/- for the year 1997-98 and Rs. 2251260/- under HGST Act, 1973 and CST Act, 1956 for the year 1998-99. The R.C.s under both the Act of the dealer have been cancelled by the then Dy. Excise & Taxation Commissioner, Hisar on the recommendation of the then Assessing Authority w.e.f. 30.09.2001 vide order dated 12.06.2003.

The copy of orders and demand notices for the year 1997-98 and 1998-99 have been got served as substitute service on 17.02.2003 by pasting at the address of the residence of the dealer at Fatehabad as the service could not be affected in the normal course upon order by the then Assessing Authority Hisar. Recovery Certificate No. 80/2003-04, dated 20.06.2003 was sent to Fatehabad as the defaulter.

has been residing at Fatehabad. Reminders issued to the Collector Fatehabad who has informed that the defaulter is not traceable at Fatehabad. So recovery proceedings were initiated against the sureties and notices issued to both the sureties but the sureties didn't respond to the notices so the arrear has been declared as an arrear to be recovered under Land Revenue Act, 1887 on dated 19.06.2007 by the Assessing Authority and summons have been issued to the sureties for 28.06.2007. Summons to one of the surety has been served on 20.08.2007. As the other surety has refused to receive the summons, the T.I. has been directed to serve the summons by way of pasting the summons at the known address of the surety and the recovery proceedings initiated against the sureties under the Land Revenue Act, 1887 and Rs. 16,000/- have been recovered from the sureties vide VAT G-4 No. -6/009413 on dated 08.04.2009. Efforts are being made to recover the remaining amount from the sureties.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

[32] 2.2.8 Recovery Certificates

HGST Act provides that the amount of any tax, interest and penalty levied under the Act, which remains unpaid after the due date, shall be recoverable as arrears of land revenue under PLR Act. Position of recovery certificates as supplied by 11 district officers was as under

Year	Opening balance		RC issued during the year		Cases finalised during the year		Cases pending at the end of year	
	No.	Amount (Rupees in crore)	No.	Amount (Rupees in crore)	No.	Amount (Rupees in crore)	No.	Amount (Rupees in crore)
2000-01	481	24.00	37	1.03	14	0.24	504	24.79
2001-02	504	24.79	25	4.53	8	0.31	521	29.01
2002-03	521	29.01	48	6.38	6	0.10	563	35.29

In all the 563 recovery certificates issued upto 2002-03 tax amounting to Rs. 35.29 crore had not been recovered.

The department in its written reply stated as under –

Where the recovery of the tax, interest and penalty levied under the Act remains unpaid and the defaulter leaves for some other station (In and outside Haryana) in such cases the arrears are declared as arrears under the Land Revenue Act and the recovery is got effected through the Collector of the concerned place. In such cases after issue of the Recovery Certificates, the only remedy available with the department is to request the concerned Collector time and again for early recovery. The Recovery officer of the District has no jurisdiction in other areas and he cannot adopt any coercive method to effect the recovery. However, out of the 563 cases pointed out by the audit in 68 cases recovery of Rs. 7.23 crore has since been effected leaving

an arrear of Rs. 28.06 crore in 495 cases. In these cases the district officers have been directed to depute their recovery agencies in cases of Inter District arrears for early recovery of the arrears.

The Committee desired that the cases in which recovery certificates have been issued be pursued vigorously with the concerned collectors and quarterly progress report be sent to the Committee.

[33] 2.2.11 Absence of provision for finalisation of remand cases

There is no provision under the Act/Rules for monitoring the receipt and disposal of remand cases at ETC level. However, instructions issued by the ETC in July 1997 emphasized for taking decision in the remand cases within six months from the date of receipt of the copy of remand order.

During the course of audit, it was noticed that no separate register was maintained by the ETOs. Year-wise position of receipt and disposal of remand cases was not made available. However, the position of outstanding remand cases as furnished by the sales tax circles as on 31 March 2003 was as under.

Year	Opening Balance	Remand cases received during the year	Total	Cases decided	Balance
2002-03	299	282	581	337	244

A few cases depicting inaction on the part of the Department in finalizing the remand cases are discussed below :

Sr. No.	Name of DETC	Assessment year/Date of order	Nature of objection	Amount involved (Rupees in crore)
3.	Panchkula	1992-93 and 1993-94/ 15 March 1996	The Revisional Authority remanded cases of the dealer in January 1999 for framing denovo assessments. The remand cases were decided by the Assessing Authority ex-parte in September 2002 i.e. after three years and nine months of the remand order creating demands for Rs.0.06 crore.	0.06

The department in its written reply stated as under —

M/s A.K. Gupta Contractor (P) Ltd., Panchkula, A.Y. 1992-93 & 1993-94

In this case proceedings were started in time but the firm has been closed since long. Due to non co-operative attitude of the dealer the remand case could not be decided earlier.

Assessment for the year 1992-93 and 1993-94 were assessed on 18.9.2002 by Assessing Authority, Panchkula and a demand of Rs.531227/- was created under HGST Act, 1973. The dealer preferred an appeal before the Jt. Excise and

Taxation Commissioner (A), Ambala and case was remanded back for re-assessment *vide* Jt. Excise and Taxation Commissioner (A) order in appeal No.PKL20/STA 04-05 & 21 STA/04-05 dated 2 11.2004 Remand cases were re-assessed *vide* Assessing Authority orders dated 9 3 2006 and a demand of Rs 11181 / - & 267814 have been created for the year 1992-93 & 1993-94 respectively The dealer again went in appeal before the Sales Tax Tribunal, Haryana, Chandigarh *vide* appeal No STA/335/2006-07 against the orders of Jt ETC (A), Ambala The Hon'ble Sales Tax Tribunal stayed the recovery proceedings subject to condition that the dealer will furnish the surety bond within 30 days of the receipt of the order after which the case will be heard on merits by the Appellate Authority The dealer did not submit surety bond within prescribed period Thus the appeal of the dealer was dismissed in default by the Jt Excise & Taxation Commissioner (Appeal), Ambala *vide* order dated 24 07.2008, which was conveyed on 03.09 2008 An arrear of Rs. 2,78,995/- is still outstanding against the dealer The recovery proceedings have been-started against the dealer as well as sureties available on the record Recovery of Rs. 0 36 lacs has been effected *vide* TR No 77, dated 11 06 2009

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

[34] 2.2.13 Delay in issue of demand notice

As per instructions issued (September 1983) by ETC, Haryana, all the assessing authorities would issue tax demand notice and challan immediately after the pronouncement of the assessment order or the imposition of penalty etc and in all circumstances within 15 days of the date of orders.

During test-check of records of six offices of DETC's, it was noticed between July and December 2003 that in 41 cases relating to the assessment years between 1995-96 to 2001-02, demand notices of Rs 2 61 crore were issued between July 2000 and July 2003 late by 39 to 297 days from the dates of assessment orders The amount has not been recovered so far This resulted in non-realization of tax of Rs 2 61 crore and loss of interest of Rs 6.90 lakh

The department in its written reply stated as under -

In all the 41 cases, the demand notices have been served after levying the interest where applicable and against the total demand of Rs. 267 62 lacs, Rs 37 09 lacs have been quashed in appeals leaving a recoverable balance are of Rs 230.53 lacs in 31 cases

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

[35] 2.2.14 Delay in finalisation of assessment

In the case of a dealer of Ambala, assessments for the years 1994-95 to 1996-97 were finalized in December 2000 i.e. after three to five years from the closure of the assessment years and demands amounting to Rs 9.51 crore were raised which were stated (May 2004) to be under stay by Supreme Court in September 2002. Similarly, assessment for the year 1997-98 was framed in August 2003 i.e. after five years of the closure of the assessment years and demand of Rs.6 60 crore was created of which Rs 0 50 crore only had been recovered by the Department and for the balance amount stay application of the dealer was stated to be pending before the Tribunal. Delay in finalisation of assessments resulted in non/delayed realization of Government revenue of Rs 15 61 crore. No reasons for delay in assessments were made available by the Department.

The department in its written reply stated as under:-

M/s HPC Ltd., Ambala Cantt. A.Y. 1994-95 to 1997-98

The case pointed out by Audit relates to the oil Company who has been making local as well as Inter State Sales in whole of Northern India. The notice for assessment in this cases for the years pointed out were issued well in time. However the company sought number of adjournments for collection of forms from its various purchasers. Thus the finalization of cases took time. It being a big oil company, the recovery of the demand will be effected as and when the matter is decided by the Supreme Court.

Precisely if the Assessing Authority fails to complete assessment within stipulated period, then only action will be a delayed one. Hence para may please be dropped.

The Committee desired that recovery of the demand may be effected as and when the matter is decided by the Supreme Court and the Committee may be informed accordingly.

[36] 2.3 Under-assessment of notional sales tax liability due to incorrect deduction

As per provisions of the HGST Act, gross turnover means the aggregate of the amount of sales and purchases and in the case of exemption granted under 28 A/28 B of the HGST Rules, the benefit availed of by the dealer shall be worked out on gross turnover which includes sale proceeds of goods exported out of India. Further, a dealer is liable to pay purchase tax on goods purchased from within the State (other than declared goods) without payment of tax and used in the manufacture of taxable and tax-free goods.

During test-check of records of DETCs, it was noticed between July 2002 and February 2003 that 18 dealers availing the benefit of exemption during the year 1998-99 to 2001-02 were under assessed. This resulted in short determination of notional sales tax liability by Rs 1 63 crore as detailed below:

2.3.2 Short determination of sales tax liability due to application of incorrect rate of tax

In 11 cases, notional sales tax liability of Rs.0 24 crore was assessed short due to

application of incorrect rate of tax as detailed below

Sr. No.	Name of DETC/ Number of cases	Assessment year and date of assessment	Value of raw material consumed (Rupees in crore)	Rate of tax (In percentage)		Tax leviable (Rupees in crore)
				leviable	levied	
2	Rohtak and ETO Ambala City/2	1999-2000 and 2001-02/ May 2002 and October 2002	149 98/ Oil seeds	4 and 7	1 and 4	0 05

Remarks : After this was pointed out in October and November 2003, the assessing authorities sent the cases to the revisional authority in December 2003 and January 2004 for taking suo motu action. The Revisional Authority decided (March 2004) one case and created a demand of Rs 1 91 lakh. Final outcome of other case was not intimated.

The department in its written reply stated as under —

M/s. Arihant Solvant India (P) Ltd., Rohtak, R.C. No. 18578, A.Y. 1999-2000

In this case the rate of tax on sale of castor oil was wrongly applied @ 1% instead of 7%. The said order is rectified and demand created Rs 3,29,414/-. As per direction of the DETC-cum-Revisional-Authority order's dated 8-07-2003, the dues are adjusted against available exemption. Adjustment order was passed on 23 01 2006 and demand of Rs 3,10,184/- is adjusted from the balance unavailed exemption. Balance demand of Rs. 19,231/- is due against the dealer. The matter was in Supreme Court for stay and the same has been vacated. The recovery will be made at the earliest.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

[37] 2.4 Under-assessment due to incorrect deduction at first stage

Under the HGST Act, non-ferrous metal products, compressed asbestos fibre sheets, plastic resin/plastic polymer, timber and its products are taxable at first stage of sale.

During test-check of three DETCs, it was noticed between June 2001 and November 2003 that in seven cases involving four dealers the assessing authorities allowed deduction of Rs 29 11 crore incorrectly from the gross turnover, which resulted in under-assessment of tax of Rs 2 92 crore as detailed below

Sr. No.	Name of DETC	Assessment year and date of assessment	No. of dealer/cases and name of goods sold	Amount of incorrect deduction (Rupees in crore)	Rate of tax (In percentage)	Tax/ penalty (Rupees in crore)
2	Faridabad (East)	1997-98 to 1999-2000/ September 2002 2000-01/ August 2002	1/2 Compressed Asbestos Sheets	15 52	8	1 55

Remarks: Compressed Asbestos fibre sheets valued at Rs.15 52 crore though taxable at first stage were incorrectly deducted from taxable turnover of the dealer. This was pointed out to the Assessing Authority between August and September, 2002, who intimated that the case was sent to the Revisional Authority in December, 2003 for taking *suo motu* action. Final reply had not been received (September, 2004).

The department in its written reply stated as under —

M/s Reinz Talbros, Faridabad (W), A.Y. 1997-98 to 1999-2000 and 2000-01

In this Para it is intimated that the firm has closed down its business long back even before the creation of additional demand by the Revisional Authority. Recovery certificates were sent to the residential address of the Directors in New Delhi. It has been informed that two main Directors namely Sh. R.N. Talwar and Sh. Om Nath Talwar expired on 6.02.2002 and 4.10.2002 respectively. No recoveries has been effected from rest of the Directors despite repeated reminders. So far sureties are concerned, Rs 50,000/- have been recovered from them and efforts are being made to recover the balance amount at the earliest

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

Sr. No.	Name of DETC	Assessment year and date of assessment	No. of dealer/cases and name of goods sold	Amount of incorrect deduction (Rupees in crore)	Rate of tax (In per-centage)	Tax/ penalty (Rupees in crore)
4	Kaithal	1999-2000/ June 2003 2000-01/ January 2003	1/2 wooden boxes	0.30	8	0.04

Remarks: Wooden boxes though taxable were not taxed. After this was pointed out in October 2003, the assessing authority stated that the dealer sold scientific goods. Reply was not tenable as the dealer was a manufacture of wooden boxes as such it was taxable at first stage.

Total	2.92
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The cases were referred to the Government between October, 2002 and February, 2004, reply had not been received (September, 2004).

The department in its written reply stated as under —

M/s Narwana Timber Store, Kaithal, R.C. No. 400, A.Y. 1999-2000 and 2000-01

It is stated that the DETC(ST)-Revisional Authority, revised the assessment order for the year 1999-2000, 2000-01 *vide* orders dated 17.9.2004 and created an additional demand of Rs 22,458/- & Rs 3,96,607/- in both the cases for the years, 1999-2000

and 2000-2001 respectively. The order of Revisional Authority set aside by the Haryana Tax Tribunal vide order dated 29.09.2005. Against the order of Tribunal, department filed Special Leave petition in Supreme Court of India which is now clubbed with Special Leave petition No 18476-18478 of 2005 entitled "State of Haryana and others V/s Hindustan Construction Co Ltd " which is still pending. The latest position as on 31 05 2009 is that the matter is pending before Hon'ble Supreme Court of India till today.

The Committee desired that recovery of the amount may be effected as and when the matter is decided by the Supreme Court and the Committee may be informed accordingly.

[38] 2.6 Non-levy of purchase tax

Under the HGST Act, cotton, paddy and oil seeds are taxable at the stage of last purchase when purchased from within the State. Further, a dealer is liable to pay purchase tax on goods (other than declared goods) purchased within the State and used in the manufacture of tax free goods or taxable goods which are disposed of otherwise than by way of sale. No deduction from dealer's gross turnover is admissible if such goods are indirectly exported out of India.

During test-check of records of the five DETCs, it was noticed between April, 2002 and March, 2004 that Assessing Authorities did not levy purchase tax of Rs 1.07 crore in 19 cases during the years 1997-98 to 2000-2003 as tabulated below.

Name of DETC/ Number of cases	Assessment year and date of assessment	Value of raw material consumed (Rupees in crore)	Nature of irregularity	Rate of tax (In percentage)	Tax leviable (Rupees in crore)
Sonipat and Fatehabad/ 2	1998-99 to 1999-2000/ May and July 2001 and March 2002	4.67 Paddy	Purchased paddy from within the State without payment of tax and exported out of India. There was no agreement between the dealers and the foreign buyers for such export.	4	0.19

Remarks: After this was pointed out in audit in November and December, 2002, the Assessing Authority, Sonipat stated that purchase of paddy was made by the dealer against the orders of export of rice by the exporter. Reply was not tenable as there was no agreement between the dealer and the exporter as such exemption granted was inadmissible. Reply in respect of other case had not been received (September, 2004).

The department in its written reply stated as under :—

M/s Mangla Traders, Fatehabad, R.C. No. 29796, A.Y. 1999-2000

The case was revised by the Deputy Excise & Taxation Commissioner-Cum-Revisional Authority, Fatehabad u/s 40 of the HGST Act, 1973 and an additional demand of Rs. 3,24,782/- was created as per order dated 16 11 2004. In compliance of the direction of the Hon'ble Tax Tribunal, Chandigarh, the dealer has deposited this amount as under :—

Rs. 81,200.00 vide TR No. 19, dated 18.04 2005

Rs. 2,44,000 vide TR No. 24, dated 26 10.2006

Total Rs. 3,25,200

The dealer preferred an appeal against the said order in the Hon'ble Tax Tribunal at Chandigarh. The case is still pending in the Tribunal. Last date of hearing in this case was 19 05 2009 but was not taken up by the Hon'ble Sales Tax Tribunal. The next date of hearing is to be intimated by the Hon'ble Tribunal. Hence the para may please be dropped.

Name of DETC/ Number of cases	Assessment year and date of assessment	Value of raw material consumed (Rupees in crore)	Nature of irregularity	Rate of tax (In percentage)	Tax leviable (Rupees in crore)
Panipat 12	1997-98 to 2002-03	10.49 Paddy	Purchased paddy from within the State and sold outside the State to the exporters of rice against declaration in Form H	1	0.66

Remarks : After this was pointed out in November 2003, the Assessing Authorities stated that these cases had been sent to the Revisional Authorities for taking *suo motu* action between February and March, 2004. Final action taken report had not been received (September, 2004)

The department in its written reply stated as under :—

M/s Goel Trading Company, Panipat, R.C. No. PNP5664, A.Y. 1997-98, 1998-99, 1999-2000

As a result of *suo-motu* action, the Revisional authority vide his order dated 23.8.2004 disposed of the cases wherein total demand of Rs. 984124/- has been created as purchase tax on account of sale of paddy against 'H' forms. Yearwise detail of the same is as under -

<u>Assessment Year</u>	<u>Addl. Demand created</u>
1997-98	5,76,568.00
1998-99	3,86,764.00
1999-2000	20,792.00
Total	9,84,124.00

Being aggrieved with the order of Revisional Authority the dealer preferred appeal before the Hon'ble Haryana Tax Tribunal, which is still pending

M/s Ishwar Trading Company, Samalkha, Panipat, R.C. No. PNP 1637, A.Y., 1998-99, 1999-2000, 2000-01

The cases for the year, 1997-98, 1998-99, 1999-2000 & 2000-01 stand decided in *suo motu* action on 17 9 2004 and tax on these cases, have been levied as under :-

(i) 1997-98	11595120/-
(ii) 1998-99	4,820,20/-
(iii) 1999-2000	2,79,170/-
(iv) 2000-01	74757/-

Aggrieved with the order the dealer preferred an appeal before the Haryana Sales Tax Tribunal and the case is still pending

M/s Dahar Commercial Co., N.G.M., Panipat, R.C. NO. 2839, A.Y. 1996-97, 1998-99, 1999-2000

The cases for the year 1996-97, 1998-1999 and 1999-2000 were decided and additional demand of Rs 18,58,097/- was created as under -

Assessment year	Date of Order	Addl. demand
1996-97	11 08 2004	5,65,856/-
1998-99	05 08 2004	6,17,972/-
1999-2000	05 08 2004	6,74,269/-
Total		18,58,097/-

After that recovery of Rs 1,41,464/- have been made The dealer went in appeal before the Sale Tax Tribunal, Haryana against the order of DETC (I/R), Panipat The case is pending with the Haryana Sales Tax Tribunal, Chandigarh.

Name of DETC/ Number of cases	Assessment year and date of assessment	Value of raw material consumed (Rupees in crore)	Nature of irregularity	Rate of tax (In per-centage)	Tax leviable (Rupees in crore)
Sonipat/ 2	1996-97 to 1997-98/ May 2002 and February 2003	7 26 Oil seeds	Purchase tax was not levied on the value of Sunflower seeds purchased from within the State without payment of tax	2	0 15

Remarks: After this was pointed out in audit in February and March, 2004, the Department stated in March, 2004 that the cases were being sent to the revisional authority for suo motu action. Further report on action taken was awaited (September 2004)

Total	1.07
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The cases were referred to the Government between January 2002 and April 2004, reply had not been received (September, 2004).

The department in its written reply stated as under –

M/s S.R. Oil and Fats, Dipalpur, Sonapat

In this case the audit paras pertain to non-levy of purchase tax on oil seeds purchased from within the state of Haryana without payment of tax and used in the mfg. of oil. The case was referred to the DETC-Cum-Revisional Authority, Sonapat for taking into *suo-moto* proceedings on 17.5.2004 and the same has been returned by the Revisional Authority that since the Assessing Authority levied the tax @ 2% on the escaped turnover of Rs. 2,28,97,471/- to a tax of Rs. 4,57,949/- vide order dated 5.08.2004. Notices have been issued to the sureties whereabouts of the dealer are not known. Efforts are being made to trace out him. Firm stands closed. Demand created as a result of cancellation of exemption certificate.

The Committee desired that recovery of the amount may be effected as and when the matter is decided by the Tribunal/Court and the Committee may be informed accordingly.

[39] 2.7 Non-levy of interest

Under the HGST Rules, on cancellation of exemption certificate before it is due for expiry, the entire amount of tax exempted shall become payable immediately in lumpsum and interest shall also be levied and recovered.

During test-check of the records of DETC, Kaithal, it was noticed in October, 2003 that two units which were granted exemption for Rs. 26.16 lakh discontinued their manufacturing process with effect from January 1996 and April 1998 during the currency of the exemption period. Exemption certificates were cancelled by DETC, Kaithal in November 1998 and April 2000 respectively and demand of Rs. 20.08 lakh and Rs. 10.96 lakh respectively was raised in June and July 2000 for immediate recovery. But interest leviable was not demanded. This resulted in non-levy of interest of Rs. 44.78 lakh.

After this was pointed out in October 2003 the Assessing Authority stated that no interest was leviable. Reply was not tenable as interest is leviable under the provisions of Rule 28 A of HGST Rules.

The matter was referred to the Government in January 2004; reply had not been received (September 2004).

The department in its written reply stated as under —

M/s Satish Oil and General Mill, Kaithal, R.C. No. 3583, A.Y., 1992-93

The audit objection raised by the audit party is complied with and an interest of Rs 219219/- has been levied for the Assessment year, 1992-93 vide assessing authority order 1255B, dated 27.2.2004.

2 In reply to audit Memo No ST-IV /1999-2000/30, dated 9-5-2000 The audit objection raised by the audit party is complied with and an interest of Rs 74688/- has been levied for the assessment year, 1992-93 vide Assessing authority order 125C, dated 27.2.2004 The whereabouts of the partners/sureties are not known So the recovery could not be effected till today i.e. 31.05.2009 Efforts are being made to trace the address of partner/sureties, so that recovery could be effected

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

Other Tax Receipts

[40] 4.1 Results of Audit

Test-check of records in departmental offices relating to revenues received from State Excise Duty, Passengers and Goods Tax, Taxes on Motor Vehicles, Purchase Tax (Agriculture) and Electricity duty conducted in audit during the year 2003-04 revealed under-assessment of taxes and duties and loss of revenue amounting to Rs 33.73 crore in 98,397 cases as depicted below

Sl. No.	Heads of revenue	Number of cases	Amount (Rupees in crore)
1	State Excise Duty	150	14.74
2	Electricity Duty	5103	1.38
3	Taxes on Motor Vehicles	92,645	14.53
4	Passengers and Goods Tax	469	1.17
5	Entertainment Duty and Show Tax	3	0.04
6	Purchase Tax (Agriculture)	27	1.87
Total		98,397	33.73

In the cases of Taxes on Motor Vehicles, State Excise Duty, Passengers and Goods Tax and Purchase Tax (Agriculture), the Department accepted underassessment of Rs.11.27 crore in 927 cases which was pointed out during the year 2003-04 and recovered an amount of Rs 2.57 crore in 107 cases during 2003-04 of which Rs 2.51 crore recovered in 105 cases pertained to earlier years

A few illustrative cases involving Rs 25.81 crore are mentioned in this Chapter. Of these, the Department accepted three audit observations involving Rs 11.47 crore and made part recovery of Rs 0.09 crore in one case

The department in its written reply stated as under .—

State Excise Duty

All the 150 cases involving an amount of Rs 1473 80 lacs have been reviewed with the following results :-

Number of cases	Amount pointed out by Audit (Rs. in lacs)	Result of review
69	59 86	Settled with demand
22	12 00	Settled without demand
59	1401 94	Cases are under review

Passenger and Goods Tax

All the 469 cases involving an amount of Rs 116 66 lacs have been reviewed with the following results —

- (i) 344 cases involving an amount of Rs 93 99 lakhs have been settled with demand
- (ii) 125 cases involving an amount of Rs 22 67 lakhs are still under process/ consideration of the department

(Entertainment)

All the 3 cases involving an amount of Rs 4 25 lakhs have been reviewed with the following results —

- (i) 1 case involving an amount of Rs. 0 25 lakh have been settled without demand
- (ii) Out of 2 cases involving an amount of 4 00 lakhs Rs. 3.89 lakhs have been recovered and recovery of Rs 0.11 lakhs is under process and efforts are being made to recover the balance amount as early as possible.

After hearing the departmental representatives, the Committee desired that all out efforts may be made to settle the pending cases and recover the amount under intimation to the Committee.

State Excise Duty

[41] 4.2 Short recovery of licence fee and interest

The Haryana Liquor Licence Rules 1970, read with Clause 6 of the State Excise Policy for the year 2002-03, provide for payment of monthly instalment of licence fee by 20th of each month by the licensee holding licence for vending country liquor or Indian Made Foreign Liquor. Failure to do so renders him liable to pay interest at the rate of two *per cent* for the period from the first day of the month to the date of payment of the instalment or any part thereof. If licence fee is not paid in full at the end of each month, the operation of the vend under the licence granted to him will cease.

During test-check of records of Deputy Excise and Taxation Commissioner (DETC),

Kaithal for the year 2002-03, it was noticed in December 2003 that a licensee in Kaithal district failed to pay the monthly instalment of licence fee from May 2002 to March 2003 by the prescribed dates. Licence fee of Rs 13.96 crore was paid as against Rs 22.45 crore due from licensee. This resulted in short recovery of licence fee of Rs 8.49 crore and interest of Rs 2.85 crore. DETC did not cease the operation of the vend but allowed the contractor to continue operation till March 2003. Besides, for delayed payment of licence fee demand for interest of Rs 2.85 crore was not raised.

After this was pointed out in December 2003, the Department admitted the fact in January 2004 and stated that efforts were being made to recover the balance amount of licence fee and interest.

The matter was referred to the Government in January 2004, reply had not been received (September 2004).

The department in its written reply stated as under —

In reply to this para, it is submitted that the contract of liquor was given by way of tender system to the licensee and there were 6 partners, notices were issued for recovery of arrears on the address given by the partners, but the same were returned back with the remarks of postal authorities that addresses are not residing on the given addresses. Now the R.C. have been sent to District Magistrate, Patiala (Punjab) for recovery of the same.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee and quarterly report may also be sent to the Committee.

Passengers and Goods Tax

[42] 4.3 Non/short realisation of passengers tax

As per notifications issued in July 1994 and July 1996 under the Punjab Passengers and Goods Taxation Act, 1952 as applicable to Haryana, permit holders 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 30/32 seater buses. As per Haryana Government notification issued in April 2002, the passenger tax at revised rates of Rs 20,000 and Rs 14,000 is to be charged from 52/54 and 30/32 seater buses respectively in case their routes are extended upto 24 kilometres.

During test-check of records of seven offices of the DETC (PGT) for the year 2001-02 and 2002-03, it was noticed between February and July 2003 that 89 transport co-operative societies had either not deposited the monthly passenger tax or deposited it short. This resulted in short realisation of passenger tax of Rs 58.84 lakh.

After this was pointed out between February and July 2003, the DETC (PGT) of Karnal, Rohtak and Sonapat intimated in March 2004 that an amount of Rs 9.12 lakh was recovered in 18 cases. Further report on recovery of the balance amount was awaited. Reply from the remaining DETC had not been received (September 2004).

The matter was referred to the Government in March 2004; reply was awaited (September 2004).

The department in its written reply stated as under —

All the 89 cases involving an amount of Rs 58 84 lacs have been reviewed with the following results —

- (i) 83 cases involving an amount 48 83 lacs have been settled with demand
- (ii) 6 cases involving of Rs 10 01 lacs are still under process.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

REVENUE DEPARTMENT

Stamp Duty and Registration Fee

[43] 3.1 Results of Audit

Test-check of records of various registration offices conducted in audit during the year 2003-2004 revealed non/short levy of Stamp Duty and Registration Fee amounting to Rs 56.13 crore in 1,758 cases which broadly fall under the following categories

Sl. No.	Nature of irregularities	Number of cases	Amount (Rupees in crore)
1	Short levy of stamp duty due to misclassification of deeds	71	0.36
2	Short levy of registration fee	1,016	0.11
3	Short levy of stamp duty due to under-valuation of property	140	0.55
4	Irregular exemption of mortgage deeds and refund	530	0.11
5	Review on Levy and collection of stamp duty and registration fee	1	55.00
Total		1,758	56.13

During the year 2003-2004, the Department accepted under-assessment of Rs 0.45 crore involved in 96 cases of which 45 cases involving Rs 0.18 crore had been pointed out in audit during 2003-04 and the rest in earlier years. Besides an amount of Rs.0.87 crore in 286 cases had been recovered during 2003-04 of which Rs 0.86 crore recovered in 270 cases pertained to earlier years.

A few illustrative cases involving Rs 0.34 crore and a review on "Levy and collection of stamp duty and registration fee" involving Rs 55.00 crore highlighting important cases are mentioned in this chapter. Of these, the Department accepted four observations involving Rs 48.14 crore and made part recovery of Rs 0.10 crore in two cases.

The department in its written reply stated as under :—

3.1.1 Short levy of stamp duty due to misclassification of deeds.

	Cases	Amount (in crore)
1. Amount Recovered by the department	4	0.01
2. Amount dropped by D Cs/Collectors	10	0.06
3. Amount dropped by A.G.	11	0.04
4. Recovery already mentioned in CAG	0	0.00
5. Pending in various courts	31	0.18
6. Balance cases/Amount for recovery	15	0.07

Total	71	0.36
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3.1.2 *Short levy of registration fee.*

	Cases	Amount (in crore)
1 Amount Recovered by the department	229	0 01
2 Amount dropped by D.Cs/Collectors	0	0 00
3 Amount dropped by A G	30	0 01
4 Recovery already mentioned in CAG	0	0 00
5 Pending in various courts	19	0 05
6 Balance cases/Amount for recovery	738	0.04
Total	1016	0.11

3.1.3 *Short levy of stamp duty due to under-valuation of property.*

	Cases	Amount (in crore)
1 Amount Recovered by the department	1	0 01
2 Amount dropped by D Cs/Collectors	3	0 11
3 Amount dropped by A G.	0	0 00
4 Recovery already mentioned in CAG	0	0 00
5 Pending in various courts.	79	0 40
6 Balance cases/Amount for recovery	57	0 02
Total	140	0.54

3.1.4 *Irregular exemption of mortgage deeds and refund.*

	Cases	Amount (in crore)
1 Amount Recovered by the department	88	0 01
2 Amount dropped by D.Cs/Collectors	0	0 00
3 Amount dropped by A G	18	0 01
4 Recovery already mentioned in CAG	0	0 00
5 Pending in various courts	0	0.00
6 Balance cases/Amount for recovery	424	0 09
Total	530	0.11

It is pertinent to mention here that out of the above 530 cases 2 cases involving an amount of Rs 1.92 lakh (i.e. Rs 0.02 crore) are covered under the provisions of Section 50(3) of the Indian Stamp Act. The deeds were executed on 6th June 2002 and 10 January 2002 and the vendors applied for refund on 6th August 2002 and 8th May 2002, respectively. Both the deeds are covered within the prescribed period of six months. The order of Collector, Ambala for refund is in order under the provisions of Section 50(3) of the Indian Stamp Act which is reproduced below for convenience.

"50(3) in the case of stamp paper in which an instrument has been executed by any of the parties thereto within six months after the date of the instrument, or, if it is not dated, within six months after the execution thereof by the person by whom it was first or alone executed "

The 2 cases involving an amount of Rs 0.02 crore may kindly be dropped from this para. Also, Para 3.6 of this report deals with the above mentioned 2 cases exclusively. Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D.O. letter No. 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly bases.

[44] 3.2 Levy and Collection of Stamp Duty and Registration Fees

3.2.5 Monitoring of arrears

A register named "Register of arrears" is being maintained in the office of the Financial Commissioner. The Financial Commissioner intimated in July 2004 that there was no rule for the maintenance of register of arrears. It was being maintained for consolidating the position of arrears received from different Deputy Commissioners. Each Deputy Commissioner submits an annual return to the Financial Commissioner indicating therein the position of arrears etc.

During audit it was noticed that the register was not maintained properly, the essential details viz. opening balance, receipt, clearance and closing balance, were not available with the Department. No monthly/quarterly return has been prescribed to monitor the progress of recovery of arrears. The actual position of the arrears of the entire State was not available with the Government because the prescribed returns were not being received from all the Deputy Commissioners. The arrear position of 12 districts for the years 1998-99 to 2001-02 and five districts for the year 2002-03 as furnished by the Department was as under

Year	Amount involved (Rupees in crore)
Position of 12 districts	
Upto 1998-99	4.33
1999-2000	2.47
2000-01	4.85
2001-02	5.78
Position of 5 districts	
2002-03	1.70
Total	19.13

The Department intimated in December 2003 that information in respect of the remaining districts was being collected and efforts were being made to recover the outstanding arrears as per Stamp Law. The above facts indicated that system relating to monitoring of arrears was weak and not upto the mark.

The department in its written reply stated as under —

Detailed guidelines have been issued by the Government to all Commissioners / DCs/Mining Officers / Revenue Officers / TOs etc / *vide* Memo No. 687-STR-3-2005/3726 dated 12-4-05 for proper monitoring of arrears. The district wise current position of arrears of the whole of the State up to the year 2002-03 is as under :

District	Amount (in crore)
Hisar	0.72
Karnal	0.59
Jind	0.13
Fatehabad	0.67
Rewari	0.39
Jhajjar	0.97
Rohtak	0.06
Bhiwani	0.38
Mewat	0.34
Sirsa	0.24
Panipat	0.07
Yamunanagar	1.03
Panchkula	0.41
Namaut	0.39
Kaithal	1.53
Faridabad	2.29
Gurgaon	1.38
Ambala	0.71
Kurukshetra	1.40
Total	13.68

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D O letter No 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly bases.

[45] 3.2.6 Sale and utilization of non-judicial stamps

A comparison of information regarding utilization of stamp papers as furnished by Registrars with the figures of sale of stamps by the treasury offices revealed the following

(Rupees in crore)								
Year/ Name of Treasury	No of Documents Registered	Opening Balance	Receipt from Nasik	Receipt from other treasuries	Total	Sale of stamp papers by treasuries	Stamp papers utilised	Variation Less (-)/ Excess (+)
Faridabad								
1997-98 to 2002-03	2,21,848	355 72	276 85	9 42	641 99	248 76	251 60	(+) 2 84
Gurgaon								
1999-2000 to 2002-03	1,25,290	335 23	498 50		833 73	424 03	411 12	(-) 12 91
Hisar								
1998-99 to 2002-03	1,05,225	282 43	120 76		403 19	67 90	66 03	(-) 1 87
Bhiwani								
1994-95 to 2002-03	2,29,178	404 38	125 91		530 29	66 74	63 88	(-) 2 86
Yamunanagar								
1998-99 to 2002-03	90,009	205 85	86 98		292 83	70 49	69 04	(-) 1 45
Karnal								
1996-97 to 2002-03	1,33,866	337 33	135 69	4 13	477.15	126 16	118.06	(-) 8 10
Grand Total	8,96,416	1,920.94	1,244.69	13.55	3,179.18	1,004.08	979 73	(-) 24.35

In one district (Faridabad), utilization of stamp papers on registered documents was more by Rs 2 84 crore as compared to the sale of stamp papers by the treasury. After this was pointed out in May 2004 the Registrar, Faridabad, replied in June 2004 that the reasons of excess utilization of stamp papers were investigated and it had come to notice that some organizations (Such as DLF) had purchased stamp papers from the treasury other than Faridabad but got the deeds registered at Faridabad.

The vendors were authorised to purchase stamps only from a particular treasury but stamps could be sold/utilised for registration anywhere in the State, making cross verification difficult. The Government had not evolved any mechanism to make district level comparison between stamp duty realised in registered documents and revenue realized through sale of stamps by treasuries.

It was noticed that stamps worth Rs 13 55 crore were transferred to Faridabad and Karnal from other treasuries, but no intimation in this regard was given to the Financial Commissioner, Revenue as required under Section 29, Chapter-2 of Part-III of Haryana Stamp Manual, 1970. Thus prescribed procedure for transfer of stamps from one treasury to another was not being followed. This indicated inadequate control of the Government over the distribution of stamps from one treasury to another treasury.

The department in its written reply stated as under :—

Detailed guidelines have been issued by the Government to all Commissioners/ Deputy Commissioners / Mining Officers/Revenue Officers/Treasury Officers etc/ vide Annexure-A, B, C and H of Memo No. 687-STR-3-2005/3726 dated 12-4-05. Directions have been given to the concerned Authorities for proper supply, distribution, transfer and verification of Stamps purchased from other treasuries in the State. It is also mentioned here that to do away with the shortcomings of old system of sale and distribution of non-judicial stamps, a new system of deposit of Stamp Duty through State Bank of India was implemented as an option in case of stamp duty exceeding Rs. 10000/- in a single transaction requiring stamp papers of higher denomination of Rs. 15000/-, 20000/- and 25000/-. Now it has been decided to make the deposit of stamp duty through State Bank of India mandatory. It will be implemented in phased manner in two phases. In the first phase it has been implemented w.e.f. 1-8-2009 at all the counters of State Bank of India where Government receipts are accepted. In the second phase it shall be implemented in the rest of tehsils / sub-tehsils as soon as the State Bank of India is geared up to operate the system. The new system will be a simple and hassle-free. It will be quick and efficient service and will be beneficial and convenient to the public. Under the new system the executant can straightway get his deed prepared as per his convenience and paste the Stamp Duty receipt on the deed at the time of registration. Besides, ensuring proper accounting and credit to Government Account the new system will result in saving cost of printing, storage, maintenance, security etc.

No loss has occurred to the State on this account as is evident from the reply of Registrar Faridabad and observation of AG, mentioned in the report. Para may kindly be dropped.

The Committee would like to know whether the second phase of new scheme has been implemented fully, if so, whether the desired results have been achieved, if so, to what extent and if not, the reasons therefor be intimated to the Committee.

[46] 3.2.7 Defects noticed in Sub-Registrar Offices

As per PS Rules, the licenced stamp vendors are to sell stamps upto the value of Rs. 1,000 at a time to an individual. If stamps of more value are required by an individual then he has to approach the treasury office directly for the purpose. The number and date of issue of stamps is required to be written on the back of these stamp papers. A true copy of the same is placed in the office of the registrar for record.

A test-check of registered deeds with stamp duty exceeding Rs 1,000 conducted in the offices of three Sub Registrars revealed that 12,201 deeds were registered during the month of June of the years 1998-99 to 2002-03. Out of these deeds, in 2,631 deeds involving stamp duty of Rs 6.63 crore, the particulars regarding the sale of stamp papers i.e. name of the treasury and No and date of the issue of the stamp papers or both were not found recorded in the true copies of the deeds available in the registering office. Similarly, audit of registered deeds with stamp duty less than Rs 1,000 conducted in the registering offices of three districts revealed that in 2,840 deeds involving stamp duty of Rs 0.04 crore test checked, the particulars regarding the sale of stamp papers were not found recorded on true copies of the deeds.

In the absence of complete particulars of the source of the purchase of the stamp papers, the genuineness of the test checked stamp papers worth Rs 6.67 crore used for the registration of the documents could not be ascertained. The reasons for not recording the complete particulars, though sought for, were not received from the Department. However, the Registrar, Faridabad intimated in June 2004 that necessary instructions in this respect were being issued to all the Sub-Registrars.

The department in its written reply stated as under —

Detailed guidelines have been issued by the Government to all Commissioners/ DCs/ Revenue Officers/TOs etc / vide Annexure-C of Memo No. 687-STR-3-2005/3726 dated 12-4-05. Directions have been given to the concerned Authorities for meticulous compliance of requirement of Section 18A of the Registration Act, 1908 regarding writing number and date of issue of stamps with the name of issuing treasury on the face of Office copy of the deed for pasting it in the record for verification. The process of verification of stamps from the treasury by the concerned Sub-registrars of Faridabad, Karnal and Yamunanagar in all the cases is going on.

It is also mentioned here that to do away with the shortcomings of old system of sale and distribution of non-judicial stamps, a new system of deposit of Stamp Duty through State Bank of India was implemented as an option in case of stamp duty exceeding Rs 10000/- in a single transaction requiring stamp papers of higher denomination of Rs 15000/-, 20000/- and 25000/-. Now it has been decided to make the deposit of stamp duty through State Bank of India mandatory. It will be implemented in phased manner in two phases. In the first phase it has been

implemented w.e f 1-8-2009 at all the counters of State Bank of India where Government receipts are accepted In the second phase it shall be implemented in the rest of tehsils / sub-tehsils as soon as the State Bank of India is geared up to operate the system The new system will be a simple and hassle-free It will be quick and efficient service and will be beneficial and convenient to the public Under the new system the executant can straightway get his deed prepared as per his convenience and paste the Stamp Duty receipt on the deed at the time of registration. Besides, ensuring proper accounting and credit to Government Account the new system will result in saving cost of printing, Storage, maintenance, security etc

Keeping in view the position explained above Para may kindly be dropped

The Committee would like to know whether the second phase of new scheme has been implemented fully, if so, whether the desired results have been achieved, if so, to what extent and if not the reasons therefor be intimated to the Committee.

[47] 3.2.8 Indents for supply of non-judicial stamps

Rule 9 of "Rules for Supply and Distribution of Stamps" as amended in July 1983 by the Government of India provides that indents in the prescribed Proforma may be prepared by the officer in charge of the local depot to meet three months estimated consumption on 15 December, March, June and September every year In Haryana, Treasury Officers are required to send indents/requirements to Haryana Government for approval and onwards submission to CSD, Nasik The stamps were received by the treasuries directly from CSD Nasik However, from January 1999, Treasury Officer Faridabad acts as a nodal agency for distribution of stamps.

During test check of records of three treasury offices from 1993-94 to 2002-03, it was noticed that the treasury officers had placed their indents on the basis of stock available on adhoc assessment and not with reference to sale of the previous year/quarter The position of stamps available in the treasuries was as under

(Rupees in crore)

Name of treasury	Year	Opening balance	Stamps indented	Stamps received	Sale
Hisar	2002-03	60 95	525 72	31 67	16 87
Karnal	2000-01	86 38	96 22	7.05	19 47
	2001-02	73 96	97 88	16 47	26 07
	2002-03	64 36	108 95	7 45	24 95
Gurgaon	2000-01	63 40	507 92	67 29	99 95
	2001-02	230 73	908 41	300 79	117 44

It would be seen from the above that each treasury had a huge stock and still more stamps were indented than required, though sale of these stamps was far less than the stock Hence indents sent to CSD Nasik were not realistic. There was no correlation between indenting of stamps and their receipts since the stamps received were much in lesser quantity than indented

The Treasury Officer, Faridabad, did not send any indent to the revenue department during the years 2001 to 2003. He retained non-judicial stamps valued at Rs 60.34 crore in 2001-2002 and Rs 48.63 crore in 2002-03 out of the total stamps received from CSD, Nasik for further distribution to other treasuries. Thus there had been no scientific method of placing indents and obtaining supply of stamps.

This was pointed out in June 2004, the Treasury Officer stated that point will be kept in view in future.

The department in its written reply stated as under —

Detailed guidelines have been issued by the Government to all Commissioners/ DCs/ Revenue Officers/TOs etc/ vide Annexure- B of Memo No. 687-STR-3-2005/3726 dated 12-4-05 wherein directions have been given to the concerned Authorities for maintaining co-relation between indenting of Stamps and their receipts in view of methods/procedure mentioned in Rule 12 to 19 Chapter 2 Part-III of Haryana Stamp Manual 1970. It is also mentioned here that to do away with the shortcomings of old system of sale and distribution of non-judicial stamps a new system of deposit of Stamp Duty through State Bank of India was implemented as an option in case of stamp duty exceeding Rs. 10000/- in a single transaction requiring stamp papers of higher denomination of Rs. 15000/-, 20000/- and 25000/-. Now it has been decided to make the deposit of stamp duty through State Bank of India mandatory. It will be implemented in phased manner in two phases. In the first phase it has been implemented w.e.f. 1-8-2009 at all the counters of State Bank of India where Government receipts are accepted. In the second phase it shall be implemented in the rest of tehsils/sub-tehsils as soon as the State Bank of India is geared up to operate the system. The new system will be a simple and hassle-free. It will be quick and efficient service and will be beneficial and convenient to the public. Under the new system the executant can straightway get his deed prepared as per his convenience and paste the Stamp Duty receipt on the deed at the time of registration. Besides, ensuring proper accounting and credit to Government Account the new system will result in saving cost of printing, Storage, maintenance, security etc.

No loss has occurred to the State on this account. Para may kindly be dropped.

The Committee would like to know whether the second phase of new scheme has been implemented fully, if so, whether the desired results have been achieved, if so, to what extent and if not, the reasons therefor be intimated to the Committee. The Committee further desired that the claim with railways may also be settled at an early date under intimation the Committee.

[48] 3.2.9 Short receipt of stamps

Rule 6 of PS Rules, provides that the receipt and examination of stamps on arrival at treasuries and sub treasuries shall be conducted in the manner laid down in rules 11 or 19 for the despatch and receipts of stamps in treasuries and sub treasuries.

There was a short receipt of stamp papers worth Rs one crore in 12 cases. Out of this, a claim of Rs.42.95 lakh was lodged with Railways in 10 cases. Of these claim of five cases

involving Rs 18.28 lakh was settled by railways for Rs.0.12 lakh only. While in remaining five cases involving Rs.24.67 lakh, the matter was stated to be under correspondence with CSD, Nasik since 1996 to 1998. Action taken in the remaining two cases involving Rs 57.43 lakh was not intimated (September 2004). The chances of misuse of these stamps could not be ruled out.

The department in its written reply stated as under —

	Cases	Amount (in crore)	Printing cost/claim paid by Railway
1 Claims settled by Railway	5	0.2	12441
2 Claims rejected by Railway	1	0.2	—
3 Claims yet to be settled by Railway	5	0.2	—
4 Claims pending with Central Stamp Depot for verification	1	0.5	—
Total	12	1.0	0.12

System of dispatch and receipt of stamps from Central Stamp Depot by Railways or post has been discontinued due to such theft cases. Nodal Point at Faridabad has been fixed and Treasury Officer Faridabad has been appointed as Nodal Officer for receipt of Stamps by Road Transport since 1998. Stamps are brought under security of police in the trucks hired by the State Government. Further, a new system of deposit of Stamp Duty through State Bank of India was implemented as an option in case of stamp duty exceeding Rs. 10000/- in a single transaction requiring stamp papers of higher denomination of Rs. 15000/-, 20000/- and 25000/-. Now it has been decided to make the deposit of stamp duty through State Bank of India mandatory. It will be implemented in phased manner in two phases. In the first phase it has been implemented w.e.f. 1-8-2009 at all the counters of State Bank of India where Government receipts are accepted. In the second phase it shall be implemented in the rest of tehsils / sub-tehsils as soon as the State Bank of India is geared up to operate the system. Besides, ensuring proper accounting and credit to Government Account the new system will result in saving cost of printing, Storage, maintenance, security etc.

It is pertinent to mention that the claim payable by the Railways as Printing cost is meagre and will amount to Rs. 19-20 thousand only.

In the light of what has been stated above this Para may kindly be dropped.

The Committee would like to know whether the second phase of new scheme has been implemented fully, if so, whether the desired results have been achieved, if so, to what extent and if not, the reasons therefor be intimated to the Committee.

[49] 3.2.10 Non-disposal of obsolete/damaged stamps

Rule 12 of PS Rules, provides that in order to prevent frauds, errors or damage by any cause remaining undetected for long periods the stock of stamps shall be issued in order of its receipts and any denomination lying unsold for any reason for a long time shall be transferred to some other depot, where there is demand for it, under the orders of the Financial Commissioner

During test-check of records of four Treasury Offices, it was noticed that non-judicial stamps worth Rs.8 51 crore and stamps of entertainment tax worth Rs 0 02 crore lying unsold were damaged due to termites. Sanction of the competent authority to write off the amount was still awaited. Stamps of different kinds worth Rs 2.98 crore were also lying un-used in the treasuries as per details given below

Sr. No	Name of Treasury	Type of stamp	Denomination	Value (In rupees)	Remarks
1	Gurgaon	Revenue stamps	4 Anna	1,408	No sale after November 1992
			0 25 P	80	
		Share transfer	2 Rupee	7,98,000	Lying in treasury since July 2001
			5 Rupee	10,00,000	
		Passengers tax	0 5 P	4,38,220	Not used and lying in stock since December 1998
	0 20 P	8,01,400	Not used and lying in stock since October 1999		
	0 10 P	5,49,840	Not used and lying in stock since June 2000		
2	Bhiwani	Hundi	0 50 P	90	No sale after 13 May, 1991
			1 00 Rupee	3,130	
			1 50 Rupee	750	
			2 00 Rupee	5,860	
			4 00 Rupee	7,200	
			5 00 Rupee	3,620	
			10 00 Rupee	10,700	
		Revenue stamps	0 05 P	63,000	Lying in treasury since 1995, no sale since then
			0 15 P	1,38,000	
		Entertainment	0 05 P	1,20,000	Lying in store since 1998. No sale thereafter
			0 10 P	8,11,040	
			10 00 Rupee	2,35,56,000	
			0 20 P	14,19,280	
3	Hisar	Pleader licence fee	12.50 Rupee	300	Lying in treasury since 1975. Last sale 23 December 1974
			25 00 Rupee	950	
4	Jagadhari	Hundi	4 00 Rupee	1,200	No sale after 20 October 2000
			5 00 Rupee	27,000	
			10 00 Rupee	62,000	
Total				2,98,19,068	

No action/effort was made to get the same transferred to other treasuries in time where these were required till these were damaged or had become useless. No efforts were also made to get the stamps declared as obsolete in case there was no demand for these

The department in its written reply stated as under :—

Detailed guidelines have been issued by the Government to all Commissioners/DCs/Revenue Officers/ITOs etc. *vide* Annexure- B of Memo No. 687-STR-3-2005/3726 dated 12-4-05 wherein attention of the concerned Treasury Officers has been invited for keeping in view the procedure mentioned in Rule 12 to 19 Chapter 2 Part III of Haryana Stamp Manual 1970. It is also mentioned here that to do away with the shortcomings of old system of sale and distribution of nonjudicial stamps, a new system of deposit of Stamp Duty through State Bank of India was implemented as an option in case of stamp duty exceeding Rs 10000/- in a single transaction requiring stamp papers of higher denomination of Rs 15000/-, 20000/- and 25000/. Now it has been decided to make the deposit of stamp duty through State Bank of India mandatory. It will be implemented in phased manner in two phases. In the first phase it has been implemented w.e.f. 1-8-2009 at all the counters of State Bank of India where Government receipts are accepted. In the second phase it shall be implemented in the rest of tehsils/sub-tehsils as soon as the State Bank of India is geared up to operate the system. The new system will be a simple and hassle-free. It will be quick and efficient service and will be beneficial and convenient to the public. Under the new system the executant can straightway get his deed prepared as per his convenience and paste the Stamp Duty receipt on the deed at the time of registration. Besides, ensuring proper accounting and credit to Government Account the new system will result in saving cost of printing, storage, maintenance, security etc.

It is pertinent to mention here that the stock lying is not damaged. Small denomination stamps mentioned in the report such as revenue stamps, share transfer, passenger tax, hundi etc are less in use due to increase in the rates of Stamp duty but these can not be termed as obsolete. These small denomination stamps can be used on arising of such requirement. However, the position shall be reviewed and action will be taken in accordance with the provisions of Punjab Stamp Rules. As such no loss has occurred to the State on this account. Para may kindly be dropped.

The Committee would like to know whether the second phase of new scheme has been implemented fully, if so, whether the desired results have been achieved, if so, to what extent and if not, the reasons therefor be intimated to the Committee.

The Committee would also like to know whether the position with regard to small denomination stamps has been reviewed and further action taken accordingly, if so, the report of the same be intimated to the committee.

[50] 3.2.14 Evasion of stamp duty due to misclassification of sale deeds into release deeds

As per provisions of IS Act, as amended by a notification issued in April 2000 by the Haryana Government, stamp duty on any release of ancestral property made in favour of a brother or sister (children of renouncer's parents) or son or daughter or father or mother or spouse or grand children or nephew or niece or co-parcener of the renouncers, is liable at the rate of Rs 15 per instrument. 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 the claim renounced.

During test check of records of 99 registering offices in 19 districts for the year 2000-01 to 2002-03, it was noticed that in 1446 cases, releases of immovable properties valued at Rs 71.33 crore were either made in favour of relations other than those specified in the notification or the property released was not ancestral. Stamp duty of only Rs 0.22 lakh was charged instead of levying stamp duty of Rs 9.12 crore. This resulted in short levy of stamp duty of Rs 9.11 crore. A few instances are given below:

Sr. No	Name of Registering office	Document No. and date	Nature of observation	Stamp Duty (Amount in rupees)		
				Leviable	Levied	Short levied
1	S R Safidon	1/ 3-4-01	Property was released in favour of son of maternal uncle who was not entitled to the concessions	1,91,410	15	1,91,395
2	S R Adampur	784/ 6-7-2000	Released in favour of sister-in-law (brother's wife) who was not entitled to concession	1,10,375	15	1,10,360
3	S R Karnal	4586/ 25-11-02	Released in favour of aunt & cousin (brothers) who were not entitled to concession	85,375	15	85,360
4	S R Faridabad	3027/ 3-7-02	Released in favour of wife of nephew who was not entitled to concession	1,38,415	15	1,38,400
5	S R Fatehabad	3417/ 24-1-03	Property was not ancestral and was not entitled to concession	2,92,777	15	2,92,762

These irregularities were not detected by the Stamp Auditor who had conducted the internal audit of these deeds.

After this was pointed out in audit between April 2001 and March 2004, the Department issued notices in 113 cases raising a demand of Rs.82.68 lakh of which the Department recovered Rs 8 02 lakh in 20 cases and referred 740 cases involving recovery of Rs 4.46 crore to the Collector. Replies in 593 cases involving duty of Rs 3.83 crore had not been received (September 2004)

The department in its written reply stated as under —

		Figures to be changed	
		Cases	Amount (in crore)
1	Amount Recovered by the department.	38	014
2	Amount dropped by D Cs/Collectors	303	2.03
3	Amount dropped by A.G	20	0 24
4	Recovery already mentioned in CAG	0	0.00
5	Pending in various courts.	1084	6 69
6	Balance cases/ Amount for recovery	1	0 01
Total		1446	9.11

In the instant case, detailed clarifications dated 29-12-05 have been issued by the Government and all the Collectors of the State have been directed to decide these cases relating to release instruments U/S 47 of the Indian Stamp Act, 1899 keeping in view the above clarification.

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D O letter No 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/Districts.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[51] 3.2.15 Failure to cross verify the transactions

The IS Act, provides that any person who with intent to defraud the Government executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth, is punishable with a penalty which may extend to five thousand rupees per instrument. Government issued instructions in December 1992 to all the Registering Officers to compare carefully the values indicated in the sale deeds with those mentioned in the 'agreement to sell' executed by the parties earlier and recorded with the document writers.

During test-check of records of 14 Registering Offices in five districts, it was noticed that in 33 conveyance deeds registered between April 2000 and March 2003 on account of sale of immovable properties, the total value of properties set-forth in all these conveyance deeds was Rs 1 60 crore whereas the value of properties as per agreement executed between affected parties and found recorded with the various document writers worked out to Rs 2 57 crore. Thus, the conveyance deeds were got executed and registered at a consideration less than that agreed upon between the parties. Failure of the registering offices to cross verify the transactions resulted in the evasion of stamp duty of Rs.14 17 lakh.

After this was pointed out, the Department issued notices for recovery of Rs.3 87 lakh in 19 cases, out of which Rs 0.46 lakh were recovered in four cases, referred six cases of Rs 1 50 lakh to the Collector for determination of value of properties and proper duty payable. Reply in respect of remaining eight cases involving Rs.8.80 lakh had not been received (September 2004).

A mechanism needs to be evolved to cross verify the value or the consideration shown in the agreement entered into by the parties and those shown in the conveyance deeds etc at the time of execution.

The department in its written reply stated as under —

		Cases	Amount (in lakh)
1	Amount Recovered by the department	5	0 74
2	Amount dropped by D Cs/Collectors	1	0.31
3	Amount dropped by A.G	0	0 00
4	Recovery already mentioned in CAG	0	0 00
5	Pending in various courts	10	3 65
6	Balance cases/ Amount for recovery	17	9 48
Total		33	14 17

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D O letter No. 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual

manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[52] 3.2.16 Short levy of stamp duty

Under IR Act, registration of leases of immoveable property exceeding one year is compulsory. Further, under the IS Act, an instrument of lease is chargeable with stamp duty on the basis of the annual rent reserved. Stamp duty in respect of lease beyond the period of five years is chargeable at the rate of 6.25 per cent of the annual average rent reserved.

As per the information collected from Mining Department, 25 mining leases were granted for seven years during 2001-02 and 2002-03 by Mining Officers of Fardabad, Gurgaon, Bhiwani and Rewari. These deeds were required to be registered compulsorily on the payment of stamp duty and registration fee. However, the deeds executed were not registered at all. It was noticed that while executing the deeds with Mining Officers, stamp duty of Rs. 3.07 crore was charged on the estimated amount based on annual royalty payable for the first year only instead of stamp duty of Rs. 4.27 crore based on the annual average royalty for the whole period of lease of seven years. This resulted in short levy of stamp duty of Rs. 1.20 crore.

No mechanism existed in the department to ascertain whether registration was being done in respect of those documents that were required to be registered compulsorily. A system needs to be developed to ensure that registration of all documents, wherever required is maintained.

The department in its written reply stated as under —

Recovery of Rs. 1.20 crores involved in 25 mining leases is to be recovered by the mining department which is pending.

Detailed guidelines have been issued by the Government to all Commissioners/DCs/Mining Officers/Revenue Officers etc./ vide Memo No. 687-STR-3-2005/3726 dated 12.4.05 to ascertain the compulsory registration of such lease instruments keeping in view the provisions of section 17 and 49 of the Registration Act, 1908 and Article 35 of Schedule 1A to the Indian Stamp Act, 1899.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[53] 3.2.17 Under-valuation of immovable properties

The Government constituted "Evaluation Committees" from time to time for fixation of minimum market value of properties in various areas of the State for the guidance of registering authorities and a copy of these rates is supplied to them by the Department Under Section 47 A of the Act, 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 records of 54 registering offices in 16 districts, it was noticed that in 567 cases the values set forth in the deeds of conveyance were less than that of market value as fixed by the Evaluation Committees This resulted in short realisation of stamp duty and registration fee of Rs.1 73 crore The registering authorities failed to assess the correct value of the properties Consequently, no action to impound the documents was taken This undervaluation was also not detected by the Stamp Auditor of the Department who had conducted post audit of these transactions

After this was pointed out, the Department referred 403 cases between August 2000 and February 2004 involving stamp duty of Rs.1 32 crore to the Collectors concerned but no action was taken in 164 cases involving stamp duty of Rs 0 41 crore The position of the follow up action taken in these cases as on March 2004 was as under

Sr. No.	Category	Number of cases	Amount of short levy involved (Rupees in crore)
1	Total No of cases of under-valuation	567	1 73
2	Cases referred to respective Collectors	403	1 32
3	Cases where no action taken	164	0 41
4	Cases decided by respective Collectors	113	0 22
5	Cases where recovery was ordered	91	0 16
6	Cases where no recovery was ordered and cases filed.	22	0 06
7	Cases which were pending for decision with Collectors	290	1 10

The department in its written reply stated as under —

		Cases	Amount (in crore)
1	Amount Recovered by the department.	27	0 06
2	Amount dropped by D Cs/Collectors	9	0 13
3	Amount dropped by A G	0	0 00

4	Recovery already mentioned in CAG	0	0.00
5	Pending in courts of collector.	200	0.80
6	Balance cases/ Amount for recovery	331	0.75
Total		567	1.73

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D.O letter No. 4238-STR-3-09/11 161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[54] 3.2.18 Short levy of stamp duty due to incorrect application of rates

In order to check the evasion of stamp duty in the sale deeds, Government issued instructions in November 2000 to all registering authorities in the State that agricultural land sold in less than 1000 sq yards in the urban areas and near the residential areas in the villages be valued at the rates fixed for the residential property of that locality for the purpose of levying of stamp duty.

It was noticed that 166 sale deeds were registered between April 2001 and March 2003 in five districts by 23 registering authorities. In all these deeds area of the land registered was less than 1,000 sq yards. Forty one deeds were in urban area while 125 were in rural area. The deeds were liable to be assessed for Rs 7.62 crore based on the rates fixed for residential area and stamp duty of Rs.1 06 crore was chargeable. However, the registering authorities incorrectly assessed the deeds for Rs.2.21 crore on the rate fixed for agriculture land and levied a stamp duty of Rs.0 30 crore. This resulted in short levy of stamp duty of Rs 0 76 crore.

After this was pointed out between April 2002 and March 2004, one Registering Officer referred four cases involving stamp duty of Rs 0 49 lakh to the Collector in November 2003. No reply in the remaining cases was received (September 2004)

The department in its written reply stated as under —

		Cases	Amount (in crore)
1	Amount Recovered by the department	3	0 00
2	Amount dropped by D Cs/Colectors	3	0 00
3	Amount dropped by A G	12	0 01
4	Recovery already mentioned in CAG	0	0 00
5	Pending in courts of collector	148	0 75
6	Balance cases/ Amount for recovery	0	0 00
Total		166	0.76

All the Deputy Commissioners have been directed to take stock of the matter pertaining to recovery cases of stamp duty in the monthly meetings held for pending references with Divisional Commissioners. They have also been requested to review the progress of cases pertaining to stamp duty and registration fee under section 47-A bimonthly and send the review report of the Govt. regularly.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[55] 3.2.19 Non-levy of stamp duty on exchange of property

As per IS Act, stamp duty on exchange of property is chargeable as a conveyance deed. Haryana Government clarified in September 1996 that a compromise decree which was not bonafide was liable to be charged as an instrument of conveyance.

During test-check of records of 20 registering offices in nine districts, it was noticed that in 55 compromise decrees registered between April 2001 and March 2003 creating first time right, title or interest in the said immovable property valued at Rs 4.33 crore were registered for the exchange of property without levying stamp duty of Rs 57 lakh. A perusal of the deeds revealed that the compromise deeds for exchange of property were not bonafide and as such these were to be treated as exchange deeds rather than compromise deeds.

In spite of the Government instructions, the registering authorities failed to detect the omission at the time of registration which resulted in the evasion of stamp duty.

After this was pointed out in April 2002 and March 2004 the Department referred 37 cases involving Rs 32.41 lakh to the Collectors and issued notices between March and September 2003 in five cases for recovery of Rs 4.04 lakh. No reply had been received in respect of 13 cases involving stamp duty of Rs 20.45 lakh (September 2004).

The department in its written reply stated as under .—

	Cases	Amount (in lakh)
1 Amount Recovered by the department	0	0
2 Amount dropped by D Cs/Collectors	5	3
3 Amount dropped by A.G	0	0
4 Recovery already mentioned in CAG	0	0
5 Pending in courts of collector	23	26
6 Balance cases/Amount for recovery	27	28
Total	55	57

Efforts are being made by the Deputy Commissioners and Sub-Registrars to settle the pending Audit Observations. They have also been requested to review the progress of cases pertaining to stamp duty and registration fee under section 47-A bimonthly.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[56] 3.2.20 Incorrect grant of exemption

As per notification issued in September 1998 under the IS Act, Government remitted the stamp duty and registration fee leviable on the deeds of mortgage without possession which are executed by agriculturists in favour of any commercial bank for securing loans upto Rs 3 lakh for the purchase of tractor, installation of tube well based on diesel engine etc. and Rs 60,000 for purchase of pumping sets, cane crushers, bullocks, dairy, piggery etc. or any allied purposes. When property is mortgaged to secure a loan and the possession of property is not given, stamp duty is chargeable at one and half *per cent* of the amount of loan secured by such instrument.

It was noticed that in 20 registering offices in seven districts, 307 deeds of mortgage without possession executed by agriculturists in order to secure loans from banks were exempted from payment of stamp duty and registration fees. The loans secured exceeded the prescribed limit of exemption or were granted for non-agriculture purposes and as such were not entitled to exemption. The failure on the part of registering offices resulted in short levy of stamp duty of Rs 18.29 lakh.

After this was pointed out in audit between April 2000 and March 2004, the Department, issued notices for recovery of Rs 3.53 lakh in 76 cases, recovered Rs.0.28 lakh in 17 cases and referred one case involving recovery of Rs 7.09 lakh to the Collector. Replies in remaining cases involving recovery of Rs 7.67 lakh had not been received (September 2004).

The department in its written reply stated as under —

	Cases	Amount (in lakh)
1 Amount Recovered by the department	75	2 49
2 Amount dropped by D.Cs/Collectors	0	0 00
3 Amount dropped by A G	10	0 25
4 Recovery already mentioned in CAG	0	0 00
5 Pending in courts of collector.	20	7.73
6 Balance cases/ Amount for recovery	202	7 82
Total	307	18.29

All concerned Deputy Commissioners have been directed to recover/settle the pending paras under Stamp law and to expedite the court/recovery cases. All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[57] 3.2.21 Incorrect grant of exemption

Government vide notification issued in August 1995, remitted stamp duty leviable on deeds of conveyance to be got executed by farmers whose land is acquired by Government for public purpose and who purchase agriculture land in the State within one year of the amount of compensation received by them for the acquired land. It was further provided that such remission would be limited to the compensation amount only and the additional amount involved for the purchase of agriculture land would be liable to stamp duty under the rules. A certificate indicating amount of the compensation paid/date of payment, area of the land acquired was required to be attached with the deeds by the executants who claimed exemption under the notification.

During test-check of records of 10 Registering Offices in four districts, it was noticed that 17 sale deeds of properties valued at Rs. 1 16 crore were registered by farmers between April 2001 and March 2003. The properties were received purchased either after one year of the date of receipt of compensation or exceeded the amount of compensation received. The stamp duty of Rs. 15 71 lakh, though leviable was not levied. The Registering Offices failed to verify the correctness of the deeds with respect to the certificates issued by the Land Acquisition Officer.

After this was pointed out in audit between April 2001 and March 2004 the Department issued notices in 11 cases for the recovery of Rs. 5.84 lakh and recovered Rs. 1.83 lakh in four cases. Two cases involving recovery of Rs. 6.61 lakh were referred to the Collector. Replies in four cases had not been received (September 2004).

The department in its written reply stated as under :

	Cases	Amount (in lakh)
1 Amount Recovered by the department.	4	1.83
2 Amount dropped by D Cs/Collectors	0	0.00
3 Amount dropped by A G	0	0.00
4 Recovery already mentioned in CAG	0	0.00
5 Pending in courts of collectors	2	4.88
6 Balance cases/ Amount for recovery	11	8.98
Total	17	15.70

All concerned Deputy Commissioners have been directed to recover/settle the pending paras under Stamp law and to expedite the court/recovery cases

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[58] 3.3 Misclassification of instruments

Under the IS Act, mortgage deed includes every instrument whereby for the purpose of securing money advanced, or to be advanced, by way of loan etc Stamp duty in case of an instrument, where possession of property is not given, is chargeable at one and a half *per cent* of the amount of loan secured by such instrument. Further, under the Act *ibid*, a collateral or auxiliary or additional or substituted security or by way of further assurance for the above mentioned purposes where the principal or primary security is duly stamped, is also chargeable at the rate of 1.5 *per cent* of the amount of loan

During test-check of records of Sub-Registrar, Panipat, for the year 2001-02, it was noticed that two security bonds were executed by mortgaging immovable properties of individuals for giving guarantee of repayment of loan facilities aggregating to Rs 2.05 crore after levying stamp duty of Rs.115 (Rs 15 and Rs 100 per deed). As these instruments were executed with the consideration for securing loan against security of immovable property, these were required to be classified as mortgage deeds chargeable at one and a half *per cent* of the amount of loan. This resulted in short levy of stamp duty of Rs 3.07 lakh

After this was pointed out in December 2001, Sub-Registrar, Panipat, stated (May 2003) that the deeds were of collateral security and no stamp duty was payable on these

deeds The reply was not tenable as collateral security was advanced for the purpose of securing loan and as such stamp duty was required to be levied at the rate of 1 5 per cent

The matter was brought to the notice of the Department and to the Government in March 2004, reply had not been received (September 2004)

The department in its written reply stated as under —

Both the cases involving an amount of Rs 3,06,860 are pending in the Court of Collector Panipat which are persuaded by the Government for expeditious decision Besides this, all the Deputy Commissioners of the State have been impressed upon by FCR recently, vide D.O letter No 4238-STR-3-09/11161 dated 11-12-2009 to look into such matters at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

[59] 3.4 Short levy of stamp duty on lease deeds

Under section 35 of IS Act, on an instrument of lease, stamp duty is chargeable on the basis of period of lease and the amount of average annual rent reserved

During test-check of records of Sub-Registrar, Gurgaon, it was noticed that four lease deeds for 30 years were executed during 2000-01 However, lease amount was worked out on average annual rent for 20 years instead of 30 years This resulted into short levy of stamp duty of Rs 2 33 lakh.

This was pointed out to the Department between August 2001 and March 2004, reply had not been received (September 2004)

The department in its written reply stated as under —

These 4 cases involving an amount of Rs 2,32,811 are pending in the Court of Collector, Gurgaon which are persued by the Government for expeditious decision

The Committee desired that strenuous efforts be made to pursue the cases pending in Court of Collector of Gurgaon.

[60] 3.5 Short levy of stamp duty

As per IS Act, "Conveyance" includes a conveyance on sale and every instrument by which property whether movable or immovable is transferred Further, the Registration Act provides that immovable property includes land, building and things attached to earth

During test-check of records of four Registering Offices of three districts, it was noticed that in nine cases, the vendors purchased factories for the consideration of Rs 5 61 crore in

auction from Haryana Financial Corporation. While executing the sale deeds the cost of plant and machinery valued at Rs 1.80 crore was excluded from the payment of stamp duty. This resulted in short levy of stamp duty of Rs 22.92 lakh.

The matter was brought to the notice of the Department and the Government between December 2001 and March 2004. Reply had not been received (September 2004).

The department in its written reply stated as under —

	Cases	Amount (in lakh)
1 Amount Recovered by the department.	3	0.38
2 Amount dropped by D Cs/Collectors	0	0
3 Amount dropped by A.G	0	0
4 Recovery already mentioned in CAG	0	0
5 Pending in courts of collector	3	15.64
6 Balance cases/ Amount for recovery	3	6.90
Total	9	22.92

All the concerned Deputy Commissioners have been directed to recover/settle the pending paras under Stamp law and to expedite the court/recovery cases.

The Committee desired that strenuous efforts be made to pursue the cases pending in the court and the amount be recovered at the earliest.

[61] 3.7 Non /short levy of registration fee

Registration fee is charged on the value or the consideration of immovable property subject to a maximum of Rs 500. Haryana Government, vide notification issued in October 1983, directed that no registration fee shall be chargeable on any instrument executed by agriculturists in favour of any commercial bank for securing loan upto Rs 60,000 for purchase of pumping sets, cane crushers, bullocks or ploughs, spray equipments, sprinkler irrigation for agriculture purposes, dairy, piggery and crop loans or any other allied purposes.

During test-check of documents registered in 35 registering offices during the year 2002-2003, it was noticed that in 864 cases, exemption of registration fee upto Rs 1 lakh instead of upto Rs 60,000 was allowed by the registering offices, which was not admissible. This resulted in non/short levy of registration fees of Rs 3.63 lakh.

After this was pointed out between April 2003 and March 2004, the Department issued notices for recovery of Rs 0.35 lakh in 74 cases, recovered Rs 0.07 lakh in 16 cases and replies in the remaining cases had not been received (September 2004).

The department in its written reply stated as under —

	Cases	Amount (in lakh)
1 Amount Recovered by the department	176	0 72
2 Amount dropped by D Cs/Collectors	0	0 00
3 Amount dropped by A G	0	0.00
4 Recovery already mentioned in CAG	0	0 00
5 Pending in various courts	12	0 06
6 Balance cases/ Amount for recovery	676	2 85
Total	864	3.63

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR recently vide D O letter No 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts.

It is pertinent to mention here that the above referred 864 cases amounting to Rs 3 63 Lakh are also included in para 3 1 2 i e Part -2 "short levy of registration fee" of Para 3 1 "Result of audit" of this report. Therefore, this para may kindly be dropped / removed from here.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner under intimation to the Committee.

[62] 1.13 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, Passengers and Goods Tax, Taxes on Motor Vehicles, Entertainment and Show Tax, Agriculture (Purchase Tax and Crop Husbandry), Mines and Geology, Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted during the year 2003-04 revealed under-assessments, non-levy and short levy of taxes, duties and losses of revenue amounting to Rs 441 80 crore in 1,03,489 cases. During the year 2003-04, the Departments concerned

accepted under-assessment etc. of Rs 27.63 crore involving 1,873 cases. Out of these, 1,106 cases involving Rs 25.30 crore were pointed out by audit during 2003-04 and the rest in earlier years. An amount of Rs.15.22 crore was recovered in 707 cases during 2003-04 of which Rs 14.37 crore recovered in 644 cases related to earlier years.

This Report contains 33 paragraphs including three reviews relating to non-levy/short levy of taxes, duties, interest and penalties etc., involving Rs 315.26 crore. The Department accepted audit observations involving Rs.80.37 crore out of which Rs 0.34 crore had been recovered upto August 2004. In respect of observations not accepted by the Department, gist of reasons for Department's non acceptance has been included in the related paragraph itself along with suitable rebuttal. However, replies from the Government had not been received (September 2004).

The department in its written reply stated as under —

In this para 1,03,489 cases were involved (Result of Audit) amounting to Rs 441.80 crore. Out of this 1757 cases amounting of Rs 1.13 crore pertained to Revenue Department (Stamp Duty) for the current year. One case of review amounting to Rs 55 crore relates to earlier years, bifurcated reply to which is provided in detail under para 3.2.1 to 3.2.23 of this report.

The latest position of 1757 cases involving Rs. 1.13 Crores is as under —

	Cases	Amount (in crores)
1 Amount Recovered by the department.	322	0.03
2 Amount dropped by D.Cs/Collectors	13	0.18
3 Amount dropped by A.G	59	0.07
4 Recovery already mentioned in CAG	0	0
5 Pending in various courts.	126	0.42
6 Balance cases/ Amount for recovery	1237	0.43
Total	1757	1.13

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR vide D.O. letter No. 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound, manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees, to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner under intimation to the Committee.

[63] 1.14 Failure of senior officials to enforce accountability and protect interest of Government

Replies to Inspection Reports

Accountant General (Audit) Haryana conducts periodical inspection of government departments to test-check transactions and verify the maintenance of important accounting and other records as prescribed in rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities etc. detected during inspection and not settled on the spot, which are issued to the heads of offices inspected with copies to next higher authorities for taking prompt corrective action. The Heads of offices/Government are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report on compliance through initial reply to the Accountant General within six weeks from the dates of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and to the Government.

Inspection Reports issued up to December 2003 disclosed that 6,975 paragraphs involving money value of Rs 1,208.21 crore relating to 3,212 IRs remained outstanding at the end of June 2004. Of these, 634 IRs containing 1,107 paragraphs involving money value of Rs 42.62 crore had not been settled for more than ten years by various departments. Even the first replies, required to be received from the heads of offices within six weeks from the date of issue of the IRs, were not received in respect of 502 paragraphs of 177 IRs issued between April 2002 and December 2003.

Department-wise break-up of IRs and audit observations outstanding as on 30 June 2004 is given below

Department	Position of Inspection Reports issued up to December 2003 but not settled at the end of June 2004			Position of Inspection Reports and paragraphs not settled for more than 10 years			Position of inspection reports in respect of which first reply not received		
	IRs	Paras	Money value (Rupees in crore)	IRs	Paras	Money value (Rupees in crore)	IRs	Paras	Earlier years to which IRs relate
1 Revenue Department									
(a) Land revenue	62	83	0.01	15	15	0.13	3	4	2002-03
(b) Stamp Duty and Registration Fee	748	1,659	29.90	252	342	5.68	50	127	2002-03
Sr. No. 2 to 3 does not relate to this department									
Total	3,212	6,975	1,208.21	634	1,107	42.62	177	502	-

This large pendency of IRs due to non-receipt of replies is indicative of the Heads of Offices and Heads of department failing to initiate action to rectify the defects, omissions and irregularities pointed out by the Accountant General in the IRs

It is recommended that Government take suitable steps to ensure that –

- an effective procedure exists for prompt and appropriate response to the audit observations ;
- action against officials/officers failing to send replies to the IRs/Paras as per the prescribed time schedule , and
- action to recover loss/outstanding demands in a time bound manner.

The department in its written reply stated as under :-

For quick disposal and settlement of deficient amount to the tune of Rs. 29.91 crore pertaining to Land Revenue Stamp duty and Registration Fee as mentioned in Para 14 concerted efforts are being made by the department.

Recently, all the Deputy Commissioners of the State have been impressed upon by FCR vide D.O. letter No 4238-STR-3-09/11161 dated 11-12-2009 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in revenue as well as in public interest.

All the Divisional Commissioners and Deputy Commissioners have been directed by FCR in the meetings held at Divisional level to pay special attention to plug the leakage of stamp duty and registration fees to expedite the disposal of cases pertaining to the deficient stamp duty lying pending in the Courts of Collectors of their respective Division/districts.

The Committee desired that all out efforts may be made to recover the balance amount in a time bound manner and the position of recovery be intimated to the Committee on quarterly basis.

POWER DEPARTMENT

[64] 1.7 Arrears of revenue

The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs 851.46 crore, of which Rs 227.33 crore were outstanding for more than five years as detailed in the following table.

2.	Taxes and Duties on Electricity.	64.06	35.49	Rs 0.38 crores was recoverable from M/s Rama Fibers, Bhiwani, Rs 0.30 crores from M/s Dadri Cement Factory Charkhi Dadri, Rs 1.00 crores from M/s Haryana Concast, Hisar, Rs 0.16 crores from M/s Competent Alloys, Ballabgarh and a sum of Rs 62.22 crores from consumers by Haryana Vidyut Parsaran Nigam
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The department in its written reply stated as under .—

Initially the arrear of Electricity Duty as on 31.3.2004 was intimated as Rs 64.06 crores tentatively to the Accountant General(Audit), Haryana, because at the time of submitting the figures, the actual amount of Electricity Duty from 4/2003 to 2/2004 was available with the Department and the figures of Electricity Duty for the month of 3/2004 was taken as projected amount. Subsequently on receipt of actual figures of Electricity Duty for the month of 3/2004, it reduced to Rs. 61.91 crores. During the month of March, 2004, Power Utilities have collected/realized more amount of Electricity duty against the assessment so the arrear of Electricity Duty as on 31.3.2004 reduced to Rs 61.91 crores. This position has already been intimated to the Accountant General(Audit) Haryana vide this Deptt Memo No. Arrear/Part-III/8946 dated 11.10.2004.

Here, it is submitted that under Section 4 of the Punjab Electricity (Duty) Act, 1958 as applicable to the State of Haryana, the Power Utilities are responsible for the recovery and proper up-keep of the account, because Electricity Duty is levied and collected by them. The Chief Electrical Inspector, Haryana, however, on behalf of the State Govt. only compile the statements supplied by Power Utilities.

Power Utilities have finally reconciled/audited the arrears of Electricity Duty and intimated the amount of Rs 61.91 crores as on 31.3.2004. Out of this amount, Rs 3.25 crores has been collected by the Power Utilities and Rs 11.17 crores is pending due to various court cases including the amount of electricity duty involved in permanent disconnected consumers. The status of cases pending in the court is as under -

(a) Rs. 0.38 Crores recoverable from Rama Fibres, Bhiwani

M/s Rama Fibers, Bhiwani was allowed deferment for payment of Electricity dues from 1.1.87 to 31.12.91 by Financial Commissioner & Secretary to Govt. Haryana Industries Department, Chandigarh vide his Memo No. 7838/40 dated 16.6.87. The

Electricity duty was leviable from 1.1.92 and the deferment amount of Electricity Duty for the period 1.1.87 to 31.12.91 was to be recoverable in five equal installments as per instructions contained in Chief Electrical Inspector, to Govt. Haryana, letter ED/Deferment /2/Ch 74 dated 9.1.92. The firm made the payment of monthly Electricity Duty for the period 1/92 to 5/95 but did not pay deferred amount. The supply of the consumer stands permanently disconnected on 30-7-95. Later on, the firm was declared a sick unit and ordered to be wound up. The Official liquidator was appointed and the business was purchased by M/s Ambika International Ltd., on 11.12.2003. The position regarding recovery will be cleared after the decision of Liquidator.

(b) Rs. 0.30 crores recoverable from M/s Dadri Cement Factory, Charkhi Dadri

The connection of the consumer was disconnected permanently on 24.4.1980. The amount has become irrecoverable because the firm has gone into liquidation. The liquidator has mentioned that the amount realized from the sale of assets of the consumer is not sufficient to meet the liabilities of any lower category. Therefore, this amount has already been provided as bad debts in the books of HSEB/HVPNL.

(c) Rs. 1.00 crores recoverable from M/s Haryana Concast, Hisar

The consumer is a Govt. of Haryana Undertaking. The company was a sick industrial unit and was referred to the Board for Industrial and Financial Restructuring (BIFR). The BIFR in its order dated 16.04.1999 opined that the firm was not likely to become viable in future and hence it should be wound up U/s 20 (1) of the Act. This opinion was forwarded to the concerned High Court as required under the law. The Punjab and Haryana High Court vide its order dated 28.10.1999 decided to wind up the company and the Official Liquidator attached with the said court was appointed as the Liquidator. The claim has been lodged with the Liquidator but nothing has been heard from him. Position regarding recovery will be cleared after the decision of Liquidator.

(d) M/s Competent Alloys, Ballabgarh, Rs. 0.16 crores:-

The supply of the consumer was permanently disconnected on 20.11.1997 on default. Against the order of disconnection and recovery the firm had filed a case in the Court of Civil Judge, Faridabad. On 24.4.2003 the Ld Court had decided the case in favour of the firm. Power Utilities as well as this Deptt. after obtaining the legal advice from L. R. HVPN/Haryana State has filed an appeal in the Competent court at Faridabad and the next date of hearing fixed by the court as 22.11.2005.

Here it is mentioned that Power Utilities are making their best efforts to recover the arrears of Electricity duty from the consumers by launching various schemes, such as disconnection of premises of the defaulting consumers and settlement of disputes in Lok Adalt etc. As and when the amount of SOP of Power Utilities is recovered, the electricity duty amount which is involved in electricity bills/SOP shall be recovered automatically. However, it is brought out that the amount of electricity duty payable to the State Govt. by the Power Utilities, is usually adjusted by the State Govt. against the amount of loan/subsidy payable by the State Government to the Power Utilities at the end of every financial year.

In short, it is a continuous process, which involves realization/adjustment of old electricity duty arrears and addition of fresh/new cases of electricity duty. Thus it is a never ending process where adjustment/clearance of old electricity duty arrears and addition of the new electricity duty arrears go side by side. In view of the above, para may please be dropped

The Committee desired that strenuous efforts may be made to recover the amount from M/s Rama Fibres, Bhiwani.

The Committee would also like to know whether the amount recoverable from M/s Dadri Cement Factory, Charkhi Dadri will be got written off from the Government or not. If so, the same may be got done at the earliest and if not, the Committee may be apprised of the further proceedings in this matter.

The Committee also desired that strenuous efforts may be made to recover the amount from M/s Haryana Concast Hisar and M/s Competent Alloys, Ballabgarh.

HEALTH DEPARTMENT

[65] 6.1 Results of Audit *Drop - 11-1-22 Sub-committee*

Test-check of records in departmental offices relating to Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries), Agriculture (Crop-Husbandry), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted in audit during the year 2003-2004, revealed under-assessments and losses of revenue amounting to Rs.68 17 crore in 2,367 cases as depicted below

Sr. No.	Name of Departments	Number of cases	Amount (Rupees in crore)
1 to 5	—	—	—
6	Medical	509	0 01
7 to 11	—	—	—
Total		2367	68.17

The Department accepted under-assessments of revenue of Rs.13 44 crore in 747 cases during the year 2003-04, of which Rs 1.92 crore in 704 cases pertain to earlier years. Besides, an amount of Rs.7.43 crore had been recovered in 211 cases during 2003-04 of which part recovery of Rs 7 28 crore recovered in 208 cases pertained to earlier years.

A few illustrative cases involving Rs 9.08 crore are mentioned in this Chapter. Of these, the Department accepted four observations involving Rs.7 11 crore.

The department in its written reply stated as under —

In the report of the CAG (RR) for the year 2003-04, 6 paras and 509 cases are shown outstanding against Health Dept. In this regard, it is stated that the Directorate has issued instruction to the concerned institutions for early settlement of these paras vide No. 34/166-Audit-05/3793-96 dt. 8.5 05 and No. 34/166-Audit-05/5764-66, dt. 27 7 05 to inform latest position accordingly. The reply has been sent to the A.G. Haryana by the concerned Civil Surgeons and Medical Supdt. etc. Efforts are being made to settle the pending paras as early as possible to arrange special meeting with the Accountant General (Audit) Haryana, Chandigarh. In this regard, request has been sent to AG Haryana by the Director General, Health Services, Haryana, Panchkula vide No. 34/152-Audit/1604 dated 22/2/2006.

The Committee desired that strenuous efforts may be made to settle the remaining paras and cases as early as possible by holding the meeting with the A.G. (Audit) and the latest position after making all these efforts be intimated to the Committee.

INDUSTRIES DEPARTMENT

[66] 6.1 Results of Audit

Test-check of records in departmental offices relating to Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries), Agriculture (Crop-Husbandry), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted in audit during the year 2003-2004, revealed under-assessments and losses of revenue amounting to Rs 68 17 crore in 2,367 cases

The Department accepted under-assessments of revenue of Rs 13 44 crore in 747 cases during the year 2003-04, of which Rs 1 92 crore in 704 cases pertain to earlier years Besides, an amount of Rs 7 43 crore had been recovered in 211 cases during 2003-04 of which part recovery of Rs 7 28 crore recovered in 208 cases pertained to earlier years

A few illustrative cases involving Rs.9 08 crore are mentioned in this Chapter Of these, the Department accepted four observations involving Rs 7 11 crore

The department in its written reply stated as under .—

This para is regarding the non payment of the rent of sheds by 4 allottee The actual amount in this case is Rs 1 32 lacs. The detail of sheds allotted to 4 allottees are as under —

Sr No	Name of the Allottee	Date of occupation	Period of non payment of Rent	Amount	Total
<u>Shed No 2</u>					
1	M/s Khanna Enterprises, RIE, Pinjore	18 7 80	Dec 81 to Oct 91	Rent 9758-00 Intt 9318-00	18076 00
<u>Shed No. 8</u>					
2	-do-	20 7 78	July 78 to Oct 91	Rent 17113-00 Instt 16428 00	33541 00
3	M/s Universal Cutter, RIE, Pinjore	14 2 73	Feb 1973 to Dec 78	Rent 5781/- Instt 10507/-	16288-00
4	M/s Surindera Engg Works RIE, Pinjore	16.9 69	Oct 1972 to Oct 95	Rent 32333 00 Instt 32601 00	64,934 00
Grand Total					1,32,839.00

Keeping in view the position explained above it is intimated that these cases are so old as more than 30 years old The allottee are not traceable on their addresses furnished by them at the time of allotment The original allottee stopped paying rent of these sheds due to failure of their industrial activities and thereafter sheds are vacated from said allottee by the department They were asked to pay outstanding

rent amount due but no rent was deposited by them. This office has made so much correspondence to make the payment required but no reply has been received from the allottee. It is further intimated that the allottee at Sr. No. 1 to 3 are not traceable inspite of making strenuous efforts by this office. As far as Sr. No. 4 is concerned that firm had 2 partners out of them one partner has already expired and second is not traceable. A collector case has been made at him.

Keeping in view the above position it is requested that this para may kindly be dropped

The Committee desired that department should proceed in the matter as per the relevant rules and if need be and considered appropriate, the department may get the amount written off by taking the orders from the competent authorities and final decision taken in this regard be intimated to Committee also.

CO-OPERATION DEPARTMENT

[67] 6.3 *Non-redemption of Government share capital*

The share capital contributed by the State Government to co-operative societies registered with the Co-operative Department is required to be redeemed in accordance with instructions/terms and conditions stipulated in the sanction issued by the Department/Government. The State Government further directed all the heads of the Departments in March 1979 that the 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, Fatehabad, for the year 2002-03 it was noticed in August 2003 that Government invested share capital of Rs 10.15 crore in Bhuna Co-operative Sugar Mills Ltd., Bhuna during the years 1988-89 and 1996-97. Out of this, Rs 5.82 crore were released between 1988-89 and 1996-97 without fixing the terms and conditions of repayment/redemption of share capital. Remaining amount of Rs 4.33 crore was released between 1991-92 and 1996-97 on the terms and conditions that share capital shall be retired in 10 equal annual instalments commencing from the sixth anniversary of the drawal. As per Kist Bandi (repayment schedule) available with the Department out of Rs 10.15 crore, share capital of Rs 7.05 crore was due for redemption from October 1994 to March 2003 but had not been redeemed till January 2004. This resulted in blockage of revenue of Rs 7.05 crore.

After this was pointed out in August 2003 to the Assistant Registrar, Co-operative Societies (ARCS), Fatehabad stated that share capital of the Mill could not be redeemed till January 2004 due to huge loss suffered by the mill and efforts were being made for redemption of share capital.

Reply was not tenable as the investment of Rs 5.82 crore was made without fixing the terms and conditions of repayment. In absence of this the Department was not in a position to know as to when and how the recovery would be made. Besides, for investment of Rs 4.33 crore, the condition stipulated did not indicate any concession/exemption from payment of Government dues in case of loss suffered by the society. As such department should have pressed for recovery of its dues.

The matter was referred to the Department/Government in September 2003, reply had not been received (September 2004).

The department in its written reply stated as under —

Govt. has contributed Govt. share capital to the Bhuna Cooperative Sugar Mill 1988-89 to 2003-04 an amount of Rs 10.15 Crore on the conditions that the share capital shall be retired in 10 annual equal instalments. Out of this an amount of Rs 7.05 Crore is due for redemption up to the year 2004. The department has taken up this issue with the Managing Director, Coop Sugar Mill Bhuna and also with the Haryana State Federation of Coop Sugar Mills Ltd., Panchkula vide letter No. 1/5/99 R(2)/3807/9-4-2004, 8439/27-8-04, 2606/15-3-05, 1807/1/11-04/4868, dated 29-4-04. Managing Director, Haryana State Coop Sugar Mill federation informed vide their letter No. SMF/2003/FA/4170 dated 28-8-03 letter addressed to the Commissioner

& Secretary to Govt Haryana Cooperation Department and about the formation under rehabilitation scheme for all Sugar Mills including Bhuna Coop Sugar Mill to extend redemption period of instalments of Share Capital become due for payment. Govt. have also Informed to the AG Haryana vide letter No 270-C 11/04/10434 dated 2-9-04 that the Sugar Mills are not in a position to retire the Govt. Share Capital and the matter is being under consideration of the Govt. in the rehabilitation scheme the Govt. issued a notification No 2684-C-5/2004/7776 dated 6 7 2004 constituting a committee under the Chairmanship of Hon'ble Finance Minister, Haryana to examine the rehabilitation proposal of various Sugar Mills in Haryana the matter is under active consideration of High Powered Committee. The decisions taken by this Committee shall be informed accordingly to A.G , Haryana

The Committee desired that the decision taken by the High-Powered Committee may be intimated to the Committee.

19.05.2012
PUBLIC HEALTH DEPARTMENT

[68] 6.5 Short recovery of water connection fee

As per instructions issued in January 2001 by the Engineer-in-Chief Haryana PWD/Health Branch, fee for the issue of new water connection was enhanced from Rs 300 to Rs 500 with effect from 15 January 2001

Test-check of records of Executive Engineer, Public Health Division-3, Hisar for the years 1999-2000 to 2001-2002 revealed that the Divisional /Sub Divisional offices charged water connection fee in respect of 681 new water connections released between 17 January and March 2001 at the old rate of Rs 300 instead of Rs 500, resulting in short recovery of water connection fee of Rs 1 36 lakh

This was pointed out in audit in June 2002 to the Department which stated in March 2004 that efforts were being made to effect the recovery

The matter was referred to Government in April 2004, their reply had not been received (September 2004)

The department in its written reply stated as under —

In this connection, it is stated that the revised rates of new water connection fee were effective from 15.1.2001 where as instructions to this effect were received on 23/1/2001 in divisional office and endorsed to Sub-Division on 25.1.2001. This resulted into non-implementation of new rates. The total recovery works out in the para is Rs 1 36 lacs out of which Rs 0.17 lacs has been recovered, leaving balance recovery of Rs 1 19 lacs. Sincere efforts are being made to recover the balance amount

In view of the above reply, para may be dropped please

The Committee desired that strenuous efforts may be made to recover the amount and the latest position in this regard be intimated to the Committee.

Appendix II
(Refer paragraph 1.7 3.)
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 lakhs)	Items	Amount (Rs in lakhs)	Items	Amount (Rs in lakhs)
1	2	3	4	5	6	7	8	9
1	Housing	2001-02	8	58.17	-	-	8	58.17
		2002-03	8	52.26	-	-	8	52.26
2	Urban Development	1994-95	34	73.92	-	-	34	73.92
		1995-96	3	3.91	-	-	3	3.91
		1996-97	9	6.83	-	-	9	6.83
		1997-98	28	11.76	-	-	28	11.76
		1998-99	19	585.33	-	-	19	585.33
		1999-2000	173	1,000.98	6	21.79	167	979.19
		2000-01	163	1,218.80	11	54.81	152	1,163.99
		2001-02	500	2,208.61	23	397.61	477	1,811.00
		2002-03	491	5,222.00	88	679.74	403	4,542.26
3	Irrigation	1998-99	2	100.00	-	-	2	100.00
		1999-2000	2	120.00	-	-	2	120.00
		2000-01	3	321.68	-	-	3	321.68
		2001-2002	3	382.69	-	-	3	382.69
		2002-03	3	1,638.61	-	-	3	1,638.61
4	Power	2001-02	5	2,537.36	-	-	5	2,537.36
		2002-03	5	1,880.30	-	-	5	1,880.30
5	Agriculture,	2000-01	11	6,425.00	11	6,425.00	-	-
		2002-03	2	7,444.57	2	7,444.57	-	-
6	Rural employment	1999-2000	1	0.47	-	-	1	0.47
		2000-01	10	153.15	-	-	10	153.15
		2001-02	32	2,064.25	18	41.13	14	2,023.12
		2002-03	54	4,911.54	40	4,783.95	14	127.59
[7	Development and Panchayat <i>supplied</i>	1997-98	1	11.76	1	11.76	-	-
		1998-99	5	9.74	5	9.74	-	-
		1999-2000	23	51.58	23	51.58	-	-
		2000-01	23	210.23	23	210.23	-	-
		2001-02	42	1,429.35	42	1,429.75	-	-
		2002-03	3	502.06	-	-	3	502.06
8.	Economical and Statistical Advisor	1999-2000	1	5.39	1	5.39	-	-
		2000-01	9	1.27	9	1.27	-	-
		2001-02	38	1,000.00	28	974.78	10	25.22
		2002-03	36	12.43	-	-	36	12.43
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

1	2	3	4	5	6	7	8	9
		1998-99	2	18 93	-	-	2	18 93
		2000-01	4	7 39	-	-	4	7 39
		2001-02	25	7 21	-	-	25	7 21
		2002-03	33	434 14	14	66 56	19	367 58
10	Education	2001-02	68	5,190 69	66	5,187 19	2	3 50
		2002-03	409	17,352 67	311	17,343 27	98	9 40
11	Revenue	1992-93	3	60 00	3	60 00	-	-
		1995-96	1	4 34	1	4 34	-	-
		1998-99	1	50 50	1	50 50	-	-
		2000-01	3	95 00	3	95 00	-	-
		2001-02	8	372 72	-	-	8	372 72
		2002-03	7	2 37	4	1 92	3	0 45
12	Social Security and Welfare	1996-97	12	666 09	6	24.18	6	641 91
		1997-98	31	285 55	12	23 98	19	261 57
		1998-99	23	431 44	18	59 19	5	372 25
		1999-2000	37	1,773 89	16	78 71	21	1,695 18
		2000-01	29	965 54	-	-	29	965 54
		2001-02	87	1,497 09	67	237 91	20	1,259 18
		2002-03	109	1,191 44	2	2 71	107	1,188 73
13	Technical Education	2001-02	29	1,496 54	29	1,496 54	-	-
		2002-03	26	1,390 18	26	1,390 18	-	-
14	Sports	1999-2000	9	15 38	9	15 38	-	-
		2000-01	2	81 01	2	81 01	-	-
		2001-02	7	152 50	2	101 59	5	50 91
		2002-03	7	270 48	4	233 90	3	36 58
15	Science and Technology	1993-94	1	1 00	-	-	1	1 00
		1999-2000	1	4 42	1	4 42	-	-
		2001-02	5	84 75	4	83 75	1	1 00
		2002-03	10	159 32	10	159 32	-	-
16	Ecology and Environment	1997-98	3	12 89	2	12 55	1	0 34
		1998-1999	4	16 66	1	12 45	3	4 21
		1999-2000	3	8 94	3	8 94	-	-
		2000-01	1	6 62	1	6 62	-	-
		2001-02	3	0 98	3	0 98	-	-
		2002-03	1	0 25	-	-	-1	0 25
17	Tourism	2000-01	2	42 00	2	42 00	-	-
		2001-02	2	42 00	2	42 00	-	-
		2002-03	2	42 00	-	-	2	42 00
18	Public Health	1996-97	11	9,066 38	11	9,066 38	-	-
		2000-01	55	1,443 30	55	1,443 30	-	-
		2001-02	544	14,402 86	498	12,471 48	46	1,931 38
		2002-03	556	15,895 32	-	-	556	15,895.32
19	Art and Culture	2002-03	1	1 00	-	-	1	1 00
20	Animal Husbandry	2001-02	1	20 00	1	20 00	-	-
		2002-03	12	600 25	9	390 00	3	210 25

1	2	3	4	5	6	7	8	9
21	Fisheries	2001-02	16	222 12	15	220 67	1	1 45
		2002-03	19	275 14	-	-	19	275 14
22	Non-conventional sources of energy	1993-94	1	1.99	-	-	1	1 99
		1996-97	1	1 72	1	1 72	-	-
		2000-01	1	1 29	1	1 29	-	-
		2001-02	3	48 64	2	47 95	1	0 69
		2002-03	8	61 44	7	60 69	1	0 75
23	Village and Small Scale Industries	1998-99	4	39 41	-	-	4	39 41
		1999-2000	14	296 85	-	-	14	296.85
		2000-01	12	308 24	-	-	12	308 24
		2001-02	9	79 20	1	4.00	8	75,20
		2002-03	24	1,395 09	-	-	24	1,395 09
24	Civil Aviation	2002-03	18	45 00	18.00	45 00	-	-
Total			4111	1,20,694.49	1575	73,242.67	2536	47,451.82
Say				1,206.95 crore		732.43 crore		474.52 crore

Appendix III
(Refer paragraph 1.7.4)

**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 to CAG	Year for which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non-finalisation of Audit Reports
1	Haryana Khadi and Village Industries (Board), Manimajra, Chandigarh.	2002-03 to 2006-07	2002-03 to 2003-04	2001-02	2000-01	2000-01	*
2	Haryana Labour Welfare Board, Chandigarh	1998-99 to 2002-03		2002-03	2001-02	1999-2000	* Reminder issued on 9-8-2004 for re-entrustment of audit of its accounts
3	Haryana Urban Development Authority, Panchkula	1997-98 to 2001-02 2002-03 to 2006-07	2000-01 to 2001-02 2002-03 to 2003-04	1999-2000	1999-2000	1999-2000	*
4	Haryana Housing Board, Panchkula	1999-2000 to 2003-04	2003-04	2002-03	2001-02	2001-02	*
5	Haryana State Agricultural Marketing Board, Panchkula	2000-01 to 2004-05	2000-01 to 2001-02 2002-03 to 2003-04	1999-2000	1999-2000	Not yet submitted	* Accounts for 2000-01 be re-submitted
6	Mewat Development Agency, Nuh, (Gurgaon)	2000-01 to 2004-05	2000-01 to 2001-02 2002-03 to 2003-04	1999-2000	1999-2000	Not applicable	*
7	Haryana State Legal Service Authority, Chandigarh	1996-97 to 2000-01 ¹	1996-97 to 2003-04	—	—	—	* Accounts not submitted since 1996-97
8	Haryana Urdu Akademi Panchkula	1996-97 to 2000-2001 and 2001-02 to 2005-06	1996-97 to 2003-04	—	—	—	* -do-

* Matter reported to the Government Haryana, Finance Department for submission of approved accounts/non-laying of certified accounts on the table of State Legislature

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 1.7.5)

Statement showing names of bodies and authorities the accounts of which had not been received

Sr. No.	Name of the body/ authotiry	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	2	3	4
1	Municipial Committee, Bahadurgarh	1986-87	35 93
		1993-94	34.08
		1996-97	50.00
		1997-98	25.95
		1999-2000	49 50
		2000-01	48 93
		2003-04	304.10
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	1,156 87
		2000-01	247.58
		2002.03	169 48
		2003-04	182.25
3.	Municipal Committee, Karnal	1982-83	7 00
		1988-89	32.61
		1997-98	36 12
		1998-99	26 25
		2000-01	60 08
		2001-02	57 73
		2002-03	62 67
		2003-04	39 84
4	Municipal Committee, Narnaul	1988-89	25 30
		1989-90	28 63
		1997-98	36.12
		1998-99	26 25
		2000-01	60.08
		2001-02	75.88

1	2	3	4
5	Municipal Committee, Rohtak	1987-88	34 00
		1988-89	37 61
		1989-90	52 35
		1996-97	25 08
		1997-98	78 44
		1999-2000	266 56
		2000-01	197 41
		2001-02	101 20
		2002-03	155 48
		2003-04	162 45
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
		2003-04	175.14
7	Municipal Committee, Sonapat	1997-98	69 93
		1998-99	326.25
		1999-2000	263 23
		2000-01	167 82
		2002-03	132.73
		2003-04	70 77
8	Municipal Committee, Jagadhari	1996-97	50.00
		1998-99	26 25
		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
		2003-04	78 09
10	Municipal Committee, Hisar	1996-97	50 00
		1997-98	48 31
		1998-99	58 25

1	2	3	4
		1999-2000	61 81
		2000-01	176 93
		2002-03	207.76
		2003-04	40 07
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
		2003-04	86.01
12	Municipal Committee, Yamuna Nagar	1998-99	350.00
		1999-2000	578 66
		2000-01	172 96
		2001-02	273.05
		2002-03	419.51
		2003-04	26 77
13.	Municipal Committee, Palwal	1995-96	50.00
		1998-99	30.00
		1999-2000	105-00
		2000-01	62 75
		2003-04	41.49
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
		2003-04	48 40
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

1	2	3	4
		2002-03	126.28
		2003-04	31.01
18	Municipal Committee, Ambala City	1998-99	70.25
		2000-01	676.27
		2002-03	145.80
		2003-04	208.56
19.	Municipal Committee, Ambala Cantt	2002-03	26.43
20	Municipal Committee, Kurukshetra	1998-99	33.75
21	Municipal Committee, Katthal	1998-99	62.25
		1999-2000	638.42
		2000-01	98.95
		2003-04	198.12
22	Municipal Committee, Gannaur	2002-03	41.16
23.	Municipal Committee, Gohana	1999-2000	70.00
		2001-02	35.90
		2003-04	119.24
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
		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
		2003-04	110.28
29.	Municipal Committee, Sirsa	2001-02	48.66
		2002-03	127.27
		2003-04	26.06
30.	Municipal Committee, Dabwali	2002-03	140.23
		2003-04	158.58
31	Municipal Committee, Taoru	1999-2000	40.00
32	Municipal Committee, Uchana	1999-2000	30.00
33	Municipal Committee, Asandh	1999-2000	120.00
		2003-04	74.54

1	2	3	4
34.	Municipal Committee, Naraingarh	1999-2000 2002-03	34.79 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, Sahahabad	2000-01 2003-04	73.04 158.64
39.	Municipal Committee, Ladwa	2000-01	45.16
40.	Municipal Committee, Tohana	2001-02	137.98
41.	Municipal Committee, Meham	2000-01 2003-04	31.06 64.41
42.	Municipal Committee, Sohna	2000-01	37.58
43.	Municipal Committee, Narwana	2000-01 2003-04	60.58 51.00
44.	Municipal Committee, Hansi	2000-01 2001-02 2002-03 2003-04	108.50 103.25 83.89 135.08
45.	Municipal Committee, Mohindergarh	2000-01	33.55
46.	Municipal Committee, Jind	2000-01 2001-02 2002-03 2003-04	135.53 73.50 57.39 25.01
47.	Municipal Committee, Fatehabad	2000-01 2002-03	50.23 40.16
48.	Municipal Committee, Ellenabad	2000-01	43.10
49.	Municipal Council, Panchkula	2001-02	116.06
50.	Municipal Committee, Cheeka	2003-04	158.28
51.	Municipal Committee, Indri	2003-04	74.01
52.	Municipal Committee, Pinjore	2003-04	34.60
53.	Shri Bhuteshwar Temple Tirath, Jind	1994-95	25.29
54.	Aravali Vikas Sangathan, Gurgaon	1995-96	100.00
55.	Software Technology Park of India, New Delhi	2002-03	250.00

1	2	3	4
56	Haryana Slum Clearance Board, Chandigarh	1998-99	700 48
57.	Rajya Sainik Vocal Training Centre, Panchkula	1998-99 2003-04	46 25 54.91
58	District Council for Child Welfare, Rewari	1999-2000	38 75
59	Fish Farm Development Agency, Gurgaon	2000-01	45.85
60	Charitable Endowment, Haryana, Manimajra	2001-02 2002-03	478 00 478 00
61.	Society for I T Initiative fund for Governance, Chandigarh	2002-03 2003-04	165 55 60 00
62.	Haryana Engery Development Agency, Chandigarh	2001-02 2002-03 2003-04	67 30 41 50 384.37
63.	Maharaja Aggarsain Institute of Medical Education & Research, Agroha (Hisar)	2003-04	69.48
64.	Board of Trustees (SOS) Children Villages Bal Gram Rai (at Chd)	2003-04	240 00
65	Secretary, Rajya Sainik Board, Karnal	2003-04	54.91
Private Aided Colleges			
66	S.L D A.V College of Education, Ambala City	2000-01 2001-02 2002-03 2003-04	38 65 54 59 73 24 33 49
67	SM Lubana Khalsa Girls College, Barara (Ambala)	2000-01 2001-02 2002-03 2003-04	38.20 40.55 33 65 44.20
68	M P N College, Mullana (Ambala)	2003-04	52 97
69	Maharaja Aggarsein College, Jagadhri	2003-04	49 13
70	DAV College, Sadhaura	2000-01 2001-02 2002-03 2003-04	40.70 53 06 50 75 60.23
71	M L N College, Radaur	2002-03 2003-04	41.98 48 66

1	2	3	4
72.	Adarsh Mahila M V , Bhiwani	2000-01 2001-02 2002-03 2003-04	88.75 98.80 120.60 122.30
73.	K.M. College of Education, Bhiwani	2001-02 2002-03 2003-04	31.35 27.74 30.23
74.	APJ Saraswati College of Education, Charkhi Dadri	2001-02 2003-04	35.92 40.73
75.	B.L.J. Suriwala College, Tosham	2003-04	30.20
76.	RLS College of Education, Sidhrawali (Gurgaon)	2003-04	49.86
77.	DAV Centenary College, Faridabad	2002-03 2003-04	38.78 70.75
78.	Saraswati Mahila Mahavidyalya, Palwal	2000-01 2001-02 2002-03 2003-04	31.63 36.30 40.11 41.14
79.	SD Mahila Mahavidyalya, Hansi	2002-03 2003-04	54.45 61.13
80.	CR College of Education, Hisar	1999-2000 2000-01 2003-04	26.13 27.40 31.17
81.	SD Mahila Mahavidyalya, Narwana (Jind)	2000-01 2002-03 2003-04	27.35 26.43 37.15
82.	DAV College, Pundri (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04	30.00 32.75 39.10 42.46 43.57
83.	DAV College, Cheeka (Kaithal)	2003-04	50.20
84.	Kanya Mahavidyalya, Dhand (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04	31.40 36.05 34.60 40.78 50.24
85.	Bhagwan Parshu Ram College, Kurukshetra	1999-2000	37.30

1	2	3	4
		2000-01	44 30
		2002-03	44 30
		2003-04	67 43
86	RDS Public Girls College, Rewari	1998-99	39 30
		1999-2000	30 40
		2000-01	29 55
		2001-02	38 55
		2002-03	30 42
		2003-04	67 50
87.	S.P College of Education, Rewari	2003 04	26 95
88	GB Degree College, Rewari	1996-97	29 90
		1997-98	31.70
		1998-99	31 30
89.	CR College of Education, Rohtak	2003-04	67 99
90	MK Jat Kanya Mahavidyalya, Rohtak	2003-04	72.32
91	Guru Hari Singh Mahavidyalya, Jiwan Nagar, Sirsa	2003-04	42 06
92	Vaish Arya Kanya Mahavidyalya, Bahadurgarh (Jhajjar)	2003-04	44 02
93	M.A College for Women, Jhajjar	2000-01	40 70
		2001-02	46 40
		2002-03	40 43
		2003-04	50 98
94	TR College of Education, Sonapat	2000-01	29 10
		2003-04	26.09
95	BPS College of Education, Khanpur Kalan	2000-01	26 40
		2003-04	25.00
96	T.R Girls College, Sonapat	1999-2000	33 10
		2003-04	46 60
97	DAV College of Education for Women, Karnal	2003-04	118 62
98.	KL Mehta DN College for Women, Faridabad	2003-04	124 53
99.	CIS Kanya Mahavidhalya Fatehpur Pundri (Kaithal)	2003-04	67 10

Appendix - V

(Refer paragraph 1.7.6;)

Details and status of grants-in-aid released by State Government

Sr. No.	Name of the Department	Total number of bodies	Did not render accounts year of	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 fund/ retained huge balance in cash chest/ average amount of surplus funds	Any other interesting point 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	12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	205
2.	Technical Education	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1167
3.	Agriculture	1	1	Nil	*	*	Nil	*	*	Nil	002
4.	Sports	53	53	Nil	*	*	Nil	Nil	*	Nil	160
5.	Urban Development	69	69	Nil	*	*	Nil	Nil	*	Nil	3294
6.	Rural Development	19	Nil	Nil	Nil	*	Nil	Nil	Nil	Nil	2428
7.	Education	103	103	Nil	*	*	Nil	Nil	*	Nil	13613
8.	Science and Technology	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	308
9.	Animal Husbandry	4	4	Nil	*	*	Nil	Nil	Nil	Nil	485
Total		270	242	-	-	-	-	-	-	-	216.62

* Information called for from the department and still awaited.

Appendix VI
(Refer paragraph 1.7.7;)

**Department-wise/year-wise break-up of the cases in which final action was
pending at the end of June, 2004**

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
Animal Husbandry	2 (0 54)	1 (2 91)	3 (0 30)	1 (0.09)	—	—	7 (3 84)
Education	14 (6.90)	5 (2 64)	7 (3 70)	2 (0.62)	5 (2 59)	2 (0 94)	35 (17 39)
Finance	1 (2 79)	—	—	—	—	—	1 (2.79)
Fisheries	1 (8 06)	—	1 (2 28)	—	—	—	2 (10.34)
Food and Supplies	—	1 (1.22)	1 (0 27)	2 (4.75)	—	—	4 (6.24)
Forest	7 (9.43)	4 (4.91)	2 (0.71)	6 (1.04)	1 (0 15)	—	20 (16 24)
Irrigation	19 (16.05)	9 (0.41)	29 (5 67)	30 (5 74)	12 (2.66)	1 (0 03)	100 (30.56)
Labour and Employment	—	—	1 (0.02)	1 (0 14)	—	—	2 (0 16)
Medical and Public Health	1 (0.01)	1 (—)	2 (11 92)	—	—	—	4 (11 93)
Public Health	1 (—)	3 (0 24)	8 (1 73)	12 (1 23)	11 (3 15)	1 (—)	36 (6 35)
Public Relations	1 (0.08)	—	—	—	—	—	1 (0 08)
Public Works (B&R)	2 (0 71)	2 (0 40)	1 (0 40)	2 (2 31)	1 (0.03)	—	8 (3 49)
Social Welfare	—	—	1 (—)	—	—	—	1 (—)
Sports and Youth Welfare	1 (0 87)	—	—	—	—	—	1 (0.87)
Technical Education	13 (31 91)	1 (0 93)	—	—	—	—	14 (32 84)
Transport	1 (3 17)	3 (13 04)	4 (1 57)	1 (0 60)	2 (0 25)	2 (0 25)	13 (18 88)
Total	66 (91.04)	30 (26.70)	60 (28.21)	57 (16.52)	32 (8.83)	6 (1.22)	251 (172.52)

(Figures in bracket are Rupees in lakh)

Appendix VII

(Refer paragraph 1.7.7;)

Department-wise details in respect of cases relating to theft, misappropriations/
loss of Government material and fire/accident at the end of June, 2004

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)
Animal Husbandry	2	2.93	4	0.91	1	—
Education	27	12.99	8	4.40	—	—
Finance	1	2.79	—	—	—	—
Fisheries	—	—	1	2.28	1	8.06
Food and Supplies	—	—	—	—	4	6.24
Forest	4	4.88	—	—	16	11.36
Irrigation	63	7.87	29	11.94	8	10.75
Labour and Employment	2	0.16	—	—	—	—
Medical and Public Health	1	0.01	1	—	2	11.92
Public Health	26	4.49	8	1.20	2	0.66
Public Relations	—	—	—	—	1	0.08
Public Works (B&R)	5	1.15	3	2.34	—	—
Social Welfare	—	—	1	—	—	—
Sports and Youth Welfare	1	0.87	—	—	—	—
Technical Education	12	21.17	1	11.38	1	0.29
Transport	5	13.30	7	4.98	1	0.60
Total	149	72.61	65	49.95	37	49.96

16/2/08

Appendix XVII
(Refer paragraph 3.4.3 and 3.4.5;)
Details of Implementing Agencies

Executive Engineer (EE), Public Works Department (B&R) Division-I (Dn), Ambala Cantt
 EE, PWD (B&R) Dn, Naraingarh
 EE, PWD (B&R) Dn-II, Ambala
 EE, PWD (B&R) Chandigarh Provincial Dn, Panchkula
 EE, PWD (B&R) Electrical Dn, Ambala Cantt
 EE, PWD (B&R), Yamunanagar
 EE, Panchayati Raj, Ambala
 EE, Panchayati Raj, Panchkula
 EE, Panchayati Raj, Yamunanagar
 Additional Deputy Commissioner (ADC), Panchkula
 ADC, Ambala
 Divisional Forest Officer (DFO), Pinjore
 DFO, Kandi, Panchkula
 DFO, (Territorial), Yamunanagar
 DFO, Kandi, Yamunanagar
 DFO, (Social Forestry), Ambala
 DFO, Yamunanagar
 Special Soil Conservation Engineering, Panchkula
 Fisheries Development Officer (FDO), Ambala
 FDO, Yamunanagar
 Municipal Committee (MC), Ambala City
 MC, Naraingarh
 EE, Public Health (PH) Dn , Ambala
 EE, PH Dn , Panchkula
 EE, PH Dn., Yamunanagar
 EE, PH Dn , Naraingarh
 EE, Haryana Vidyut Prasaran Nigam (HVPN), Naraingarh
 Superintending Engineer (SE), HVPN, Yamunanagar
 EE, Uttar Haryana Bijli Vitran Nigam, Panchkula
 District Horticulture Officer (DHO), Panchkula
 DHO, Yamunanagar
 EE, Haryana State Minor Irrigation (Tubewells) Corporation
 Block Development and Panchayat Officer, Pinjore
 Chief Executive Officer (CEO), Milk Union, Ambala
 Sub Divisional Magistrate, Panchkula
 Managing Director, Haryana Police Housing Corporation, Panchkula

APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decisions.

Sr No	Name of Department	Paragraph	Brief Subject
1	2	3	4
7th Report			
1	P.W.D. (B&R)	33	Payment of work done
9th Report			
2	Industries	5(2)	Credit facilities for development of small industries.
14th Report			
3	Industries	16	Purchase of Cotton Yarn
16th Report			
4	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			
5	Co-operation	39	Co-operative Consumer Stores
19th Report			
6	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra)
7	Excise and Taxation	40	Loss of duty on excess wastage.
21st Report			
8	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor
22nd Report			
9	Industries	10(ii)	Industrial Estate
10	Co-operation	16	Co-operative Consumer Stores
11	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
12	Revenue	40	Non-levy of registration fee.
13	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation
14	Excise and Taxation	53	Loss of duty on excess storage wastage
15	Excise and Taxation	54	Shrotfall in duty.
16	Excise and Taxation	56	Recovery due from contractor

25-12-2010

1	2	3	4
23rd Report			
17	Co-operation	34	Co-operative Consumer Stores) 25-12-10
18	Food and Supplies	35	Haryana State Federation of Consumer, Co-operative Wholesale Stores Limited, Chandigarh
19	Excise and Taxation	47	Uncollected Revenue
20	Excise and Taxation	55	Result of test audit in general
21	Excise and Taxation	57	Failure to initiate action to recover the licence fee
22	Excise and Taxation	58	Loss of duty on excess storage wastage
23	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
25th Report			
24	Co-operation	5	Co-operative consumer Stores) 25-12-10
25	Colonization	9	Encroachment of Land
26	Colonization	11	Recoveries from plot holders
27	Fisheries	31	Development of Fisheries
28	Excise and Taxation	54	Un-collected revenue
29	Excise and Taxation	58	Incorrect computation of tax on interstate sales
30	Excise and Taxation	67	Irregular allowance for wastage
31	Excise and Taxation	69	Failure to enforce licence conditions
26th Report			
32	Revenue	10	Gratuitous relief for crops/houses damaged
33	Irrigation	22	Faulty measurement of work resulting in over payment
34	Excise and Taxation	49	Uncollected revenue
35	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
36	Excise and Taxation	63	Non-recovery of licence fee and interest
28th Report			
37	PWD (B&R)	14	Shortage of Steel.
38	Excise and Taxation	41	Registration of dealers under Sale Tax Act
39	Excise and Taxation	44	Non-recovery of licence fee and interest
29th Report			
40	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
41	Irrigation	17	Excess issue of coal.
42	Irrigation	21	Misappropriation

18/5/2010

1	2	3	4
43	Development	32	Forestry sector
44	Excise and Taxation	47	Non-levy of penalty
45	Excise and Taxation	50	Non-levy of penalty
46	Excise and Taxation	51	Non-levy of penalty
47	Excise and Taxation	53	Interest not charged
48	Excise and Taxation	55	Non-levy of duty on spirit lost in redistillation or conversion
49	Revenue	62	Results of Audit
50	Revenue	63	Under valuation of immovable property
51	Mines and Geology	71	Results of Audit.

32nd Report

52	Industries	4	Development of small Industries
53	Industries	6	Outstanding recoveries of loan
54	Irrigation	12	Misappropriation
55	Irrigation	20	Shortage of Stores
56	Revenue	25	Inadmissible payment
57	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
58	Public Health	42	Commencement of work without sanction
59	Mines and Geology	47	Uncollected revenue
60	Mines and Geology	48	Results of Audit
61	Agriculture	56	Embezzlement of licence fee money
62	Excise and Taxation	61	Uncollected revenue
63	Excise and Taxation	69	Irregular levy of tax at concessional rate
64	Excise and Taxation	71	Interest, penalty not charged. S-2-11

34th Report

65	Development and Panchayats	8	Irregular and wasteful expenditure on books
66	Revenue	29	Land reforms
67	Revenue	30	Compensation to landowner
68	Revenue	31	Consolidation of holdings
69	Food and Supplies	47	Under Storage of wheat
70	Mines and Geology	55	Uncollected revenue
71	Excise and Taxation	63	Uncollected revenue
72	Excise and Taxation	66	Short-levy/non-levy of purchase tax
73	Excise and Taxation	69	Non-levy of penalty
74	Excise and Taxation	70	Non-filing the quarterly returns

1	2	3	4
75	Irrigation	72	Arrears of revenue
76	Irrigation	74	Non-raising of demand
77	Chief Electrical Inspector	78	Uncollected revenue
78	Chief Electrical Inspector	80	Arrears of electricity duty
79	Public Health	82	Results of Audit
80	Revenue	83	Results of Audit
81	Revenue	84	Under valuation of immovable property
30-10-10 82	Revenue	86	Short recovery of stamp duty on exchange

36th Report

83	Local Self Government	3	Non-recovery of Government dues
84	Food and Supplies	7	Loss due to storage of wheat
85	Transport	9	Irregular payment of overtime allowance
86	Industries	13	Non-utilization of loan
87	Revenue	18	Inadmissible gratuitous relief.
88	Public Health	23	Consturction of a water tank
89	Haryana State Lotteries	25	Suspended misappropriation of Government money
90	PWD (B&R)	29	Excess measurement
91	PWD (B&R)	31	Misappropriation of stores
92	Revenue	43	Results of Audit
93	Revenue	46	Misclassification of instruments
94	PWD (B&R)	51	Results of Audit
95	Excise and Taxation	53	Uncollected Revenue (P G T)
96	Excise and Taxation	54	Uncollected Revenue (State-Excise)
97	Excise and Taxation	58	Results of Audit (Sales Tax)
98	Excise and Taxation	59	Short leavy/Non levy of purchase fax

38th Report

99	Science and Technology	16	Evaluation and monitoring.
100	Medical and Health	18	Stores and Stock
101	Irrigation	28	Excess payment of Earth Work
102	Irrigation	32	Surplus material
103	Irrigation	34	Other point of interest
16-10-10 104	Irrigation	35	Shortage/Misappropriation of material.
105	Irrigation	36	Shortage of tiles
106	Public Health	41	Excess payment to the contractor
107	Public Health	42	Excess Payment

1	2	3	4
108.	Mines and Geology	50	Results of Audit
109.	Mines and Geology	51	Receipts from Mines and Minerals
110	Agriculture	56	Interest not charged on belated payments
111	PWD (B&R)	61	Arrears of rent
112	PW.D (B&R)	62	Sale of empty bitumens drum
113	<u>Revenue</u>	<u>63</u>	<u>Outstanding inspection reports. 30-10-10</u>
114	Revenue	64	Results of Audit
115	Revenue	68	Misclassification of Instrument
116	Excise and Taxation	70	Assessments in arrears
117	Excise and Taxation	71	Uncollected revenue.
118	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court
119	Excise and Taxation	79	Suppression of purchases
120	Excise and Taxation	81	Irregular stay of tax and interest
121	<u>Excise and Taxation</u>	<u>85</u>	<u>Non-recovery of loss on re-auction of Vend. 12-2-11</u>
122	Excise and Taxation	87	Recovery at the instance of Audit

40th Report

123	Town and Country Planning	19	Delay in land acquisition cases.
124	Irrigation	25	Injudicious purchases
125	Public Health	33	Stores and stock
126	Public Health	34	Injudicious purchases
127	PW.D (B&R)	37	Extra payment due to incorrect entries in Measurement Books.
128	PWD (B&R)	38	Avoidable extra expenditure due to retendering.
129	<u>Co-operation</u>	<u>41</u>	<u>Embezzlement. 10/1/09 10/1/2009</u>
130	Food and Supplies	47	Damage caused to wheat in Storage
131	Supplies and Disposals	49	Extra expenditure due to retendering
132	Excise and Taxation	50	Assessment in arrears
133	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
134.	Excise and Taxation	52	Uncollected Revenue (State Excise)
135	Excise and Taxation	54	Results of Audit
136	Excise and Taxation	55	Delay in re-assessment of remand cases
137	Excise and Taxation	57	Appeals entertained without deposit of tax
138	Excise and Taxation	59	Other interesting cases.
139	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax.

1	2	3	4
140	Excise and Taxation	61	Application of incorrect rate to tax
141	Excise and Taxation	62	Non-levy of tax
142	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
143	Excise and Taxation	68	Non-levy of penalty
144	Excise and Taxation	69	Interest not charged
145	Excise and Taxation	74	Non-recovery of duty on wastage in excess norms
146	Excise and Taxation	75	Interest not charged
147	Revenue	79	Outstanding Inspection Reports
148	Revenue	80	Results of Audit.
149	Revenue	81	Under valuation of immovable property
150	Revenue	82	Misclassifications of instruments
151	Revenue	83	Irregular grant of exemption
152	Revenue	84	Non/Short levy of stamp duty
153	Revenue	85	Irregular registration of supplementary deeds
154	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
155	Revenue	89	Embezzlement of Government revenue
156	Mines and Geology	93	Outstanding Inspection Reports
157	Mines and Geology	94	Results of Audit
42nd Report			
158	Irrigation	11	Excess payment due to inflated/fictitious measurements
159	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
160	Irrigation	16	Unfruitful expenditure due to non-energisation of pumps
161	Irrigation	17	Defective execution of work
162	Irrigation	18	Avoidable payment of interest
163	Food and Supplies	42	Loss due to negligence
164	Public Health	53	Targets and achievements
165	Public Health	55	Other points
166	Public Health	60	Inflated/Fictitious measurement
167	Public Health	63	Infructuous expenditure on abandoned work
168	P.W.D (B&R)	71	Shortage of Tools and Plant
169	Revenue	101	Outstanding Inspection Reports
170	Revenue	103	Results of Audit.

18/5/2010

1	2	3	4
171.	Revenue	104	Irregular exemption of stamp duty.
172	Excise and Taxation	108	Uncollected Revenue
173.	Excise and Taxation	109	Frauds and evasion of taxes.
174.	Excise and Taxation	111	Results of Audit
175	Excise and Taxation	112	Details of appeals pending on 31-3-90
176	Excise and Taxation	113	Delay in taking up of appeal cases
177	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
178	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
179	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment.
180	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
181	Excise and Taxation	120	Irregular grant of exemption certificate
182	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings
183	Excise and Taxation	122	Other interesting cases
184	Excise and Taxation	125	Application of incorrect rate of tax
185	Excise and Taxation	126	Non/Short levy of interest.
186	Excise and Taxation	127	Results of Audit
187	Excise and Taxation	128	State Excise Duty.
188	Excise and Taxation	129	Loss of revenue due to re-auction of vends.
189	Excise and Taxation	130	Short recovery of composite fee
190	Excise and Taxation	131	Non-recovery of license fee and interest
191.	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends
192	Excise and Taxation	133	Interest not recovered
193	Excise and Taxation	134	Non-recovery of penalties.
194	Excise and Taxation	136	Uncollected Revenue
195	Excise and Taxation	138	Results of Audit
196	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers
197	Excise and Taxation	140	Under assessments due to short/non-levy of 15-1-1/ purchase tax
198	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
199.	Excise and Taxation	144	Short levy of penalty.
200	Excise and Taxation	145	Results of Audit

1	2	3	4
44th Report			
201	Public Health	3	Sub-Standard execution of work
202	Public Health	4 5-7-2010	Recovery due from contractor
203	Irrigation	12	Surplus materials
204	Irrigation	17	Shortage of T&P articles
205	Labour and Employment	20	Cost of sub-standard medicines not recovered
206	Social Welfare	21 7-7-10	Old Age Pension
207	Social Welfare	23	Payment of pension to ineligible persons
208	Social Welfare	26	Liberation of scavengers
209	Rural Development	35 28/4/2010	Non-recovery of subsidy misutilised
210	Rural Development	36	Integrated Rural Development Programme
211	Town and Country Planning	38	Unfruitful Expenditure
212	Town and Country Planning	41	Functioning of State Planning Cell
213	Town and Country Planning	42	Idle investment
214	Town and Country Planning	43	Avoidable payment of interest
215	Revenue	46	Mewat Development Board
216	Mines and Geology	48	Uncollected Revenue
217	Mines and Geology	50	Results of Audit
218	Mines and Geology	53	Short Calculation of interest
219	Mines and Geology	54	Uncollected Revenue
220	Mines and Geology	56	Results of Audit
221	Mines and Geology	57	Non-realisation of contract money and interest
222	Mines and Geology	58	Non recovery of dead rent and interest thereon
223	Mines and Geology	59	Interest not charged on delayed payments
224	Mines and Geology	60	Uncollected revenue
225	Mines and Geology	61	Results of Audit
226	Mines and Geology	62	Non-recovery of contract money and interest
227	Mines and Geology	63	Non-recovery/Short recovery of royalty
228	Mines and Geology	64	Interest not charged
229	Revenue	66	Uncollected Revenue (Land Revenue)
230	Revenue	67	Result of Audit
231	Revenue	68	Short levy of Stamp duty
232	Revenue	69	Under valuation of immovable property
233	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney

1	2	3	4
234	Revenue	71	Irregular exemption of Stamp duty and registration fee
235	Revenue	72	Misclassification of instruments
236	Revenue	73	Uncollected Revenue
237	Revenue	76	Results of Audit
238	Revenue	78	Irregular exemption of stamp duty
239	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
240	Revenue	80	Misclassification of instruments
241	Prohibition, Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
242	Prohibition, Excise and Taxation	92	Uncollected Revenue (Sales Tax)
243	Prohibition, Excise and Taxation	94	Results of Audit
244	Prohibition, Excise and Taxation	95	Non-registration of dealers liable to registration
245	Prohibition, Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
246	Prohibition, Excise and Taxation	97	Non-observance of departmental instructions regarding cross verifications
247	Prohibition, Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
248	Prohibition, Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
249	Prohibition, Excise and Taxation	100	Irregular deduction allowed against stolen forms
250	Prohibition, Excise and Taxation	101	Incorrect deduction from turnover
251	Prohibition, Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
252	Prohibition, Excise and Taxation	103	Other points of interest
253	Prohibition, Excise and Taxation	104	Non/short levy of purchase tax 20/3/010
254	Prohibition, Excise and Taxation	106	Results of Audit
255	Prohibition, Excise and Taxation	107	Interest not charged
256	Agriculture	108	Non-recovery of purchases tax and interest
257	Agriculture	109	Non-recovery of purchase tax and interest
258	Irrigation	116	Under-assessment of water charges
46th Report			
259	Housing	6	Loss owing to construction of houses on unapproved layout plan
260	PWD (B & R)	25	Short receipt of material.
261	PWD (B & R)	27	Procurement of sub-standard cement

1	2	3	4
262	Irrigation	34	Procurement of sub-standard cement.
263	Haryana State Lotteries	36	Appointment of main stockists
264	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
265	Haryana State Lotteries	40	Other points of interest
266	Prohibition and Excise	41	Arrears in revenue
267	Prohibition and Excise	42	Results of Audit
268	Commercial Taxes	43	Arrears in revenue.
269	Commercial Taxes 27/3/00	44	Arrears in assessment
270	Commercial Taxes	46	Outstanding inspection reports and audit observations
271	Commercial Taxes	47	Results of Audit
272	Commercial Taxes	48	Sales Tax Check Barriers
273	Commercial Taxes	50	Short levy of Purchases Tax
274	Commercial Taxes	51	Non/Short levy of interest and penalty
275	Commercial Taxes	52	Results of Audit
48th Report			
276	Agriculture	4	Arrears in revenue
277	Animal Husbandry	8	Frauds and evasion of taxes/duties
278	Mines and Geology	14	Arrears in revenue.
279	Mines and Geology	15	Outstanding inspection reports and audit observations.
280	Transport	20	Outstanding audit objections in Internal Audit
281	Housing	27	Avoidable liability of interest
282	Animal Husbandry	28 5-7-20/0	Uneconomical working of Liquid Nitrogen Gas Plants
283	Education	29	Purchases without assessment of requirement
284	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
285	Excise and Taxation	33	Arrears in revenue
286	Excise and Taxation	37	Results of Audit
287	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
288	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
289	Excise and Taxation	45	Non-levy of interest and penalty

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50th Report			
290	Finance (Lotteries)	3	Printing of lottery tickets
291	Industries	5	Capital investment subsidy
292	Industries	6	Irregular release/ non-recovery of assistance
293	Social Welfare	8	Panjiri Plants.
294	Home (Jail)	9	Injudicious purchase
295	Public Health	13	Recovery due from contractor
296	Irrigation	18	Stores and Stock
297	Irrigation	20	Tools and plants returns.
298	Irrigation	21	Physical verification
299	Irrigation	22	Surplus materials
300	Town and Country Planning	24	Construction of Building and Roads by HUDA
301	Town and Country Planning	25	Construction of Building
302	Town and Country Planning	26	Test check of records relating to construction of roads
303	Town and Country Planning	27	Other points of interest
304	Town and Country Planning	28	Non-recovery of compounding fee
305	Town and Country Planning	29	Avoidable payment of interest.
306	Transport	32	Purchase of Sub-standard tubes of butyl rubber
307	Forest	36	Generation of employment
308	Forest	38	Alkali/saline land plantation
309	PWD (B&R)	47	Construction of Major Building including Staff Quarters
310	PWD (B&R)	49	Execution of works without technical sanction of cost estimates.
311	PWD (B&R)	52	Undue financial favour to the contractors
312	PWD (B&R)	57	Reimbursement claims.
313	PWD (B&R)	58	World Bank and Asian Development bank loan
314	PWD (B&R)	60	Execution.
315	PWD (B&R)	61	Release of advances not covered by agreement
316	PWD (B&R)	62	Non-deduction of un-conditional rebate and irregular payment to compensate income tax/ sales tax deductions at source 30-8-10
317	PWD (B&R)	63	Excess payment of price increase on diesel
318	PWD (B&R)	64	Under-utilisation/idle machinery. 30-8-10
319	PWD (B&R)	65	Irregular adjustment of expenditure.
320	PWD (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road

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PWD (B&R)	67	Infructuous expenditure on construction of swimming pool 30-8-10
Rural Development	77	Other points
Rural Development	78	Non-recovery/non-adjustment of advances to Ex-Sarpanches
324 Rural Development	79	Non recovery of misutilised subsidy
325 Town and Country Planning	80	Non-levy of Penalty
326 Town and Country Planning	81	Non-recovery of auction money
7 Town and Country Planning	82	Non-transfer of developed sectors
3. Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the tribunal
9 Revenue	92	Arrears in revenue
0 Revenue	93	Frauds and evasion of taxes/duties
1 Revenue	94	Results of Audit
32 Revenue	95	Internal Audit
33 Revenue	96	Results of Audit
334 Revenue	97	Stamp duty and Registration Fees
335 Revenue	98	High Pendency of cases of undervaluation with Collectors
336 Revenue	99	Misclassification of instruments
337 Revenue	100	Short levy of stamp duty
338 Revenue	101	Pre-audit of registrable documents
339 Revenue	102	Arrears in Revenue
340 Revenue	103	Frauds and evasion of taxes/duties
341 Revenue	104	Results of Audit
342 Revenue	105	Outstanding audit objections in Internal Audit
343 Revenue	106	Results of Audit
344 Revenue	107	Short recovery of stamp duty on mortgage deed
345 Revenue	108	Evasion of stamp and registration fees through power of attorney
346 Revenue	109	Evasion of Stamp Duty
347 Chief Electrical Inspector	110	Arrears in revenue
348 Mines and Geology	112	Results of Audit
349 Animal Husbandry	115	Frauds and evasion of taxes/duties
350 Excise and Taxation	116	Arrears in revenue
351 Excise and Taxation	117	Arrears in assessment
352 Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover

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353	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
354	Excise and Taxation	121	Under assessment.
355	Excise and Taxation	122	Under assessment
356	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
357	Excise and Taxation	125	Non/short levy of purchase tax
358	Excise and Taxation	126	Results of Audit
359	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
360	Excise and Taxation	128	Low yield of spirit
361	Excise and Taxation	129	Loss of spirit due to re-distillation
362	Excise and Taxation	131 30/3/2010	Non-recovery of cost of supervisory excise staff
363	Excise and Taxation	133	Interest short charged
364	Excise and Taxation	134	Short realisation of composite fee
365	Revenue	135	Results of Audit
366	Revenue	137	Arrears in revenue.
367	Mines and Geology	139	Arrears in revenue
368	Agriculture	141	Arrears in revenue
369	Agriculture	142	Results of Audit
370	Agriculture	143	Non-recovery of purchase tax and Interest
371	Finance (Lotteries)	146	Results of Audit
52nd Report			
372	Education	6	Extra expenditure on purchase of paper.
373	Agriculture	15	Non-recovery of principal and interest from Sugar Mills
374	Forest	20	Payment of Rs 12 74 lakh for fictitious earth work for plantation
375	Transport	25	Miscellaneous irregularities and avoidable expenditure
376	Irrigation	39	Miscellaneous Public Works Advances
377	PWD. (B&R)	40	Infructuous expenditure on construction of a road
378	PWD (B&R)	41	Blocking of funds due to non-utilisation of a road constructed without railway level crossing
379	PWD (B&R)	43	Miscellaneous Public Works Advances
380	PWD (B&R)	44	Stores and Stock
381	PWD (B&R)	45	Purchase without sanctions

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382	PWD (B&R)	46	Short receipt of material
383	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
384	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
385	Town & Country Planning	53	Non-recovery of rent from the lessees due to non-observance of conditions of lease deed
386	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis-appropriation of material
387	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
388	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
389	Social Welfare	60	Embezzlement of Rs 3 99 lakh
390	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
391	General	65	Write off of losses, etc.
392	Animal Husbandry	67	Arrears in revenue
393	Revenue	69	Results of Audit
394	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
395	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
396	Power (Chief Electrical Inspector)	76	Non-charging of electricity duty on extended load
397	Power (Chief Electrical Inspector)	77	Short realisation of electricity duty due to application of incorrect rates
398	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
399	Transport	79	Results of Audit
400	Haryana State Lotteries	86	Results of Audit
401	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
402	Agriculture	88	Arrears in revenue
403	Agriculture	89	Results of Audit
404	Excise and Taxation	94	Arrears in revenue
405	Excise and Taxation	95	Arrears in assessment
406	Excise and Taxation	96	Frauds and evasions of taxes/duties
407	Excise and Taxation	97	Results of Audit
408	Excise and Taxation	101	Under assessment due to non-levy of tax on branch transfers/consignment sale

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409	Excise and Taxation	102	Under assessment due to non-submission of declaration forms
410	Excise and Taxation	104	Arrears in assessments
411	Excise and Taxation	105	Evasion of tax due to suppression of purchases
412	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
413	Excise and Taxation	107	Incorrect levy of concessional rate of tax.
414	Excise and Taxation	108	Inadmissible deduction from turnover
415	Excise and Taxation	109	Non-levy of purchase tax.
416	Excise and Taxation	111	Application of incorrect rate of tax.
417	Excise and Taxation	112	Non-levy of tax
418	Excise and Taxation	114	Under assessment due to excess rebate
419	Excise and Taxation	115	Non-levy of penalty
420	Excise and Taxation	116	Non-reconciliation of revenue deposits into treasury
421	Excise and Taxation	117	Results of Audit
422	Excise and Taxation	118	Short/non-recovery of passenger tax

54th Report

423	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
424	Revenue	18	Fictitious payment of gratuitous relief
425	Revenue	19	Drawal of funds without requirement
426	PWD (B&R)	22	Avoidable payment of interest
427	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds -
428	Agriculture	29	Unfruitful expenditure due to non-acquisition of land and execution of work without transfer of land
429	Agriculture	30	General
430	Education	31	Nugatory expenditure due to payment of idle wages
431	Town and Country Planning	32	Land Acquisition, transfer of land and utility thereof
432	Town and Country Planning	33	Non-allotment and non-handling over of land
433	Town and Country Planning	34	Non- utilisation of land
434	Town and Country Planning	35	Loss due to non-recovery of rebate.
435	Printing and Stationery	36	Pilferage of Paper

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436	Animal Husbandry	47	Frauds and evasions of taxes/duties
437	Chief Electrical Inspector	48	Arrears in revenue
438	Revenue	49	Arrears in revenue
439	Revenue	50	Results of Audit
440	Revenue	51	Results of Audit
441	Revenue	52	Non/Short recovery of stamp duty
442	Revenue	53	Incorrect exemption of stamp duty
443	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
444	Revenue	55	Short levy of stamp duty due to misclassification of instruments
445	Revenue	56	Incorrect refund of stamp duty
446	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
447	Revenue	58	Short recovery of stamp duty on exchange deeds
448	Revenue	59	Results of Audit
449	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
450	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
451	Revenue	62	Return of RRCs
23/3/10 452	Excise and Taxation	63	Impact of prohibition on Revenue of the State
453	Excise and Taxation	64	Arrears in revenue
454	Excise and Taxation	65	Arrears in assessment
23/3/10 455	Excise and Taxation	66	Frauds and evasions of taxes/duties
456	Excise and Taxation	67	Results of Audit
457	Excise and Taxation	68	Disposal of appeal cases
458	Excise and Taxation	69	Delay in finalising assessments
459	Excise and Taxation	70	Delay in finalisation of remand cases
23/3/10 460	Excise and Taxation	71	Collection of sales tax demands in arrears
461	Excise and Taxation	72	Recovery certification cases
462	Excise and Taxation	73	Incorrect levy of concessional rate of tax
463	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
464	Excise and Taxation	75	Inadmissible deduction from turnover
465	Excise and Taxation	76	Short levy of tax on sales to Non-government bodies

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466	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
467.	Excise and Taxation	78	Under assessment due to excess rebate.
468	Excise and Taxation	79	Results of Audit
469	Excise and Taxation	80	Incorrect levy of entertainments duty
470	Transport	81	Results of Audit
471	Irrigation	84	Recovery of Water rates from canal water.
472	Irrigation	85	Arrears of revenue
473	Irrigation	86	Less measurement of area Irrigated
474	Irrigation	88	Excess credit to an industrial unit
475.	Irrigation	90	Short recovery of lease rent
476	Agriculture	91	Arrears in revenue
477	Agriculture	92	Results of Audit
478	Agriculture	93	Non-recovery of purchase tax and interest.
479	Mines and Geology	97	Arrears in revenue
480	Mines and Geology	98	Results of Audit
481	Mines and Geology	99	Short recovery of contract money and interest

56th Report

482.	Education	4	Nutritional Support to Primary Education
483	Forest	5	Rehabilitation of common lands in Aravalli Hills
484	Medical and Health	6	Working of Medical and Health Department including Manpower Management
485	Medical and Health	7	Hospitals and dispensaries
486	Medical and Health	9	Hospital Waste Management
487	Medical and Health	11	Outstanding Inspection Reports
488	Social Welfare	13 7-7-2010	Training and orientation of ICDS personnel
489	Finance	14	Overpayment of pensionary benefits.
490	Home	18	Stores and Stock
491	Prohibition, Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
492.	Revenue	21	Loss of interest due to delayed refund of unspent amount
493	Revenue	22	Excess payment of Gratuitous Relief
494	Irrigation	28	Wasteful expenditure
495	Irrigation	34	Undue retention of heavy Cash Balances

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496	Agriculture	36	Wasteful expenditure on construction of road <i>dropped on 21-8-10</i>
497	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
498	Town and Country Planning	38	Payment of loan to Sugar Mill from the funds of H U D A
499	Food and Supplies	40	Public Distribution System <i>9-10-10</i>
500.	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period

58th Report

501	Forest	3	Rehabilitation of common lands in Aravalli Hills
502	Excise and Taxation	4	Arrears in revenue
503	Excise and Taxation	5	Arrears in assessment
504	Excise and Taxation	6	Frauds and evasions of taxes/duties
505	Excise and Taxation	8	Results of Audit
506	Excise and Taxation	9	Cross verification by Audit
507	Excise and Taxation	10	Incorrect deduction from turnover.
508	Excise and Taxation	12	Non levy of Purchase tax
509	Excise and Taxation	13	Non-recovery of tax
510	Excise and Taxation	15	Non/Short levy of purchase tax
511	Excise and Taxation	16	Non-levy of tax.
512	Excise and Taxation	17	Results of Audit
513	Excise and Taxation	18	Short realization of passenger tax
514	Mines and Geology	19	Arrears in revenue
515	Mines and Geology	20	Result of Audit
516	Mines and Geology	21	Receipts from Mines and Minerals
517	Mines and Geology	22	Non/Short recovery of dead rent, royalty and interest
518	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
519	Mines and Geology	24	Non-recovery of lease fee on short term permits
520	Mines and Geology	25	Non recovery of interest on belated payments
521	Animal Husbandry	27	Frauds and evasions of taxes/duties
522	Revenue	29	Results of Audit
523	Revenue	30	Stamp Duty and Registration Fees

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524	Agriculture	31	Arrears in revenue
525	Agriculture	32	Result of Audit.
526	Transport	33	Results of Audit.
527	Transport	34	Non deposit of token tax
528	Irrigation	36	Results of Audit
529	Co-operative	38	Results of Audit
530	Finance	39	Non charging of interest and penal interest.
531	Finance	40	Loans to Municipal Councils/Municipal Committees
532	Forest	41	Short recovery of royalty on forest produce
533	Power	43	Arrears in revenue
534	General	44	Results of Audit
535	Education	46	Working of Education Department (Primary Education Wing) including Manpower Management
536	Education	47	Incentives to scheduled castes and weaker section students.
537	Education	48	Pass percentage in class V
538	Education	49	Literacy rate
539	Education	50	Internal Audit
540	Education	51	Sanctioned posts and actual strength.
541	Education	52	Deployment of teachers beyond norms
542	Education	53	Outstanding inspection reports
543	Education	54	Monitoring and Evaluation
544	Education	55	District Primary Education Programme
545	Education	56	Management cost in excess of norms
546	Education	57	Programme management
547	Education	58	Civil Works
548	Education	59	Appointment of teachers/instructors/staff.
549	Education	60	Training
550	Education	61	Monitoring and Evaluation.
551	Medical and Health	66	Manpower position
552	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak
553	Medical and Health	69	Implementation of Prevention of Food Adulteration Act

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554	Co-operative	71	Storage gain on account of moisture in wheat stocks below norms
555	Finance	72	Overpayment of pensionary benefits
556.	Irrigation	75 18/5/1972	Modernisation
557.	Irrigation	76	Unauthorised excess execution of work in post tender stage
558.	Irrigation	77	Hathnikund Barrage.
559	Irrigation	78	Avordable expenditure due to incorrect sanction of estimates
560	Irrigation	79	Unfruitful expenditure on extension of existing channel
561	Public Health	80	Non-responsiveness to Audit findings and observation resulting in erosion of accountability
562	Printing and Stationery	81	Excess payment due to failure in internal control system
563	Printing and Stationery	82	Excess issue of paper to private printers
564	Environment	83	Implementation of Environmental Acts and Rules relating to Water Pollution
565	Environment	84	Status of water pollution
566	Environment	85	Treatment of Industrial effluent
567	Environment	86	Domestic sewage treatment plants
568	Environment	88	Environment training, education and awareness
569	Environment	89	Monitoring and Evaluation
570	Urban Development	90	Urban Employment Generation Programme
571.	Rural Development	91	Loss of Central assistance under Integrated Rural Development Programme
572	Town and Country Planning	93	Non-recovery of enhanced compensation of land
573.	Food and Supplies	94	Pilferage of large quantity of wheat due to manipulation of weight
574	General	97	Write off of losses, etc
575	Excise and Taxation	101	Arrears in revenue
576	Excise and Taxation	102	Arrears in assessment
577	Excise and Taxation	103	Frauds and evasions of taxes/duties
578	Excise and Taxation	105	Results of Audit
579	Excise and Taxation	106	Evasion in sales tax
580	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification

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581	Excise and Taxation	108	Under assessment of 'notional' sales tax liability computed on taxable turnover.
582	Excise and Taxation	109	Non-levy of purchase tax
583	Excise and Taxation	110	Non-recovery of tax
584	Excise and Taxation	111	Non-levy of interest
585	Excise and Taxation	112	Under assessment due to excess rebate
586	Excise and Taxation	113	Results of Audit
587	Excise and Taxation	114	Short realization of passengers tax towards expenditure
588	Excise and Taxation	115	Non-recovery of licence fee.
589	Revenue	116	Results of Audit
590	Revenue	117	Short levy of stamp duty on exchange of property
591	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
592	Revenue	119	Evasion of stamp duty
593	Revenue	120	Short levy of stamp duty
594	Transport	121	Taxes on Motor Vehicles.
595	Transport	123	Short realization of permit/countersignature fee
596	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Departments
597	Transport	125	Non-recovery of token tax in respect of Stage Carriage buses
598	Finance	126	Results of Audit
599	Forest	129	Results of Audit.
600	Forest	130	Loss due to delay in harvesting of poplar trees
601	Forest	132	Absence of physical verification of timer
602	Forest	133	Loss due to excess unit cost.
603	Irrigation	135	Results of Audit
604	PWD (B&R)	136	Utilization of departmental receipts towards expenditure
605	Co-operative	137	Non charging of interest and penal interest.
60th Report			
606.	Medical and Health	3	Prevention and Control of Diseases
607	Architecture	14	Fraudulent drawals and embezzlement of Govt. money by a Cashier

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608	Animal Husbandry	16	Non-recovery of cost of land
609	Co-operative	17	Non-responsiveness to Audit findings and observations resulting in erosion of accountability.
610	Education	18	Unutilized girls hostel
611.	Revenue	24	Fraudulent drawal and embezzlement of Government money
612	Revenue	25	Drawal of funds in advance of requirement
613	Social Welfare	26	Fraudulent payment of Old Age Pension
614	Town and Country Planning	27	Non-collection of External Development Charges (EDCs)
615	Town and Country Planning	28 22/5/2010	Loss of interest due to short transfer of funds
616	Town and Country Planning	29	Less recovery of plan scrutiny fee
617	Town and Country Planning	30	Avoidable loss due to delay in handling over possession of plots
618	Town and Country Planning	31 22/5/2010	Unnecessary purchase of RCC pipes
619	Irrigation	34	Formulation of Schemes
620	Irrigation	36	Implementation of Schemes
621	Irrigation	39	Land under unauthorized possessions
622	Irrigation	41	Recoverable Amount
623	Irrigation	42	Store Management
624	Irrigation	43	Complaint Cases
625	Irrigation	44	Introduction of selection grade of Engineers
626	Irrigation	46	Recoverable amount from HUDA
627	irrigation	50	Incomplete project-Hathnikund Barrage Project
628	Irrigation	51	Monitoring
629	Irrigation	54	Wasteful expenditure on construction of Irrigation channels
630	Public Health	59	Huge payments made for unexecuted items of work
631	PWD (B&R)	63	Extra expenditure
632.	PWD (B&R)	64	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
633	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management

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634	Environment	66	Environment laboratories grossly underutilized
635	Environment	67	Status of industrial pollution
636	Environment	68	Stone crushing units
637	Environment	69	Rice shelling units/solvent extraction plants
638	Environment	70	Vehicular pollution
639	Environment	71	Training/mass education programme
640	Environment	72	Waste management
641	Environment	73	Prosecution under Air Act
642	Agriculture	74	Non-recovery of extension fee from allottees
643	Agriculture	75	Loss due to non-realization of enhanced rent 16-10-10
644	Agriculture	76	Non-recovery of expenditure on fire service charges 16-10-10
645	Urban Development	78	Avoidable loss due to delay in utilization of loan
646	Transport	81	Expenditure on store dropped on 18-9-10
647	Transport	82	Purchase procedure and irregularities in purchases
648	Transport	86	General lack of accountability for the use of public funds in departmental commercial undertakings
649	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
650	Printing and Stationery	90A	Overpayment to private printer
651	General	92	Write-off losses etc
652	General	93	Follow-up on Audit Reports 25-9-10
653	General	94	General 16-10-10
654	Excise and Taxation	95	Arrears in revenue
655	Excise and Taxation	96	21-1-2010 Arrears in assessment
656	Excise and Taxation	97	21/1/2010 Frauds and evasions of taxes/duties
657	Excise and Taxation	98	21/1/2010 Results of Audit
658	Excise and Taxation	99	Outstanding inspection reports and audit observations
659	Excise and Taxation	100	21/1/2010 Follow up on Audit Reports-Summarized position
660	Excise and Taxation	101	Results of Audit
661	Excise and Taxation	102	Recovery of sales tax in arrears
662	Excise and Taxation	103	Non recovery due to delay in assessment

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663	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
664	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
665	Excise and Taxation	106	Disposal of recovery certificates
666	Excise and Taxation	107	Demands under stay
667	Excise and Taxation	108	Non inclusion of interest in the demand sent to the liquidator
668	Excise and Taxation	109	Under assessment of 'notional' sales tax liability
669	Excise and Taxation	110	Application of incorrect rate of tax
670	Excise and Taxation	111	Non-levy of purchase tax
671	Excise and Taxation	112	Non recovery of tax
672	Excise and Taxation	113	Results of audit
673	Revenue	114	Results of audit
674	Revenue	115	Outstanding inspection reports and audit observations
675	Revenue	116	Results of Audit
676	Revenue	117	Short levy of stamp duty on exchange of property
677	Revenue	118	Short levy of stamp duty on plant and machinery
678	Revenue	119	Short levy of stamp duty on lease deed
679	Revenue	120	Embezzlement/evasion of stamp duty
680	Revenue	121	Incorrect exemption of stamp duty
681	Agriculture	122	Results of Audit
682	Agriculture	123	outstanding inspection reports and audit observations
683	Agriculture	124	Results of Audit
684	Agriculture	125	Non/short recovery of purchase tax and interest
685	Agriculture	126	Non-realization of lease money
686	Agriculture	127	Results of Audit
687	Transport	128	Results of Audit
688	Transport	129	Non/short charging of fitness fee (passing fee)
689	Transport	130	Non-realisation of fees
690	Home	131	Arrears in revenue
691	Home	134	Arrears of revenue

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692	Co-operative	136	Results of Audit
693	Co-operative	137	Non-redemption of Government share capital
694	Forest	139	Outstanding inspection reports and audit observations
695	Forest	140	Result of Audit
61st Report			
696	Development and Panchayat	3	Non-responsiveness to audit findings and observations resulting in erosion of accountability
697	PWD (B&R)	5 ¹	Integrated Audit including Manpower of Building and Roads Branch of Public Works Department, 25-9-10
698	PWD (B&R)	6	Nugatory expenditure <i>del</i>
699	PWD (B&R)	7	Programme Management
700	PWD (B&R)	8	Execution of Works
701	Water Supply and Sanitation	9	Tool and plant returns
702	Water Supply and Sanitation	12	Shortage of material
703	Rural Development	15	Allotment of houses to ineligible families
704	Rural Development	16	Other irregularities
705	Rural Development	18	Swaranjayanti Gram Swarozgar Yojna
706	Rural Development	22	Reclamation work not taken up for 2 ½ years
707	Rural Development	23	Idle wages
708	Animal Husbandry	24	Non recovery of lease money
709	Town and Country Planning	26	Non recovery of external development charges
710	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
711	General	28	Misappropriations, defalcations, etc
712	General	29	Follow up of Audit Reports 18-5-10
713	General	30 (2)	Non furnishing of Accounts of Utilization of Grants
		31	Lack of accountability
62nd Report			
714	Excise and Taxation	3	Arrears in revenue
715	Excise and Taxation	4	Arrears in assessment
716	Excise and Taxation	5	Frauds and evasions of taxes/duties
717	Excise and Taxation	6	Results of Audit
718	Excise and Taxation	7	Assessments in arrear
719	Excise and Taxation	8	Irregularities in the grant of eligibility certificates

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720	Excise and Taxation	9	Incorrect acceptance of applications
721	Excise and Taxation	10	Incorrect determination of zones
722	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
723	Excise and Taxation	12	Excess availing of tax deferment
724	Excise and Taxation	13	Irregularities in assessments of exempted/deferred units
725	Excise and Taxation	14	Under-assessment due to application of concessional rate of tax
726	Excise and Taxation	15	Under-assessment tax of due to irregular deduction
727	Excise and Taxation	16	Under-assessment of notional sales tax liability
728	Excise and Taxation	17	Non-monitoring of exempted/deferred units
729	Excise and Taxation	18	Non-levy of purchase tax
730	Excise and Taxation	19	Non-levy of tax on lease rent
731	Excise and Taxation	20	Non-levy/under-assessment of purchase tax due to application of incorrect rate of tax
732	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
733	Excise and Taxation	22	Non-levy of interest and penalty
734	Excise and Taxation	23	Non-raising of demands for interest
735	Excise and Taxation	24	Non-realization of tax
736	Excise and Taxation	25	Results of Audit
737	Excise and Taxation	26	Receipts of excise duty from auction of venders
738	Excise and Taxation	27	Short recovery of licence fee and interest
739	Excise and Taxation	28	Loss of revenue due to re-auction of vends
740	Excise and Taxation	29	Non-recovery due to incorrect adjustment of security
741	Excise and Taxation	30	Loss due to late credit/realization of demand drafts
742	Excise and Taxation	31	Improper fixation of minimum license fee/ reserve bid money
743	Excise and Taxation	32	Short-levy of excise duty on excess lifting of additional quota of IMFL
744	Excise and Taxation	33	Results of Audit
745	Excise and Taxation	34	Non/short realization of passengers tax
746	Excise and Taxation	35	Non-recovery of entertainment duty
747	Revenue	36	Results of Audit

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748	Revenue	37	Results of Audit
749	Revenue	38	Evasion of stamp duty due to under-valuation of immovable property
750.	Revenue	39	Non-levy of stamp duty on exchange of property
751	Revenue	40	Evasion of stamp duty
752	Revenue	41	Short levy of stamp duty
753	Revenue	42	Inadmissible exemption of stamp duty
754	Transport	43	Non-realization of token tax
755	Agriculture	44	Arrears in revenue
756	Agriculture	45	Results of Audit
757	Agriculture	46	Outstanding inspection reports and audit observations
758.	Agriculture	47	Non/short recovery of purchase tax and interest
759	Cooperation	49	Non-redemption of Government share capital
760	Agriculture	50	Recovery from Patedars
761	Agriculture	54	Internal audit
762	Agriculture	55	Monitoring and evaluation <i>dropped on 31-7-10</i>
763	Medical & Health	56	Manpower
764	Medical & Health	57	Manufacturing and selling units
765	Medical & Health	59	Statistics of prosecutions vis-a-vis cases filed
766	Social Justice and Empowerment	60	Facilities to handicapped persons
767	Social Justice and Empowerment	61	Budget provision and expenditure
768	Social Justice and Empowerment	62	Identification of persons with disabilities
769	Social Justice and Empowerment	63	Non-maintenance of record
770	Social Justice and Empowerment	64	Monitoring
771	Urban Development	65	Non-enactment of Fire Force Bill <i>4-12-2010</i>
772	Urban Development	66	Non-collection of fire tax
773.	Education	67	CBI inquiry
774	Finance and Justice	68	Recovery regarding appointment of daily wage workers
775.	Forest	69	Felling of Trees
776.	Town and Country Planning	70	Exemption of Sales-Tax
777.	Irrigation	71	Non-completion of works <i>16-10-10</i>
778.	Irrigation	72	Non-responsiveness to Audit findings and observations resulting in erosion of accountability <i>do</i>

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779.	Food and Supplies	73	Recovery of amount from the Millers
780	Sports	74	Construction of Stadiums
781	Public Works (Buildings and Roads)	75	Stores and stock accounts
782.	Public Works (Buildings and Roads)	76	Non-adjustment of storage charges
783.	Public Works (Buildings and Roads)	77	Irregular/un-authorized expenditure of storage charges
784	Public Works (Buildings and Roads)	78	Non-recovery of difference of sales tax
785	Industrial Training and Vocational Education	79	Training of Audit Personnel
786	Education	80	Delay in issue of Inspection Reports and settlement of old objections
787.	General <i>Disposition</i>	81 <i>Fishew's 7-7-10</i>	Financial assistance to local bodies and other institutions etc.
788	General	82 <i>Fishew's</i>	Misappropriations, defalcations, etc
789	General	83	Follow-up on Audit Reports → 18-7-09
63rd Report			
790	Excise and Taxation	3	Arrears of revenue
791	Excise and Taxation	4	Evasion of tax
792	Excise and Taxation	5	Result of Audit
793	Excise and Taxation	6	Position of collection of revenue receipts and arrears
794	Excise and Taxation	7	Delay in finalization of remand cases
795	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
796	Excise and Taxation	9	Under-assessment of tax due to inadmissible deduction
797	Excise and Taxation	10	Non-levy of purchase tax
798	Excise and Taxation	11	Non-levy of interest and penalty
799	Excise and Taxation	12	Non-recovery of tax
800	Excise and Taxation	13	Other Tax Receipts
801	Excise and Taxation	14	Non-recovery of penalties
802	Excise and Taxation	15	Non/Short realization of passengers tax
803	Excise and Taxation	16	Short/non recovery of entertainment duty
804	Revenue	17	Result of Audit
805	Revenue	18	Evasion of stamp duty due to under-valuation of immovable property
806	Revenue	19	Short levy of stamp duty on exchange of property

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807	Revenue	20	Evasion of stamp duty on release deeds
808.	Revenue	21	Short levy of stamp duty
809	Transport	23	Result of Audit
810	Transport	24	Response of the departments to draft Audit Paragraphs
811	Transport	25	Non-deposit of token tax
812	Agriculture	26	Arrears in revenue
813	Transport	27	Result of Audit
814	Transport	28	Non-recovery of purchase tax and interest
815	Cooperation	29	Result of Audit
816	Cooperation	30	Audit in arrears
817	Cooperation	31	Trend of revenue
818.	Cooperation	32	Non-reconciliation of accounts
819	Cooperation	33	Short levy of audit fee due to incorrect computation of profit
820	Cooperation	34	Non-deposit of Government share capital
821	Cooperation	35	Non-redemption of Government share capital due to late fixation of terms and conditions
822	Cooperation	36	Non-redemption of Government share capital as per terms and conditions
823	Cooperation	37	Conclusion/Recommendations
824	Finance	38	Result of Audit
825	Finance	39	Incorrect classification/non-collection of guarantee fee
826	Finance	40	Government guarantees
827	Finance	41	Conclusion/Recommendations
828	Urban Development	42	Result of Audit
829	Urban Development	43	Non-recovery of 832 supervision charges
830	Forest	44	Result of Audit
831	Power	45	Arrears of Revenue
832	Power	46	Result of Audit
833.	Mines & Geology	47	Arrears of revenue
834	Minies & Geology	48	Result of Audit
835	Home	49	Arrears of Revenue
836.	Home	50	Result of Audit
837.	Home	51	Result of Audit
838	PW (B&R)	52	Result of Audit

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839	P.W. (Public Health)	53	Result of Audit
840	Irrigation	54	Result of Audit
841.	Medical & Health	55	Result of Audit
842	Animal Husbandry	56	Result of Audit
843	Industries	57	Result of Audit
844	Education (Prathmik Shiksha Paryojna Parishad)	58	Mis-utilisation of teaching learning equipment funds
845	Education (Prathmik Shiksha Paryojna Parishad)	59	Irregular Purchase of material
846	Education (Prathmik Shiksha Paryojna Parishad)	60	Payment of teachers and school grant
847	Public Work (B&R)	61	Deficient agreements
848	Public Works (B&R)	62	Execution of works without technical sanctions
849	Public Works (B&R)	63	Cost of removing defects in road work not recovered from contractor
850	Public Works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
851	Public Works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland cement
852	Revenue	66	Policy for recovery of beneficiaries' share not formulated and <i>Mewat Development agency</i>
853	Revenue	67	Inadequate supply of drinking water
854	Food & Supplies	68	(i) Food Security, Subsidy and Management of Foodgrain (ii) Financial arrangements
855	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
856	Food & Supplies	70	Loss due to non-adherence of the instructions of FCI
857	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
858	Food & Supplies	72	Loss due to damage of wheat
859	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain
860	Food & Supplies	74	Supervision mechanism of PDS
861	Food & Supplies	75	Conclusions
862	Finance	76	Mismatch of expenditure data in OTIS , database

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53	Home	77	Wasteful expenditure on creation of Haryana State Industrial Security Force
64	Home	78	Unfruitful expenditure on Mobile forensic Science Units
65	Forest	79	Nugatory expenditure
866	Transport	80	Loss due to non-receipts of lease money
867	Transport	81	Avoidable expenditure due to non-adjustment of insurance premium
868	Irrigation	82	Unfruitful expenditure on incomplete irrigation projects
869	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
870.	General	84 7-7-10	Financial assistance to local bodies and other institutions 7-7-10
871	General	85 7-7-10	Misappropriations, defalcations, etc. 7-7-10
872	General	86	Write off of losses, etc