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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE

(2012-2013)

(SIXTY EIGHTH REPORT)

REPORT

ON THE

REPORTS OF THE

**Comptroller and Auditor General
of India for the year ended**

- (i) 31st March, 2007 (Civil)**
(ii) 31st March, 2007 (Revenue Receipts) and
(iii) 31st March, 2008 (Revenue Receipts)



(Presented to the House on 11th March 2013)

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
2013

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2012 2013)**

CHAIRPERSON

- 1 Prof Sampat Singh MLA

MEMBERS

- 2 Shri Ashok Kumar Arora MLA
- 3 Shri Anil Vij MLA
- 4 Shri Krishan Lal Panwar MLA
- 5 Smt Sumita Singh MLA
- 6 Shri Zile Ram Sharma MLA
- 7 Shri Bharat Bhushan Batra MLA
- 8 Shri Jai Tirath MLA
- 9 Shri Parminder Singh Dhull MLA

SECRETARIAT

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

INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Sixty Eighth Report on the Reports of the Comptroller and Auditor General of India for the year ended 31 st March 2007 (Civil & Revenue Receipts) and for the year ended 31 st March 2008 (Revenue Receipts)

2 The Reports of the Comptroller and Auditor General of India for the year ended 31st March 2007 (Civil & Revenue Receipts) were laid on the Table of the House on 7th March 2008 and the Report of the Comptroller and Auditor General of India for the year ended 31st March 2008 (Revenue Receipts) was laid on the Table of the House on 6th February 2009

3 The Committee examined the Reports of the Comptroller and Auditor General of India for the year ended 31st March 2007 (Civil & Revenue Receipts) and for the year ended 31 st March 2008 (Revenue Receipts) and also conducted the oral examination of the representatives of the concerned departments

4 The Committee considered and approved this Report at its sitting held on 19th February 2013

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 Principal Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to the Principal Secretary to Government Haryana Finance Department and other officers of Finance Department and the representatives of the various departments who appeared for oral evidence before them for the co-operation in giving information to the Committee

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

Chandigarh
The 19th February 2013

PROF SAMPAT SINGH
CHAIRPERSON

REPORT

GENERAL

1 The Committee for the year 2012-2013 was nominated on 20th April 2012 by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 24th February 2012 authorizing him to nominate the Members of the Committee on Public Accounts for the year 2012 2013

2 The Committee held 81 meetings in all at Chandigarh and other places upto 19th February 2013

PART-I 2006-2007
(Civil)

AGRICULTURE DEPARTMENT

[3] 3 1 6 Financial management

3 1 6 1 The University prepares annual budget on the basis of grants in-aid received from the State Government funds received against schemes/projects sponsored by Indian Council of Agricultural Research (ICAR) and other agencies and its anticipated income from various activities taken under ICARs National Agriculture Technology Project (NATP) etc

Receipts and expenditure incurred during the last five years (2002-07) were as under —

Year	Opening balance	Receipts		Other agencies	University income	Total	Expenditure	Closing balance
		Grant in aid						
		Non Plan	Plan					
(Rupees in crore)								
2002-03	() 52.37	73.13	5.12	21.04	8.41	107.70	102.53	() 47.20
2003-04	() 47.20	74.84	6.00	21.25	8.91	111.00	106.26	() 42.46
2004-05	() 42.46	76.80	6.00	28.17	8.70	119.66	114.88	() 37.68
2005-06	() 37.68	95.69	8.00	34.76	9.13	147.59	131.03	() 21.12
2006-07	() 21.12	105.43	8.00	39.26	8.33	161.02	133.84	6.06
Total		425.89	33.12	144.48	43.48	646.97	588.54	

Note Figures for the year 2006-07 are provisional

Minus opening balance (April 2002) was mainly due to less receipt of grants than the expenditure from the State Government during 1997-98 and 2001-02. Deficit of income and expenditure was met by taking loans from the banks by pledging fixed deposit receipts (FDR) of Employees Provident Fund (EPF).

While the expenditure of the University rose from Rs. 102.53 crore in 2002-03 to Rs. 133.84 crore in 2006-07, the income of the University remained almost stagnant resulting in increased reliance on grants in aid from the State Government and funds from other agencies for meeting the hike in expenditure. The University had not reviewed the fee structure for various courses to match the rise in the expenditure.

The department in its written reply stated as under —

The statement contains the details of grant in aid received from the State Govt. ICAR, Other Agencies, the University Income and expenditure pertaining to the year 2002-03 to 2006-07. In this para, it has been mentioned that the expenditure of the University for the year 2002-03 was Rs. 102.53 crore which has rose to Rs. 133.84 crore (provisional) in 2006-07, whereas income of the University remains stagnant resulting in increased dependence on grants-in aid from the State Govt. ICAR and Other Agencies. The University has minus closing balances due to less receipt of grant from the State Govt. during 1997-98 to 2001-02, the expenditure was met by taking loans from the banks by pledging FDR of Provident Fund. Further out of total grant 85% was utilized for payment of salary to the staff. The

comments of this Office are as under —

- I The expenditure of the University has increased mainly due to revision of Pay Structure on the State Govt pattern for the non teaching employees and on the ICAR pattern for the teaching staff of the University The Pay structure has been revised with the consent of the State Govt
- II The University was reeling under financial constraints and major chunk of the grant-in aid was being utilized towards the salaries head leaving a minor amount under operational contingencies The State Govt inspite of putting our best efforts did not raise the amount under contingencies as a result of which the teaching research and extension activities suffered a lot Further the maintenance of buildings deteriorated and even our library could not be updated Similarly the ICAR and Other Financing Institutions restricted the amount of contingencies The University receive grant in aid from the State Govt mainly under Non plan (Agri) scheme and the Govt has restricted the power of the University for transferring/reappropriating funds from one standard object of Expenditure to another thus putting a more tight control on the operational contingencies
- III Fees and fine from students licence fees of buildings sale of prospectus and admission forms sale of farm/animal products sale of University publications and testing fees are the sources of income of the University in all these areas the University has a little liberty to revise the rates because the University is a educational institution having teaching research and extension activities as its sole goals The University is not commercial institution hence the ratio between expenditure and income cannot be established To impart education to the students leading to Bachelor Master and Doctorate degree in the field of agricultural sciences to put effort for advancement of research in the field of agriculture and vety Sciences and to disseminate the knowledge to the farmers community for upliftment of their economic lot and to increase their productivity are the sole goal of the University Hence the University has a very little scope for enhancement of income This can be visualize from the fact that the State Govt spent crores of Rupees for providing school education and receive negligible income in the shape of fees and fine etc in return thereof it is also added that actual income for 2006 07 is Rs 10 80 crore
- IV The agriculture has a direct link with nature and the ratio between the input and output Cannot be fixed in other fields Further insufficient grant under operational contingencies during the period under report has retarded the teaching research and extension activities
- V The State Govt has released full grant in-aid to make good of the short releases of earlier years The above reply is based on factual position hence the para may be dropped

The Committee desired the CCSHAU, Hisar to continue their efforts for receiving additional grant from Indian Council of Agricultural Research (ICAR) and inform the Committee accordingly

[4] 3 1 6 2 Non preparation of Balance Sheet

Section 34(4) of the Haryana and Punjab Agricultural Universities Act 1970 provides that accounts and balance sheet shall be submitted by Vice Chancellor to the Government through the Board alongwith Board's comments for laying before the Legislature

However the required balance sheet had not been prepared by the University since inception. A mention was also made in the Audit Report (Civil) of Comptroller and Auditor General of India for the year ended 31 March 1997 regarding non preparation of balance sheet (Paragraph 6 1 7 5). However no action has been taken by the University so far. Further accounts prepared every year were mere consolidation of transactions relating to receipts and payments which neither reflected the assets and liabilities at the end of the financial year nor gave a true picture of developmental expenditure and receipts relating thereto. The University prepared Grants Utilisation Certificates (GUCs) every year and sent the same duly audited by Local Audit Department and on the basis of which the Government released grants.

The department in its written reply stated as under —

Section 34(4) of the Haryana & Punjab Agricultural Universities Act 1970 has not been correctly mentioned by A G Party. This act provides as under —

The accounts and the balance sheet shall be submitted by V C through the Board to the appropriate Govt which shall cause them to be audited by Director Local Audit Haryana

In accordance with the above provision since the inception of the University every year the Balance Sheet in the shape of GUC is prepared by this University. This GUC contains all the details such as income expenditure grant received etc during the whole year from State Govt ICAR and Other Agencies. In this GUC the full facts of the expenditure and also balance grant available with the University at the close of the year is given. This GUC duly verified by the Director (Local Audit) Haryana is sent by him to State Govt and all other concerned quarters. Therefore there is no such provision of preparing another balance sheet. Even the State Govt has never demanded separate balance sheet.

Section 34(5) of Haryana and Punjab Agri University Act 1970 provides as under—

The accounts when audited shall be printed and copies thereof together with audit report shall be submitted by the Vice Chancellor to the Board which shall forward them to the appropriate Government shall cause a copy of the audited accounts together with its comments thereon to be laid before the State Legislature

In accordance with above provision copy of the GUC and audit report is also put up to FC/BOM and as per its recommendations sufficient copies of this report are sent to State Govt for placing before Legislature

However the preliminary steps have been initiated for the preparation of balance sheet. As the process for the compliance of CAG observations has been started. The para may be dropped

The Committee desired the CCSHAU, Hisar to start preparing the balance sheets and progress be reported to the Committee accordingly

[5] 3 1 6 4 Outstanding temporary advances

The total temporary advances outstanding as on 31st March 2007 were Rs 5 87 crore against 106 offices/departments of the University. The Comptroller of the University replied (March 2007) that efforts were being made for adjustment of advances. Temporary advances remaining outstanding for more than prescribed period indicate poor monitoring of advances.

The department in its written reply stated as under —

The drawl of temporary advances and adjustment thereof is a continuous process in a growing Institute like HAU. The temporary advances are drawn by the different D&D Os for making immediate payments whereas purchases can not be made on bill basis or import of material which involves lot of formalities. These advances are got adjusted by the concerned D & D O after receipt of material making stock entries and getting the amount pre audited from the Local Audit.

This office monitors the progress regularly through Monthly Progress Report and convening various meetings at the level of A&A Os, Deans and Directors and even at the level of Vice-Chancellor. To retrospect the further drawl of advances and to monitor the progress, no D & D O is allowed to draw temporary advances where more than two advances are outstanding against his office. But at the same time we can not allow the University work to suffer on this account and only in exceptional cases in the interest of the University, the permission for next drawl of advances is accorded by the Vice-Chancellor and the concerned Dept has to explain the reasons for Pendency of previous temporary advances and necessity for drawl of fresh advance. In such cases, the Departments are suitably advised by the Vice-Chancellor and even administrative action is taken against the defaulters where necessary.

All the efforts made by the HAU has a salutary effect and how out of temporary advance of RS 5 87 lacs as on 31 3 2007, an amount of Rs 2 44 crores have been got adjusted. Now the balance amount is Rs 3 43 crores. Earnest efforts have been made by this office to monitor the progress of settlement of temporary advances and it is assured that these pending temporary advances will be got adjusted in the near future.

In view of the above position, it is requested that the para may be got settled.

After hearing the departmental representatives the Committee desired to know what action has been taken against the responsible officers/officials and also desired to know as to why the recovery has not been effected so far.

The Committee wants to know the latest position of remaining advances togetherwith action taken to recover the said amount. The detailed report in this regard be sent to the Committee within a period of three months.

[6] 3 1 6 5 Non recovery of miscellaneous advances

As per codal provisions, amount placed under miscellaneous advances against Firms/individual departments is required to be cleared at the earliest.

It was noticed that as on 31 December 2006 an amount of Rs 8.16 lakh was outstanding under miscellaneous advances against firms departments individuals etc out of which Rs 8.96 lakh had been outstanding since 1966-67. The outstanding advances were not being reviewed at the end of each financial year which indicated breach of established procedures. The Executive Engineer (EE) of the University replied (March 2007) that balances were very old and relevant record was not available and that an agenda item had been placed before an ad hoc committee to write off the outstanding amount.

The department in its written reply stated as under —

XEN (C II)

The total amount of Rs 45.16 lacs related to Misc advances has been shown outstanding as on 31.12.2006 by the AG Party in the para. Out of Rs 45.16 lacs of Misc advance Rs 33.69 lacs relates to this Division as per detail given below —

1	Individuals	Rs 0.93
2	D G S & D	Rs 0.06
3	Firms (Adjusted)	Rs 14.29
4	Dept	Rs 14.13
5	Court Cases	Rs 4.28
Total		Rs 33.69

Out of the above mentioned Misc Advances only Misc advance worth RS 5.27 lacs are pending. These recoveries/misc advances are the chronic ones and had already been put up to Adhoc Committee for writing off the same. Adhoc Committee desired to have more details and the same have been furnished.

The meeting of the adhoc committee is likely to be held very shortly for taking the decision.

XEN (C I)

The total amount of Rs 45.16 lacs related to Misc advances has been shown outstanding as on 31.12.2006 by the AG Party in the para. Out of Rs 45.16 lacs of Misc advance Rs 3.48 lacs relates to this Division as per detail given below.

1	Individuals	RS 1.12
2	D G S & D	RS 1.69
3	Firms (Adjusted)	RS 0.64
4	Govt /S Govt	RS 0.03
Total		Rs 3.48

Most of the Misc Advances relate to Public Health Division which was merged in the Div (C I) in 2/2002. Few items relate to Division C-1 which were also transferred by the Div (C-II). The items are too old and even relate to the period 1966-67.

The advances could not be got adjusted as its relevant record was not available. These recoveries of Misc. Advances are the Chronic ones and had already been put up to Adhoc Committee for writing off the same (proceedings not issued). Adhoc Committee desired to have more details and the same have been collected which was possible. The meeting of the Adhoc Committee is likely to be held very shortly for taking the decision.

In view of the above, the reply may be admitted.

The Committee desired that strenuous efforts be made to recover the balance amount under intimation to the Committee. The Committee also desired that the amount which is not recoverable be get written off from the Finance Department and the decision taken in this regard be intimated to the Committee accordingly.

The Committee further desired that intimation be sent to the Committee after the decision of the case which is pending in the Court.

(7) 3 1 6 7 Non recovery of expenditure incurred on the schemes

The research schemes/projects are mainly funded by ICAR and after a particular period and on submission of final progress reports, the schemes/projects are closed.

Scrutiny of records showed that an expenditure of Rs 39.24 lakh was incurred in excess of the funds received from ICAR in anticipation on 13 schemes which were closed between 1986-87 and 2005-06. But the University could not obtain the funds from ICAR.

Similarly, an amount of Rs 77.06 lakh was outstanding against 54 agencies/ Government Departments due to spending the amounts in excess of grants received during 2002-06. The University had not even claimed the amounts from the agencies concerned.

The department in its written reply stated as under —

Sr No	Scheme No	Amount	Latest position
1	2	3	4
1	Nem-8	316333	After long protracted correspondence and best efforts made by the PI/HOD/CAU as well as this office, the sanction and final payment has been released by the Council as acknowledged by the CAU vide Receipt No. 1120/111953 dated 7.4.2008 as conveyed by CAU letter No. 5178-80 dated 10.4.2008. Hence, the amount is fully recovered.
2	Bot 8	34600	After long protracted correspondence and best efforts made by the PI/HOD/CAU as well as this office, the sanction and final payment has been released by the Council as acknowledged by the CAU vide Receipt No. 1120/111965 dated 7.4.2008 as conveyed by CAU letter No. 1193-95 dated 10.4.2008. Hence, the amount is fully recovered.

1	2	3	4
3	AN 7	179132	After long protracted correspondence and best efforts made by the PI/HOD/CAU as well as this office the sanction and final payment has been released by the Council as acknowledged by the CAU vide Receipt No 1120/111912 dated 14 3 2008 as conveyed by CAU letter No 3628-30 dated 18 3 2008 Hence the amount is fully recovered
4	FF 5	96284	Final progress report stands accepted and final payment has been released by the Council as acknowledged by CAU vide No 18185 87 dt 30 12 06 (Rs 96284) and No 3462 64 dt 30 3 07 (Rs 25867) Hence the amount is fully recovered
5	PP 16	48389	After long protracted correspondence and best efforts made by the PI/HOD/CAU as Well as this office the amount in question has been received from the ICAR and deposited in the CAU current account vide Comptroller Receipt No 1115/11470 dated 26 3 2007 as conveyed by the Comptroller vide No 3456 58 dated 30 3 2007 Hence the account of the scheme stands settled
6	APT-2	160380	After long protracted correspondence by this directorate and best efforts made by the PI/HOD/CAU as well as this office the amount in question has been fully recovered from the ICAR and deposited in the CAU current account vide Comptroller Receipt No 1116/11573 dated 2 11 2007 as conveyed by the Comptroller No 8823 24 dated 20 11 2007 Hence the account of the scheme stands settled
7	PB-45	145638	This ad hoc project 100% funded by ICAR was converted into NATPC(b)PB-68 ICAR during the year 1999 2000 The excess expenditure incurred during the year 97 98 in the project C(b) PB-45-ICAR in anticipation of the sanction/ release remained unsettled and was proposed to be adjusted against the sanction/ funds available in other ICAR funded schemes from Deptt of Plant Breeding Despite of our repeated requests ICAR has not released the sanction/funds In view to settle the issue an Agenda Item was placed before the Ad hoc Committee with the proposal to adjust the outstanding amount in the ICAR funded revolving funds scheme The meeting of the adhoc committee was held on 18 3 2008 and it was decided as conveyed by the Comptroller vide his letter No 5157 62 dated 8 4 2008 that the amount of Rs 145638/ may be adjusted out of the surplus income

1	2	3	4												
			of concerned RF 16 scheme sanctioned by the ICAR which relates for Promotion of Hybrid Seed Hence the amount is to be fully recovered during 2008-09												
8	PB 51	321666	<p>On the sanction of the Project by the ICAR in the 8th Five Year Plan i.e. 1992 to 1997 the expenditure was incurred as per sanction of the Council pending receipt of actual grant The AUCs were also regularly submitted to the Council The AUC for the year 95-96 with a closing balance () 321666-98 was accepted by the Council vide their letter dt. 21.10.97 but the expenditure incurred in excess in anticipation of the actual release has not been regularized by the Council despite repeated requests</p> <p>Even approached through telephonic and personal visits by the Principal Investigator/dealing officials As no positive response from the Council has been received therefore with a view to settle the issue an agenda item was placed before the Ad hoc Committee which was constituted by the Worthy Vice-Chancellor to finding ways & means The meeting of the Ad hoc committee was held on 18.3.2008 in the office of Comptroller regarding adjustment of the accounts of ICAR financed terminated scheme It was decided that ICAR has accepted the AUC for the year 1996-97 with a closing balance of Rs. 321666-98 due from Council This balance was arrived at by considering the grant of Rs. 89500/- whereas later on ICAR adjusted this grant against another scheme AICRP on R&M An amount of Rs. 70783/- has already been adjusted through GUC for the year 2000-01 It was also decided that the credit of Rs. 89500/- may be given to the scheme AICRP on R&M and the same may be shown accordingly The net amount of Rs. 330481 may be adjusted out of surplus income earned in the scheme RF 17 of the SST Department which relates to the ICAR scheme for Centrally Sponsored Breeder Seed Production Programme Hence the amount is to be fully recovered during 2008-09 The detail of the amount Rs. 330481/- is given below —</p> <table border="0"> <tr> <td>1</td> <td>Balance as per AUC 1995-96</td> <td>(-) 321666-98</td> </tr> <tr> <td>2</td> <td>Grant adjusted to the NATP scheme as per Council's Instr</td> <td>() 79500/-</td> </tr> <tr> <td>3</td> <td>Amount adjusted through GUC for the year 2000-01</td> <td>(+) 70686/-</td> </tr> <tr> <td>4</td> <td>Present Issue</td> <td>(-) 330481/-</td> </tr> </table>	1	Balance as per AUC 1995-96	(-) 321666-98	2	Grant adjusted to the NATP scheme as per Council's Instr	() 79500/-	3	Amount adjusted through GUC for the year 2000-01	(+) 70686/-	4	Present Issue	(-) 330481/-
1	Balance as per AUC 1995-96	(-) 321666-98													
2	Grant adjusted to the NATP scheme as per Council's Instr	() 79500/-													
3	Amount adjusted through GUC for the year 2000-01	(+) 70686/-													
4	Present Issue	(-) 330481/-													

1	2	3	4
9	AB 1	1560630	<p>Ever since the termination of this scheme the university has been vigorously pursuing the release of additional funds with the Council. But even after the lapse of more than 20 years the Council has not released the funds/grant. After detailed discussions it was decided to adjust this amount against the assets/ infrastructure/animals created with the ICAR funds and settle the accounts. To settle the issue a meeting of the Ad hoc Committee constituted by the Vice Chancellor was convened on 18.3.2008 and it was decided as conveyed by the Comptroller vide No. 5157/62 dated 8.4.2008 that an amount of Rs. 1884694/- (1560630/ + 324064/) of the scheme is due from the Council since 1985-87 and 1989-90 respectively. The ICAR has not released the money and pointed out that the balance amount may be adjusted against the left over property i.e. (equipments and animals) of these projects which was acquired with the money of ICAR. It was further decided that the animals and equipments may be taken at book value in the State Scheme and the balance if any may be adjusted against the income of ICAR presently in the scheme of department i.e. C(b)AB-9 ICAR. In view of the intimation by the HOD that the left over assets of these projects are being utilized in the State Scheme. An amount of Rs. 1731009/ has also been provided by the Comptroller in the Scheme C(a)AB 2-Plan(Agr.) vide order No. 4608/14 dated 31.3.08 for the settlement of the accounts of ICAR terminated schemes C(b)AB 1 and 8 ICAR. The remaining amount of Rs. 153685/ will be adjusted from the income of the ICAR scheme C(b)AB 9 ICAR. The partly amount is recovered and action is being taken for the remaining amount of Rs. 153685/-</p>
10	AB 8	324064	
11	Zool-4	162018/-	<p>On the sanction of the Project by the Council expenditure was made in the scheme C(b)Zool-4 ICAR upto 1999-2000. The Council has regularly released the funds as per our demands which is committed liability upto 1995-96 but thereafter the additional sanction as well as funds released as per actual requirement was not conveyed/released by the Council despite of protracted Correspondence/ telephonic requests and personal visits by the Principal Investigator/dealing officials for the sanction release of the funds. All the information/documents whenever required by the Council stands sent to concerned PC/ADG for conveying the sanction and release of grants as per actual</p>

1	2	3	4
			expenditure incurred But no fruitful results have been received from the ICAR side The last letter was also sent to the Council vide this office letter No DR/B2/Zool 4/ 6337~39 dated 9 5 2008 Moreover this office has also approached to the Resident Commissioner Haryana Bhawan New Delhi in view of the guidelines issued by the CCSHAU vide letter referred above
12	PBPC I	81590	<p>The concerned authorities in the ICAR have been approached from time to time through correspondence/ telephonic requests and personal visits by the Principal Investigator/dealing officials for the regularization of excess expenditure All the information/document as and when required by the Council has been made available through special messenger but even then the regularization of the excess expenditure has not been conveyed</p> <p>In view of the decision taken in the meeting under the chairmanship of the ADR on 1 3 07 the matter is to be placed before the adhoc committee for finding ways and means to settle the outstanding issue The draft agenda item has been asked from the concerned HOD vide DR office No 7730 dated 26 5 2008</p>
13	Agron I	356226	The concerned authorities in the ICAR have been approached at regular intervals through correspondence/ telephonic requests and personal visits by the Principal Investigator/dealing officials for the regularization of excess expenditure All the information/document as and when required by the Council stands provided through special messenger but even then the regularization of the expenditure has not been conveyed by the Council till date The matter is being still pursued vigorously and latest reminder was sent to the concerned DDG on 24 3 2008 vide DR No 3957-4000
14	DLA 5	127132	However in the scheme the release of grants is involved for which action is to be taken by the HAU
15	DEE-17	314713	It relates to DEE hence that office may give the reply

It reveals from the above details that the strenuous efforts are being made where the sanction/release of the grant is involved with the Council to recover the amount in view of the expenditure incurred which is committed liability on the part of that scheme

As regards Rs 77 06 lacs outstanding against 54 agencies/Govt Deptts the

action is to be taken by the CAU as only the release of the funds involved. It is also mentioned here that details of schemes involved in this amount of Rs 77.06 lacs has already been conveyed by the AG Party to the Asstt. CAU(B) vide No CAUH/A1 2/AG Review/895 dated 21.2.07.

The University is advised to re-concile the facts with ICAR and furnish the Report to the Committee at the earliest in this regard

[8] 3.1.7.1 Strength of teachers

There was a shortfall of 367 posts (30 per cent) of teaching staff under different cadres as on 31 March 2007 as detailed below

Sr No	Name of Cadre	Approved posts	In position	Excess (+)/ Shortfall ()
1	Professors cum Head of the Departments/ Senior Scientists	69	472	(+) 403
2	Associate Professors/Scientists	241	308	(+) 67
3	Assistant Professors/Assistant Scientists	908	71	() 837
Total		1,218	851	() 367

Further, the strength of Assistant Professors and Assistant Scientists, which were the feeding cadres for Professors and Research Scientists, declined from 189 in 2002-03 to 71 in 2006-07.

The men in position were in excess in the cadres of Senior Scientists, Scientists, Professors and Associate Professors over the sanctioned strength as per details given below

	2002-03	2003-04	2004-05	2005-06	2006-07
(A) Professors/Senior Scientists					
Sanctioned	74	70	68	65	69
In position	487	492	457	418	472
Excess	413	422	389	353	403
(B) Associate Professors/Scientists					
Sanctioned	263	247	243	241	241
In position	388	357	328	314	308
Excess	125	110	85	73	67

The Vice Chancellor, in anticipation of approval of the ICAR, upgraded ninety posts of Scientists/Assistant Professors/Assistant Scientists, Agronomists, etc. during 1989-2001. Their cases for approval were sent to ICAR from time to time, but the approval of ICAR had not been received (May 2007). In the absence of approval from the ICAR, upgradation of these posts and payment of salary in the upgraded posts was irregular.

The Registrar of the University attributed (April–May 2007) the shortage of lower cadre of teachers to non-recruitment of teachers over staffing in higher cadres and promotion of teachers to the posts of Associate Professors and Professors by upgrading the posts. The reply was not tenable as the career advancement scheme permitted granting of next higher scale and not the promotion.

The department in its written reply stated as under —

- (i) No comments in view of position explained infra
- (ii) The men in position are not in excess of the sanctioned strength. It is again clarified that as per UGC/ICAR guidelines personal promotion under CAS is granted to the teacher after prescribed period of service as Assoc. Prof. and Prof. but they are not treated as Assoc. Prof./Professor in the cadre of Assoc. Professor and Prof. respectively and they are not given the seniority in their cadres. This is just a personal promotion and further whenever they vacate the position on retirement or resign etc. the post is downgraded to its original position i.e. Asstt. Prof./Scientist as the case may be.

The teachers working in the ICAR schemes are also granted personal promotion under CAS by upgrading the post with the approval of the VC as per guidelines of the ICAR vide letter dated 19.7.2000 (copy enclosed).

A required certificate is given in such cases that personal promotion of these scientists working in the All India Coordinated Research Projects/Schemes funded by the ICAR under CAS is made strictly as per provisions of the Career Advancement Scheme circulated by the Council vide its letter No. 21 (10)/97/Per-IV dated 19.7.2000 and subsequent clarifications issued from time to time.

It is further submitted that CAS formulated as per guidelines of the UGC/ICAR and approved by the State Govt. with the decision of the BOM and provided for personal promotion (and not next higher scale as alleged) of the teachers as is clear from the provision laid down under Chapter VI and VII of the statutes under Clause 6.3 and 6.4 as well as guidelines of ICAR dt. 19.7.2000 referred above and relevant extract reproduced below -

Clause 6.3 of Chapter VI of Statutes

Every Asstt. Prof./Asstt. Prof. Sr. scale/Asstt. Prof. selection grade or equiv. will be eligible for promotion to the post of Assoc. Prof. with pay scale of Rs. 3700-5700.

Clause 6.3 of Chapter VII of Statutes

An Assoc. Prof./equiv. in the senior scale/Asstt. Prof. selection grade/equiv. will be eligible for promotion to the post of Assoc. Prof./equiv. in the pay scale of Rs. 12000-420-18300.

Guidelines of ICAR dt 19 7 2000

2 3 A scientist in senior scale will be eligible for promotion to the post of Sr Scientist

2 4 A Senior Scientist will be promoted to the post of Principal Scientist

As per Clause 4 2 (ii) of Chapter VI of the Statutes the teachers shall continue to perform the same kind of work as scientist after CAS as before In view of above may admit the reply and drop the CAG para please

The Committee desired the University to send the detailed report of the adopted criteria/system of promotion of teachers in the University to the Committee as it seems that there is ambiguity in the procedure of promotions

[9] 3 1 10 2 Execution of works

The University had a separate Engineering Wing for construction and maintenance works of the University It also undertakes works of other agencies as Deposit Works Scrutiny of records disclosed the following points

- * Accounts of forty works valuing Rs 95 20 lakh completed between 1972 and 1984 were not closed as required under the codal provisions As such the works divisions had not ensured the completion of works with their full scope and accounting of material supplied at site

- * Public Works Department Code provides that unless the Government directs other wise the provision to be made for establishment expenditure should not exceed 25 per cent of the works expenditure Of the total expenditure of Rs 60 30 crore of works divisions during 2002 07 Rs 29 28 crore was on establishment which was 48 per cent of the works expenditure instead of envisaged 25 per cent Re structuring Committee also recommended (2001 02) downsizing the engineering unit by at least 50 per cent of its present strength

The department in its written reply stated as under —

- * The Hon ble Vice-Chancellor constituted the committee to look into the works executed prior to 1984 Since the JEs SDEs/XENs who completed the works have left the University/retired from the jobs/returned to the parent department and retired/expired All out efforts were made to find out the old record and several accounts were got settled in the arrear cell The committee constituted has already submitted the reports and now it has been decided to get the issues works along with expenditure checked by a committee including the S E retired of State Govt The committee met on 23 7 2008 and the committee was of the view that the spot physical inspection/verification of the work executed as per provision in the estimate In this regard four visits/meetings have been held and accounts of 10 works out of 40 have been prepared and put up before the committee constituted by the Vice Chancellor for active consideration

In view of the above para may please be dropped

- * Amount of work executed during 2002 07=Rs 60 30 crores

Details of expenditure on establishment engaged on maintenance of buildings roads water supply electric supply smithy & carpentry workshop etc During 2002-07 which were not required to be included in the establishment on construction works The establishment expenditure on such jobs is as under —

- (a) Running & maintenance of water supply sewerage system etc (2002 07)
= 5 75 00 000 00
- (b) Smithy & carpentry workshop run by Engg Unit for preparation of new furniture and maintenance of furniture (2002 07)
= 1 22 85 000 00
- (c) Maintenance of houses college buildings office buildings roads hostels etc (Civil P H & Elect maintenance) (2002 07)
= 2 44 70 000 00
- (d) Running & maintenance of bulk supply scheme of electricity (2002 07)
= 5 74 00 000 00
- Total = 15 27 85 000 00

Say Rs 15 28 crores

After including the expenditure on the balance establishment of other works the balance expenditure on establishment of construction works during 2002 07 works out at

$$= \text{Rs } 29.28 - \text{Rs } 15.28 = 14.00 \text{ crores}$$

Thus the percentage expenditure on construction works comes to

$$= \frac{14 \times 100}{60.30} = 23.22\%$$

This expenditure is less than 25% of the works expenditure i.e. within norms

In view of above the para may please be dropped

The Committee desired that the Controller of Finance should fix a meeting with the Accountant General (Audit) Office and settle/reconcile these accounts as early as possible and report in this regard be sent to the Committee accordingly

The Committee further desired that the detailed report be sent to the Committee as to how much percent amount was incurred on establishment and on the construction works

[10] 4.3.4 Loss due to non charging of interest from allottees

Non charging of interest from allottees from the date of issue of allotment letter to the date of issue of completion certificate by Market Committee, Assandh has resulted in loss interest amounting to Rs 37.97 lakh

The instructions of Chief Administrator Haryana State Agricultural Marketing Board (HSAMB) Panchkula issued in August 1987 provided that in case an allottee of plot of shop/booth completes construction according to the approved plan/map and also shifts his business to the said premises within the specified period of two years the allottee was entitled to a

concession in the shape of waving off interest on instalments for the remaining period. As such, interest in such cases was to be charged up to the date of issue of completion certificate of the building provided the remaining instalments were paid on the due dates without any default.

It was observed during test check (November 2006) of records of Market Committee (MC) Assandh that auction of 27 plots was held in August 2001 and allotment letters were issued in December 2001. As per allotment letter, 25 per cent of the cost of the plot was to be paid at the time of auction and balance 75 per cent either within 30 days from the date of issue of the allotment letter or in six half yearly instalments with 15 per cent interest thereon from the date of issue of allotment letter. As the plot holders completed the construction work on these plots within two years and also got the completion certificates issued between May 2002 and September 2003, they were entitled for waving off interest from the date of issue of completion certificates. However, the interest from the issue of allotment letters to the date of completion was payable by them. MC Assandh did not charge any interest from the allottees from the date of issue of allotment letter to the date of issue of completion certificate as a result of which the MC had forgone interest amounting to Rs 37.97 lakh.

Thus, non charging of interest from the date of issue of allotment letter to the date of issue of completion certificate resulted in loss of interest amounting to Rs 37.97 lakh.

The Executive Officer cum Secretary MC Assandh replied (May 2007) that notices for recovery of balance interest of plots have already been issued and in case of any default, the same would be recovered through Land Revenue Act.

The matter was demi officially reported to Financial Commissioner and Principal Secretary to Government of Haryana Agriculture Department in May 2007. Their reply had not been received (August 2007).

The department in its written reply stated as under —

HSAM Board (Market Committee Assandh) held the auction of 27 plots in August 2001 and allotment letters were issued to the allottees in December 2001. As per condition, 25% of the cost of the plot was to be paid at the time of auction and balance 75% either within 30 days from the issue of allotment letter or in six half yearly instalment with 15% interest thereon from the date of issue of allotment letter. As per the instructions issued in August 1987, the allottees who completed who constructions as per approved plan/map and shift his business to the said promises within the specified period of 2 years, a concession in the shape of waving of interest on the installment for the remaining period was admissible to them, if the remaining installment were paid without any default. As the plot holders completed the construction within 2 years and obtained completion certificate, they became entitled for waving of interest for the remaining installment.

However, to effect the recovery on account of interest as per the condition of the allotment letter, the necessary notices were served to the allottees by the Market Committee Assandh. Instead of making the payment of interest, 19 allottees (out of 27) went to the court of law. The Hon'ble District & Session Court Karnal, as per their judgment, the notices relating to the recovery of interest were cancelled (Nov. 2010). Further, the Market Committee Assandh has filed an appeal against this judgment in the Punjab & Haryana High Court for redressal.

As regards the remaining 8 cases it is submitted that necessary notices to the defaulting allottees have been served for the recovery of interest. However efforts are still going on to recover the interest at the earliest.

In view of the facts explained above it is requested that taking into consideration that the cost of all the 27 plots had already stand recovered from the allottees and only the amount of interest is pending due to the awaiting decision of the Hon ble High Court in 19 cases and departmental efforts in respect of remaining 8 allottees are actively going on. Therefore the para may kindly be considered for settlement.

The Committee desired that intimation be sent to the Committee after the decision of Courts in the instant cases

PUBLIC HEALTH DEPARTMENT

[11] 1 6 Misappropriation losses, defalcations etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department wise break up of pending cases is given in Appendix XI (A&B)

The department in its written reply stated as under —

Sr No	Name of Division	Amount	Brief	Action taken by the departmental	Verification if any by AG	Recommendation remarks of the PAC
1	2	3	4	5	6	7
1	Palwal	71777 00	Theft of 200mm pipe	1510 mtrs 8 C I Pipes stolen from stock made along the alignment of pipeline of W/W Likwas FIR lodged at Police Station Hodal on 4 3 1981 125 5mtrs Pipes costing Rs 14279/ was recovered For balance loss following two J E s were held responsible & charge sheeted on 5 9 86 1 Sh R K Chaudhary 2 Sh K K Chanana The recovery of Rs 28749/ has been made from Sh R K Chaudhary whereas Sh K K Chanana filed a case in the court The case was decided in his favour on 20 5 03 The appeal filed by the Department in Session court was allowed on 17/5/2004 Further Sh K K Chanana J E has filed RSA in the High Court has granted stay against the recovery His case has been admitted on 16/08/2005 in Hon ble High Court and no further hearing has been fixed	—	Para dropped by the PAC in the meeting held on 14/6/2010 (Sr No 12)
2	No 2 Sonapat Now in Gohana	4228 00	Theft of Govt Matenal from water works Kathura	The theft of material amounting to Rs 4228/ occurred due to the negligence of Sh Om Parkash Chowkdar on 28 11 88 The loss amounting to Rs 4228/ has recovered from Sh Om Parkash Chowkdar vide receipt No 48/1233 dated 14/5/2001	Govt. verified from AG office vide EIC office No 10380 dated 24/5/2011	Sub Committee recommended to drop this para on 29/07/2006 & PAC dropped it in its meeting held on 8/5/2007
3	No 2 Sonapat	25000 00	Theft of Govt money	Regarding loss a sum of Rs 7070/ lying in PW deposit of Sh Raj Kapoor the defaulting official has been adjusted and balance of Rs 17930/ has been written off by the Govt		This Para has been dropped by the PAC in the meeting

1	2	3	4	5	6	7
				No 4/61/2007-PH 5 dated 6/10/2008 The Accountant General Audit Haryana has also informed by this office endst No 40482-85 WS&S/AC-3 dated 10/08/2008 and No 1185 dated 23/4/2010 Sh Raj Kapoor S D C was permanent employee and his services already terminated vide E I C Order No 63A dated 11 1 1999		held on dated 14 6 2010
4	Charkhi Dadn	0 79	Theft of material from water works Adampur	It is submitted that EIC haryana had appointed Sh Bhanwar Lal EE as enquiry officer vide office vide order No 972 WS&S/AC/1 dated 8/4/08 The enquiry officer has submitted his report and JE concerned Sh Jaibir Singh Dhanda is fully responsible for the theft of material and recommended for issue of Charge-sheet against JE vide his letter No 18778 dated 25/1/08 The Charge sheet Under Rule 7 issued to Sh Jaibir Singh Dhanda JE vide EIC memo No 4148 PHE/ET(4) dated 01/07/09 has been decided vide no 92 96 dated 07/10/2011 imposing the penalty of recovery of Rs 79 083/ Recovery @ Rs 8420/ per month being made from the defaulting J E since 2/2011 so far a some of Rs 25,260/ stand recovered out of Rs 79083 00	—	Para dropped by the PAC in the meeting held on dated 28/06/2011

The Committee desired that the latest position with regard to the cases of pending recovery of Palwal, Sonapat (Now in Gohana), Sonapat and Charkhi Dadri Divisions be intimated to the Committee and Accountant General office

[12] 3 2 6 3 Avoidable payment of interest

Augmentation of water supply and sewerage scheme for Hisar town was approved (September 2002) by the National Capital Region Planning Board (NCRPB) at a cost of Rs 15 93 crore (Rs 11 95 crore as loan and Rs 3 98 crore as State share) Haryana Urban Development Authority (HUDA) was nominated as nodal agency for receiving and repayment of loan The terms of loan inter alia provided rebate in interest at 0 25 per cent if interest was paid on due date and penal interest at 2 75 per cent on interest payable for delay in payment

It was noticed that the department failed to deposit the State share amounting to Rs 75 lakh in time (nine months delay) as a result of which HUDA did not release the amount to the department Consequently the department had to pay interest amounting to Rs 21 82 lakh without utilising the loan Besides the department could not avail the rebate of Rs 2 20 lakh and paid a penal interest of Rs 0 99 lakh

The EE Water Supply and Sanitation Division I Hisar stated (July 2007) that the State share and payment of loan instalment could not be released due to delay in release of funds by the Finance Department Thus there was a need to streamline the system of release of funds by the Finance Department to avoid loss to the Government

The department in its written reply stated as under —

In this connection it is submitted that Hisar town was declared as Counter Magnet Town by the NCRPB and a scheme for improving the water supply & sewerage scheme costing Rs 1593 44 lac was approved during 9/2002. The 75% of the cost of this Project was to be funded by NCRPB in the shape of Loan and the balance funds i.e. 25% was to be born by the State Govt. As per terms & conditions the said loan was to be received by the HUDA from the NCRPB on behalf of the State Govt. of Haryana (P.H. Deptt. Haryana) and its repayment was also to be made to NCRPB by the HUDA on behalf of the State Govt. (Public Health Deptt.) from the State Ex chequer. The 1st installment of Loan amounting to Rs 2 20 Crore was released by the NCRPB on 5 1 2004 to HUDA. As such the day of receipt of loan to the Govt. was the same day in which HUDA received the loan from NCRPB on behalf of Govt. As such interest on loan was become due w.e.f. 5/1/2004. After receipt of the loan the work of Imp. W/S & Sewerage scheme was got started during the year 2003 04 and an expenditure amounting to Rs 523 29 lacs was incurred by the deptt. against this work upto 12/2004. Detail of the same is given below —

Year	Exp on W/S	Exp on Sewerage	Total Exp Rs in Lacs
2003 04	117 26	5 33	122 59
2004-05 (upto 12/2004)	237 12	163 58	400 70
Total	354 38	168 91	523 29

From the above it is clear that expenditure amounting to Rs 523 29 lacs was incurred by the P.H. Department during the period upto 12/2004 against the funds released by the NCRPB. As such these funds were not lying un-utilized as the work was executed against these funds. Hence there is no burden on the State Ex Chequer on a/c of interest amounting to Rs 21 82 lac.

It is further submitted that the scheme of incentive of 0.25 % in reduction in interest rate could not be obtained from the NCRPB due to non receipt of the funds for repayment of loan & interest from the Finance Deptt. Similarly penal interest amounting to Rs 99333/- was paid due to non releasing the funds for repayment of loan & interest by the Finance Deptt.

However Govt. has decided vide Finance Department letter No 80/97/2006-6FICW dated 7/1/08 that repayment of balance installment of loan and interest thereon is to be made by the A.G. (A&E) Hr. Chandigarh in future.

Hence it is requested that this Para may be settled.

The Committee wants to know who was responsible for not execution of work in Hisar and delay in payment in this matter

[13] 3 2 6 4 Blocking of funds

In order to provide 70 LPCD water to the inhabitants of village Bhavdeen Nagoki group of three villages and Kirarkot the Board approved (March 2003) estimates for independent water works. All the works were approved under DDP and Rs 1.07 crore were received between March 2003 and February 2004. However, the entire amount remained unutilised (May 2007) and the project was taken up under a loan from NABARD for Rs 2.29 crore and the funds from GOI remained unutilised. Taking up the scheme under NABARD also involved payment of Rs 24.66 lakh as interest.

The Member Secretary of the Board intimated (July 2007) that as the funds available under DDP were not sufficient, the above mentioned independent water works schemes were taken up under NABARD. The reply was not tenable as work on these schemes was not started and the allotted funds remained unutilised.

The department in its written reply stated as under —

EE No 1 Sirsa

In this connection, it is intimated that these schemes were initially approved under DDP vide resolution NO 6 dated 27/01/03 by the State Sanitary Board & funds received from Govt. of India amounting to Rs 106.75 lac. An expenditure of Rs 31,17,184/ was incurred upto 11/2004 under DDP scheme as given below:

Sr No	Name of Work	Expenditure upto 11/04
1	Aug W/S Sch Bhavdeen	22 32 280 00
2	Ind W/W Nagoki	8 51 191 00
3	B/stn of Kirarkot	33 713 00
Total		31,17,184 00

Later on, these schemes were approved under NABARD (RIDF-X) dated 22/11/04 and hence expenditure incurred under DDP scheme was transferred to the NABARD scheme vide TE 18 of 12/04. These schemes have now been completed under NABARD and commissioned.

Previously before 01.04.2008 the grants received were kept in deposit and could be carried out to next financial year but w.e.f. 01.04.2008 Zero budgeting system came in existence. According to which, the unutilized funds lapse at the end of year. So these funds already stand lapsed.

Hence, the para may kindly be settled.

The Committee desired the department to apprise the Committee about the specific plan made by the department to utilize the amount remained unutilized since May, 2007, subject to the verification by the office of the Accountant General (Audit) Haryana.

[14] 3 2 7 2 Physical targets and achievements

Details of physical targets vis à vis achievements in terms of number of villages to be covered under various rural water supply schemes during 2002-07 are tabulated below —

(Number of villages)

Name of Scheme	2002-03		2003-04		2004-05		2005-06		2006-07		Total	
	T	A	T	A	T	A	T	A	T	A	T	A
Augmentation Water Supply					50	71	90	191	50	180	190	442
NABARD	200	184	210	186	250	127	350	142	200	96	1 210	735
Prime Minister Gramodaya Yojana	40	18	25	12	20	10	0	0	0	0	85	40
ARWSP	150	178	120	146	130	120	80	78	100	235	580	757
DDP	50	35	45	38	45	19	20	14	25	25	185	131
ACA (earlier MNP)	210	321	70	175	30	103	60	72	100	199	470	870
NCR					0	23	240	215	250	166	490	404
Total	650	736	470	557	525	473	840	712	725	901	3 210	3 379

Note T – Targets A – Achievements

*** State funded Augmentation Water Supply and NCR (Rural) Schemes were started from 2004-05**

As evident from the above table there was a declining trend in achieving the targets under NABARD aided schemes. The shortfall in achievement which increased from 8 per cent in 2002-03 to 52 per cent in 2006-07 despite availability of funds was attributed to shortage of pipes and cement, slow progress of works, non release of electricity connections by electricity supplying companies, etc.

The shortfall in achievement of targets under Prime Minister Gramodaya Yojana (PMGY), DDP and NCRPB aided projects was 53, 29 and 18 per cent respectively. Audit scrutiny disclosed that shortfalls in achievements were mainly due to less allocation of funds, delay in execution of works by the Divisions, non release of electric connections by electricity supplying companies.

As per records of the department, 1 971 villages were deficient in water supply (below the designated norm of 40 LPCD) in December 2004, out of which 868 villages remained deficient as of March 2007. The majority of these villages were from the water starved areas of desert prone districts. It was observed that water supply was provided to 1 613 villages during 2005-07, out of which 510 villages were those which were not deficient in water supply. Thus, priority was not given to those 868 villages which were deficient in water supply.

In order to ascertain reliable information on the status of supply of drinking water, GOI directed the State Government (October 2001) to conduct a survey of habitations to be completed by March 2003. It was noticed that neither the DCs nor the panchayats whose involvement was essential were consulted/involved in conducting the survey. The work was

started in November 2002 but the survey report had not yet been finalised (July 2007) by the State Government. The data of drinking water deficient villages with the department on which the entire planning of water supply programme was based therefore lacked a reliable basis.

Yearly targets were not fixed under AUWSP. However, period for completion of schemes was three years. Out of 52 eligible towns under the scheme, GOI approved schemes for 38 towns at an estimated cost of Rs 79.69 crore, against which Rs 75.19 crore were spent and only 22 schemes were completed. While seven were completed within stipulated period of three years, remaining 15 were completed in a time span of 4 to 11 years leading to cost over run of Rs 2.32 crore. Among balance 16 schemes, 9 remained incomplete even after 4 to 7 years of their commencement on which Rs 22.93 crore had been spent against the estimated cost of Rs 23.76 crore.

The department in its written reply stated as under —

There was a shortfall in targets under various programmes from 2002-03 to 2006-07. The glaring shortfall was noticed from the period 2004-05 to 2006-07. This was primarily on account of the fact that for a long time A.C. Pipes were not available as the matter was under litigation regarding the process of manufacture of pipes. However, during the last year i.e. 2006-07, overall target achieved was 901 as against the target of 725.

Out of 1931 villages found deficient in December 2004, 868 villages still remained to be covered. There was an acute problem of Drinking Water in 503 villages of Mewat because of scanty rain fall, depletion in water table and reduced yield of Tube wells of Mewat region. The quality of ground water is at marginal level and deteriorating due to over extraction of ground water. To solve the problem of scarcity of drinking water in 503 villages of Distt. Mewat, a project costing Rs. 205.91 crore was sanctioned by NCRPB in November 2004 under Rajiv Gandhi Drinking Water Supply Augmentation Project for Mewat, Haryana. Under this project, water supply to 258 villages have been provided through 3 Nos. Ranney Wells of 10mld each at Rahimpur and Maholi and 12 No. Deep Tube wells of 0.85mld each with 4 main Boosting Stations, 11 No. intermediate Boosting Stations, 421 Subsidiary Boosting Stations and 245 villages have been provided with water supply through 332 Tube wells, 283 Recharge Wells & 64 Boosting Stations. All the 503 villages are getting water regularly @ 55 LPCD at present. Another estimate for augmentation of Rajiv Gandhi Drinking Water Supply Augmentation Project for Mewat, Haryana amounting to Rs. 94.58 crore has been approved in December 2009 against which water supply to 258 villages will be upgraded from 55 LPCD to 70 IPCD. For this, 2 No. Ranney wells at Rahimpur and 14 No. Tube wells at village Maholi have been proposed. The land required for the Ranney Wells has been required and execution of work has been started and will be completed by March 2012.

In Rewari and Mohindergarh district, particularly Narnaul area, there is an acute shortage of drinking water. The problem is further accentuated due to the fact that the ground water is highly brackish and there is no satisfactory network of canal system. In order to solve the drinking water problem in Rewari and Mohindergarh district, the following schemes have been approved under NABARD (RIDF-XVII) —

- 1 Argumentation of Drinking Water Supply Scheme for 42 villages in Distt Rewari estimated cost Rs 1 0047 18 lac and approved on 23 12 2011
- 2 Rural drinking Water Supply Project of Distt Mohindergarh for 8 schemes for 21 villages and 1 Dhan for estimated cost Rs 1461 00 lac and approved on 29 07 2009 The work is in progress
- 3 Argumentation drinking Water Supply Scheme for 64 villages and 34 Dhanis (sustainability scheme) in Narnaul Distt Mohindergarh estimated cost Rs 12704 41 lac and approved on 14 06 2010 The land has been acquired and work is likely to start shortly
- 4 Argumentation Water Supply Project for 15 schemes for 23 villages in Distt Mohindergarh estimated cost Rs 1020 58 lac and approved in 2/2011 Work in progress

It is expected that after the execution of above schemes in these areas the drinking water problem would improve to a satisfactory level

Priority is being given to the coverage of deficient villages where the water supply status is less than 40 liters per capita per day As on 31st December 2004 1971 deficient villages were identified out of which 1574 villages have been augmented with drinking water supply uptill 31 03 2009 leaving a balance of 397 villages to be covered by 31 03 2011 out of 397 deficient villages 270 villages have been covered leaving balance of 127 villages as on 01 04 2011

Thereafter Govt of India had implemented new revised guidelines of National Rural Drinking Water Supply Programme (NRDWP) w e f 01 04 2009 According to revised guideline of NRDWP Coverage of habitation has been indicated in terms of population covered in particular habitation The status of coverage of population in Haryana State as on 01 04 2011 is as under —

No of Habitation with population coverage> 0& <25%	=	37
No of Habitation with population coverage> 25& <50%	=	90
No of Habitation with population coverage> 50& <75%	=	366
No of Habitation with population coverage> 75& <100%	=	1501
No of Habitation with 100 % population	=	5391

Total	=	7385
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It has been proposed to cover 943 habitations in the financial year 2011 12 and balance to be covered in next year 2012-13 However habitations may slip back due to failure to tube well depletion & sources deterioration of water quality increase in population & degradation of existing infrastructure due to prolonged use etc

The Govt of India has approved 38 schemes of various towns of Haryana with an estimated cost of Rs 7669 26 lac and all these schemes were to be completed within 3 years as per schedule given by the Govt of India Out of 38 Nos schemes 22 Nos schemes had been completed within a time frame and the work of balance 16 Nos schemes were delayed due to acquisition of land railway crossing road

cuts and non availability of material Now it is intimated that all the 38 schemes have been completed with an expenditure amount of Rs 8072 98 lac

As per explained above it is submitted that no unfruitful expenditure had been incurred on the above schemes under AUWSP

Hence the para may kindly be settled

The Committee desired that the latest position in regard to the Ranney well scheme framed for the area of Mewat District togetherwith the number of villages covered under this scheme be also sent to the Committee and Accountant General Office

Rural Water Supply Schemes

[15] 3 2 7 3 Taking up of schemes without ensuring availability of raw water

In order to supply 70 LPCD water to the Makrana group of villages in Bhiwani district a water supply scheme was started in June 2000 and completed in July 2004 at a cost of Rs 81 59 lakh Thereafter the Irrigation Department showed their inability to provide raw water as the scheme was constructed at tail end of minor where water was not reaching In February 2006 another estimate for Rs 30 lakh was sanctioned to obtain water from an other channel After incurring an expenditure of Rs 9 78 lakh the work was stopped due to resistance from inhabitants of nearby villages

Similarly another scheme of water supply to Nangal Dargu group of 6 villages in Narnaul district was completed in March 2001 at a cost of Rs 98 12 lakh The scheme could not be made functional due to non availability of raw water The above audit finding was also included in the Comptroller and Auditor General's Report for the year ending March 2001 Thereafter an expenditure of Rs 24 28 lakh was incurred on the work to obtain raw water from another point of the same minor Even then the scheme could not be made functional as no water was available at that point also Though the scheme was not functional a sum of Rs 2 64 lakh had been spent on payment of minimum electricity charges upto March 2007

Thus construction of water works without ensuring actual availability of raw water in the channels had resulted in non-commissioning of the schemes besides rendering the entire expenditure of Rs 1 18 crore wasteful

The department in its written reply stated as under —

The work was taken in hand after taking the prior consent from Irrigation department for supply of raw water from Dudhwa Minor But later on on completion of water works irrigation authorities pretended that canal water will not be available in Dudhwa Minor for above said water works When this Deptt applied for sanction of outlet connection same was not sanctioned by the Irrigation authorities Keeping in view the inability of Irrigation Department this Deptt had no way except to make alternate arrangement for getting canal water and then inlet channel was proposed to be constructed to link up with Satnali Feeder where sufficient canal water was available The scheme was approved for Rs 30 00 lacs and later on revised estimate amounting to Rs 32 75 lakh was framed to construct the balance

inlet channel upto Satnali Feeder The work was allotted to Sh Raj Singh Contractor in 11/2009 No expenditure has been incurred on this work uptill now The work was held up due to court case raised by Sh Darshan Singh Jagat Singh Satbir Singh R/o village Chirya Tehsil Charkhi Dadri Distt Bhiwani regarding not to construct inlet channel from Satnali feeder at point 10104 R The stay orders were passed by the Hon ble court of Additional Civil Judge Charkhi Dadri on 07 02 2007 The Deptt Filed an application before Distt Judge Bhiwani for stay of operation of impugned orders dated 07 02 2007 passed by Additional Civil Judge Charkhi Dadri The case is adjourned for 13/01/2012 As no expenditure has been incurred against above scheme another estimate amounting to Rs 492 50 lac has been prepared proposing for collecting the raw water from Satnali feeder at water works Changrod through RCC NP 2 pipe (450mm dia) and then pumped through a raising main of 250mm dia for 3 water works including water works Makrana After executing this scheme the problem of Canal water will be solved

Taking into the all facts mentioned above the para may kindly be settled

An estimate amounting to Rs 125 10 lac for a canal based scheme namely augmentation W/S Scheme Nangal Dargu group of 6 Nos villages namely Nangal Dargu Gangutana Panchnota Musnota Golwa & Payal having population 13252 as per 1991 census and about 16000 persons upto 2002 was administratively approved vide State Sanitary Board Haryana resolution No 8 dated 6/6/95

The consent from the Executive Engineer Mohindergarh water services Division Narnaul was received vide his memo No 88 91/2R dated 6/1/97 for releasing 1 42 cusecs of raw water at R D 2 90 KM from Alipur Minor on Shahbazpur distributory The work of this scheme has been completed But Irrigation Department failed to supply raw water

Later on Public Health Department applied sanction to Irrigation Deptt for laying 10 i/d A C rising main for lifting of raw water upto water works as from this point level does not permit to have gravity flow of raw water upto water works and installation of pumping machinery one meter below ground level along Shahbazpur Disty from KM 13 400 to 18 300 and sanction accorded vide Superintending Engineer JLN W/S circle Narnaul letter No 1371/137-W dated 9/4/03 and the work of laying of pipeline 10 i/d rising main was completed but due to theft of water by the farmers Irrigation Deptt was again unable to provide raw water at this point also and thus the canal based water works could not be made functional The EE PHE Division Narnaul vide his letter No 11805 dated 25 08 2011 has intimated that his office has made efforts now to fill the SS tank from RD 15 240 through 16 i/d CI rising main length of 1100 mtr The latest position of filling tank by raw water is that it was filled in 01 2011 first time and thereafter it is being filled in

In the payment of Rs 2 64 lakh also includes the payment of electric bill of additional tube wells which are running for supply for drinking water for villages covered under the schemes

It was noticed that there were instances where prior consent of Irrigation Deptt was taken before construction of canal based scheme but after the scheme was completed raw water was not made available by the Irrigation Department As a result the scheme could not be functional resulting in infructuous expenditure

In order to avoid such unpleasant situation in future it was decide that the requirement of raw water for a new project should be collectively examined at the field level by a committee consisting of the following —

Superintending Engineer PHE Circle

Superintending Engineer Irrigation Circle

Executive Engineer PHE Division

Executive Engineer Irrigation Division

The committee would meet once a month or whenever such cases are pending for decision This committee would sent its recommendations to the PHED and Irrigation Department at State Headquarters

The recommendations of the committee would be examined at the Head Office level by a committee consisting of the following —

Engineering in Chief PHED

Engineering in Chief Irrigation Department

Chief Engineer concerned PHED

Superintending Engineer concerned Irrigation Department

This committee would meet once a month This committee would take a final decision regarding the grant of consent for raw water to a new drinking water supply scheme However where Govt orders are required Engineer in Chief Irrigation would arrange to get the same within a period of one month

The Committee desired the department to supply the details of the pending cases in this case and also to inform the Committee immediately after the scheme is made functional

Urban Water Supply Schemes

[16] 3 2 7 6 Extra burden on State exchequer due to unrealistic estimate

GOI approved a canal based water supply scheme for Ambala Sadar and released (November 2001) Rs 15 03 crore as Special Central Assistance for construction of water works Only Rupees five lakh were provided in the detailed project report for payment to Railways for making causeway against the actual estimated cost of Rs 3 45 crore Inordinate delay in execution of the works led to cost escalation with the result that the estimate had to be increased by Rs 9 10 crore

For making causeway the matter was taken up with Railways in August 2005 and a sum of Rs 2 22 crore was deposited with the Railways during 2005 07 However the Railways

had not executed the work (April 2007) An expenditure of Rs 18.58 crore had been spent on the work upto April 2007 but the scheme was lying incomplete Thus due to preparation of unrealistic estimate coupled with delay in execution of works and in taking up the matter for construction of causeway with Railways late State exchequer had to bear additional burden of Rs 9.10 crore as the GOI would not provide any additional central assistance for this scheme The residents too were deprived of the benefits of this scheme

The department in its written reply stated as under —

An estimate amounting to Rs 15.03 crore was framed in year 1999 for providing canal based water supply to Ambala Sadar The scheme could not taken up immediately as the special Assistance was released by GOI in November 2001 Further delay was caused by HUDA due to non clearance of right of way in HUDA land from NH-1 to Ghasitpur water works & non clearance of right of way for laying of 800 mm PSC pipe line in Nanhera Village! Stay order by Court/Non completion of work of Railway crossing by railway authority This delay was beyond control

So far as the unrealistic estimate is concerned it is submitted that originally the estimate was prepared in the year 1999 taking into consideration ceiling rates of that time and market rates for N S items Since the central assistance was received in Nov-2001 the work was taken in hand thereafter During this period of two years there was handsome increase in the price index of all commodities and also ceiling premium was revised on 21.12.99 Average increase in the ceiling premium was nearly 20% Further original estimate was prepared on the basis of ceiling rates whereas in the revised estimate actual coated rates has been taken on the average 8% above for the scheduled items So far as the NS items for machinery components are concluded the tendered rates are higher by nearly 80% Other main factor for the increase is that initially it was Proposed to cross the Ambala-Shaharanpur Railway crossing from under the existing culvert for which the expenditure was estimated was Rs 5.00 lac It was no expected at that time that Railway Authority will not allow to lay pipe line under the existing culvert The matter was taken up with the Railway Authorities for lying of pipe through the existing culvert The Railway Authority refused for the same on the pretext that it will reduce the passage for flow on Storm Water and therefore will be harmful to the Culvert The Railway Authority agree to the take the work of crossing of Railway Track as per their own methodology as a deposit work As per their planned methodology they will cross the CI casing pipe of 1200mm under the track with trench less technique and therefore this office has to incorporate the amount of estimated expenditure of Rs 2.37 crore as against the original estimate cost of Rs 5.00 lacs

Further due to site condition the length of 900 mm PSC pipe increased which resulted into the excess over the estimated amount in the estimate by Rs 1.66 crore had to be extra expenditure has been met out from the saving of other components And now the scheme has been commissioned and put into operation since 7/2010

So the reason for excess over the original estimate were beyond the control and hence no blockade of funds was caused due to any negligence. Now the scheme has been commissioned and required drinking water supply is being provided to the General Public.

Hence the para may kindly be settled.

During the course of oral examination the Committee observed that due to preparation of unrealistic estimates and taking up the matter with the railway late, the work was delayed and the State Exchequer has to bear an additional burden of Rs 9.10 crore. After hearing the departmental representatives the Committee desired that complete details of the case in chronological order be sent to the Committee for its satisfaction at the earliest.

[17] 3.2.7.7 Taking up of schemes without ensuring availability of raw water

The Board approved (July 1996) a canal based scheme for renovation of water supply of Narnaul town for Rs 2.50 crore. The work of construction of Storage and Sedimentation Tank was awarded (September 2002) to an agency for Rs 86.20 lakh with a completion period of 12 months. Due to change in design the scope of work was enhanced to Rs 1.05 crore which was not approved by EIC (April 2007). The agency had executed the work of Rs 86.17 lakh upto July 2006. The estimate of the scheme was revised (May 2006) to Rs 4.85 crore due to change of source of raw water. The work of construction of inlet channel started in July 2006 and Rs 22.36 lakh were spent on the work but it could not be completed in the absence of permission from the Forest Department. An expenditure of Rs 4.29 crore was incurred on the scheme (February 2007) but it remained non-functional as of April 2007.

The EE WSS Division Narnaul stated (April 2007) that source of raw water had to be changed as the capacity of minor from where raw water was initially planned was not adequate. Thus the scheme was taken up without ensuring the availability of water in adequate quantity.

The department in its written reply stated as under —

The work of constructions of inlet channel has completed at site and raw water is reaching at water works Narnaul through this inlet channel. The scheme has been commissioned on 03.05.2008 and is functioning properly at present.

Hence para may be settled.

The Committee desired the department to submit self explanatory note mentioning the reasons of delay in this matter.

The Committee also desired to make a policy to avoid re occurrence of such things in future and the Committee be informed of the same accordingly.

Rural Water Supply Scheme

[18] 3.2.8.2 Swajaldhara programme was introduced by GOI in 2002 on the pattern of Sector Reform Project. Under this project 148 Drinking Water Schemes were approved during 2002-06 at an estimated cost of Rs 14.68 crore. Rupees 6.97 crore were released by GOI during 2002-06 out of which Rs 6.89 crore were spent and only 25 schemes were

completed (July 2007) at a cost of Rs 2.34 crore. No further funds were released by GOI due to nonsubmission of utilisation certificates and audit and inspection reports by VLCs. The Department stated that the inhabitants did not prefer the scheme in which users had to contribute the share of expenditure. However, in other villages water was being supplied by the department free of cost.

The department in its written reply stated as under —

The Sector reforms Pilot Project was followed by Swajaldhara which was launched in 2003-04 and the guidelines were similar to those laid down under the Sector Reforms Pilot Project. This programme was undertaken in 128 villages falling in the Districts of Ambala, Panchkula, Kurukshetra, Kaithal, Sonapat, Faridabad, Rewari, Mohindergarh, Rohtak and Jhajjar. The operation and maintenance of the completed schemes was taken over by the village.

In the past it has been observed that a number of schemes being maintained under Sector Reforms Pilot Project and Swajaldhara have become defunct due to disconnection of the electric connections by the Power utilities on account of non payment of bills. As a result, the assets so created are not being utilized besides depriving the public of drinking water supply.

This issue was taken up in the State Sanitary Board meeting held on 04.06.2008 and it was decided vide resolution No. 30 of the said meeting that the Public Health department should take over the defunct schemes for optimum utilization of the assets already created under the Sector Reforms Pilot Project and Swajaldhara. It was also decided that in future too, if any scheme being maintained by the Gram Panchayat becomes defunct, the Public Health Department should take over such schemes.

In view of the non payment of electricity charges on these abandoned schemes by the gram Panchayats, an amount of arrear of Rs. 3.35 crore had accumulated. It was decided that the Public Health Engineering Department should make payment of the electricity charges to the distribution companies for such schemes so that these could be maintained effectively. Wherever found necessary, the schemes were taken over by Public Health Engineering Department. Under Swajaldhara, the implementation and monitoring of works was done by the Gram Panchayat & PHED was merely a facilitator. The UCs were to be furnished by the concerned Gram Panchayats and in spite of best efforts of the Deptt. & Distt. Adm., the concerned Panchayats did not furnish the UCs.

This scheme did not prove to be successful in Haryana due to the social conditions existing in the state. The beneficiaries were reluctant to contribute their share.

The Committee desired the department to give directions to the Gram Panchayats for furnishing the requisite Utilization Certificates in this regard within the stipulated period of six months.

[19] 3.2.8.5 Delay in commissioning of schemes in the absence of electric connections

Eighty-seven augmentation/new water supply schemes completed between February 2004 and November 2006 at a cost of Rs 15.59 crore could not be made functional for want of

electric connections as detailed below —

Water Supply and Sanitation Division	Number of schemes	Connection applied between the period	Expenditure (Rupees in lakh)	Period for which connections are pending (in months)
Rewari	20	February 2004 to May 2006	508.81	10 to 37
Hisar-II	16	December 2005 to July 2006	550.71	9 to 15
Narangarh	50	October 2005 to November 2006	476.57	4 to 18
Ambala Cantt	1	October 2006	23.08	6
Total	87		1 559.17	

No efforts at the higher level seems to have been made to get the connections released though a period of 4 to 37 months had passed since the divisions concerned applied for the release of electric connections. As a result of this the schemes remained non functional thereby depriving the inhabitants of supply of safe drinking water.

The department in its written reply stated as under —

Rewari

Sr No	Name of Schemes	No of Villages covered	Name of HVPN sub	Date of Submission Application	Load in KW	Expenditure upto 2/2007 (Rs in lacs)	Remarks
1	2	3	4	5	6	7	8
1	Independent W/s Sch Nangal Pathani (TAW)	1 No	DHBVNL Sub Division Kosli	30.3.2006	11.20	9.66	Connection released and scheme commissioned
2	do Lisan	1 No	do	31.3.2006	11.20	8.44	do
3	Aug W/S Sch Rojuwas	5 Nos	do JE Head Quarter Pahlawas (Under Sub Division Sub Urban Rewari)	5.2.2004	30.00	98.68	do
4	Aug W/S Sch Gindokhar (CB)	3 Nos	DHBVNL Sub Urban Rewari	7.1.2006	27.00	58.47	do
5	do Karawar Manakpur	5 Nos	JE Pahlawas	30.3.2006	28.25	86.19	do
6	Prov 1 No TIW Bhurthal Jat	1 No	Sub Urban Rewari	30.3.2006	7.50	0.92	do
7	B/stn Mohindeenpur	1 No	JE Pahlawas	30.3.2006	5.625	4.56	do
8	do Kharagwas	6 Nos	Sub Urban Rewari	9.3.2006	50.00	119.42	-do

1	2	3	4	5	6	7	8
9	W/S Dhamlaka	W/S Dhamlaka	do	24 5 2006	9 35	3 74	do
10	W/S Dhalehera Khurd	1 No	do	24 5 2006	10 00	4 49	do
11	W/S Jamnabad	1 No	-do-	24 5 2006	9 50	24 77	do
12	B/snt Khol	1 No	-do-	24 5 2006	18 00	7 81	do
13	B/snt Lakhnor	B/snt Lakhnor	do	24 5 2006	10 00	2 99	do
14	T/W Jahidpur Tappa Kosli	T/W Jahidpur Tappa Kosli	do	4 10 2006		2 84	do
15	W/s Banwari	T/W Banwari	do	22 5 2006	9 35	3 63	do
16	W/s Kakona	T/W Kakona	Sub Urban Rewari	24 5 2006	7 50	3 48	do
17	W/S Bisanpur	T/W Mangleswar	do	24 5 2006	11 50	5 05	do
18	W/s Raliawas	T/W Raliawas	do	24 5 2006	9 50	2 36	do
19	W/s Jarthal Ki Dhani	T/W Jarthal Ki Dhani	do	24 5 2006	9 35	8 02	do
20	Sew Sch Rewari Town	Nashiyaji Disposal	SDO City 1	30 11 2005	228 70	53 29	do
Total							508 81

No 2 Hisar

Sr No	Name of Work	Date of completion of scheme	Date of submission of application for EI connection	Date on which the connection released
1	Bhojrai	5/08	19 1 06	2/2007
2	Satrod Kalan	3/07	19 1 06	10/2006
3	Bado Rangran	5/07	23 12 05	2/2008
4	Ladwa	4/07	23 12 05	3/2007
5	Satrod Khurd (Extension of load)	12/05	19 1 06	2/08
6	Kanwari	5/08	23 12 05	6/2008
7	Singhran	12/06	10 3 06	11/06
8	Dabra	5/07	23 3 06	4/07
9	Dhansu	5/08	19 1 06	2/08
10	Talwandi Raha	6/07	23 12 05	4/07
11	Boosting station mill gate area	11/2006	25 4 06	28 11 06
12	Main Bazar Barwala	1/2006	23 1 06	28 7 06
13	Boosting stn Litani	1/2006	15 2 06	25 6 06
14	Boosting stn Banbhoni	1/2006	21 3 06	24 7 06
15	Disposal storm water katcha Road Barwala	5/2005	17 7 05	14 12 06
16	Boosting Stn Pabra	1/2007	18 1 06	10/2007

Naraingarh

The electric connection of all the 50 No Tube well has already been got released & all the tube well stood commissioned Moreover Para has already been settled vide A G (Audit) Hry No WAD 1/Const /PH 2007 08/139-40 dated 30 10 08

Ambala

The file for release of new electric connection of the said scheme was applied on dated 23/10/06 Later on electric meter was deposited in UHBVN on dated 19/12/06 The electric connection of the said scheme was released on dated 1/4/07 At present the water supply of said scheme is running smoothly

All the electric connections pointed out by audit have since been released and schemes stand commissioned as described above

Hence the para may kindly be dropped

The Committee wants to know the reasons for releasing electric connections late from 6 months to 37 months

The Committee desired the department to submit detailed report about those connections whose pendency remained more than two months upto 31 03 2012 in which it should be clearly mentioned the period of delay on your part as well as on the part of Power Department in each case separately alongwith the reasons of delay in releasing connections

[20] 3 2 8 7 Execution of works without technical sanctions and excess expenditure over estimates

Provision of Para 2 89 of the PWD Code provides commencement of works only after detailed cost estimates are technically sanctioned by the competent authority after satisfying that the proposals are structurally sound and estimates are correct In 10 divisions test checked an amount of Rs 54 97 crore was spent on 52 works during 2002 07 without getting the estimates sanctioned

Audit in 11 divisions test-checked further observed that an expenditure of Rs 7 89 crore was incurred in 58 works in excess of sanctioned estimates The revised estimates for these works were neither prepared nor were approvals obtained from the competent authority

In six water supply schemes under AUWSP an excess expenditure of Rs 2 41 crore was incurred As the excess expenditure was not shared by GOI (50 per cent share) the State Government had to bear the entire excess expenditure from its own resources The EIC intimated (November 2006) that action would be taken against the defaulters

The department in its written reply stated as under —

The work is started after obtaining administrative approval through the State Sanitary Board The estimates are prepared on the basis of prevailing market rates and prevailing premium in force Further before commencement of work sanction under rule 2 89 of PWD Code is accorded obtained and the estimate/proposals are also scrutinized technically However all the estimates have been sanctioned technically by competent authority

However regarding excess expenditure under AUWSP action is being taken against the defaulters

Hence the para may kindly be settled

The Committee desired the department to expedite the process of water supply as approved by the department and also to approve the scheme pending upto the year 2007 firstly and final outcome in this regard be intimated to the Committee within a period of six months

Urban Water Supply Schemes

[21] 3 2 8 9 Defective execution of work

GOI sanctioned (June 2002) augmentation of Water Supply Scheme for Punhana town (District Gurgaon) at a cost of Rs 1 65 crore. The scheme was to be completed within two years. The work on the scheme was started in August 2002 and was shown as completed at a cost of Rs 1 86 crore in August 2005 after incurring an excess expenditure of Rs 0 21 crore. Audit observed that though the SE Mewat circle had reported (June 2006) major defects in execution of works and heavy leakages in the rising main, the EE WSS Division Nuh in response to audit observations claimed (April 2007) that the scheme had been commissioned. The reply was not tenable as another estimate for Rs 86 20 lakh was prepared for completion of balance work and to make the scheme functional as per design.

The department in its written reply stated as under —

The work Augmentation water supply scheme Punhana under AUWSP (Estt Cost Rs 165 00 lacs) was executed by Executive Engineer Project PHED Division NO 1 Nuh. The project PHED Division NO 2 Nuh started functioning at Nuh in February 2006 and since then no expenditure has been incurred against this work by this division.

The present status of the works executed against work Aug Water Supply scheme Punhana under AUWSP (Estt Cost Rs 165 00 lacs)

- 1 4 Nos Water supply tube wells drilled against the work namely 2 Nos at village Godhola & 2 Nos at village Kutabpur are functioning properly & supplying water to Punhana town
- 2 RCC OHSR of 5 00 lacs ltr capacity constructed at Harizan Basti Punhana is presently in working condition & water supply is being made through the OHSR
- 3 The water supply boosting station near grain market Punhana was commissioned in August 2007. The pipe line of this boosting station was damaged in July 2008 by the agency which was executing the work of pipe line at Punhana under Ranney well segment of RGDWS project Mewat. This pipe line was got repaired and boosting station made functional. However in August 2008 the pipe line was again damaged by the agency executing the work of pipeline under Rajiv Gandhi drinking water supply augmentation project for Mewat Area (Ranney well segment). Several Nos of pipe lines of different sizes were laid along the Hodal Punhana Nagina road near the

boosting station and as such the whole system of pipe line of this boosting station was completely destroyed due to the laying of these pipe lines by the agency executing the work under Rajiv Gandhi drinking water supply augmentation project for Mewat area (ranney well segment) and the boosting station could not function during execution of this work. After completion the works of laying of pipeline under Ranney well segment of RGDWS project Mewat along Hodal Punhana Nagina road near the boosting station all the damaged pipe lines were got repaired and boosting station made functional on 19/5/09 and now the water supply is being regularly given through this boosting station. During the period of non functioning of this boosting station the water supply was given directly from tube wells at kutabpur by passing the boosting station. There was no complaint from Public regarding non supply of drinking water.

- 4 The pipe line laid against the work is functioning satisfactorily

No other estimate has been sanctioned against the Punhana Town. The work already executed against old estimate amounting to Rs 165.00 lac is fully functional.

Hence the para may kindly be settled.

After hearing the departmental representatives the Committee desired that the latest reply and figures in this regard may be submitted to the A G Office for verification.

[22] 3 2 9 2 Excess consumption of pipes

The works of augmentation of water supply scheme in Birhera and Mushaidpur group of villages were sanctioned (May 2002) under NABARD loan. Work on the schemes was started in January 2004 and expenditure of Rs 2.39 crore and Rs 3.08 crore was incurred on respective schemes upto February 2007. Estimates provided laying of distribution lines in the villages. Quantity of pipe to be used was assessed as per detailed hydraulic survey of the area.

It was noticed that pipes of various diameters were used in excess of the provisions made in the sanctioned estimates. Excess pipes valuing Rs 9.24 lakh and Rs 11.31 lakh were used in Birhera group and Mushaidpur group respectively. The EE WSS Division Gurgaon stated (May 2007) that the pipelines were laid as per site requirements and in public interest. The reply was evasive as the quantities of pipes provided in the estimates were on the basis of hydraulic survey of the area. Therefore excess utilisation was not justified.

The department in its written reply stated as under —

The excess expenditure as pointed out was due to levy of departmental charges for which no provision existed in the estimate. Provision has been made in the revised estimate. The expenditure booked on account of departmental charges has been written back during 08/07. It is made clear that no excess expenditure has been incurred on the schemes. So far as the position of quantity consumed/provisions in the estimate is concerned. As pointed out by the Audit it is submitted that provision of quantities relating to sub work No 1 i.e. rising main has not been

taken into account scheme wise position of expenditure and material consumed is tabulated below —

Size of pipe	Qty as per estimate (in Mtr)	Qty shown consumed as per para (in mtr)	Consumption on as per record of this office (in Mtr)	Excess Consumption	Rate	Amount
Aug W/s Sch Birhera Gr of vill Estt. Cost Rs 227 64 lac Exp Rs 222 98 lac						
A C pipe 6	5539	5750	5729 71	190 71	260 00	49585
A C pipe-4	1268	5700	5196 66	3928 66	105 00	412509
A C pipe 3	3716	6000	6366 39	2650 39	80 00	212031
						674125 00

The Total implication as per record of this officer works out to Rs 6 74 lac against the water supply scheme Birhera Against the implication of Rs 9 24 lac as pointed out by the Audit

Aug W/S Sch Mushaidpur gr of vill Estt Cost Rs 288 85 lac

Expd Rs 287 46 lac

Size of pipe	Qty as per estimate (in Mtr)	Qty shown consumed as per para (in mtr)	Consumption on as per record of this office (in Mtr)	Excess Consumption	Rate	Amount
A C pipe 8	6507	3992	3992 00	2515	482 00	()1212230
A C pipe 6	3897	14310	6840 00	2943 00	260 00	765180
A C pipe-4	1348	435	435 00	913 00	105 00	()95865
A C pipe 3	2785	5500	4417 00	1632 00	80 00	130560
Total	14537	24237	15684	1147		()412355
G Total						261770

The total implications as per record of this office work out to Rs -4 12 lac against the water supply scheme Musaidpur Against the implications Rs 11 31 lacs as pointed out by the Audit

The perusal of the above statements it reveals that there is an implication of Rs 6 74 lac in respect of Water Supply Scheme Birhera and Rs () 4 12 lac in respect of W/S Scheme Musaidpur schemes

The excess consumption of pipes is due to enhancement of scope of work on actual requirement to provide the quantity of water to the individuals as per norms

prescribed. The completion certificate already stand submitted to NABARD and no observations have been received till date since no irregularity in expenditure and consumption of pipe is involved.

Hence the para kindly may be settled.

The Committee desired that the detailed information in respect of consumption of excess pipes be submitted to the A G. Office so that the para be settled

[23] 3 2 9 3 Purchase of cement at higher rates

Director Supplies and Disposals Haryana placed two supply orders with a firm in July 2004 and September 2005 for supply of cement to WSS Department. According to terms of supply order the consignee was to send photocopies of the demand drafts for 100 per cent payment of the value of the cement before 31 July 2005 and 31 March 2006. It was noticed that four divisions did not prepare the demand drafts within the prescribed period though the LOC for purchase of cement was released by EIC well before the due date. As such photocopies of the drafts could not be sent to the cement company within the prescribed period and the company did not supply cement. Thereafter rates of cement increased and divisions purchased the cement at higher rates which resulted into an excess expenditure of Rs 13.38 lakh.

The department in its written reply stated as under —

Tosham

The funds amounting to Rs 18.80 lac were released by Head office on 20/7/05. But the concerned field office had not sent photocopy of demand draft to the agency by 31/07/05. In the mean time rate of cement enhanced and there was loss of Rs 1.77 lac approximately on account of difference of rates. The disciplinary action has been initiated and the reply to the explanation of concerned Executive Engineer has been received. After examining the reply of the field offices it has been found that the LOC was received in their office on 28/07/2005. Sh. S. N. Sharma the then Executive Engineer was on leave along with station leave from 27/07/2005 to 01/08/2005. The draft was prepared on 02/08/2005. There was neither any misappropriation nor any embezzlement. Thus no bad intention of Executive Engineer has been found and it has been decided to drop the matter.

Hisar

The funds amounting to Rs 3.20 Lac were released by Head office on 13/1/06. But the concerned field office had not sent photocopy of demand draft to the agency by 31/3/06. In the mean time rate of cement enhanced and there was loss of Rs 1.13 lac approximately on account of difference of rates. The disciplinary action has been initiated and the reply to the explanation of concerned Executive Engineer has been received. After examination of the case it has been found that the draft was prepared on 13/04/2006 for Rs 319280/- and was sent to M/s J. K. Cement works Gurgaon. The validity of the supply order was extended by DS&D upto 14/07/2006 vide No 4/HR/E 2/2005-06 dated 15/06/2006. There is

no intentionally fault on the part of Executive Engineer. The firm failed to supply the cement despite validity was extended. It has been decided to drop the disciplinary action against the Executive Engineer and to initiate necessary action against the firm for failure to obey the terms and conditions of supply orders and also to make efforts to recover the Govt. loss from the contracting firm.

The Committee recommends that the inquiry against those officers of Tosham & Hisar Divisions, who were involved in this case, be conducted and to submit the outcome of inquiry report to the Committee within period of three months.

ENVIRONMENT DEPARTMENT

[24] 3 3 7 Assessment of waste and risks associated with it

As per Environment Report of Haryana State the Environment Department had assessed the following quantity and type of waste generated during the year 2004 05

- (i) Municipal Solid Waste 3 578 30 tonnes per day
- (ii) Industrial Hazardous Waste 63 707 tonnes per year
- (iii) Bio Medical Waste 311 tonnes per year

The Environment Department and the Board had not assessed correctly the quantity and type of waste generated during the year 2005 06 and 2006 07 No system to assess the quantity of waste being generated during these years was in place Further segregation of waste for example segregation of municipal waste into biodegradable plastic etc was not being done which was essential to determine the method of treatment/disposal of such waste No projections about the growth of waste based on growth of population consumption patterns and industrial growth had been made Besides no assessment had been made to determine the current capacity to handle waste or the capacity that needed to be created for handling the increasing quantity of the waste

Further risks to surface and ground water ambient air and soil as a result of improper management of waste had also not been assessed More importantly no strategy had been made to reduce the generation of waste so that waste disposal is manageable according to provisions of the Act

The department in its written reply stated as under —

The quantity of municipal Solid Waste is to be assessed by Urban Local Bodies Department and it is the responsibility of every Municipal Authority to make adequate arrangements for collection storage segregation transportation processing and disposal of municipal solid waste and take necessary specified measures to prevent contamination of the ground water surface water and ambient air quality The Board has already issued number of notices to all the municipal authorities for making adequate arrangement for the proper treatment and disposal of municipal solid waste

The quantity of hazardous waste

Generated	Recycled	Incinerated
29259 3758	6718 881	2002 502
TPA	TPA	TPA

The Board has already approved proposal for paint sludge of M/s Maruti Udyog Ltd to be co processed in cement kiln

During the course of oral examination, the Committee was assured that the department will provide the detail information about the fate of the number of notices which have already been issued to all the municipal authorities for the safe disposal of solid waste and hazardous waste but till the drafting of the Report no such information has been received to the Committee. Therefore, the Committee desired that the same may be sent to the Committee at the earliest

[25] 3 3 10 3 Sale of used oil to unauthorized dealer

Rule 20 of the Hazardous Wastes (Management and Handling) Amendment Rules 2002 provide that major users of transformer oil shall auction/sell used oil only to the registered recyclers and were required to maintain a record of such sale and make these records available to the Board apart from submitting a half yearly return of sale by 30 June and 31 December every year

The Board had neither evolved any system to identify the major oil users generating waste nor were those units filing half yearly returns to the Board

Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) Hisar sold 510 kilolitres used oil to a Meerut based firm through auction in July 2005 in which 19 bidders participated. As the firm was not registered as a recycler/re processor under the Rules the sale of used oil to the unregistered unit was objected to by the GOI in August 2005. The Environment Engineer Hisar region in response to the Board's query reported (August 2005) that the firm did not have the proof regarding registration under Rule 19 of the Rules *ibid*. The Board had not taken any legal or other action against DHBVNL so far (June 2007). Thus the Board had not exercised adequate control to implement the provisions of the Act and Rules in this regard.

The department in its written reply stated as under —

Regional Office Hisar had issued notices to DHBVNL for submitting the information on form No. 4 and 13 vide letter dated 16.03.2006, 17.04.2006, 24.07.2007 and 13.09.2007 respectively and accordingly DHBVNL has submitted the information on form 4 & 13 from 01.01.2006 to 30.09.2009. DHBVNL had auctioned the used oil to Meerut based company which was granted consent under Water/Air Act 1974/1981 for the period 06.01.2005 to 31.12.2005 and authorization under HWM Rules for the period 20.04.2005 to 19.04.2006. The Hon'ble High Court has dismissed the petition filed by Petroleum Rerefiners Association of India against auction/sale of 510 KL of used oil by DHBVNL. In view of compliance made by DHBVNL, no action is required to be taken.

The Board is impressing upon all the units to make agreement with authorized operator of TSDF i.e. M/s GEPIL for disposal of hazardous waste.

The Committee desired that the progress report in this regard be intimated to the Committee within a period of three months

EDUCATION DEPARTMENT

[26] 3 4 6 2 Budget provision and expenditure

Budget estimates revised estimates and expenditure during the period 2003 07 was as under

Year	Budget provision		Expenditure		
	Centre		State		
	Original estimates	Revised estimates	Original estimates	Revised estimates	
	(Rupees in crore)				
2003 04	—	—	50 00	2 89	2 89
2004 05	—	—	35 00	41 24	41 24
2005 06	21 89	34 64	35 63	21 00	55 64
2006 07	35 00	49 59	22 52	21 00	70 59
Total	56 89	84 23	143 15	86 13	170 36

* The expenditure does not include the cost of foodgrains

The savings during the year 2003 04 were mainly due to non distribution of cooked meals to the students during the year. Scrutiny of the records of DEEOs test checked further revealed that funds were drawn in lumpsum by them and kept in bank accounts for further disbursements to BEOs and schools. The entire funds were shown as having been spent. In these districts a sum of Rs 5 72 crore was lying unspent in bank accounts as on 31 March 2007 as detailed below

Details of offices	2003 04	2004 05	2005 06	2006 07
(Rupees in lakh)				
Five DEEOs	81 95	402 93	403 10	429 87
18 BEOs	1 74	12 94	15 73	54 30
2 086 schools	1 09	12 83	62 48	87 98
Total	84 78	428 70	481 31	572 15

Unspent balances with the implementing agencies had been increasing and rose to Rs 5 72 crore at the end of 2006 07 from Rs 0 85 crore in 2003 04 as the DEE had taken

the entire allocations granted to districts as expenditure incurred and also reported the same to GOI because DEEOs failed to furnish the information regarding district wise expenditure vis-a-vis number of beneficiaries under the programme. Further of the total allocations of Rs 35 62 crore to test checked districts during 2003 07 16 per cent of allocations remained unspent and expenditure was inflated by that amount. The DEEOs concerned while admitting the fact stated (March June 2007) that the amounts were kept in the bank accounts and would be deposited in treasury at the end of the financial year in future. Keeping of funds in bank accounts outside the Government Account was in violation of Rule 2 10 (b) 5 of Punjab Financial Rules which stipulate that any unspent amount which is not required for immediate disbursement should immediately be deposited in the Government Account.

The department in its written reply stated as under

The main Audit objection in this Para is that keeping the funds in bank accounts outside the Government accounts is in violation of rules 2 10 (b) 5 of Punjab Financial Rules which stipulate that any unspent amount which is not required for immediate disbursement should be immediately deposited in Government Accounts.

Mid Day Meal is centrally sponsored (Sharing basis) scheme. The centre government provides funds to the state Government head. Thereafter with the concurrence of Finance Department the department of elementary Education further distributes the funds to the District Elementary Education Officers who further distribute to Block/School level.

The main objective of this programme is to boost Universalization of primary education by increasing enrolment retention and attendance and simultaneously inspecting of nutrition of student of Primary classes.

It is submitted that on receipt of the concurrence of Finance Department the funds were allotted to the District Elementary Education Officers on year to year basis for drawl of the funds and proper utilization for the purpose for it was sanctioned.

From the perusal of the scheme it is clear that the expenditure of the scheme is recurring expenditure as the Mid Day Meal is to be served to the children every day even due to non availability of funds or foodgrains the department is under obligation to provide Mid Day Meal to the children from its own resource. Therefore it becomes essential to keep some balance for this scheme because sometimes financial sanctions from the Central Govt /State Govt are not timely issued due to administrative problems. As per guidelines of the Government of India unspent balance of the scheme was never diverted to the purpose other than the Mid Day Meal. Moreover monthly and quarterly reports of these schemes are submitted to the ministry of HRD by the State Government regarding the coverage of children progress of provision of infrastructure unspent balance of central assistance at the end of quarter. It is pertinent to mention here that failure to furnish the information of about the unspent balance effect the further release of central assistance. The unspent balance is used in case of non receipt of Financial Sanctions from the Central Government/State Government due to Administrative

problems. The central Government on the basis of unspent balance releases the funds for the next year and also grants permission to spend the unspent balance in the next year.

In View of the position mentioned above the funds or unspent balance was never diverted to the purpose other than the Mid Day Meal Scheme. The funds are utilized as per guidelines of the scheme issued by Central Government. There is no violation of the utilization of the funds hence this Para deserves to be dropped. It is therefore prayed this Para may kindly be dropped.

The Committee desired that the department should initiate action against the defaulting officers who had shown the entire funds having been spent and responsibility be fixed under intimation to the Committee.

The Committee further desired that the District Elementary Education Officers be also asked to explain their position in this regard.

[27] 3 4 6 3 Incorrect reporting of enrolment leading to excess claim of central assistance

A test check of the records of primary Government aided schools including Alternative and Innovative Education (A&IE) centres of three districts revealed that enrolment of students was shown in excess of actual enrolment while sending demand to GOI for funds to meet the cooking cost as detailed below.

	Karnal	Yamuna nagar	Jind	Total	Attendance rate (in per cent)	Number of child days excess shown (Rs in lakh)	Financial assistance excess claimed (Rs in lakh)
(Enrolment of students)							
1	2	3	4	5	6	7	8
01 September 2004 to 31 March 2005 (149 days)							
As per DEE	1 02 647	66 257	1 10 138	2 79 042			
As complied from school records	86 919	63 810	1 02 006	2 52 735	87	34 10	34 10
Excess shown	15 728	2 447	8 132	26 307			
01 April 2005 to 31 March 2006 (230 days)							
As per DEE	93 332	67 370	1 12 837	2 73 539			
As complied from School records	86 767	63 440	1 01 255	2 51 462	87	44 18	44 18
Excess shown	6 565	3 930	11 582	22 077			
01 April 2006 to 15 June 2006 (37 days)							
As per DEE	88 131	65 501	1 08 065	2 61 697			
As complied from Scholl records	83 682	64 902	1 06 345	2 54 929	87	2 18	2 18
Excess shown	4 449	599	1 720	6 768			

1	2	3	4	5	6	7	8
16 June 2006 to 31 March 2007 (205 days)							
As per DDE	88 131	65 501	1 08 065	2 61 697			
As complied from School records	83 682	64 902	1 06 345	2 54 929	90	12 49	18 74
Excess shown	4 449	599	1 720	6 768			
Total							99 20

Enrolment of students was shown in excess of actual enrolment which led to excess claim of assistance of Rs 99 20 lakh from GOI

The department in its written reply stated as under

This Para relates to the Audit objection regarding incorrect report of enrolment leading claim of central assistance causing excess claim of assistance of Rs 99 20 Lacs from Govt of India

It is submitted that the enrolment of students has been shown including the students of Nursery classes whereas as per instructions of the Govt Mid Day Meal is served to the students studying in to Vth classes. However the expenditure is shown on the basis of Mid Day Meal served to the actual number of students as per norms fixed by the Central Government. In this way excess amount if any drawn from the Central Government on the basis of excess enrolment of students than this excess amount is shown as unspent balance. As mentioned in Paragraph 3 4 6 2 the Central Government on the basis of unspent balance shown by the State release the funds for the next year with the permission to spent the balance amount in the next year. In this way there are no financial irregularities in this matter. Hence this Para also deserves to be dropped therefore may kindly be dropped.

During the course of oral examination the Committee observed that there is difference in the enrolment shown in the records of DEE and as complied from schools. The Committee wants to know the reasons of this gap.

The Committee desired the department to supply the full details of excess claim of assistance from Govt of India and also the amount spent by the DEEO's.

[28] 3 4 8 6 Unauthorised utilization of mid day meal packets

A non Government Organisation (NGO) started ceatralised kitchen for 72 primary schools in urban areas of Faridabad district. The NGO prepared 11 04 lakh packets of lunch out of 539 01 quintals of foodgrains provided by the State Government during December 2006 to March 2007 and distributed 10 13 lakh packets to students resulting in excess preparation of 0 91lakh packets of packed lunch which were reportedly distributed to the poor persons. Thus 42 86 quintals of foodgrains supposedly consumed for preparation of 0 91 lakh packets of packed lunch was not utilised for mid day meal for students.

Besides the NGO used only 47 grams of foodgrains in preparation of one day s meals per student against the norm of 100 grams Thus the NGO had not prepared the meals in requisite quantity and as a result the students were not served meals with proper nutrition

The department in its written reply stated as under —

As submitted in Para of 3 4 8 6 that we have started the project in 72 primary schools in urban areas of Faridabad District in December 2006 At that point of time Faridabad District was comprising more than 5 blocks in all and hence more than 800 odds of schools However Mid day meal had to be distributed in the remaining schools of the District on their own In addition to this CONFED was the sole distributor of raw material including ISKCON Food Relief Foundation in all over the District Therefore 539 01 quintiles of foodgrain was received during the said period Further an inadequate and insufficient allocation of foodgrain was always a persistent problem with CONFED for which we have opted to lift food grain directly from FCI In due course of time and our repeated effort and successive meetings with education department & FCI we have managed to get proper allocation for the District

As far as the utilization of foodgrain is concerned it is submitted again that consumptions of 47 grams of foodgrains for one day s meal per student is incorrect in the report but it has to be about 49 grams as per the calculation based on the data in the report itself

Again it is clarified that the consumptions pattern of raw foodgrain against the norms of 100 grams as follows

100 grams raw foodgrain doesn t mean that entire 100 grams can be put in use for cooking but it has to pass through under the following process Which inevitable in nature

- 1 Sorting of raw foodgrains which leads to sorting loss
- 2 Processing of wheat into Daliya Which leads to processing loss
- 3 Washing post preparation during preparation loading unloading which leads to preparation loss therefore actual raw foodgrain available for cooking is normally comes out to be 85 to 90 grams depending upon the quality of foodgrain provided to us In the above scenario the points which have been raised in the report in para 3 4 8 6 stand clarified As far as proper nutrition is concerned we are very much following the norms of Mid day meal incorporated in the agreement like calorific values and micro nutrients are being properly preserved by our own additive ingredients from our own resources

It is pertinent to mention here that the Mid Day Meal was prepared on the basis of attendance of students but some students remains absent and some students do not eat Mid Day-Meal due to some reasons i e prefer their home made meal therefore the unconsumed mid day meal was distributed to the poor people instead of wasting the food Hence there was no ulterior motive in this regard

The Committee desired that the department should issue necessary instructions to all the Headmasters of all the Primary Schools in the State to adopt stringent measures so that nutritious and good quality of meal may be served to the students in future. The compliance report in this regard be sent to the Committee.

[29] 4.3.3 Extra expenditure on uneconomic hiring of vehicles

Hiring of vehicles on a monthly basis with a high minimum contracted running, instead of hiring them for each inspection resulted in an extra expenditure of Rs 46.45 lakh.

With a view to improve the supervisory structure and quality of education in the State the State Government ordered (September 2005) the functional integration of Departments of Primary Education, Secondary Education and Sarva Shiksha Abhiyan into a unified Directorate of School Education. In the consequent restructuring of field offices, the Block Education Officers (BEOs) were made the Inspecting Officers for schools in the block. An amount of Rs 1.16 crore was sanctioned by the State Government (December 2005) for hiring of vehicles for the 116 BEOs to be used by them during 2005-06 for inspecting the schools in their respective blocks. This arrangement was to be reviewed in April 2006 before its further continuation during the year 2006-07. On the basis of bids invited by various District Education Officers, the Director of School Education fixed (December 2005) the tentative monthly rate of Rs 17,000, Rs 18,000 and Rs 16,000 for the hiring of Tata Sumo, Qualis and Mahindra Jeep respectively for a minimum running of 3,000 kilometers per month. The basis on which the monthly running of 3,000 kilometers had been arrived at was not on record.

However, given that the average area of a block in the State was 376 sq. km, this mileage was on the higher side.

In a sample of 39 BEOs in 12 districts subjected to audit scrutiny (February-May 2007), it was found that during 2005-06 the distance covered per month ranged from 309 km to 2,640 km and Rs 12.78 lakh was paid towards the hiring of these vehicles. Even though this arrangement was to be reviewed in April 2006, no such review was done and an amount of Rs 2.43 crore was sanctioned (November 2006) for hiring of vehicles by 119 BEOs during 2006-07. The distance covered during 2006-07 in the sampled blocks ranged from 64 km to 2,203 km and the expenditure incurred was Rs 64.76 lakh. Not only did the vehicles run for a distance much less than that contracted, even this running was not restricted to inspection of schools for which the vehicles had been hired. Thirty-three per cent of the total running of vehicles during 2005-06 and 2006-07 was for sundry jobs and for private purpose. Twenty-one BEOs hired vehicles for the month of June 2006 during which the schools remained closed for summer vacations. In Palwal, having the highest number of schools and largest area in the State, the average distance covered in a month for inspection of schools was less than 1,000 km.

The BEOs covered only 5,18,090 km (92,646 km in 2005-06 and 4,25,444 km in 2006-07) as against the contracted 13,84,414 km. Had the Department hired vehicles for individual inspections on a per km basis instead of hiring on a monthly basis, Rs 46.45 lakh (Rs 77.54 lakh paid as hire charges minus Rs 31.09 lakh worked out at the rate of Rs 6 per km for 5,18,090 km) could have been saved in the 39 blocks test checked. This saving would be much more if all the blocks in the State were considered.

The matter was demi officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana Education Department in May 2007 reply had not been received (August 2007)

The department in its written reply stated as under —

To improve the quality of Education in the State Deputy Education Officers and Block Education Officers were authorized for hiring of vehicles (Qualis Tata Sumo Mahindra Jeep)@ of Rs 18 000 00-17000 00 & 16 000/ per month respectively for inspection of school in Blocks under their control vide this office sanction No 1/8/21415 HR Admn (1) dated 1 06-12-2005 (copy enclosed) This sanction was issued for the period from 11/05 to 03/06 after getting the concurrence of the Finance Department conveyed vide U O No 60/93/05 3FD-II/3617 4005 dated 25/11/2005 subject to the conditions that the vehicle should cover 3000 Km per month It is denied that no review was done in April 2006 before further continuation of the scheme for the year 2006 07 This scheme was reviewed by the C&DGSE in April 2006 and general view was expressed that the provision of vehicles for the inspecting officers has led to increase in the number of inspection and consequent improvement in administration in the schools providing of vehicles to the inspection officers has been beneficial and it is only through regular inspection of schools that it can be ensured that the teachers absenteeism is controlled that the teachers actually teach and that the progress of various schemes of the Education Department and SSA (Sarva Shiksha Abhiyan) are monitored so as to ensure that they are being properly implemented On the basis of above mentioned review scheme of hiring vehicles for the Dy DEO s/ BEO s was recommended to the FD for the year 2006 07 and the Finance Department conveyed its concurrence vide UO No 60/93 05-3 FD II 2902 dated 8 11 2006 The scheme envisaged that Dy Education Officers/ Block Education Officers would inspect the school under their jurisdiction and cover minimum 3000 Km in a month The reasons for not covering the distance of 3000 Km in a month are due to busy schedule of office work/meeting with Additional Deputy Commissioner and Deputy Commissioner inspection of Board Exam conducting of enquiries engagement in culture activities plantations Blood Donation camp Eco club works checking of on going construction works in the schools etc Further in some blocks almost schools comes under the jurisdiction of within radius 8 Km Though the distance covered by the Vehicles was less than 3000 Km in a month in some Blocks of the State it does not tantamount an extra expenditure as the vehicles were hired on monthly basis

It is also wrong to say that the hired vehicles were used for private purposes by the Dy DEO /BEO s Since the vehicles were hired on monthly basis and these were not covering the distance of 3000 Km in a month so the vehicle were used by the Dy DEO and BEO s for meeting-with DC s ADC of the District The vehicle used by some Dy District Education officers and Block Education Officers during the period of summer vacation were used for checking of on going construction works in the schools and installation of Edusat in their respective blocks

This scheme was further reviewed during the year 2007-08. To assess the relevancy and effectiveness of the inspection of the schools by the Dy. Edu. Officers, Block Edu. Officers, One Joint Director and One Dy. Director were sent to five Districts selected randomly to collect the requisite information on different counts so as to examine the impacts or the inspections on improvements in the education system. The information collected by these officers also depicts improvement in terms of increase in enrollment, results, punctuality, check on absenteeism etc. The officers of the department have also suggested some amendments in the existing policy for betterment. With the above mentioned view of the officers of the department, the scheme of hiring of vehicle for the inspections of school was got approved from the Govt. for the continuance for the year 2007-08 with the conditions that the inspecting officers (Dy. DEOs, BEOs) should maintain an inspection book in every institution where in every detail of inspection will be recorded. Further, the District Education Officer will send a summary report along with an action report of the inspection of the District in the end of month invariably up to 5th of the next month. In the event of default on the part of any Block Education Officer, District Education Officer will withdraw henceforth the vehicle from the concerned officer and also ensure issuing of charge sheet under rule-8. Furthermore, rates of hiring the vehicle which are available in the market were fixed @ Rs. 6/- per Km subject to condition that the total expenditure on a hired vehicle should not exceed Rs. 6000.00 per month. The payment on account of hiring of vehicles for the year 2007-08 has also been made on the revised rate of Rs. 6/- per Km subject to the maximum of Rs. 6000.00 in a month.

Keeping in view the above facts, the para may be settled.

The Committee desired the department to submit monthwise details of using the hired vehicles including minimum running of kilometers and places thereof.

The Committee also desired that the month-wise details of those vehicles be also submitted which have been used less than 50% in comparison to the prescribed minimum running of kilometers.

FOOD AND SUPPLIES DEPARTMENT

[30] 4 1 Fraud/misappropriation/embezzlement/losses detected in audit

4 1 1 Loss due to lack of supervision and improper storage of wheat stock

Improper storage, lack of supervision and non conducting of physical verification of wheat stock resulted in loss of Rs 3 35 crore

The Food and Supplies Department procures foodgrains for Central Pool of Fair Average Quality on minimum support price and delivers it to the Food Corporation of India (FCI). The Department was responsible for its custody in terms of quality and quantity till its delivery to FCI. Physical verification of stock was required to be conducted twice a year by the District Food and Supplies Officer/Assistant Food and Supplies Officer. Monthly returns in Form PR-38 and PR 35 indicating the quality/quantity of stock and shortage/excess of stock respectively were also required to be submitted to the Directorate office.

During test check of records of District Food and Supplies Controller Panipat in September 2004, blockade of funds due to non delivery of 4 020 MT wheat valuing Rs 2 52 crore to the FCI was observed. As the Department did not produce the basic records, the loss on account of shortage/mis-appropriation could not be quantified. However, the Department in response to audit observation, carried out physical verification of stock (April 2005) which showed 2 514 MT of damaged wheat pertaining to crop years Rabi 2002 2003 and 2004 and shortage of 949 MT wheat. The damaged wheat was finally auctioned (March April 2006) to the private parties for Rs 56 06 lakh. The economic cost of 3 463 MT (2 514 MT+949 MT) wheat worked out to Rs 3 91 crore. Thus, improper maintenance of stock, prolonged storage of wheat and failure in delivering of stock on first in first out (FIFO) principle coupled with lack of supervision by the controlling officers and non-conducting of physical verification of stock resulted in a loss of Rs 3 35 crore (Rs 3 91 crore Rs 0 56 crore) to the Department.

While accepting the facts, Financial Commissioner and Principal Secretary to Government of Haryana, Food and Supplies Department in his reply stated (August 2007) that physical verification could not be completed in time due to non cooperation of staff posted at Procurement Centre and monthly return in Form PR 35 was not sent by the DFSC as stock was not despatched to FCI. A team of high ranking officers of head office was constituted (February 2007) for physical verification of stocks, inspection of record and to point out irregularities. The team reported shortage in the stock and also damage to a major portion of the stock. Disciplinary proceedings had been initiated against the defaulting officials for their negligence, the final outcome of which was pending.

The department in its written reply stated as under —

- 1 This Department has been actively participating in the procurement operations for the purchase of grains for central pool stock. The department has been taking all possible steps to maintain and preserve the stocks till got evacuated.

as per the movement plan of GOI/FCI. The department is/was regularly monitoring the foodgrains stock to avoid any deterioration in the quality of the stock and early disposal of the stock. The department is fully aware of the maintenance of the health of the stock and its custody in terms of the quality and quantity till its delivery to FCI. All types of preventive and curative treatments i.e. fumigants and sprays were provided to the stocks during storage as per prescribed schedule requirement of the stocks. The Food Department was holding sufficient quantities of fumigants stock articles i.e. polythene covers, tarpaulins, wooden crates etc. The stock articles and fumigants were arranged and provided as per the requirements. Timely covering and un-covering of polythene covers was made for proper preservation. The Food Department made adequate arrangements of stock articles and fumigants. However, due to longer storage, it was not possible to maintain the quality of the stocks even after taking all preventive and curative measures. Therefore, the stock was not damaged due to improper storage.

2. It is informed that physical verification of the wheat stock is made twice in a year i.e. March and September. The officers of the Hq. are also deputed to make periodical checks of food grains stored at different centers in the state. Further, DFSCs are directed for proper maintenance of the foodgrain stocks. The DFSCs were also required to submit the PR 6, PR 7, PR 35, PR 38, PR 58 reports etc. which indicate the quality and quantity of the stock, shortage/excess of the stock and fumigant treatment at each storage point. These instructions are being followed strictly by the DFSCs. A team was deputed to conduct the physical verification of the stock at PR centre Panipat for the period ending 30.9.2004. However, the staff posted at PR centre did not cooperate and physical verification could not be carried out. An anonymous complaint was received in this department on 10.11.2004 stating that District Food & Supplies Controller and other staff stationed at PR centre Panipat have misappropriated the wheat stocks in collusion with each other and sold the same in open market. This complaint was sent to Sh. Ram Singh Malik, Deputy Director, Rohtak to enquire into it vide letter dated 17.11.2004. However, in the meantime, DFSC Panipat got registered an FIR No. 381 dated 26.11.2004 against Sh. Bhoop Singh, AFSO, Sh. Ajit Singh, IFS and Sh. Ashok Bajaj, IFS. On the registration of the above said FIR, these officials were placed under suspension. A team of the officers of this department was constituted for verification of the wheat stocks. The said team reported back to this office that inspection team was not involved by the local police for physical verification of the stocks and the stocks were verified by the police and samples of the wheat stocks were drawn by the police with the help of local authorities. Thereafter, vide letter dated 9.2.2005, DFSC Panipat was asked to submit a detailed report on the complaint to this office. DFSC submitted a report but the same was not found satisfactory, therefore, vide order dated 15.2.2005, a team of high ranking officers of Head Office was constituted to visit PR centre Panipat for physical verification of the stocks, inspection of the records and to point out the irregularities committed by the officials, if any. The said team visited Panipat and made a spot inspection of the stock and records. The said committee submitted a detailed report on 25.2.2005 to this office. In the above said report, it has been

pointed out that there is a shortage in the stocks the stock has been damaged to a great extent and the staff posted at PR centre Panipat have embezzled the stocks and committed irregularities. The said team further pointed out that there is a huge misappropriation in the wheat stocks at PR centre Panipat and such misappropriation does not appear to be possible without the involvement of DFSC and DFSO. Accordingly DFSC and DFSO were also suspended vide orders dated 6-4-2005. The DFSC and other staff stationed at PR centre Panipat were charge sheeted under rule 7 of Punishment and Appeal Rules 1987 by the department.

The physical verification of the stocks was made in association with FCI and as per the PV report a quantity of 2744 MT wheat was found physically available at PR centre against a quantity of 3463 MT. It was also found during the physical verification that the staff had mixed up the stocks for the crop years 2002-03, 2003-04 and 2004-05 and on this account FCI did not take the delivery of the stocks and due to longer storage and on account of negligence and misappropriation of the stocks on the part of staff the stock got damaged and the FCI refused to take the delivery of this stock. Therefore this stock was disposed off by inviting open tenders. On the disposal of this stock the Department received an amount of Rs. 56.06 lacs against the economic cost of Rs. 3.91 crores of 3463 MT from private parties and in this way the Department suffered a financial loss of Rs. 3.35 crores. For this act of negligence and misappropriation of the stocks disciplinary proceedings have been initiated against S/Sh D V Goyat, DFSC, Bhoop Singh, AFSO, Ajit Singh, IFS and Ashok Bajaj, IFS and they have been charge sheeted under rule 7 of the punishment and appeal rules 1987. The Inquiry Officer was appointed to enquire into the charges. The I O has completed the enquiry but the report is yet to be submitted by him. Thus the Department has taken disciplinary action against the defaulting officers/officials.

3. Apart from this the police also registered a criminal case against the above said officers / officials S/Sh D V Goyat, DFSC, Bhoop Singh, AFSO, Ajit Singh, IFS and Ashok Bajaj, IFS were charge sheeted by the police under section 166, 175, 176, 177, 218, 409, 420, 467, 468, 471 and 120 B of IPC and section 13 of Essential Commodities Act and Challan was filed on 1-7-2005 in the court at Panipat. There are total 32 prosecution witnesses out of which 4 have been dropped leaving 28 prosecution witnesses. The above said criminal case is at the stage of examination of the prosecution witnesses and case is now fixed for prosecution witness examination.

Thus the disciplinary proceedings have been initiated against the defaulting officers/officials and a criminal case has also been registered against them. The said criminal case is pending in the trial court at Panipat for adjudication. This department is also closely monitoring the progress of the case to ensure that govt. interests are not compromised.

The Committee was informed that disciplinary proceedings have been initiated against the delinquent officials S/Sh D V Goyat, DFSC, Bhoop Singh, AFSO, Ajit Singh, IFS and Ashok Bajaj, IFS and they have been chargesheeted under Rule 7 of

the Punishment and Appeal Rules, 1947 and the Inquiry Officer is yet to submit its reports

The Committee, therefore, recommends that responsibility be fixed and appropriate action be taken against the delinquent officials and the Committee be informed accordingly within a period of one month

[31] 4 3 5 Loss due to non recovery of transportation charges

Failure of Food and Supplies Department to recover transportation charges from millers has resulted in loss of Rs 28 89 lakh to the State Government on transportation of paddy

Government of India Ministry of Consumer Affairs Food and Public Distribution fixed rates of custom milled rice delivered to the Central Pool which included the milling charges of Rs 15 and Rs 20 per quintal for kharif 2004 05 and Rs 15 and Rs 25 per quintal for kharif 2005 06 for Raw Rice and Par-boiled Rice respectively Milling charges so fixed were inclusive of transportation charges of paddy upto eight kilometres on each side from purchase centre to mills and from mills to Food Corporation of India (FCI) godowns Government of India (GOI) had clarified (July 2006) that transportation charges upto eight kilometres for delivery of rice from mills to FCI godowns or State godowns were included into milling charges

Test check of records (November 2006) of District Food and Supplies Controller Fatehabad showed that an expenditure of Rs 61 54 lakh was incurred during 2004 06 on transportation of 36 694 MT paddy from mandis to the premises of millers Of this an amount of Rs 28 89 lakh being the transportation charges upto eight kilometres was recoverable from millers But the department did not recover the same from them

The Financial Commissioner and Principal Secretary to Government of Haryana Food and Supplies Department stated (August 2007) that on the request of Haryana Rice Millers and Dealers Association GOI was requested to issue revised sanction without inclusion of transportation charges in the milling charges from mandis to mill premises The GOI clarified (July 2006) that in case of paddy directly delivered from mandis/purchase centres to mills reference point was to be taken as mandis/purchase centre by the millers However if Government procuring agencies were taking paddy from mandis/purchase centres and stocking it at another place before sending the same for milling to mills agencies stocking point would be taken as reference point for taking into account distance of eight kilometres The State Government decided that mill premises should be considered as first storage point and the action with regard to payment of transportation charges from mandis/purchase centres to first storage point should be taken The reply was not tenable as the decision of the State Government was not in line with the direction of the GOI as the milling charges had been fixed by the Government of India after including transportation charges upto eight kilometres only

Thus failure of Food and Supplies Department to recover transportation charges from millers resulted in loss of Rs 28 89 lakh to the State Government on transportation of paddy due to excess payment of milling charges

The department in its written reply stated as under —

The paddy purchased by the Department on MSP is got milled from the rice millers/dealers as per Procurement & Custom Milling Policy and Agreement of the Government. As per Custom Milling Policy and Agreement executed with the millers, the paddy was in the joint custody of the District Food & Supplies Controller and the millers. The watch & ward arrangements and coverage of paddy stocks with polythene covers were to be made available by the concerned District Food & Supplies Controller. Further, the paddy was to be stored at first storage point and the transportation charges etc. were to be borne by the District Food and Supplies Controller. Thereafter, the release orders for milling of paddy from the first storage point were to be issued as per weekly milling capacity of the rice mills.

The Govt. of India fixed provisional rates for Kharif Marketing Season 2004-05 and 2005-06 on 19-10-2004 and 2-11-2005 respectively, whereas the paddy procurement season was started from 25-9-2004 and 1-10-2005 respectively. The District Food & Supplies Controllers were instructed to execute the agreements with the rice millers well before the procurement of paddy. The Govt. of India vide above letters gave remarks that the milling charges (Rs. 15 per qtl. and Rs. 20 per qtl. for raw and par-boiled rice respectively for KMS 2004-05 and Rs. 15 per qtl. and Rs. 25 per qtl. for raw and par-boiled rice respectively for KMS (2005-06) includes cost of transportation of paddy from procurement centres/mandi to mill and from the mill to FCI godown on paddy as well as rice. The Haryana Rice Millers and Dealers Association requested to get the above remarks waived off from Govt. of India. Accordingly, Govt. of India was requested to issue revised sanction without mentioning that the milling charges are inclusive of transportation charges from mandi to mill premises. Thereafter, Govt. of India vide letter dated 5-7-2006 clarified that in case of paddy directly delivered from mandi purchase centre to mills, reference point will be taken as mandi/purchase centre (for payment of transportation charges) by the millers. However, if Govt. agencies are taking paddy from mandi/purchase centre and stocking it at another place before sending the same for milling to mills, Agencies stocking point will be taken as reference point and not mandi/purchase centre. In this regard, it is stated here that paddy stocks are not delivered to the millers from mandi/purchase centre and these are stored in joint custody of the District Food & Supplies Controller and the rice millers. Further, as stated in above para regarding watch and ward arrangements and coverage of paddy stocks with polythene covers etc., the State Government decided that mill premises should be considered as first storage point and the action with regard to payment of transportation charges from mandi/purchase centre to first storage point should be taken.

In view of the position explained above, it is evident that the Food & Supplies Department had stored the paddy stocks at first storage point and borne the transportation charges from mandi/purchase centre to first storage point for its storage as per decision taken by the State Govt. in a meeting held on 11-8-2006 presided by Hon'ble Deputy Chief Minister, Haryana.

Further the Govt. of India has decided that they will not be able to bear the subsidy arising due to transportation charges up to 8 Kms on each side of the mill at paddy and rice stage which forms part of milling charges at present

A lot of correspondence took place between State Government and Government of India to allow payment of transportation charges for transporting paddy from mandi to first storage point of agencies i.e. mills. The Government of India intimated that matter has been referred to the Tariff Commission for quick study on the matter. The State Government wanted to recover the amount from Rice Millers but in the meantime Haryana Pradesh Rice Millers & Dealers Association (Regd.) requested vide letter dated 15.6.09 that recovery on account of transportation cost of paddy be deferred till 31st March 2010 or till the finalization of incidentals of the State Govt. by the Govt. of India. Hon'ble Chief Minister directed that a committee be constituted under the chairmanship of FCFS consisting of Heads of all the procuring agencies to re-examine the issue as the matter has been referred to the Tariff Commission by the GOI. The said Committee shall submit its report within a month.

A meeting of the committee was held on 29th June 2009 under the chairmanship of worthy Finance Commissioner Food and Supplies Haryana. The meeting concluded with the decision that recovery of transportation charges from millers be deferred till 31st March 2010. The proceedings of meeting were approved by Hon'ble Chief Minister and concurred by Finance Department Haryana.

The amount was to be recovered from millers with effect from 1st April 2010. Meantime Haryana Pradesh Rice Millers Association Ambala City filed a Civil Writ Petition No. 5515 of 2010 and stay on recovery granted by Hon'ble Punjab and Haryana High Court Chandigarh. The arguments in the case have been completed on 13th September 2011 and judgment was kept reserved by the Hon'ble High Court.

Further action will be taken as per the judgment of Hon'ble High Court.

After hearing the departmental representatives the Committee desired that as and when the court decides the case, it may be intimated to the Committee

The Committee also desired that a departmental enquiry be conducted and responsibility needs to be fixed in this matter to avoid reoccurrence of such cases and the Committee be apprised about the action taken against the erring officers/officials

The Committee further desired that the matter be settled in liaison with Principal Accountant General (Audit), Haryana

IRRIGATION DEPARTMENT

[32] 4 5 5 Loss of interest due to heavy unspent balance

Keeping the huge amount outside the Government accounts resulted in loss of interest of Rs 17 70 lakh

Punjab Financial Rules as applicable to Haryana provide that money should not be drawn unless required for immediate disbursement. It is not permissible to draw advances for the execution of works the completion of which is likely to take a considerable time. Regarding deposit works Public Works Department code provides that the gross estimated cost of the work should be recovered in advance either in lump sum or in instalments as authorised by the Government. The amount so received is to be credited to the Head Public Works Deposits and subsequent expenditure debited to it out of funds released by the Government through Letter of Credit (LOC).

Test check of accounts (February March 2007) of the three Divisions revealed that the amounts were drawn from treasury for execution of flood protection works rehabilitation of watercourses land payment of various drains and deposit works of Public Health Department. The amounts so drawn were not immediately required and were kept in banks in salary account current accounts and in the shape of banker cheques. Heavy balances ranging between Rs 5 49 lakh and Rs 1 48 crore remained with the Divisions during the period from April 2005 to March 2007.

The Executive Engineer (EE) Hansi Water Services Division Hansi stated (March 2007) that validity period of LOC was short and the amount was drawn and kept in salary account. Reply was not acceptable because drawal of funds to avoid lapse of LOC was not permissible as per Haryana Government's instructions dated 2 July 1972. The EE Jhajjar Water Services Division Jhajjar stated (March 2007) that heavy cash balance was due to delay in approval of flood control schemes and Drain number 8 could not be brought to design due to its continuous running. Reply was not acceptable as drawal of funds without the approval of schemes was irregular. The EE Sampla Water Services Division Rohtak intimated (July 2007) that land payments were made to District Revenue Officer after clearance of departmental action and payments for deposit works were made after execution of these works. Reply was not acceptable because the drawal of funds in anticipation of requirement was in contravention of Financial Rules. Funds should have been drawn after completing departmental action and execution of works.

Thus keeping the huge amount outside the Government accounts during the period from April 2005 to March 2007 resulted in a loss of interest of Rs 17 70 lakh at the prevailing Treasury Bills interest rate of 5 20 per cent.

The matter was demi officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana Irrigation Department in May 2007. Reply had not been received (August 2007).

The department in its written reply stated as under —

In this connection it is submitted that the Financial management is invariably regulated under the provisions of Punjab Financial Rules Part-I but circumstances prevailing during the specific period may hold good and prevail and resulting in the deviation

Although every efforts have been made to adhere the codal provisions in letter and spirit yet the circumstances prevailing during the period the heavy balances were appeared did not allow this office to follow the codal provisions in letter and its true spirit

LOC was drawn for the making of payment to District Revenue Office for land payment of Hisar/Bhiwani area and this amount was withdrawn because the short validity of LOC s and being the office situated at Sub Division level it is difficult to clear the cheque for this small validity period of LOC However in future there will not be such lapse in respect of Hansi W/S Division Hansi

However by making strenuous efforts the balance have been utilized on on going works and a minimum cash balance was appearing as per closing balance of the Jhajar Water Services Division (Rs 6648/- as on 31 03 2007)

As regards the reasons for upkeep appearance of heavy closing balance during the period (March 2005 to October 2006 as per A G Para) it is submitted that the following were the circumstances attributing the occurrence of heavy cash balances

The Flood Control Scheme Constructing M P Majra link drain costing to Rs 69 37 lacs (revised Rs 356 49) was in the process of approval under state funds under head 4711 CODE on Flood Control and accordingly the funds were received Simultaneously the scheme was also financed by Command Area Development Authority through Head Office The execution of the work was taken up and reaches RD 0 to 8460 & 15500 to 18900 were got completed but subsequently the execution of the work in reach 8460 to 15500 was trapped in the litigation The land owners of village M P Majra arranged the stay order from Hon ble High Court against the execution resulting there by stoppage of the execution and unkeep of the balance funds

However the matter was discussed with worthy Engineer In-Chief Irrigation Department Haryana in 12/2006 who did advise to utilize the balance funds on other on going flood works and in compliance their of the balance funds have been deposited against the approved flood work namely Construction of Beri Dujana Dhaur link drain from RD 0 to 16000

Un disputably the area of the division is flood prone area and to be equipped with the flood preparedness is must in the interest of public at large Funds of Rs 18 lacs were received for arranging the execution of the work Bringing to design section of Drain No 8 but could not be utilized due to continued running of the drain and heading up of water in Bhindawas Lake Beside the works of construction

of other flood work namely construction of bridge at KM 4 792 of JLN escape and bridge at KM 6 800 of outfall Drain No 8 (costing Rs 34 lacs) were also hold up for a considerable period for the reason explained to above resulting there by non utilization of the received funds and up keep of balances

The land payment in respect of Sampla W/S Division were made to the District Revenue Officer after clearance of Departmental formalities faction and payment for deposit work was made after execution of work It is further informed that no unspent balance is lying in the Sampla W/S Division Rohtak

In view of the above it is submitted that every efforts have been made to follow the cannons of expenditure and the Government money has invariably been utilized with utmost care Financial properties have been maintained and the funds have been utilized with proper sanction of the competent authorities

In view of the above explanation the para may kindly be dropped

The Committee desired that The Financial Commissioner and Principal Secretary to Govt Haryana, Irrigation Department should hold an enquiry in this matter at his own level and its final outcome be intimated to the Committee

TOWN & COUNTRY PLANNING DEPARTMENT

- [33] 4 6 7 Due to slackness on the part of EOs, HUDA, Faridabad, Gurgaon and (2003 Panchkula in revision of rent after every three years and non charging Civil) of rent for additional filling points of petrol pumps installed subsequently, HUDA was deprived of the revenue of ₹ 1 49 Crore**

Under the provisions of HUDAAct 1971 HUDA leased out 15 Sites of petrol pumps at Faridabad Gurgaon and Panchkula [Faridabad Sector-12 opposite Sector 15 (February 1993) Sector 16 (May 1995) Sector-29 (August-1995) Sector-12 (November 1994) Sector 19 (May 1994) and Sector 3-4 (October 1997) Gurgaon Sector-18 (May 1994) Sector-25 (October 1997) Sector 30 (August 1998) Sector 15-11 (July 1994) Sector-17 (March 1994) and Sector-37 (July 1995) Panchkula Sector 14 (February 2000) Sector 4 (February 1995) and Sector-16 (June 1992)} for a period of 15 years at a monthly rent of ₹ 5000 to ₹ 33750 for one filling point each of petrol and diesel during June 1992 to February 2000 depending upon the site locations. The allotment letters inter alia provided that these rates would be applicable for first five years and for every additional filling point of petrol/ diesel additional rent of 12.5 percent of the monthly rent should be charged. In October 1997 HUDA revised the policy and decided to increase the lease rent of each petrol pump by 25 percent after every three years.

Test check of records (February 2003 and May 2003) of Estate Officers (EOs) HUDA Faridabad Gurgaon and Panchkula revealed that EOs HUDA conducted the survey during December 2000 to July 2002 and identified that each petrol pump had installed additional filling points (1 to 10) but no demand for additional lease rent was raised at any stage and all the allottees of petrol pumps were paying usual lease rent. Even the EOs had not revised the lease rent of the petrol pumps which was due after expiry of three years.

Due to non revision of rent after every three years and non charging of rent for additional filling points installed subsequently as per decision taken by HUDA in October 1997 HUDA had deprived of the additional revenue of ₹ 1 49 Crore (Faridabad ₹ 0 59 Crore Gurgaon ₹ 0 56 Crore and Panchkula ₹ 0 34 Crore).

Chief Administrator HUDA Panchkula while admitting the facts stated (November 2003) that necessary notices to effect the recovery on the basis of revised lease rent and for each additional points have been issued.

Thus due to slackness on the part of EOs HUDA lease rent of Rs. 1 49 Crore remained un recovered for which no responsibility had been fixed.

Observation of the Public Accounts Committee

The Committee may be intimated after revision of the policy Para dropped

(PAC meeting dated 13-11 2007)

A mention regarding Non recovery of rent of ₹ 1 49 crore from Petrol Pumps by HUDA was made in the Report of Comptroller and Auditor General of

India for the year ended March 2003 (Civil) Government of Haryana (Para No 4 6 7) The Para was dropped (November 2007) by the Public Accounts Committee (PAC) on the basis of assurance of HUDA that outstanding rent would be recovered at the earliest. It has however been noticed during the Performance audit of Land Acquisition and allotment that the amount had not been recovered (June 2012) by HUDA despite having promised before the PAC about nine years ago in 2003 which is a clear case of inaction and lack of sense of responsibility towards financial discipline and disregard not only towards Government money but also towards legislative directives. It was further observed that in the meantime the recoverable amount had increased from ₹ 1 49 crore to ₹ 9 89 crore in six Estate Offices ₹1 98 Crore of Estate Officer HUDA Faridabad ₹ 5 01 crore of Estate Officer I HUDA Gurgaon ₹ 2 67 Crore of Estate Officer-II HUDA Gurgaon ₹ 0 11 Crore for Panipat ₹ 0 03 Crore for Rohtak and ₹ 0 09 Crore for Sonapat) which indicates that if we do not take care of our responsibilities lapses being committed would multiply and would continue assuming serious proportions. In such a scenario there is a need to ensure financial discipline and to fix responsibility of all those who fail to take action in a timely manner.

The department in its written reply stated as under —

The status of recovery of 15 sites of Petrol pumps at Faridabad Gurgaon and Panchkula are given at Annexure A

It is intimated that almost all the arrears of recovery of lease rent for Petrol pumps have been received as per the original rent mentioned in the allotment letter. Notices were issued to the defaulters to pay the outstanding rent but the Oil companies were not paying the additional rent on account of additional filling points. There was a dispute between HUDA and the oil companies regarding additional rent on accounts of additional filling point. The demand of lease rent was made taking the filling point as additional point but the oil companies were representing that the dispensing unit may be counted for working out the additional rent. They made this representation on the basis of orders passed by Chief Administrator HUDA in the case of Bharat Petroleum Corporation Ltd Vs HUDA in compliance of the orders of the Hon ble High Court passed on 10 08 2009 in CWP NO 9344/2008. In the speaking orders Chief Administrator HUDA stated that the additional rent should be levied on every additional dispensing machine instead of the number of additional point of the diesel/petrol.

The speaking order of Chief Administrator HUDA was challenged in the Hon ble High Court taking the plea that the petrol pump was leased out with the condition that extra rent @12 5% of the monthly rent shall be charged for every additional point of petrol/diesel. The Hon ble High Court ordered that the order passed by Chief Administrator HUDA will continue to be operative only in respect of the present site the lease period of which is going to expire on 15 09 2012. It shall be open to the parties to negotiate the terms of lease after the same expires on 15 09 2012. The Hon ble High Court order specifically said that the speaking orders passed by the Chief Administrator HUDA is inter parties and cannot be relied

upon by any other lessee Regarding payment of arrears of rent it was ordered that simple interest @10% shall be charged on the amount of rent due

This order was passed on 12 01 2012 and instructions in this regard were issued to all the field offices on 03 04 2012 The copy of the orders of the Hon ble High Court dated 12 01 2012 and the instructions dated 03 04 2012 issued in this regard are enclosed at annexure B & C respectively

Accordingly all the Estate Offices are issuing notices to the Oil Companies and it is expected that the overdue amount will be recovered by 31st March 2013 or the allotment of the Petrol pump sites will be cancelled after following the procedure as per HUDA Act

The PAC vide letter NO PAC/14/2012/15237 dated 12 09 2012 has also intimated that there are certain dues against the petrol pump sites in respect of Sonipat Rohtak and Panipat the status of which is explained as follows -

E O , HUDA, Sonipat

E O HUDA Sonipat reported that there are 2 petrol pump sites and the total amount due against the petrol pump sites was Rs 20 29 lacs out of which Rs 8 74 lacs have been recovered and the balance amount recoverable as on 31 03 2012 works out to Rs 11 55 lacs Efforts are being made for the recovery of balance amount

E O , HUDA, Rohtak

There is one allotted site of petrol pump in Sector-2 UE Rohtak and regular payments of lease rent have been made by Indian Oil Corpn Ltd But payment of extra points levied by petrol pump has not been made for some time The notices of recovery of sum of Rs 5 00 lac approx has been issued and Show Cause Notice U/S 17(3) of HUDA Act 1977 and notice for hearing U/S 17 (4) of HUDA Act 1977 have been issued vide Memo No 6811 dated 27 07 2011 and Memo No 7566 dated 29 08 2011 The outstanding amount will be recovered in the current month i e September 2012 positively

E O , HUDA, Panipat

As per report submitted by EO Panipat an amount of Rs 12 26 Lac was recoverable against the Bharat Petroleum Corp Ltd upto 2011-12 out of which an amount of Rs 1 44 Lac was recovered during 2011 12 and balance amount of Rs 10 82 lac is still recoverable against the Bharat petroleum Corp Ltd as on 31 03 2012 Notice was issued for the recovery of outstanding rent vide letter No 11710 dated 09 09 2011 and letter No 10988 dated 13 09 2012 and efforts are being made to recover the balance rent

It is further intimated that the policy regarding fixation of rent of petrol pump sites has not been revised and the rent is being charged as per the terms and conditions entered into between HUDA and the Oil companies

Sr No	Sector No	Name of Company	Date of allotment	Total amount recoverable till date	Total amount recovered till date	Total outstanding amount	Remarks
1	2	3	4	5	6	7	8
	FARIDABAD						
1	Sector 12 opposite Sector 15 Faridabad	IBP Ltd	11 02 1993	22978910 00	5666472 00	17312438 00	
2	Sector 16 Faridabad	HPC Ltd	09 05 1995	6123384 00	5351272 00	772112 00	
3	Sector 29 Faridabad (August 1995)	IOC Ltd	25 08 1995	4501389 00	2213526 00	2287863 00	
4	Sector 12 Faridabad (November 1994)	IOC Ltd	22 11 1994	7068193 00	3216253 00	3851940 00	
5	Sector 19 Faridabad (May 1994)	IBP Ltd	18 08 1994	5056771 00	2100714 00	2956057 00	
6	Sector 3 4 Faridabad (October 1997)	BPC	15 07 1997	5756602 00	4232957 00	1523645 00	
	SUB TOTAL			51485249 00	22781194 00	28704055 00	
	EO I GURGAON						
7	Sector 18 Gurgaon (May 1994)	IOC Ltd	2750 06 05 1994	20688125 00	2740816 00	17947309 00	
8	Sector 15 11 Gurgaon** (July 1994)	HPC Ltd	42223 22 07 1994	17221753 00	794358 00	16427395 00	
9	Sector 17 Gurgaon (March 1994)	HPC Ltd	4223 16 03 1995	12972503 00	2674672 00	10297831 00	
10	Sector 37 Gurgaon (July 1995)	Indian Corpn	10604 14 07 1995	14742608 00	10127860 00	4614748 00	
	SUB TOTAL			65624989 00	16337706 00	49287283 00	

1	2	3	4	5	6	7	8
	EO II GURGAON						
11	Sector 25 Gurgaon (October 1997)	HPC Ltd	17 10 1997	16208000 00	25560000 00	13652000 00	
12	Sector 30 Gurgaon (August 1998)	BPC	15 09 1997	21593000 00	21593000 00	0 00	
	SUB TOTAL			37801000 00	24149000 00	13652000 00	
	PANCHKULA						
13	Sector-4 Panchkula (February 2000)	IOC Ltd	17 02 1995	10002000 00	1588000 00	8414000 00	
14	Sector 14 Panchkula (February 1995)	IOC Ltd	18 02 2000	6302000 00	5699000 00	603000 00	
15	Sector 16 Panchkula (June 1992)	IBP Ltd	10 09 1992	6125000 00	1048000 00	5077000 00	
	SUB TOTAL			22429000 00	8335000 00	14094000 00	
	G. TOTAL			177340238 00	71602900 00	105737338 00	

Figures upto 30 06 2012 Cancelled on 02 01 08 on account of non payment Stay granted by Civil Court Gurgaon Next date of hearing 25 09 2012

After hearing the departmental representatives the Committee took a serious view that recovery statement is not being submitted to the A G. Office regularly The Committee, therefore recommends that the recovery statement be sent to the A G Office every month

The Committee desired that strenuous efforts should be made by the department to recover the balance amount from the concerned Petrol Pumps and monthly report of its recovery be sent to the office of Accountant General (Audit) Haryana

[34] 4 2 2 Extra expenditure on account of delayed payment of land, compensation and interest thereon

Determination of the value of the land at higher rates in violation of provisions of the Land Acquisition Act, delay in announcement of awards and erroneous calculation of interest resulted in extra expenditure of Rs 11 55 crore

Land Acquisition Act 1894 (the Act) provides that the Land Acquisition Collector (LAC) shall make an award for land compensation in accordance with the value of land on the date of publication of notification under Section 4 of the Act. In addition, an amount calculated at the rate of 12 per cent per annum from the date of notification to the date of award and 30 per cent solatium on the market value is also payable under Section 23 (1) and 23 (2) of the Act *ibid*. Further, Section 48 of the Act provides that whenever the Government withdraws from any acquisition, the collector shall determine the amount of compensation due to damage suffered by the owner in consequence of the notice or of any proceedings there under. Audit observed cases of extra expenditure, loss on account of payment of interest on land compensation, etc. in four offices amounting to Rs 11 55 crore as detailed below:

Brief of the case	Rupees in Crore
<p>1 Haryana Urban Development Authority</p> <p>(a) Notification under Section 4 and 6 of the Act of acquisition of 101 86 acre land of five villages of Gurgaon district of development of Urban Estate were issued (June 2003 and June 2004). Haryana Urban Development Authority (HUDA) deposited (October 2004) Rs 15 26 crore as worked out by the LAC Gurgaon on the basis of prevailing rate ranging between Rs 2 80 lacs and Rs 12 lacs per acre applicable with effect from February 2002. 30 per cent solatium and additional amount at the rate of 12 per cent per annum admissible under the Act. However, before the award could be announced, the Divisional Level Price Fixation Committee, Gurgaon enhanced the compensation rate of land of the area of Rs 15 lacs per acre in July 2005 and LAC Gurgaon demanded (August 2005) an additional amount of Rs 8 74 crore for announcing the award. HUDA deposited the claimed amount in December 2005.</p>	9 16

The LAC while ignoring the rate prevailing at the time of publication of notification under Section 4 of the Act and announced (December 2005) five awards amounting to Rs 23 18 crore at the Divisional Level Price Fixation Committee's rate of Rs 15 lacs per acre plus 30 per cent solatium and additional amount at the rate 12 percent per annum on the value of land for acquisition of land measuring 96 14 acre.

Thus, determination of the value of the land at higher rates in violation of provisions of the Act resulted in extra expenditure to Rs 9 16 crore to HUDA.

The department in its written reply stated as under —

In this connection it is submitted that the total land measuring 101.86 acres of land in District Gurgaon Village Wazirabad Samaspur Tigra Ghataand Badshahpur was acquired for residential commercial institutional area Sector 57 (Part) Gurgaon. The land notification under Section 4 was issued on 09.06.2003 and under Section 6 was issued on 02.06.2004. The Land Acquisition Officer vide letter No 2045546 dated 04.03.2004 sought Collector rates from Collector and Deputy Commissioner Gurgaon. Thereafter in pursuance of collector rate as received from worthy Collector vide his office letter NO 9093-94 dated 28.07.2004 demand of Rs 15,26,00,000 was made from Chief Controller of Finance HUDA which was received on 27.10.2004. So far as the question to not making the award immediately after receiving of funds is concerned it is submitted that Sh. V.K. Sharma was the LAC on 27.10.2004. Before making the award necessary legal formalities i.e. issue of notice under Section 9 of the Land Acquisition Act for inviting the claims of the landowners and interested persons which is mandatory procedure was to be followed. The said notices are required to be given for a period of minimum 15 days of date of hearing. But Sh. V.K. Sharma relinquished the charge of Land Acquisition Officer on 10.11.2004. Sh. Virender Singh Sehrawat HCS assumed the charge of Land Acquisition Officer on the same day i.e. 10.11.2004 and he remained at the same post upto 07.01.2005. But the Collector's power for performing the duty of collector under Section 3 of the Land Acquisition Act could not be delegated to him by the Govt. Thereafter Sh. Amardeep Singh HCS assumed the charge of Land Acquisition Officer on 13.01.2005 and Collector's power were delegated to him on 22.02.2005 by the Govt. In the meantime election of Vidhan Sabha and Panchayat Samiti/Gram Panchayat were declared to be held and Sh. Amardeep Singh remained on election duty in the said elections w.e.f. 22.02.2005 to 12.04.2005. Thereafter the necessary steps for announcing the award were taken. Thereafter Notice under Section 9 issued and claim under Section 9 were heard on 28.04.2005 and the date of award was fixed for 30.05.2005. Therefore a letter was received from Financial Commissioner and Principal Secretary to Government of Haryana Revenue Department vide his letter No 20255/2005/4299 dated 28.04.2005 and letter No 2512 R/2005/5104 dated 25.05.2005 where in it was directed that After a careful and detailed consideration it has been decided that no award for acquisition of land to be announced on after 5th March 2005 shall be on rates lower than the floor rates communicated to you vide this department's letter dated 28.04.2005. The other provision of the communication dated 28.04.2005 will remain unchanged. Hence the award got postponed in compliance with the instructions received from Government. In compliance with these instructions the award was postponed and could not be made and announced on 30.05.2005.

That in compliance of the instructions/ orders in the above mentioned letter it was again requested to Collector cum-D.C. Gurgaon to send the revised collector's rate vide office letter No 1562 dated 26.05.2005 and ultimately the Collector's rate was received in the office on 27.07.2005. Additional amount of award was received on 29.11.2005 and award was received on 29.11.2005 and award was

announced on 20 12 2005 as per instructions from the Government. Hence there was no irregularity in making the award, there was no delay on the part of the office, but the delay has occurred due to the facts explained above. Moreover, it is also added here that there is no loss to the Govt. (HUDA Department). As the amount is recovered from the plot holders while fixing the price of the plots of Sector

It is pertinent to mention here that the Collector rates are further subject to enhancement by the competent court on the reference filed by the land owners under Section 18 of the Land Acquisition Act, 1894. The reference under Section 18 in respect of award NO 16 dated 20 12 2005 measuring 66 01 acres of land have been decided by the reference Court on 09 12-2011 and the reference Court has enhanced the compensation from Rs 15 00 lacs per acre i.e. Rs 309 92 per sq yrd to Rs 2106/- per sq yrd. Thus the payment of compensation at the minimum floor rate will reduce the liability on account of enhanced compensation awarded by the competent court under Section 18 of the Land Acquisition Act, 1894.

It is therefore requested that this para may kindly be dropped.

During the course of oral examination, the Committee was not satisfied with the reply given by the department and desired that the FCR may be called in the next meeting to discuss the matter of entrusting the power of announcement of award to DRO or Tehsildar or any other officer in the absence of Land Acquisition Officer.

[35] 4 4 3 Unfruitful expenditure on incomplete work

Failure of Executive Engineer, HUDA Rewari to comply with the provision of Rule 82 of Indian Electricity Rules, 1956 before the allotment of the work and delay in the preparation of revised estimate/DNIT of balance work resulted in unfruitful expenditure of Rs 24 20 lakh on incomplete school building

Construction of habitable structures in the vicinity of High Tension (HT) conductors is prohibited if it contravenes the provision of Rule 80 of the Indian Electricity Rules, 1956. HT line has to be got shifted as required under Rule 82 of the Rules ibid before undertaking the construction of the structure.

Executive Engineer, HUDA Rewari (EE) allotted (July 2003) the work, construction of Primary School in Sector 1, Part I, Narnaul, to a contractor for Rs 20 20 lakh with the condition to complete the work within eight months.

Test check of the records (February 2007) however revealed that 33 KV HT line passing over the school site was not shifted before the work was allotted to the contractor (July 2003) by EE. The contractor started the work and completed 75 per cent of the work with an expenditure of Rs 24 20 lakh. Thereafter the work was finally stopped (March 2006) by EE, HUDA Rewari to avoid any untoward incident due to passing of HT line over the school site. The scope of work was also increased from Rs 20 20 lakh to Rs 25 25 lakh as the quantities of steel, concrete and brick work executed at site as per structural design (October 2003) were more than those provided in Detailed Notice Inviting Tenders (DNIT) (approved in April 2003). Enhancement case was submitted (January 2005) for approval of

the competent authority but the same had not been approved so far (July 2007) The revised estimate and DNIT of the balance work which were pre requisite for reallocation of work were not prepared (July 2007)

The EE stated (April and May 2007) that at the time of taking up the work initially the seismic effect had not been taken care of in the structural design This was done later which resulted in an increase in the scope of work with consequent increase in the cost Since the revised estimate had not yet been approved the contractor had executed work upto the agreement amount and refused to execute the work beyond it The revised estimate and DNIT for the balance work were under preparation He further stated that efforts were being made for getting the HT line shifted from the site Thus the EE accepted the fact that the work could not be restarted (April and July 2007) due to non-removal of HT line and non preparation of revised estimate and DNIT for the balance work

Thus failure of EE to comply with provision of Rule 82 of Indian Electricity Rules 1956 before the allotment of the work and delay in the preparation of revised estimate/DNIT of balance work resulted in unfruitful expenditure of Rs 24 20 lakh on construction of the school building

The matter was demt officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana Town and Country Planning Department in April 2007 reply had not been received (August 2007)

The department in its written reply stated as under —

The Estimate for the construction of Primary School building was approved for RS 27 20 lacs vide CA HUDA memo NO 17070 dated 10 07 2002 The tender for the work was allotted vide Executive Engineer HUDA Rewari letter memo No 4121 dated 02 07 2003 for Rs 20 20 158/-

HT Lines were existing and affecting a small portion of Primary School building XEN(Electrical) HUDA vide memo No 3006 dated 26 5 2000 requested XEN(Op) Division Narnaul to submit the estimate for shifting of HT lines but the estimate was not submitted inspite of reminder issued vide letter No 4115 dated 17 7 2000 and 3192 dated 4 6 2001 On 4 9 2002 S E (Construction) DHBVNL asked XEN (Construction) DHBVNL to prepare and submit the estimate The site was inspected by the concerned officer of HUDA and Power Utilities After protracted correspondence it was decided to lay 33 KV underground cables and the route plan was sent to Design Director Hissar for approval But this was not allowed due to future maintenance problems Therefore the estimate for shifting the line overhead was approved by CE DHBVNL on 6 5 2003 which was also approved by the Administrator HUDA on 9 7 2003 DHBVNL was requested to start the work but DHBVNL showed its inability as the material was not available Therefore the work was taken up by HUDA and allotted the same to M/S Jai Durga Projects Ltd Ballabhgarh on 21 07 2004 and permission was sought from Forest Department for trimming/cutting of trees Thereafter due to technical problems the scheme/ proposal was revised with partial underground cable the approval of which was received from DHBVNL on 3 12 2007 and the work was completed on 28 5 2008

The construction of Primary School building was taken in hand with the presumption that HT lines will be shifted well in time during the construction as the case of shifting was already in process by Electrical Wing of HUDA. The contractor executed the work and an expenditure of Rs 24.20 lacs was incurred on the construction of Primary School building. The cost of construction was also increased by Rs 7.02 lac due to structural design which was got done to take care of seismic effect. The revised estimate of Rs 48.55 lacs was prepared due to incomplete work of toilet block which was below HT Lines and other balance works e.g. boundary wall, distemper, wood work and grills of windows etc. The estimate of Rs 48.55 lacs was approved on 27.11.2008 and work was allotted on 3.3.2009 and was completed on 31.7.2009 at the cost of Rs 41.33 lacs. The Building was handed over to the Education Department in January 2010.

Thus the efforts were made to complete the building by executing the balance work immediately after the shifting of 33 KV Lines.

It is therefore requested that this para may kindly be dropped.

During the Course of oral examination, the Committee observed that the reply of the department was incomplete due to the absence of complete record. The Committee, therefore, desired that the datewise information of the correspondence with regard to the allotment/possession of plots in this case be sent to the Committee and Accountant General (Audit) Office for its perusal.

HOME DEPARTMENT

[36] 1 6 Misappropriation, losses, defalcations etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department-wise break up of pending cases is given in Appendix XI (A&B)

The department in its written reply stated as under —

The vehicle No HR-20 F 1406 was purchased at a cost of Rs 378606 53 on 3 9 1999 The vehicle was on Govt duty during Panchyat election and was burned by public at village Kharkara on 3 4 05 An FIR No 70 dated 4 4 05 was lodged with police station Barwala and the case is sub judice The vehicle has completed 198725 Kms which was more than 1 80 000 Kms as required for its condemnation according to Govt policy Further no employee is responsible for the loss as the vehicle was burnt by the public during Panchyat Election duty It is requested that the para may be dropped

The Committee desired the department to pursue the case pending in the court and its final decision be intimated to the Committee

[37] 4 2 2 Extra expenditure on account of delayed payment of land compensation and interest thereon

Determination of the value of the land at higher rates in violation of provisions of the Land Acquisition Act, delay in announcement of awards and erroneous calculation of interest resulted in extra expenditure of Rs 11 55 crore

Land Acquisition Act 1894 (the Act) provides that the Land Acquisition Collector (LAC) shall make an award for land compensation in accordance with the value of land on the date of publication of notification under Section 4 of the Act In addition an amount calculated at the rate of 12 per cent per annum from the date of notification to the date of award and 30 per cent solatium on the market value is also payable under Section 23(1) and 23(2) of the Act ibid Further Section 48 of the Act provides that whenever the Government withdraws from any acquisition the collector shall determine the amount of compensation due to damage suffered by the owner in consequence of the notice or of any proceedings thereunder Audit observed cases of extra expenditure loss on account of payment of interest on land compensation etc in four offices amounting to Rs 11 55 crore as detailed below

1 Superintendent of Police, Panchkula (Rs 0 79 crore)

The State Government issued notifications (August 1997 and August 1998) under Sections 4 and 6 of the Act for acquisition of 53 acre 4 kanai and 4 maria land of villages

Naggal Moginand and Bana Madanpur (Panchkula) for the construction of building of Police Line Panchkula and quarters for police personnel The LAC Panchkula announced (July 2000) the award for Rs 2 16 crore Aggrieved with the award of LAC the land owners filed (February 2001) an appeal with ADJ Panchkula for enhancement of land compensation The Court awarded (November 2004) the land compensation at the flat rate of Rs 6 44 lakh per acre The Department filed (March 2005) stay petition against the judgement in Hon ble High Court which was dismissed (April 2005) The Department deposited an amount of Rs 6 18 crore (enhanced land compensation 30 per cent solatium and additional amount at the rate 12 per cent per annum Rs 3 46 crore and interest Rs 2 72 crore) between November 2005 and December 2006

Had the Department made the payment of enhanced land compensation immediately after the stay application was dismissed by Hon ble High Court in April 2005 instead of making payment during the period between November 2005 and December 2006 the Department could have avoided the payment of interest amounting to Rs 461akh at the rate of 15 per cent for the intervening period

Further LAC Panchkula had asked department (August 2006) to deposit additional amount of Rs 1 17 crore on account of interest calculated as it was not calculated correctly in the initial payment The department without any verification of the claim deposited the amount in the Court However audit observed that the LAC Panchkula worked out the interest on the entire amount including principal amount of enhanced land compensation whereas interest was payable upto the date on which principal amount of enhanced land compensation solatium and additional amount was paid The correct amount of interest worked out to Rs 2 02 crore whereas and the Department had paid Rs 2 35 crore This has resulted in excess payment of interest of Rs 0 33 crore to the landowners

The department in its written reply stated as under —

It is submitted that the draft para was received from Accountant General Audit(H) Chandigarh on 1 6 2007 and the reply was sent to Accountant General(Audit) with a copy to Govt vide this office memo No 9521-22/ Accts-3 dated 28 6 2007 After checking the reply given by the department Accountant General Audit(H) Chandigarh vide their memo dated 8 7 2007 observed that the reply is not tenable as department made excess payment of interest which should have been paid upto the date of payment that is 25 11 2005

It is stated that 52 acres 16 Marla land was acquired for Police lines Panchkula and Staff quarters at village Nogal Mogi Nand and Bang Madanpur on 28 7 2000 by the Land Acquisition Officer (Civil) Panchkula but the owners of the land were not satisfied with the cost assessed by the Revenue Deptt and they filed appeal for enhancement in the court of Addl Distt Judge Panchkula The learned court ordered that owners/petitioners are entitled for the compensation at Flat Rate @Rs 6 44 000/ per acre and they are also entitled for statutory benefits Vide order dated 30 11 2004 As regards excess payment of interest of Rs 0 33 Crore

to the land owners during the period from 25 11 2005 to December 2006 detailed information is given below -

Sr No	Amount paid	Interest calculated by LAC upto	Date of payment made in the court	Corresponding period for which interest not calculated
1	Rs 46187052/- 1450921/- Total Rs 47637973/ enhanced cost of land compensation	30 9 2005	26 11 05	57 days
2	Rs 21401351/ Rs 108217/ Total Rs 2248568/- Some land also situated in village Bana Madanpur case No 256/01 whose calculation was not prepared earlier	31 3 2006	18 4 06	18 days
3	Rs 221462 59/ Rs 11729 66/ Total Rs 233192-00/- Some land also Situating in village Bana Madanpur case No 248/01 whose calculation was not prepared earlier	31 5 2006	4 7 06	34 days
4	Rs 569937 88/- Rs 16288 24/- Total Rs 586226 00/ Enhance cost of land compensation awarded on 25 5 06 which is new & separate case Vill Nagal Moginand	15 9 2006	16 11 06	62 days
5	Rs 10498467 74/ Rs 1207606 66/- Total Rs 11706074 00/- Interest calculated on the solatium in addition of the interest on the cost of the land	15 9 2006	7 12 06	83 days
Total				254 days

The interest has been paid to the owners of the land upto date as worked out by LAO Therefore this office has saved several lacs rupees of interest as per Col No 4 above because the interest of total 254 days corresponding period has been calculated and paid to the owners of the land As per the instructions/ judgments of the courts it is necessary to pay the interest upto date

As regards the amount shown at Sr No 4 above the enhanced cost of land has been awarded by the Additional District Judge Panchkula on 25 5 06 and not on 30 11 04 being a separate case Therefore the interest in this particular case has been calculated upto 15 9 06 by the LAC Panchkula which is in order

As regard the payment of interest amounting to Rs 0 46 crore @ 15% between November 2005 and December 2006 the requisite information is given below

R F A was filed as per opinion of LR in the Hon ble Punjab and Haryana High Court Chandigarh against the order dated 30 11 2004 passed by the Addl District Judge Panchkula RFAs were admitted by the Hon ble High Court and stay applications were dismissed on 28 04 05 but the intimation was sent vide Advocate General Haryana letter No 23509 dated 13 7 05 The calculation memo of enhanced cost of land was received from the land Acquisition Collector Panchkula on 5 9 05 Accordingly Government was requested vide letter dated 7 9 05 to accord sanction

The sanction was received on 3 11 2005 after about 2 months with the condition that advice of Legal Remembrancers and Secy to Govt Haryana may be obtained before the payment if not already taken The LR Haryana opined that no revisions can be filed against the order of Hon ble High Court passed in the RFAs vide their letter dated 8 11 2005 Thereafter the enhanced cost of land amounting to Rs 47637973/- was deposited into the concerned court on 26 11 2005

The District Revenue Officer cum-Land Acquisition Collector Panchkula sent another calculation sheet with the remarks that the interest was calculated only on the cost of land acquired whereas land owners are also demanding the interest on the amount of solatium in addition to the interest on the cost of land as per judgment dated 19 9 2001 passed by the learned Apex Court of India in Civil appeal No 6271/1998 titled Sunder V/s Union of India

As per judgment the person entitled to the compensation awarded is also entitled to the interest on solatium The amount of Rs 11706075/- i e interest calculation on the solatium in addition to the interest on the cost of land was paid to the owners of land on their claim and as per judgment of the Supreme court in Civil Appeal No 6271/1998 The above submission clearly shows that there is no delay on the part of the department for making payment of enhance land compensation It is also added that same duration elapsed in obtaining sanction process for which no interest was paid and the interest was paid only upto the date calculation made by LAC Panchkula It was necessary to file RFA in the Hon ble High Court

on the legal opinion of the LR Haryana Even sanction for payment of enhancement cost of land amounting to Rs 47637973/ was accorded by the State Govt with the condition that advice of the LR Haryana may be obtained before payment If not taken already Therefore the period of payment between November 2005 and September 2006 was unavoidable and has been occurred in normal official routine

In view of above department has not delayed any payment unnecessarily or paid the interest in excess As and when any calculation received from LAC Panchkula the payments were deposited in the concerned court as early as possible after obtaining the sanction from the State Govt It is therefore requested that this draft para may kindly be dropped

The Committee desired the department to send the full details including reasons of the period of delay in disposing of this case by the different departments so that the remedial measures may be adopted to minimize such type of period of delays

The Committee also desired to orally examine the representatives of both the departments (Home & Revenue) in its subsequent meeting

PW (B&R) DEPARTMENT

[38] 16 Misappropriation losses defalcations, etc

The state Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department-wise break up of pending cases is given in Appendix XI (A & B)

The department in its written reply stated as under —

Under this para of misappropriations defalcation and losses 5 cases were reported by the Audit which are as under —

- 1 Theft of 76 Iron grills of Rs 70691 PD Panipat
- 2 Loss of MB No 33272 and Muster Roll No 43 in ADB Division Faridabad
- 3 Loss of MB No 217/8091 of PD-II Rohtak
- 4 Theft of 2 Nos motors in M L N Sports School Rai
- 5 Theft of fire Instruments Electric Division Hisar

The items from Sr No 1 to Sr No 4 have been dropped by the PAC in its meeting held on 5 8 2008

The amount of Rs 70691 in item No 1 have also been written off by the Government vide memo No 44/22/05-5 B&R (W) dated 9-10 2009

Items No 5

This sub para dealt with the removal of 90 Nos detectors of fire alarm system at Mini Secretariat Fatehabad costing Rs 90 000 The amount involved in this para has not been mentioned by the Audit The work of installing fire alarm system at Mini Secretariat Fatehabad was allotted to M/s Suraksha Fire Tech Allahabad This work was got completed by the said firm on 29 11-2001 The agency was to do the free maintenance service of the system for one year after completion of work and thereafter the agency was to maintain the work for five years at a cost of Rs 10 000 per year under annual maintenance contract The detectors of the system were removed by some persons on 18 04-2003 On the report of Chowkidar it was taken that the detector might have been removed by the aforesaid firm Accordingly the said firm was requested to reinstall the removed parts but the agency failed to do so The matter of theft was reported to deputy commissioner Fatehabad and requested to lodge the FIR as district administration was the custodian of the installations But the deputy Commissioner directed Sub Divisional Engineer (Elect) Fatehabad to lodge FIR at his level Ultimately the FIR was lodged in Police station Fatehabad during 2005 Police Department Fatehabad

sent report of non traceable of theft material vide Memo No 780 5A PS City IFM-3 of 7/2008 In the mean time Arbitrator was appointed to decide the case of recovery from security of the agency M/s Suraksha Fire Tech Allahabad Arbitrator dismissed the case of the Department So case was filed in the District Court Rissar against the Award passed by the Arbitrator This case was dismissed on 29 09 2010 by the court of Sh Baljit Singh Hon ble Addl District Judge Hisar The Law Secretary cum legal remembrancer to Govt Haryana vide letter No 68044 dated 18 11-2010 has opined that this case is not a fit case for filling of revisions or appeal

The PAC in its meeting held on 05 08 2008 has ordered that the responsible officers be charge sheeted in this case for releasing the security of the contractor In this connection it is intimated that action for charge sheeting the responsible officers was initiated by the department against Sh Satish Chander SDE and Sh O N Malik Executive Engineer Both the officers could not be charge sheeted as the SDE has expired on 05 06 2008 and the XEN has retired on 28 02 2005 from Govt Service Now this amount is required to be written off

This matter again discussed in the PAC on 14 06 2011 and it has been decided to call the then D C of Fatehabad to appear before PAC to explain the matter

The Committee desired that intimation be sent to the Committee as well as Accountant General (Audit) Office after writing off the amount in question

[39] 4 5 6 Irregular expenditure on operation of excess ex cadre posts

One to four excess ex cadre posts in the Chief Secretary's grade had been operated without the approval of Government of India involving irregular expenditure of Rs 55 13 lakh incurred on their pay and allowances

According to provisions of Rule 9(7) of the Indian Administrative Services (Pay) Rules the State Government can operate ex cadre posts equal to the number of sanctioned cadre posts in the Chief Secretary's grade of Rs 8 000 (revised to Rs 26 000 with effect from January 1996) The number of such ex cadre posts can exceed the prescribed limit only with the approval of Government of India (GOI)

Test check of records (January 2006) of the Department of General Administration of Civil Secretariat disclosed that against the sanctioned posts of one to two in the grade of Rs 8 000 Rs 26 000 three to six posts were created and operated during the period from April 1995 to December 2005 without obtaining prior permission of GOI The State Government had taken up (July 2003) the matter with GOI for grant of permission for creation of excess ex cadre posts in view of exigencies of requirement in public interest which was under pursuance with GOI (May 2007) Thus one to four excess ex-cadre posts in the grade operated without the approval of GOI resulted in irregular expenditure of Rs 55 13 lakh incurred on their pay and allowances

The Chief Secretary to Government of Haryana intimated (May 2007) that the matter regarding ex post facto sanction for creation of ex cadre posts had been taken up with GOI

This shows that the ex cadre posts had been created and operated without the approval of GOI as required under the rules *ibid*

Period	Sanctioned cadre posts	Total ex cadre posts created	Excess ex cadre posts
01 April 1995 to 17 September 1995	1	3	2 (Two)
18 September 1995 to 26 September 1996	1	4	3 (Three)
27 September 1996 to 31 January 1997	2	3	1(One)
01 February 1997 to 28 February 1997	2	3	1 (One)
14 September 1999 to 31 August 2000	2	4	2 (Two)
01 January 2001 to 28 February 2001	2	6	4 (Four)
01 March 2001 to 28 February 2002	2	4	2 (Two)
01 April 2002 to 31 March 2003	2	5	3 (Three)
01 April 2003 to 31 March 2004	2	3	1 (One)
25 February 2005 to 31 March 2005	2	3	1 (One)
19 May 2005 to 31 December 2005	2	4	2 (Two)

The department in its written reply stated as under

According to rule 9(7) of the IAS (Pay) Rules 2007 at no time the number of members of the Service appointed to hold posts other than cadre posts referred to in sub rule (1) and sub rule (4) which carry pay of Rs 26000 per mensem and which are reckoned against the State Deputation Reserve shall except with the prior approval of the Central Government exceed the number of cadre posts at that level of pay in a State cadre or as the case may be in a Joint cadre

2 Prior to the cadre review which was undertaken in the year 1996 there was one post in the Chief Secretary's Grade and the State Government could operate an equal number of ex cadre posts i.e. total two posts. After the said cadre review and at present there are two cadre posts in the Chief Secretary's grade (one post of Chief Secretary and another of Financial Commissioner/Principal Secretary) and the State Government can operate two ex cadre posts in this grade. Therefore the total number of authorized cadre and ex cadre posts in this grade cannot exceed four. No doubt the prior concurrence of the Central Government to the creation of additional ex cadre posts was not obtained. However due to extreme exigencies of requirement of administrative function of the State Government in public interest the excess ex-cadre posts in question were created/operated by the State Government for the period from 1-4 1995 to 31-12 2005 and there was a full justification for regularization of the excess number of ex-cadre posts. Government of India was requested vide letter No 11/1/2000 IS(I) dated 8-7-2003 for the ex post facto approval to the excess ex-cadre posts created/operated in Haryana. The Government of India vide its letter No 11030/19/2006 AIS-II dated 3-1-2007 intimated that the position of the sanctioned cadre posts and creation of ex cadre posts in this scale and their periods indicated in the letter dated 8-7-2003 does not conform to the position indicated in the

statement enclosed with the letter *vide* this State Government letter No 11/1/2000 1 S(I) dated 22-2-2007 the corrected statement was sent to the Government of India. The ex-post facto approval/ decision taken by the Government of India in the matter is still awaited.

3 Accountant General (Audit) Haryana *vide* his D O letter No Report (Civil)/1 2/D P 9/2006-07/36 dated 25-4-2007 intimated that a tentative draft para Unauthorised expenditure due to excess operation of ex cadre posts is proposed for inclusion in the Audit Report of CAG for the year 2006-07 (Civil) and sought comments of this State Government on the para *vide* this State Government letter No 11/1/2000 1 S(I) dated 29-5-2007. AG Haryana was requested that this matter may kindly be kept pending till the approval/decision of the Government of India is received. The ex post facto approval/ decision of the Government of India is still awaited despite several reminders. The State Government will pursue the matter with the Government of India to grant ex-post facto approval to the creation/operation of the said excess ex cadre posts. Moreover the officers who had held these excess ex cadre posts have retired from service therefore it would not be possible to effect recoveries from them. Therefore it is requested to write off/ regularise the expenditure incurred on the said excess ex-cadre posts created/operated during the period 1-4-1995 to 31-12-2005.

The Committee desired the department to pursue the matter with the Government of India to grant ex post facto approval to the creation/operation of the excess ex cadre posts

SPORTS & YOUTH AFFAIRS DEPARTMENT

[40] 4 5 2 Non realisation of central share of assistance

- (b) Due to non provision of adequate funds in time by the State Government the Tejli Sports Complex remained incomplete for more than five years and deprived of Central Assistance of Rs 60 lakh

The Government of India (GOI) implemented (1997) the scheme Creation of Sports Infrastructure under which financial assistance was to be shared between the Union Government and the State Government concerned in the ratio of 50 50. The central assistance in the case of Indoor Stadium/Facility where estimated cost was Rs 1 20 crore or more was to be restricted to Rs 60 lakh. The State Government was to collect 50 per cent of its share from local sources (grantee). The central assistance was to be sanctioned to the projects for which the availability of funds required was to be assured by the State Government to the satisfaction of the Union Government. The share of the State Government and the grantee was required to be spent first fully before the release of central assistance.

Test-check of records (April 2007) of the Director Sports and Youth Affairs Department revealed that the GOI approved (November 2002) administratively the project Construction of Multipurpose Hall in Tejli Sports Complex at Yamunanagar for Rs 1 72 crore. The State Government released (between 1997 98 and 2001 02) Rs 45 lakh and the District Sports Council could manage Rupees two lakh only. An expenditure of Rs 47 lakh was incurred (March 2003) on the execution of work upto the plinth level and column upto the door level. The progress report was sent (April 2003) to Gal for release of central share of Rs 60 lakh which was not released on the ground that the State Government had not spent 50 per cent of Rs 1 72 crore. The construction work was held up since April 2003 due to non provision of adequate funds by the State Government. However in the last quarter of the year 2005 06 the State Government released Rs 60 68 lakh for completion of the balance work. Tenders were invited and opened (April 2007) though the work was yet to be allotted (May 2007).

In the meantime GOI transferred (April 2005) the scheme to the State sector for implementation directly by the concerned States. On being pointed out in Audit the Commissioner and Secretary to Government of Haryana Sports and Youth Affairs Department stated (June 2007) that tenders had been invited (April 2007 and May 2007) and after spending of 50 per cent on the project the progress report would be sent to Gal for releasing the central assistance of Rs 60 lakh. The reply of the Department was not tenable because the scheme had already been discontinued by the Gal and no budget provision was made by Gal for old liabilities in the annual plan for the years 2005 06 to 2007 08 and there was thus no likelihood of release of central assistance by GOI in the future.

Thus even after Rs 47 lakh the Tejli Sports Complex remained incomplete for more than five years due to delay in funding by the State Government. Consequently the State had to forego the central assistance of Rs 60 lakh besides being deprived of the benefits of the Sports Complex. The amount of Rs 47 lakh invested in the complex had also stayed blocked for more than four years.

The department in its written reply stated as under —

The Ministry of Youth Affairs and Sports, Government of India had approved *vide* letter No F 10-3/99-SP I dated 21/11/2002 in principle a sum of Rs 60.00 lacs out of the estimated cost of Rs 171.90 lacs for construction of Indoor Stadium in Sports Complex Tejli, Yamunanagar. Before the release of Central Financial Assistance, the department had to send the progress report of 50% expenditure of remaining amount ($171.90 - 60.00 = 111.90$ 50% = 56.40 lacs) as per the condition of the scheme. Department had sent the progress report of Rs 47.00 lacs to Government of India *vide* letter No 9861 dated 4-4-2003 for releasing partial financial assistance. But Government of India did not release the partial financial assistance and insisted on 50% expenditure report. This scheme was transferred to State Sector with effect from 1/4/2005 by Ministry of Youth Affairs & Sports *vide* D.O. letter No 1-6/2004 SP I dated 28-2-2005.

Rs 47.00 lacs had been incurred up to 5/3/2002. Certain changes were made in drawings to reduce the cost to 1.32 crore and administrative approval was given *vide* no 30362 dated 2/11/2006. Due to non availability of local 50% matching contribution the project remained incomplete. The State Government in the financial year 2006-07 decided that Sports Department shall provide 100% grant for Sports infrastructure at District H.Q. so that project could be completed in time.

After administrative approval, tender Notice of Rs 132.00 lacs was invited by the Executive Engineer PWD (B&R), Yamunanagar on 11/4/2007 and 15/05/2007. However due to little response from contractors, the tenders could not be finalized. Therefore the Deputy Commissioner cum President District Sports Council, Yamunanagar submitted a proposal to Government on 21/09/2007 for construction of Indoor Hall by the District Level Committee on labour rate. The administrative approval to the proposal was communicated on 25/01/2008 to the D.C., Yamunanagar.

Tenders were again invited by Executive Engineer PWD (B&R), Yamunanagar on 12/5/2008, 27/5/2008 & 12-6-2008 but no contractor submitted the tenders. On 11/12/2008, three contractors submitted tenders & Sh. Satish Kumar Contractor was allotted the labour contract work on 21/1/2009.

President District Sports Council cum D.C., Yamunanagar submitted revised estimate of Rs 503.52 lac on 20/02/2012 for completion of Multipurpose Hall. The Department has further approved the revised estimate and sanctioned Rs 241.22 lac *vide* letter No Sports 2012/11378-45 dated 20/03/2012. The

Department has so far released the following amount to District Sports Council Yamuna Nagar —

Dated	No	Amount
06 03 1998	5404-43	5 00000
27 11-1998	34352 57	15 00 000
08 03 2001	5407-17	10 00 000
26 03 2002	9296 9304	15 00 000
13 01 2006	1429-30	40 00 000
31 03 2006	9550	20 68 000
27 03 2009	10337-39	5 00 000
30 03 2009	10666-99	3 00 000
30 06 2009	20236-48	12 60 000
26 03 2010	9504 34	11 08 500
05 05 2010	29172-76	49 42 000
24-03 2011	10022-28	20 00 000
20-03 2012	11339-45	2 41 22 000
Total		4,48,00,500

The District Sports Council Yamunanagar has reported an expenditure of Rs 220 00 lacs as on 1st November-2012 Except iron fabricating bricks and R C C works thereof of main hall 90% works of bricks and R C C work of structure of multipurpose hall is completed The plaster work of ground floor is completed and plaster work of first floor is in progress Steel railing of spectator gallery and fixing of door and windows is in progress Lying of Kota stone in VIP gallery and spectator gallery will be started in near future Electric painting and sewerage works will be done after R C C bricks and plaster works and installation of main hall roof is expected in the month of April 2013 Due to mining problem the raw material is not easily available so that the work is delayed The work of this project may be completed by December 2013

The Committee desired the department to send the detailed report in this regard to the Committee within a period of one month in which specifically mention the level of the Officers/Officials who were held responsible for this lapse

REVENUE DEPARTMENT

[41] 16 Misappropriations, Losses, defalcations etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 the Department wise break up of pending cases is given in **Appendix XI (A&B)**

Committee observation

As regard misappropriation, losses, defalcations etc in the Revenue Department, the Committee observed that the department has not sent any reply to the Committee even after making requests repeatedly till the drafting of the Report without which the Committee is unable to make its observations in this regard

The Committee took a serious view for not submitting the reply in time The Committee desired to know that these lapses occurred at what stages The Committee, therefore, recommends that circumstances under which delay occurred be examined and responsibility be fixed for the lapse and the Committee be apprised within three months

HEALTH DEPARTMENT

[42] 1 5 5 *Delay in furnishing utilization certificate*

Of 4 396 utilization certificates (UCs) due in respect of grants of loans aggregating Rs 1826 01 crore paid upto 2005 06 2981 UCs for an aggregate amount of Rs 1311 39 crore were in arrears Details of department wise break up of outstanding UCs are given in Appendix VII

The department in its written reply stated as under —

The State Government *vide* letter no 3/25/03 3HBIII dated 4-3 04 sanctioned a sum of Rs 5 00 lacs as grant-in aid to Haryana State Blood Transfusion Council On dated 29 3 04 the same amount was not drawn b this office because of the late receipt of the sanction

The Committee desired that the responsibility of the erring officers/officials be fixed after conducting the inquiry by the department

The Committee also desired that the name and designation of the Sanctioning authority who sanctioned the amount in this case be intimated to the Committee

[43] 1 6 *Misappropriation, losses, defalcations, etc*

The State Government reported 212 cases of misappropriations defalcations *etc* involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department-wise break up of pending cases is given in Appendix XI (A&B)

The department in its written reply stated as under —

In the report of CAG for the year 2006 07 7 cases of misappropriations defalcations *etc* were shown outstanding against the Health Department Out of which the following four cases were settled by the Public Accounts Committee in meeting held on 27-01-04 17 04 07 and 29 04-08

- 1 Defalcations/Anti Reservations Rs 26000 (ESI)
- 2 Loss of Government Rs 11 66 228 62 during Anti Reservation Period (Sirsa)
- 3 Loss/Shortage of store 1 50 070 11 (Sh Sat Parkash Goyal Store Keeper Ambala)
- 4 Theft in PHC Nolta (Panipat)

According to the above mentioned positions the following three cases outstanding against the Heal Department —

- (i) Theft in CHC Ujhana (Jind) Rs 2 02 656
- (ii) Theft of Typewriter from Distt. Malana Officer Panipat
- (iii) Theft of Portable generator in CHC Samalkha

The Public Accounts Committee has desired in the meeting held on 29 04 2008 that after the compliance/decision of the above said cases the final position may please be informed to the committee However the latest position of these cases are as under —

(i) Theft in CHC Ujhana (Jind) Rs 202656

This case pertains to theft of Rs 202 656 in CHC Ujhana Jind on dated 8-3 2001 In this regard three employees who were working in the CHC Ujhana namely Sh Jai Parkash Sh Balbir Singh and Sh Balbir Singh were prima facie found guilty Charge-sheet was served upon these employees under Rule-7 Department appointed an Enquiry Officer to conduct the enquiry in this matter vide Letter No 76/J(79)4EI-2010/2761 dated 11 05-2010 The appointed Enquiry Officer could not conduct the enquiry due to some reasons thereafter that Director General Health Services Haryana appointed another Enquiry Officer Dr J C Garg Dy Director O/o DGHS Haryana vide their letter no 76/J (79)-4EI 2011/5426 date 18-10 2011 Now enquiry is under process In the meantime a court case was filed in the court of Judicial Magistrate 1st Class Narvvana by Sh Jai Parkash Steno CHC Ujhana Jind & others and decision came in favour of above officials on dated 6 1 09 In the last PAC meeting committee desired that the decision of the court may be informed accordingly to the committee Hence Committee is requested to drop the para

(ii) Theft of portable Generator in CRC, Samalkha

This case pertains to theft of Portable Generator in CHC Samalkha Panipat on dated 18 11-03 at the time of the theft the cost of Portable Generator was Rs 14744 The FIR lodged in this case on 9-2 04 Dr S N Dhawan District School Health Officer Panipat had been appointed Enquiry Officer in this case Enquiry Officer conducted enquiry and reported that all officers/officials who were working at CHC Samalkha at that time are responsible for this theft due to their negligence Department has taken action against all the employees except one employee who had already retired Charge sheet were served upon 6 Staff Nurses/ Nursing Sister under rule-8 and from Sh Shiv Pal and Smt Mukta Rani Class IV an amount of Rs 3686 recovered out of total amount of Rs 14744 of the generator Copy of Treasury challan is enclosed Efforts are being made for recovery of the unrecovered amount Para may please be dropped

The Committee desired that intimation be sent to the Committee after written off the said amount by the Government

The Committee desired that the balance outstanding amount may be recovered at the earliest and the Committee be informed accordingly

[44] 4 3 6 Avoidable payment due to non insurance of vehicles

Due to non insurance of Government vehicles as per instructions of Transport Department, the Departments had to pay Rs 16 82 lakh as compensation to accident victims

The Commissioner and Secretary to Government of Haryana Transport Department issued (January 1997) instructions that all Government vehicles should be compulsorily got insured. It was further decided (January 2000) that Government vehicles should invariably be insured against Third Party Risk (TPR)

Test check of records (between October 2005 and July 2006) of three Government offices showed that Government vehicles were not insured against TPR and Government had to pay compensation of Rs 16 82 lakh to the injured persons and next to the kin of the diseased as tabulated below

Brief of the Case	Rupees in lakh
Community Health Centre, Pataudi	
A person lost his eyesight in an accident in February 2001 with a mini bus of the Centre. The MACT awarded (November 2003) compensation of Rs 4 74 lakh plus interest. The compensation was to be paid in equal shares by driver and the Department. The Department accordingly paid (September 2004) Rs 3 09 lakh including interest as its share of compensation.	3 09
Total	3 09

This point was demi officially reported to the Financial Commissioners and Principal Secretaries to Government of Haryana of the Departments concerned in May 2007. Its reply had not been received (August 2007)

The department in its written reply stated as under —

The Government Vehicle bearing No HR55 1187 of CHC Pataudi (Gurgaon) met with an accident on 16 12 2001. Shri Dhiraj Singh Sh Kalu Ram was injured. He filed a Civil Suit in the Motor Accident Claim Tribunal Gurgaon. The Motor Accident Claim Tribunal Gurgaon directed Sh Gahad Singh Driver of above vehicle and to the Department to deposit an amount of Rs 4 73 715 alongwith 9% interest till the payment of compensation is made to the claimant. An appeal MPO No 540/20 was filed by the department in the Hon ble High Court of Punjab & Haryana Chandigarh on 9-1 04. It was dismissed on 1st hearing. Shri Dhiraj S/o Shri Kalu Ram made contempt in the M A C T Gurgaon for non implementation of above order. The Court passed the orders on 13-03 04 that the Account Head of Civil Surgeon Gurgaon may be attached due to non- deposit of the amount in the court till 20 03-2004. Thus the bank draft amounting to Rs 3 09 543 was deposited in favour M A C T Gurgaon and Civil Surgeon's head was got released. It was decided to recover the entire amount of Rs 4 73 71 alongwith interest from Sh Gahad Singh Driver vide letter

No 77/G(45)1 Transport-2005/755 dated 23-02 2005 An amount of Rs 55 100 was also recovered from Sh Gahad Singh Driver In the meanwhile he filed stay application in the Court of Smt Rachna Gupta which was vacated After this he filed an appeal in court of Civil Judge (Junior Divison) Gurgaon The court decided the case in favour of Sh Gahad Singh Driver on dated 28 01 2011 The department filed an appeal in Session Court Gurgaon against the above orders but it was dismissed on 25 10-2011 Since the appeal has been dismissed and L R Haryana has advised that it is not a fit case of RSA further it is stated that Sh Gahad Singh Driver has already expired and no further action could be initiated The para may please be dropped

The Committee recommended that responsibility of the erring officers be fixed togetherwith take action against them and its report be sent to the Committee for information

[45] 4 5 3 *Unauthorised retention of the departmental receipts outside the Consolidated Fund of the State*

By keeping a huge amount of Rs 28 17 crore out of Consolidated Fund of the State, the Department violated the Treasury Rules and general Principles of Budgeting

Treasury Rules provide that all moneys received by or tendered to Government or public moneys raised or received by the State Government shall without undue delay be paid in full into the treasury or into the bank and shall be included in the Consolidated Fund of State No Department of the Government may require that any moneys received by it on account of the revenues of the State be kept out of the Consolidated Fund of State

Test check of records (January December 2005) of the General Hospitals/Community Health Centers and information collected (between May 2006 and June 2007) from the Project Director Sector Investment Programme Panchkula (Director) revealed that the user charges amounting to Rs 28 17 crore received during 16 January 2004 to 31 March 2007 were deposited in the Saving Bank accounts of the District Health and Family Welfare Societies/Swasthya Kalyan Samities instead of depositing into Treasury/Bank

On being pointed out (February 2006) the Director stated (March and August 2006) that the State Government with the concurrence of Finance Department had accorded sanction in January 2004 for retention of user charges for repair maintenance and up keep of health institutions etc The State Government was also requested for issue of amendment as clause (m) under clause (1) of Rule 7 2 of the Punjab Treasury Rules and Subsidiary Rules issued thereunder which was under consideration with the Government The Financial Commissioner and Principal Secretary to Government of Haryana Finance Department while endorsing the views of the Director stated (September 2006) that the process for amendment of Rule 7 2 of Punjab Treasury Rules had been initiated by them

The reply was not acceptable as the sanction of the Health/Finance Department to keep the receipts out of the Government account contravened the provisions of the Treasury

Rules and also did not have the approval of the State Legislature. Insertion of clause (m) under clause (1) of Rule 7 2 of the Punjab Treasury Rules and Subsidiary Rules also would not suffice as these exceptions pertain only to use of departmental receipts for departmental expenditure and do not allow any receipt to be kept out of the Consolidated Fund of the State. Infact the proviso under Rule 7 (2) specifically states that the authority given to appropriate departmental receipts for departmental expenditure shall not be construed as authority to keep the Departmental receipts and expenses defrayed there from outside the account of the payment into and the withdrawals from the Consolidated Fund of the State. Thus retention of Rs 28 17 crore outside the Consolidated Fund of the State was in violation of the basic financial principles laid down in the provisions of the Treasury Rules.

The department in its written reply stated as under —

It is submitted that a Memorandum of Understanding (MOU) was executed between the department of Family Welfare Government of India & Department of Health and family welfare (DoFW) Government of Haryana on 11 8 03 (Annexure A) for the reforms & development of the Health & Family Welfare Sector in the State of Haryana.

The Government of Haryana committed through this MOU to pursue an agreed reform programme in the Health & Family Welfare Sector as set out in Appendix I of MOU. The reform programme inter alia included the provision of Adopting an autonomy package for hospitals including a system of cost recovery through user charges as contained at Sr No -14 of Box-3 relating to components of the proposed reform programme and their key milestones of the said MOU. Accordingly the user charges collected in the health institutions were used by the Swasthya Kalyan Samities constituted at each health institution for modernizing and improving health services. The State Government with the concurrence of the State Finance Department accorded sanction vide its letter No 20/981200 5HB dated 12 8 2003 (Annexure B) for retention of user fee and raising of resources through Grant-in Aid, Donation, Leasing out vacant land in the premises of health institutions etc by Swasthya Kalyan Samities (SKS) in three SIP Project Districts namely Ambala, Karnal and Yamunanagar. It was specifically mentioned in the said sanction that the revenue thus generated will be used by each SKS to upgrade and modernize the health care services and will not be deposited into the Govt treasury.

The scope of retention of user charges by the health institutions was further extended by the State Govt with the concurrence of Finance Department to all the districts of Haryana vide its letter No 3/78/92-3HB III dated 16 1 2004 (Annexure C). This sanction was further revised by State Government vide its letter No 3/28/92 3 HB III dated 16-1-2004 (Annexure-D) where specific objects were determined for utilizing user charges.

To achieve the desired results in the light of Government sanctions mentioned above, all the Civil Surgeons were asked vide letter No EC SIP/2004 69 dated 28 4-2004 (Annexure E) that the revenue thus generated may be used by the Swasthya Kalyan Samities to upgrade & modernize the health care services by

adopting both long and short term strategies. They were also directed to gainfully utilize the user charges so collected at SKS level to improve the health care services.

Since the user charges as per Government sanctions were not required to be deposited into Government Treasury, the District Health and Family Welfare Societies and SKSs were constituted by the field functionaries of the Health Department to collect, deposit and utilize the user charges. The main objective of these Societies was to act as an entity facilitating the flow of funds relatively free of the rigid Government financial procedures and for undertaking activities proposed by it and approved by the competent authority. Therefore, for proper custody of the funds, there was no other alternative except the opening of Saving Accounts in the banks by them.

It is also submitted that there has been no State funding for the activities being undertaken by the SKSs to modernize and to improve the existing healthcare facilities in the State.

Similar procedure, as above adopted by Haryana Government, has been adopted by other State Governments such as Punjab, Orissa, Bihar and Rajasthan etc. to improve their healthcare facilities and to obtain Grant in Aid from the Govt. of India through European Commission.

The State Government in exercise of the powers conferred by clause (2) of Article 283 of the Constitution of India, have made the following amendment under Rule 7(2) of Punjab Treasury Rules and Subsidiary Treasury Rule made thereunder in the Punjab Treasury Rules and Subsidiary Treasury rules Volume-I *vide* its notification No. 2/5/2006 4FR dated 31.8.2007 (Annexure F).

- (m) In the case of user fee collected by health institutions including raising of resources through grant-in aid, donations, leasing out vacant land in the premises of health institutions.

Keeping in view the above amendment in the Punjab Treasury Rules and Subsidiary Treasury rules Volume I under Article 283 of the Constitution of India, direct appropriation of departmental receipts for departmental expenditure is authorized. Therefore, all the receipts of user charges being collected by the health institutions are being placed with the Swasthya Kalyan Samities constituted at each health institution in the State for improving health services in the Health Department.

It would not be out of place to mention here that all the financial and administrative notifications and amendments issued by the State Government under financial and service rules in exercise of the various articles of the Constitution of India are being considered valid for all intents and purposes. Therefore, the above notification regarding user charges issued by the State Government is valid for direct appropriation of departmental receipts for departmental expenditure. Therefore, no deviation of financial rules as contained in Punjab Financial Rules and Punjab State Treasury Rules have been made for depositing the user charges.

in the Saving Bank Accounts with the banks by of District Health and Family Welfare Societies & Swasthya Kalyan Samities for meeting the expenditure on the objects stipulated by the Government for improving the quality of health services in the State

In view of position explained above it is requested that para 4.5.3 of the Report of Comptroller and Auditor General of India (Civil) for the year 2007-08 may please be dropped

The Committee recommends that the Finance Department may fix a meeting for settlement of the case with the Principal Accountant General (Audit) Office and progress report be sent to the Committee

[46] 4.6.1 Non responsiveness to audit findings and observations resulting in erosion of accountability

After periodical inspection of the Government Departments Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the heads of offices audited with a copy to the next higher authorities. The executive authorities are to rectify promptly the defects and omissions pointed out and report compliance to the AG within six weeks. A half yearly report of IRs pending for more than six months is also sent to the concerned Administrative Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

A review of IRs issued upto March 2007 of various offices of 19 districts and 5 miscellaneous offices of Health Department disclosed that 1336 paragraphs of 701 IRs (*Appendix XIX*) remained outstanding at the end of June 2007. Of these 292 IRs containing 438 paragraphs were more than 5 years old.

The Administrative Secretary of the Department who was informed of the position through half yearly reports failed to ensure prompt and timely action by the departmental officers. Out of total irregularities of Rs 56.41 crore as detailed in *Appendix XX* which had not been settled as on 30 June 2007 serious irregularities such as non recovery/short recovery of excess payment of pay and allowances, amount of sale of land, interest, etc. and outstanding recovery of loan/seed and margin money, etc. were for Rs 2.21 crore.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana Health Department in May 2007. Reply had not been received (August 2007).

The department in its written reply stated as under —

Against 701 inspection reports and 1336 paras shown outstanding against Health Department during 2006-07, 288 inspection reports and 533 paras have been shown pending up to 31.3.07 as per D.O. letter no. SS (vt I)/O/S Paras/2012-12/152-153 dated 14.6.12 of A.G. Haryana. Out of this 76 inspection reports and 105 paras have been shown pending for more than 5 years against 292 IRs and 438 paras vide the above said letter of A.G. Haryana. From this it will infer that sufficient paras for more than 5 years have been settled.

In order to settle all the pending IRs and Paras a meeting of all the Civil Surgeons of Haryana was conducted under the chairmanship of DGHS and they were directed to get settled all pending paras expeditiously resulting settlement of 200 more outstanding paras in the field. Directions are also given to Civil Surgeons in the Civil Surgeon Conference from time to time to expedite the settlement of paras. The efforts made by the account branch of DGHS office resulted in dropping about 200 paras. Now a committee has been constituted to settle outstanding paras under Accounts Officer in a time bound manner. Quarterly meetings if agreed by A G Haryana will be held with him to settle these paras.

A G Haryana (Audit) is being requested separately to arrange special meeting to settle the pending paras.

The Committee recommends that the department may fix a meeting for settlement of the pending paras with the Principal Accountant General (Audit) Office under intimation to the Committee within a period of three months

[47] 4.6.2 Follow up on Audit Reports

According to the instructions issued (Oct 1995) by the Finance Department and reiterated in March 1997 and July 2001 the Administrative Departments were to initiate suo moto positive and concrete action on all Audit Paragraphs and reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases were taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes duly vetted by audit indicating the remedial action taken or proposed to be taken by them within 3 months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ended 31 March 2007 revealed that the ARs for the period 2003-06 were presented to State Legislature in February 2004, March 2005, March 2006 and March 2007 respectively. Of the 118 paragraphs and reviews of 28 Administrative Departments included in ARs 2003-06, 19 Administrative Departments had not submitted the ATNs on 53 paragraphs and reviews as per details given in Appendix XXI. Six Administrative Departments out of those who have submitted the ATNs have not taken any action to recover the amount of Rs. 207.99 crore in respect of 10 paragraphs and reviews as per details given in the Appendix XXII.

The department in its written reply stated as under —

In the report of C A G for the year 2006-07 in Appendix XXI of this report one para No. 4.2.5 for the year 2005-06 was shown against medical department. In this regard it is informed that the above said para was settled by the PAC in the meeting held on 29-4-08.

The Committee desired that the department may fix the special meeting for the settlement of these pending cases with the Principal Accountant General (Audit) Office under intimation to the Committee within a period of three months

INDUSTRIES DEPARTMENT

[48] 1 5 7 Abstract of performance of the autonomous bodies

The audit of accounts of eight bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit rendering of accounts to audit issuance of Separate Audit Report and its placement in the Legislature is indicated in Appendix IX

The department in its written reply stated as under —

It is intimated that accounts up to the year 2003 04 & 2004 05 have already been placed in Haryana Vidhan Sabha. The accounts for the year 2005 06 to 2009 10 have been prepared and the same have been submitted to A G Haryana for Auditing. It is conceded that the backlog was inexplicable and hence taking stock of this pendency the displeasure of the Government has been conveyed through letter no 8558 A dated 11 07 2011 to the Board. The Board has been given one year's time to finalise the accounts and bring the same up to date.

Keeping in view the reply the Committee is requested to consider dropping the audit para.

The Committee desired that the Board should finalize the accounts in question within the given stipulated period of one year's time and bring the same upto date and inform the Committee after auditing it from the Principal Accountant General (Audit) Office.

[49] 5 1 5 Compliance with State Financial Rules and instructions in the Budget Manual

5 1 5 1 Budget provision and expenditure

Details of budget estimates revised estimates and expenditure under plan and non plan during 2002 07 were as under:

year	Budget estimates (BE)		Revised estimates (RE)		Expenditure		Percentage of excess/less expenditure with respect to BE		Percentage of excess/less expenditure with respect to RE	
	Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan
(Rupees in crore)										
2002 03	9 92	5 55	11 66	6 98	11 14	6 95	(+) 12	(+) 25	() 4	
2003 04	11 46	5 40	9 96	5 49	8 79	5 44	() 23	(+) 1	() 12	() 1
2004 05	10 38	5 26	30 75	5 65	26 45	5 74	(+) 155	(+) 9	() 14	(+) 2
2005 06	34 84	5 66	90 82	5 92	88 77	5 84	(+) 155	(+) 3	() 2	() 1
2006 07	41 09	5 90	140 89	6 24	136 60	6 30	(+) 232	(+) 7	() 3	(+) 1
Total	107 69	27 77	284 08	30 28	271 75	30 27	152	9	() 4	

Note Figures for the year 2006 07 are provisional

Wide variations between original budget estimates and actual expenditure during 2004 07 under plan schemes indicate that the budget was not being prepared on realistic basis

The Director stated (April 2007) that supplementary provisions were made during 2004 07 for discharging the liabilities of capital investment subsidy and subsidy on purchase of generating sets and to make payment to land owners whose land was acquired for construction of Express Highway Project. The reply was not tenable as subsidy on capital investment and generating sets had been pending since 1995 96. According to Budget Manual (Paragraphs 12 11 to 12 16) each disbursing officer was to maintain a Liability Register details of which were to be sent to the controlling officer to facilitate him in the preparation of correct budget estimates. However no such Liability Register was maintained in the Department and provision for these liabilities could not be made in the original budget estimates. Further provision was not made in the original budget for payment of land compensation though land acquisition proceedings were in process in the Department. Thus due to non maintenance of Liability Register the Department could not factor these elements in the budget which resulted in wide variation between budget projections and actual expenditure.

The department in its written reply stated as under —

As per the figures shown in the para there is a saving of 4% in Plan & Non Plan expenditure and the same is very nominal variation. Therefore the Committee is requested to consider dropping the audit para

The Committee desired that the department should develop a system so that the budget estimates may be prepared in a more realistic manner. The Committee desired that steps taken in this regard be intimated to the Committee

PRINTING & STATIONERY DEPARTMENT

[50] 1 7 2 1 Departmental Commercial Undertakings

Activities of quasi commercial nature are performed by the departmental undertakings of certain Government Departments. These undertakings are required to prepare annual Proforma accounts in the prescribed format showing the results of financial operations so that the Government can assess the results of their working.

As of March 2007 there were six undertakings/schemes in which Government of Haryana had invested Rupees 1 684 54 crore at the end of the financial year up to which their accounts were completed. Department wise position of arrears in preparation of proforma accounts and the investment made by the Government is given in **Appendix XII**.

The department in its written reply stated as under —

Proforma Accounts for the year 2003 04 has already been passed by A G Haryana Chandigarh vide letter No 24 25 dated 10-5 2006. Proforma Accounts for the year 2004 05 has also been passed by A G Haryana Chandigarh vide letter No 78 79 dated 4-1 2008. Proforma Accounts for 2005 06 is being prepared and the same will be sent to A G Haryana Chandigarh very soon.

In view of position explained above it is therefore requested that para may be dropped.

The Committee desired that the proforma accounts for the year 2005 06 and 2006 07 may be prepared at the earliest and after getting its approval from the office of the Principal Accountant General (Audit), Haryana, may be informed to the Committee within the stipulated period of three months.

ANIMAL HUSBANDRY DEPARTMENT

[51] 1 6 Misappropriation, losses, defalcations, etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crores upto the period March 2007 on which final action was pending at the end of June 2007 The department wise break up of pending cases is given in **Appendix XI A & B**

The department in its written reply stated as under —

In reply to the CAG para 1 6 it is submitted that out of the total 212 cases of theft mis appropriation loss of Government material 2 No cases of theft for Rs 2 93 lakh and 3 No cases of mis appropriation for Rs 0 83 lacs pertains to Animal Husbandry Department and one No case for Rs 6 50 lacs pertains to Cattle Fair Office Rohtak The case wise position is as under —

Looting of cash Cattle fair office Rohtak amounting to Rs 6,50,000/-

In this regard it is submitted that cattle fair office is functioning under Director Panchyati Raj The Sub para pertains Panchyati Raj Hence PAC is requested to remove the para from the records and transfer it to Director Panchyati Raj

The Committee desired that the department may inform the Director, Panchayati Raj to send the reply of the case in question to the PAC at the earliest and also inform the action taken by the Department in this regard sofar

WOMEN & CHILD DEVELOPMENT DEPARTMENT

[52] 16 Misappropriation, losses defalcations etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore upto the period March 2007 on which final action was pending at the end of June 2007 The department wise break up of pending cases is given in **Appendix XI (A&B)**

The department in its written reply stated as under —

On dated 21-1 1996 a theft of Rs 12 100/- was committed in the office of CDPO Alewa After inquiring the matter an FIR was lodged on 7-3 1996 against Sh Karambir Singh Peon The department charge sheeted Sh Karambir Singh Peon as well as Sh Amar Singh Nagoria Assistant (Retd) under Rule 7 for this theft and the inquiry was conducted by Sh O P Garg Accounts Officer (Retd) who held Sh Amar Singh Nagoria Assistant (Retd) as guilty and having committed the offence Sh Amar Singh Nagoria Assistant (Retd) also accepted his fault before the Police but later on he retraced from his statement and tried to allege the Peon The Hon ble Court or Civil Judge Jind also acquitted Sh Karambir Singh Peon of all the charges while pronouncing the decision against the FIR lodged on dated 12-11-2002 On the basis or findings of the inquiry report and the decision of the Hon ble Court Sh Amar Singh Nagoria Assistant (Retd) was asked to deposit Rs 12 100 and punishment of stopping of two annual increment with cumulative effect was awarded to him vide department letter No 38115 dated 13-11 2003 The official informed the department vide his letter dated 22-3 2004 that he had filed a CWP No 12539 of 2003 in the Hon ble High Court and further requested the department to defer the decision of recovery of Rs 12 100 till the decision of the Hon ble High Court However the case was dismissed by the Hon ble High Court on 6 2-2004

Since the official remained controversial during his entire service therefore he was compulsorily retired on 31-12 2005 by not granting extension in service beyond 55 years after giving a three months notice Therefore official did not deposit the amount of Rs 12 100/- after decision of the Court and with reference to orders of the department dated 13-11-2003 The department vide its letter dated 17 11-2008 directed the official to deposit the amount within 15 days Further another reminder was sent to Child Development Project Officer Hansi on 20 12 2008 asking her to deliver the letter personally to the official but no reply has been received from the official so far The official refused to accept the letter written to the concerned CDPO has informed the department that no dues of the official are pending The

department has also confirmed this fact from the office of Accountant General Haryana who has further informed that withheld gratuity of official has also been released on receipt of a request of the official directly and no dues are outstanding. Accountant General Haryana has also informed that recovery can be effected out of the DA admissible on pension from a retired official. The matter is being taken up with the concerned Treasury Officer for effecting recovery from DA.

The Committee desired that the department should proceed in the matter administratively and sincere and vigorous efforts should be made to recover the amount under intimation to the Committee

DEVELOPMENT AND PANCHAYAT DEPARTMENT

[53] 1 5 5 Delay in furnishing utilisation certificates

Of the 4 396 utilisation certificates (UCs) due in respect of grants and loans aggregating Rs 1 826 01 crore paid upto 2005 06 2 981 UCs for an aggregate amount of Rs 1 311 39 crore were in arrears Details of department-wise break up of outstanding UCs are given in **Appendix VII**

The department in its written reply stated as under —

The figure of pendency pertains to 24 departments The position of pending UCs of Development & Panchayat department is as under —

Rupees in Lac

Year	UCs shown pending in CAG report 2007	UCs sent to AG	UCs pending at present
2002-03	502 06	502 06	Nil (The matter in respect of 2002-03 had been dropped in PAC meeting held on 21 07 2009)
2003 04	10095 18	3171 65	6923 53
2004 05	6884 90	1653 62	5231 28
2005 06	15811 82	5695 98	10115 84
Total	33293 96	11023 31	22270 65

The above table shows that out of pending UCs amounting to Rs 3293 96 UCs worth Rs 11023 31 have been sent to AG Haryana and efforts are being made to clear the pending UCs

The Committee observed that this para is regarding nonfurnishing 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 department 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

FISHERIES DEPARTMENT

[54] 1 5 6 Non Submission of Accounts

In order to Identify the Institutions which attract audit under Section 14 and 15 of the Comptroller and Auditor General s (Duties Powers and Conditions of Service) Act 1971 the Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions the purpose of assistance granted and the total expenditure of the institutions

The accounts of 76 bodies/authorities which were received for the year 2005 06 attracted audit by Comptroller and Auditor General of India All of these 76 bodies/authorities audit of which was due were audited during 2006 07

Three hundred and fifty annual accounts of 114 autonomous bodies/authorities for 2006 07 and earlier years had not been received as of July 2007 by the Accountant General (Audit) The details are given in **Appendix VIII** Of these bodies/authorities 22 Municipal Committees and three Aided Colleges did not submit their accounts for five years or more

The department in its written reply stated as under —

Sr No	Name of the body/Authority	Year for which Account had not been received	Grant received (Rs in lakh)
65	Fish Farmers Development Agency Gurgaon	2000-01	45 85
72	Fish Farmers Development Agency Hisar	2005 06	42 54

The grant of Rs 28 22 lakh was released to Fish Farmers Development Agency Gurgaon against which Rs 24 60 453/- was utilized by the Fish Farmers Development Agency Gurgaon in the year 2000 01 and remaining amount of Rs 3 561 547/- was utilized during the year 2001-02 Accounts and Utilization Certificate communicated to Accountant General Haryana So para may be dropped please

Total Grant of Rs 42 54 lakh was released to Fish Farmers Development Agency Hisar for the year 2005 06 which was spent by Agency in the 2005 06 Accounts and Utilization Certificate communicated to Accountant General (Audit) Haryana vide letter No PA I-2007/11463 dated 13 6 2007 (copy of letter is also attached) So para may be dropped please

The Committee desired the department to send the details of the Utilization Certificates submitted to the office of Accountant General (Audit), Haryana under intimation to the Committee

PUBLIC RELATIONS DEPARTMENT

[55] 16 Misappropriation losses defalcations, etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department wise break up of pending cases is given in **Appendix XI (A&B)**

The department in its written reply stated as under —

Theft of Vehicle

Information of theft Vehicle No HR 26AC 0288 costing Rs 423381 was sent to the Government and Accountant General (A & E) on 8 9 2006 (copy enclosed)

The Vehicle No HR 26AC 0288 was stolen from House No 873 Sector 3 Rewari Residence of Sh S K Joshi (Deputy Director) Enquiry is in Progress

Theft of Pipe

The office of DPRO Kurukshetra had informed about the theft of 18 feet long pipe vide his letter No LSK 06/898 dated 24 08 06 with a copy of F I R It was informed to the DPRO vide Headquarters letter No LSVH (Technical) 2006/22069 dated 28 08 06 (copy enclosed) that the cases of theft of more than Rs 250 are necessary to inform to the office of A G Haryana Accordingly reply was sent to A G office by the DPRO Kurukshetra vide his letter No LKS 07/ dated 13 02 07 (copy enclosed)

The Committee desired that the department should complete the enquiry at the earliest and its latest position be informed to the Committee accordingly

In view of the matter, the Committee desired that as and when the court decides the case it may be informed to the Committee alongwith the latest position of recovery at that time

RURAL DEVELOPMENT DEPARTMENT

[56] 6 1 11/4 6 2 *Allotment of houses to ineligible families*

On receipt of complaints about allotment of houses to 19 ineligible persons in Faridabad and Yamunanagar districts ADCs directed (between August 2000 and May 2001) the BDPOs to recover Rs 3 20 lakh from these ineligible persons and fix responsibility Rs 1 33 lakh had been recovered from 12 persons but no action was taken against the defaulting officials as of May 2002

The department in its written reply stated as under —

Regarding this para it is informed that oral examination of this C & AG paras has already been done by the Public Accounts Committee in its meeting held on 24-04 2007 Now this C&AG para has been converted into PAC Para and published in the PAC report for the year 2007-08 as Paras No 15 titled Allotment of houses to ineligible families Two districts are involved in this para i e Fandabad and yamunanagar The latest position in respect of both the districts is as follow —

Faridabad

DRAD Fandabad (Now Palwal) has been asked to recover the outstanding amount of Rs 1 40 lacs immediately from ineligible families A court case pending against the recovery No stay has been granted by the Hon ble court

The Committee desired that strenuous efforts should be made to recover the outstanding amount of Rs 1 40 lacs immediately under intimation to the Committee

TECHNICAL EDUCATION DEPARTMENT

[57] 16 Misappropriation losses defalcations etc

The State Government reported 212 cases of misappropriations defalcations etc involving Government money amounting to Rs 1 96 crore up to the period March 2007 on which final action was pending at the end of June 2007 The department-wise break up of pending cases is given in **Appendix XI (A&B)**

The department in its written reply stated as under —

Theft of Computer (Loss of Rs 0 93 lacs)

In this connection it is intimated that the following items have been stolen by some one from the Lab of Mech Engg Department of C R State College of Engg Murthal during the night of 19 8 98 & 20 8 98 —

- (a) Computer AT 386-4MB RAM 2HDD with mouse and monitor
- (b) Co-processor-387
- (c) One high performance dated acquisition card with DIO & timer PCL 206
One printer HP Laser Jet-6P

The cost of the computer and other stolen items was Rs 92674/ An FIR regarding theft of above computer items was lodged by the Director/Principal C R State College of Engg Murthal on 20 8 98 u/s 457/380/FIR The Supdt of police vide his letter No 21559 dated 18 10 2000 reported the case as untraced To inquire into the matter at departmental level Sh Naveen Rajpal Asstt Prof Computer Science & Engg was appointed as Enquiry Officer by the Director Principal C R State College of Engg Murthal vide his office order No 469 dated 4 9 98 The Inquiry Officer held Sh Jai Singh & Sh Balbir Singh Chowkidars on duty responsible for the loss due to negligence in performance of their duty Hence both the Chowkidars were chargesheeted under rule 8 of Haryana Civil Services(Punishment & Appeal Rules 1987) by the Director/Principal C R State College of Engg Murthal On receipt of reply to the chargesheet from Sh Jai Singh Chowkidar orders were passed by the Director/Principal C R State College of Engg Murthal for the recovery of Rs 46337 (50% of the cost of theft items) vide his office order No 53 dated 16-1 2001 1st installment of Rs 1500 was recovered from the salary of Sh Jai Singh But in the mean while the official had filed a civil suit in the Civil Court at Sonapat and the Hon ble Court granted the stay orders on the recovery ordered by the Director/Principal C R State College of Engg Murthal

Other delinquent Chowkidar Sh Balbir Singh had also filed civil suit in the Court at Sonapat before starting the recovery and in his case the Hon ble Court has allowed status quo on 20 12-2000 However the Hon ble Court has passed the final orders on 16 3 2007 with the direction that the inquiry report may be disposed off within 3 months In view of these orders the recovery of half of the amount i e Rs 46337 has been recovered out of the withheld amount of leave encashment of late Sh Balbir Singh Chowkidar

The amount of Rs 1500 had been recovered from the salary of Sh Jai Singh Ex Chowkidar and Rs 44837 has been withheld from his leave encashment till the final decision of the court case. The court cases are still under consideration in the Hon ble Court at Sonapat. The next date of hearing of court cases of late Sh Balbir Singh Chowkidar and Sh Jai Singh Ex Chowkidar are fixed for 1-5-2008 & 5-5 2008 respectively.

2 Embezzlement case of Rs 1138210 52, G P Jhajar

In this connection it is intimated that a fraud/theft was taken place at Govt Poly Jhajar. Sh Sunil Kumar Cashier committed the embezzlement during the month of Feb and March 2001 involving loss of Rs 1138210 52. Sh Sunil Kumar cashier was placed under suspension by the department on 26-4-01 and till date he is still under suspension. An FIR was also lodged with the police station Jhajar vide FR No 171 dated 17-4-2001 (copy of FIR is enclosed (Annexure-A)). Accordingly he was arrested by the police and challan was prepared on 14-6-2000 and the same was placed before the concerned court. The official surrendered before the court on 23-4-2001. Apart from this the delinquent official has been charge sheeted by the department under Rule 7 of Punishment and Appeal Rules 1987 vide order No 137 dated 8-1-2002. In addition to this it is also intimated that the department recommended to Government to chargesheet Sh V S Aggarwal the then officiating Principal/Drawing and Disbursing under Rule-7 of Punishment & Appeal Rules. The draft charge sheet was sent to Govt but the Govt has referred the matter to Vigilance Department for investigation. The report of the Vigilance Department is still awaited. Further action in the matter will be taken on receipt of report of the Vigilance Department and decision by the concerned Court. Sh V S Aggarwal has taken voluntary retirement from Govt service and the Govt after considering the matter has decided to release all the pensionary benefits to Sh V S Aggarwal.

In addition to this it is also submitted that the police recovered a sum of Rs 1 00 lac from Sh Sunil Kumar Cashier and the same is lying under the custody of Police since then. It is further intimated that litigation titled as State Vs Sunil Kumar Cashier (under suspension) on account of embezzlement of Govt money of Rs 1138210 52 is lying before the Hon ble Court of Civil Judge (Sr Division) 1st Class Jhajar for persecution witness. The case came up for hearing on 11-4-08 and the same has been adjourned to 18-7-08. It is further submitted that the concerned employee is still under suspension and is getting subsistence allowance as per rules.

3 Theft in the Computer Lab at G.P Sonapat (Loss of Rs 61000/-)

In this connection it is intimated that part of 13 computers of Govt Poly Sonapat were stolen from the Computer Lab on 21-5-2002. The matter was referred to Supdt and SHO Civil Line Sonapat by the Principal of the Institute for lodging an FIR on the same date. The inquiry was made by the police from Chowkidars and staff members but nothing could be sorted out. FIR was lodged by the police on 12-6-2002. However final finding/report for the police is still awaited. The Principal G.P Sonapat has again requested the SHO Civil Lines Sonapat to intimate the latest position of the case. The SHO has informed on 9-5-2007 that on clue found with regard to stolen material in spite of best efforts made by them. The report with this effect has been written on 11-9-2002. If any clue with regard to stolen material discovered further inquiry will be made and report will be submitted.

To enquire into matter the Principal of the Institute constituted a committee *vide* his office order No 192 dated 22 5 2002. The report of the committee alongwith the statement of Chowkidar is enclosed (Annexure B). The inquiry committee in its finding/report has concluded that it could not be established during which time the theft taken place. However the committee observed that the theft was taken place due to negligence on the part of Chowkidars. It has suggested by the committee that in case the police failed to locate the stolen item the loss caused due to theft may be made good from the concerned Chowkidars. In addition to this the Directorate has also deputed Sh K M Nath Principal *vide* latter No 2237/Dev dated 5 8 2012 to enquire into the matter. The report submitted by Sh K M Nath on 4 9 2002 is attached as Annexure B. In the Conclusion it has been stated that the theft of parts of the computers clearly indicates that the thieves knew the job of disassembling the computers. They can be ex students or present student of the institute or if they were outsiders might have taken the help of such students who knew where these computers were installed. They were also conversant that the majority of the staff being occupied with State board Examination they could do the stealing material without being notified by the members of the staff. Involvement of some staff member(s) in this theft can not be ruled out as all these factors cannot be in the knowledge of outsider and student without any back from some staff members cannot dare to perform such all act. It has also been suggested by him that the police authority should be requested to investigate the matter thoroughly. Accordingly Supdt of Police Sonapat was requested *vide* this office memo No 125/Dev dated 27-1 2003 to investigate the matter vigorously to find out the culprits. However as per police report nobody is held responsible and the material has been reported as untraced.

Keeping in view the above position State Govt was requested to write off the loss of Rs 61000. However the State Govt *vide* their memo no 44/97/03 5TE dated 17/19 12 2007 has informed that the matter may be sent to Govt for consideration after the report/recommendations of the PAC. Hence the matter will be referred to Govt on receipt of the final findings of the PAC.

4 Theft of CPU Board and Printer at Govt Poly Jhajar Loss of Rs 57433

In this connection it is intimated that CPU Key Board and Printer were stolen from CDC office New Teaching Block Govt Poly Jhajar stolen between 2 00 P M of 5 10-2001 to 9 00 A M of 8 10 2001 by cutting grills and wiremesh fitted in the Window. The matter was enquired into by the Principal and as per the inquiry report the Chowkidar were being changed from shift to shift during this period. None of the Chowkidar could listen the sound/noise of cutting the grills and wiremesh from the window of CDC office. Obviously it might have taken lot of time to cut the iron grills. This indicates that the Chowkidars were not serious in performance of their duties. The Principal could not be judge the actual culprit. During the period from 5 10 2001 to 8 10-2001 four Chowkidars were on duty. Therefore it was decided to chargesheet the said Chowkidars under rule 8 of Punishment & Appeal Rules and it was decided by this office to recover the amount of Rs 57430 from the defaulting officials.

Department enquiry committee constituted to investigate the facts of the alleged theft of computer components in the CDC cell of this institution during the period of chowkidars namely S/Sh Bhim Singh Daya Nand Gaze Singh & Remeshwar. As per findings of the in house committee all the 4 Nos Chowkidars on duties found irregular reluctance negligent in performing their duty carefully & properly which is of significant nature. As a result of findings

it was decided to recover the amount of alleged theft of computer components of CDC cell Recovery from the Chowkidars in whose duty period the alleged theft took place was commenced from their salary @ Rs 1000 PM and a sum of Rs 28 000 has been recovered out of total loss worth Rs 57 433 But the said Chowkidars has filed a litigation in the Hon ble Civil Court Jhajjar against the recovery of alleged theft The Hon ble Court granted stay against the recovery & at last they succeed in their litigation i.e. to say the Hon ble Court has decided the case in their favour on dated 31-10-05 How the draft has filed an appeal in the Hon ble Distt Court Jhajjar against the judgment passed by Hon ble Court of Civil Judge (Sr Divn) Jhajjar The appeal came up for hearing on 17-11-07 the Hon ble Appellate Court after considering the matter upheld the decision of the Lower Court and dismissed the appeal with no order as to cost The concerned Principal has obtained the advise the District Attorney Jhajjar as to whether the present case is fit for filing an appeal in the Hon ble Pb & Hr High Court However the District Attorney Jhajjar has advised that no further action is required to be taken for filing the appeal in the Hon ble High Court The legal remembrancer and Secy to Govt Haryana has also given similar views vide his memo No 7482/CO 37(174) 2002 dated 20-12-07 and opined that it is not a fit case for filing RSA

The Principal has further informed that now all the Chowkidars have been retired after attaining the age of superannuation but balance recovery of Rs 29433 is still pending due to the decision in favour of the plaintiff and dismissal of appeal filed by the Principal However the Principal has not issued LPC and no due certificate in respect of S/Sh Bhim Singh Dayanand and Rameshwar Chowkidars In view of the fact that the appeal has been rejected by the Appellate Court and the LR has opined that it is not a fit case for filing appeal the aspect for getting the loss written off with the orders of competent authority is under the consideration of the department and the position with regard to next course of action to be taken will be intimated later on

5 Theft from Computer Lab at Govt Poly Jhajjar Loss of Rs 6,51,515

In his connection it is intimated that Principal Govt Poly Jhajjar informed that the theft of computer items resulting loss of Rs 6 51 515/- taken place on 21-9-2002 (9 00 PM) to 22-9-2002 (5 00 AM) The list of computer items stolen is enclosed as Annexure C The FIR to this effect was lodged by the Principal on 22-9-2002 with police and findings of the police is still awaited As per reply received from the police department a challan in the said theft was prepared on 12-9-03 and submitted in the Hon ble Court on 18-9-03 Findings of the Hon ble Civil Court Jhajjar is still pending in the matter

The matter was also enquired into departmentally by constituting a committee of three officers by the Principal The report of the said committee is enclosed Annexure-D The committee has concluded that enormity of theft is such that the thieves must have stayed at the site for atleast three-four hours to accomplish this task Sh Rameshwar Dayal Chowkidar was on duty during the period (21-9-2002 9 00 PM to 22-9-2002 5 00 AM) and the committee held this official responsible for this act The committee recommend for taking disciplinary action against him

6 Theft from Computer Lab at Govt Poly Hisar Loss of Rs 13275

The Principal of the Institute has informed that a theft had occurred in computer Lab of his Institute on 10-5-2000 the total cost of the items stolen was Rs 32760 and the depreciation

value of the same was Rs 13275 which was calculated by Sh Subhash Chander Lect Mech Engg according to the Indian Motor Tariff rules. The information of the loss was sent to the A G Haryana by the Principal and FIR No 297 dated 13 5 2000 under Section 379 Was also registered at Police station Hisar. However as reported by the Principal inspite of the best efforts by the Police the stolen material could not be recovered. A committee was also constituted by the Principal at the institution level to enquire into the matter. During inquiry no one had been held responsible for the loss. According to Principal no officer/official is responsible directly or indirectly for this lapse. Therefore the loss has not been made good and the matter has been referred to Govt. for written off the loss.

7 Theft in Computer Centre at VTI Rohtak Rs 2,35,333

Major Computer items etc worth Rs 2 35 333/ were reported to be taken away by some unknown persons from the Computer Centre on the intervening night of 23 24 April 2002. A FIR was lodged in the police on 24 4-2002 and the Police as reported that the theft is untraceable. S/Sh Bajrang Lal and Ishwar Singh Chowkidars who were on duty on that night were suspended on 29 4 2002 by the institution and reinstated on 29-3 2003 without prejudice to the disciplinary proceedings by the Institution. Intimation was also sent to A G Haryana by the Principal vide his letter No 2391 92 dated 29-3 2003.

As per direction given by this office an enquiry committee was constituted for the purpose and on the basis of inquiry report following penalties/punishment were inflicted to the concerned Chowkidars

- 1 Penalty of stoppage of two increments without future effect
- 2 To recover 50% cost of the theft i.e Rs 1 17 666/ each @ 1/3 salary per month
- 3 Suspension was treated as non duty for all purposes in respect of the concerned Chowkidars

The recovery is being effect @ of 1/3rd salary per month by the Principal and a total of Rs 97746 have been recovered from Sh Bajrang Lal and Rs 90270 from Sh Ishwar Singh Chowkidar upto the salary of February 2008 who were on duty on that night as Chowkidar when major components etc worth Rs 235333 were reported to be taken away by some unknown persons from the computer center on the intervening night on 23/24-4 2002.

However the case of Sh Ishwar Singh Chowkidar is sub juice as he filed a civil suit in the Hon ble Additional Session court Rohtak and Hon ble Court has not granted any stay against recovery.

8 Theft in store of Community Development Centre at K C GPW Ambala City

The Principal of KC GPW Ambala City has informed that the charge of the store of Community Development Centre was with Sh Balak Ram Ex Workshop Instructor who reported the theft in the CDC store on 23 5 2008. Accordingly on the basis of this report a committee of three officers/officials was constituted by the Principal. Thereafter information was also sent to police Chowki Ambala City by the Principal vide letter No 3510 dated 24 6-2003 for lodging FIR. After the transfer of Sh Balak Ram the charge of CDC store was given to

Sh Neb Singh Assistant After taking over the charge by sh Neb Singh another theft took place in the store of CDC on 7 8 2003 The FIR of the said theft was lodged with the police station Baldev Nagar Ambala City vide FIR No 25R dated 15 8 2003 The details of item stolen is given below —

1	Ceiling fan size 48 (6 No)	Rs	6180
2	New facit type writer (16 No)	Rs	67087
3	Plastic Chairs (70 Nos)	Rs	24307
	Total	Rs	97625

The police caught the thieves They recovered the stolen material and the same was deposited in the account of the police The details of the items recovered by the police is given below —

1	Plastic Chairs (51 Nos)	Rs	17748
2	Type writer Machine(6 No)	Rs	21530
	Total	Rs	39278

After arresting the culprit by the police filed challen in the court on 15 10 2003 The recovered material has been handed over to the Principal/institution through court The details of the unrecovered material and the delinquent officials is given below —

Sr No	Name of official	Particulars of the item	Cost of the item
1	Sh Sukhdev Ex Foreman Instructor	4 type writer Machine	9056
2	Sh Balak Ram Ex Foreman Instructor	4 type writer Machine	24333
		5 ceiling fan	5150
3	Sh Nab Singh Assistant	2 type writer Machine	121166
		1 ceiling fan	1030
		19-chairs	6612
		Total	58347

The matter is still pending in the Hon ble Court The officials at Sr No 1 & 2 namely Sh Sukhdev Ex Foreman Instructor and Sh Balak Ram Ex-Foremen Instructor have since been retired from Govt service The amount outstanding against them has been withheld out of their gratuity till the final decision s taken by the Hon ble Court

9 Theft at AVR at GPW Faridabad Rs 8000

In this connection it is intimated that the Principal Govt Poly Faridabad has sent intimation vide letter No 6177 dated 13-4 2001 to police station intimating the theft of automatic voltage regulator of generator set was stolen The copy of the FIR is enclosed A committee was constituted by the Principal vide office order No 658 dated 4 9 2001 to enquire into the theft of AVR from diesel generator set installed outside administrative block of the institute

The committee concluded that the gun set installed outside administrative block remain non functional after final testing on 8 8 2000 as electrical control panels were not there and the enclosure housing the gunset remain lock After final testing the temporary connection were removed by the technician of the supplier From the statements of Sh B R Bajaj chairman Inspection Installation Committee and Sh B K Chutani Lecturer it seems that there was no person from the institution present there when the temporary electrical connection were removed by the technician of the supply There is apprehensible that by taking advantage of the situation the electrician of the supplier might have removed the AVR with the malafied intension

The Principal has intimated that the keys of lock where the generator sets were installed remain with Sh Hari Om Driver and Sh Satinder Kumar CRC between August 2000 to April 2001 during this period the generators were not functional and the Incharge of these generators was Sh B K Chutani Lecturer The principal further informed that no report from the police has been received after lodging the FIR

The Principal further informed that the FIR of the theft case has not been lodged because the inquiry officer from the police declared it as a suspected case in his report (copy attached) and at present the police is not ready lodged the FIR Principal is being asked to fix the responsibility of the loss and send the detailed report/recommendation for making the loss good The Principal has also informed that the information was also sent to A G Haryana The A G Haryana vide their letter No Misc Accounts/Loss 279/2004 05/67 69 dated 23-4 2004 has observed that in case no official can be held responsible and the amount of loss cannot be made good the amount of loss of Rs 8000/ may be got written off The A G Haryana has further desired to intimate the action taken in the matte According the matter was referred to Govt for wrtten off the loss The Govt has made certain observations vide their memo No 44/24/2006-5TE dated 21 6 2007 which were replied to Govt sanction in this regard is still awaited

10 Theft in computer Lab and Work Shop at GP Narnaul Rs 9,54,366

The Principal Govt Poly Narnaul has informed that after the vacation when the institution was opened on 27 1 2004 S/Sh Tirlok Chand Sharma programmer Jaswinder Singh Workshop instructor incharges of Workshop informed the Principal about the items missing and the locks of the labs/workshops were intact The Principal has taken following actions on receipt of the report —

- 1 The information of the incident/theft was sent to DTE vide letter No 64 dated 27 1-2004 Intimation was also sent to A G Haryana by the Principal vide letter No 65 dated 27-1 2004
- 2 A Committee of three senior officers was constituted to submit the detailed report and fix the responsibility by the Principal vide order No 29 dated 27 1 2004
- 3 The FIR of the theft was lodged with the police station Narnaul on 27 1-2004

The action taken by the police is still awaited although Principal has requested the Supdt Police time and again for taking action The matter is still pending with the Police

The Inquiry Committee constituted by the Principal had submitted its report on 0 1-2004 (copy enclosed as Annexure F) The main highlights of the said committee

are as under—

- 1 The total loss to Govt due to theft is Rs 9 54 366
- 2 The possible theft have opened the locks of main gate of administrative block main gate of Computer Centre and then locked the same In the case of electronics labs and workshop lock of lab block lab office in labs and Almiraha were opened and lock The key used is not identified

It is not possible to take so much amount of material/instrument out of the college with go hands and it is possible that the thieves may have used some vehicles for transporting the stolen goods out of the campus

In view of the report of the inquiry Committee the Principal is of the view that the three officials (Shar Singh Shelu Singh Prithvi Singh) have failed to perform their duty efficiently which resulted theft of material of Rs 9 54 366 due to negligence on their part

The matter was also reported to Govt The Govt vide their no 44/69/2004 3TE dated 23 6 04 has informed that no action against the Lab Incharges Sh Tirlok Chand Lect Computer Engg and Sh Sunil Kumar Lect Computer Engg is required to be taken An addition to this it is also intimated that Sh Jaswinder Singh W/S Instructor has been charge sheeted under rule 7 of P&A Rules on account of this theft Sh Yashpal Singh Principal has been appointed as Inquiry Officer to inquire into the charges vide order no 83 dated 11 3 2008 on receipt of the inquiry report decision in the matter will be taken

11 Theft of two nos of computers from Govt Polytechnic Uttawar (Faridabad) involving loss of Rs 350756

A theft took place on 2/3 5 05 at G P Uttawar where an amount of Rs 350756 has been stolen from the office chest Intimation to this effect was sent to SHO Police Station Athern by the Principal of the Institute on 4 5 05 The FIR was lodged by the Police Station on 30 5 05 Sh Shri Ram Cashier was arrested by the police Sh Shri Ram was awarded imprisonment of two years alongwith penalty of Rs 2000 by the Civil Court (Judicial Magistrate 1st Class Nuh) However the official has appealed against the said orders in the Hon ble Session Court The ease is still sub judice Further action in the matter can only be taken after the final decision of Hon ble Appellate Court

12 Loss of Rs 60854 due to theft of two computers at G P Uttawar

Two computers were stolen by someone from store of the G P Uttawar The loss on this account was valued to Rs 60854 The matter was brought to the notice of Principal by the Store Keeper on 24 4 06 and the Principal has informed the matter to Police Incharge Uttawar on the same day The SHO has lodged FIR on 17 5 06 After fixing the responsibly by the Principal concerned officials were served show cause notice for effecting the recovery however the concerned officials have obtained the stay against the said recovery The matter is still pending with the court Further action in the matter can only be taken after the final decision of the Hon ble Court

The Committee desired that the brief details of each case along with the action taken by the department in this regard be intimated to the Committee within a period of three months

URBAN LOCAL BODIES DEPARTMENT

[58] 1 5 5 Delay in furnishing utilisation certificates

Of the 4 396 utilisation certificates (UCs) due in respect of grants and loans aggregating Rs 1 826 01 crore paid upto 2005 06 2 981 UCs for an aggregate amount of Rs 1 311 39 crore were in arrears Details of department wise break up of outstanding UCs are given in **Appendix VII**

The department in its written reply stated as under —

As shown in the above para of CAG report 2006 07 (Civil) have been shown pending 1735 Utilization Certificates of Rs 23950 17 lacs upto the financial year 2005 06 whereas according to the record of this office only 481 Ucs of Rs 6636 39 Lacs are pending to be sent to A G Haryana All The M Cs have already been directed to furnish the pending Utilisation Certificate vide Memo No 99/10450 513 dated 15 3-99 16-6 2002 28 8 02 9-4-2004 BA 4/07/1204 53 dated 10 1 07 and reminder dated 29 3 07 12 6 07 2 7-2007 2 8 2007 and last reminder issued on dated 30 8 07 The delay also has occurred in submission of the Utilisation Certificates due to non conducting of the Audit of Municipalities in time by the Local Audit Department

The Committee desired that the process of submission of Utilization Certificates may be expedited and the latest position in this regard be submitted to the Committee accordingly

[59] 1 5 6 Non Submission of Accounts

In order to identify the institutions which attract audit under Section 14 and 15 of the Comptroller and Auditor General s (Duties Powers and Conditions of Service) Act 1971 the Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions the purpose of assistance granted and the total expenditure of the institutions

The accounts of 76 bodies/authorities which were received for the year 2005 06 attracted audit by Comptroller and Auditor General of India All of these 76 bodies/authorities audit of which was due were audited during 2006 07

Three hundred and fifty annual accounts of 114 autonomous bodies/authorities for 2006 07 and earlier years had not been received as of July 2007 by the Accountant General (Audit) The details are given in **Appendix VIII** Of these bodies/authorities 22 Municipal Committees and three Aided Colleges did not submit their accounts for five years or more

The department in its written reply stated as under

In the CAG report for the year 2006 07 252 accounts of Local Bodies have been shown outstanding upto the year 2005 06 Municipalities are required to furnish to audit information about the purpose if financial assistance received and the

total expenditure every year. Necessary directions have been issued to the concerned local bodies to submit their accounts to the Accountant General Haryana immediately vide memo No BA 3/60407-53 dated 10-12-2007. At present only 103 accounts are pending which are submitted to the Accountant General Haryana by the municipalities.

The Committee desired that the remaining accounts be submitted to the office of Accountant General (Audit), Haryana at the earliest within a period of three months under intimation to the Committee.

[60] 158 Non-furnishing of accounts of utilisation of grants

Out of 244 autonomous bodies to whom various Government departments released grants in aid of Rs 390.09 crore during the year 2006-07 as detailed in Appendix-X, 220 did not render the accounts for the utilisation of grants to the concerned departments as of June 2007.

The department in its written reply stated as under —

During the year 2006-07 grants of Rs 4414.46 lacs were released to the 75 Municipalities of the State as shown in the CAG report dated 31-3-2007. The main reason for non-submission of accounts for the utilization of grant is non-conducting of timely audit of the municipalities by the Local Audit Department. All the municipal Committees have already been directed to submit their accounts to the Accountant General Haryana under intimation to this office vide memo No BAI/2004/24614-63 dated 27-7-2004, 28-9-04, 1-2-05, 13-1-06, 10-2-06 and last reminder issued vide No BAI/07/23404-76 dated 6-6-07.

The Committee desired that accounts of Utilization of grants may be got audited and be submitted to the office of Accountant General (Audit), Haryana at the earliest within a stipulated period of three months under intimation to the Committee.

PART – II 2006-2007
(REVENUE RECEIPTS)

EXCISE & TAXATION DEPARTMENT

[61] 17 Arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs 1 601 84 crore of which Rs 390 44 crore were outstanding for more than five years as detailed in the following table

(Rupees in crore)

Sr No	Head of revenue receipt	Amount outstanding as on 31st March 2007	Amount outstanding for more than 5 years as on 31st March 2007	Remarks
1	Taxes on sales trade etc	1 268 50	283 40	Demand for Rs 313 60 crore was stayed by High Court Judicial and other authorities Rs 40 88 crore were held up due to dealers becoming insolvent Rs 16 86 crore were proposed to be written off Rs 31 96 crore were held up due to rectification/ review appeal Balance amount of Rs 865 20 crore was at different stages of action
2	State Excise	42 26	27 18	Recovery of Rs 3 28 crore was stayed by High Court judicial and other authorities Rs 0 03 crore was held up due to rectification review and appeal Rs 0 35 crore was likely to be written off Balance amount of Rs 38 60 crore was at different stages of action
3	Taxes on goods and passengers	51 97	22 23	Recovery of Rs 0 27 crore was stayed by High Court and other judicial authorities Demands of Rs 9 38 crore were recoverable as inter State arrears Action to recover the remaining amount of Rs 42 32 crore was not intimated
4	Tax on entry of goods into local areas (Local Area Development Tax)	121 78	Nil	Recovery of Rs 79 31 crore had been stayed by High Court judicial and departmental authorities and Rs 4 69 crore was held up due to rectification review and appeal Rs 0 13 crore was likely to be written off Balance amount of Rs 37 65 crore was at different stages of action
5	Receipts under entertainment duty and show tax	1 18	1 17	Recovery of Rs 0 90 crore had been stayed by High Court and other judicial authorities Balance amount of Rs 0 28 crore was at different stages of action

Of these sales tax arrears of Rs 1 268 50 crore and the arrears outstanding for more than five years constituted 79 per cent and 24 per cent of the total arrears respectively Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue

The department in its written reply stated as under —

The arrears of revenue as on 31-3 2007 in respect of heads of revenue related to Excise & Taxation Department was amounting to Rs 1485 69 crore. Out of this amount Rs 445 98 crore have been recovered till 31 1-2013. Out of balance outstanding amount of Rs 1039 71 crore Rs 390 39 crore is under stay Rs 114 42 is under liquidation Rs 38 77 crore is to be written off Rs 63 87 crore in case where property is attached and Rs 4 94 crore is in cases in which instalments have been fixed. Accordingly net recoverable amount is Rs 427 32 crore as per details given below

Sales Tax

This para is based on information supplied by the department to the A G (Audit) Haryana. Out of total arrear in revenue of Rs 1268 50 crore Rs 383 86 crore stands recovered up to 31 1 2013 leaving a balance of Rs 884 64 crore. The breakup of balance arrears are given below —

		Amount in Crores
1	Under Stay	309 17
2	Under Liquidation	113 39
3	For writing off	38 35
4	Property attached	61 30
5	Under instalments	2 00
6	Net recoverable	360 43
	Total	884 64

State Excise

Out of total arrear of Rs 42 26 crore in revenue Rs 8 03 crore have been recovered upto 31 1-2013 leaving a balance of Rs 34 23 crores. The breakup of balance arrears are given below —

		Amount in Crores
1	Under Stay	11 92
2	For writing off	0 41
3	Property attached	2 57
4	Under instalments	2 46
5	Under Liquidation	1 03
6	Net recoverable	15 84
	Total	34 23

Passenger & Goods Tax

Out of total arrear of Rs 51 97 crore in revenue Rs 40 00 crore have been recovered upto 31 1 2013 leaving a balance of Rs 11 97 crores. The

breakup of balance arrears are given below —

		Amount in Crores
1	Under Stay	0 08
2	For writing off	0 003
3	Net recoverable	11 89
	Total	11 97

LADT

Out of total arrear of Rs 121 78 crore in revenue Rs 13 20 crore have been recovered upto 31-1-2013 leaving a balance of Rs 108 58 crores The breakup of balance arrears are given below —

		Amount in Crores
1	Under Stay	69 05
2	Under Installments	0 48
3	Net recoverable	39 05
	Total	108 58

Entertainment Duty

Out of total arrear of Rs 1 18 crore in revenue Rs 0 89 crore have been recovered upto 31-1-2013 leaving a balance of Rs 0 29 crores The breakup of balance arrears are given below —

		Amount in Crores
1	Under Stay	0 17
2	Under liquidation	0 003
3	Writing off	0 01
3	Net recoverable	0 11
	Total	0 29

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

[62] 1 8 Arrears in assessments

The details of cases pending assessment 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 2002 03 to 2006 07

as furnished by the Excise and Taxation Department in respect of taxes on sales trade etc (ST) and taxes on goods and passengers (PGT) are as follows

Sr No	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	9
1	2002 03	ST	2 07 678	1 79 265	3 86 943	1 53 078	2 33 865	40
		PGT	1 140	673	1 813	711	1,102	39
2	2003 04	ST	2 33 865	1 64 386	3 98 251	1 92 321	2 05 930	48
		PGT	1 102	667	1 769	457	1 312	26
3	2004 05	ST	2 05 930	1 59 740	3 65 670	1 42 901	2 22 769	39
		PGT	1 312	704	2 016	536	1 480	27
4	2005 06	ST	2 22 769	1 63 789	3 86 558	1 86 761	1 99 797	48
		PGT	1 480	618	2 098	433	1 665	21
5	2006 07	ST	1 99 797	1 76 682	3 76 479	1 59 608	2 16 871	42
		PGT	1 665	672	2 337	1 915	422	82

The above table shows that pending cases in respect of ST at the beginning of 2002 03 were 2 07 678 which increased to 2 16 871 at the end of 2006-07 i.e. four per cent while the percentage of cases finalised increased from 40 per cent in 2002 03 to 42 percent in 2006 07. Fifty eight per cent of total cases (3 76 479) were pending assessment (2 16 871 cases) as on 31st March 2007. Similarly pending cases in respect of PGT decreased from 1 140 at the beginning of 2002 03 to 422 at the end of 2006 07 i.e. by 63 per cent. The percentage of cases finalised increased from 39 per cent in 2002 03 to 82 per cent in 2006 07. Eighteen per cent of total cases (2 337) were pending assessment (422 cases) as on March 2007.

The department in its written reply stated as under —

In the CAG Report for the year 2006 07 there were 217293 (216871 ST + 422 PGT) cases shown pending for assessment. Out of which 216969 cases (216717 ST + 252 PGT) have been disposed off upto 31-1-2013 leaving a balance of 324 cases (154 ST + 170 PGT). Efforts are being made to get the balance cases cleared as soon as possible.

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

[63] 1 10 Evasion of tax

The details of evasion of tax detected by Excise and Taxation Department cases finalised and the demands for additional tax as raised by the department during 2006 07 are given below —

Sr No	Head of revenue receipts	Cases pending as on 31st March 2006	Cases detected during the year 2006 07	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 31st March 2007
					Number of cases	Amount of demand (Rs In crore)	
1	2	3	4	5	6	7	8
1	Taxes on sales trade etc	52	1 983	2 035	1 968	1 78	67
2	State Excise	117	1 697	1 814	1 637	108 20	177
3	Taxes on goods and passengers	5 483	9 383	14 866	12 273	6 27	2 593

The department in its written reply stated as under —

Sales Tax

Out of 67 cases 66 cases have been disposed off by creating an additional demand of Rs 38 81 lac out of which an amount of Rs 12 16 lac stands recovered leaving a balance of Rs 26 65 lac Only one case is pending as dealer did not turned up Concerned DETC have been directed to dispose off the case at the earliest

Excise

Out of 177 cases 137 cases have been disposed off by creating additional demand of Rs 89 69 lac and out of which an amount of Rs 13 12 lac stands recovered leaving a balance of Rs 76 57 lac Remaining 40 cases are still pending as whereabouts of the persons whose cases are pending are not traceable DETC s have been directed to dispose off these cases at the earliest

PGT

Out of 2593 cases 2009 cases have been disposed off by creating additional demand of Rs 94 78 lac and out of which an amount of Rs 90 94 lac s and recovered leaving a balance of Rs 3 84 lac Remaining 584 cases are still pending as whereabouts of the persons whose cases are pending are not traceable This period pertains to the period when the PGT branch was under the control of Transport Department (DTO) DETC s have been directed to dispose off these cases at the earliest

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

[64] 1 11 Write off and waiver of revenue

During the year 2006 07 demands for Rs 16 86 crore in 296 cases and Rs 0 36 crore in 26 cases relating to sales tax and state excise respectively were written off by the Excise and Taxation Department as irrecoverable. Reasons for the write off as reported by the department were as follows

Sr No	Reasons	Sales Tax		State Excise	
		Number of cases	Amount (Rupees in lakh)	Number of cases	Amount (Rupees in lakh)
1	Whereabouts of defaulters not known	142	899 46	8	10 72
2	Defaulters no longer alive	19	129 98	9	9 74
3	Defaulters not having any property	97	397 71	9	15 15
4	Defaulters adjudged insolvent	5	24 19	Nil	Nil
5	Others	33	234 97	Nil	Nil
	Total	296	1 686 31	26	35 61

The department in its written reply stated as under —

The decision regarding writing off is taken in case where all possibilities for the recovery of the arrears are exhausted and the chances for the recovery are nil. All such cases are referred to the committee constituted under the Chairmanship of the Chief Minister or the Excise & Taxation Minister as per norms fixed. Lately an amount of Rs 6 28 lakhs involving 4 cases was written off by the Govt. Action in remaining cases is under process.

The Committee desired that if the recovery is not possible then the proposal for writing off the amount be sent to the Govt. under intimation to the Committee.

[65] 1 12 Refunds

The number of refund cases pending at the beginning of the year 2006 07, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2006 07 as reported by the Excise and Taxation Department and Chief Electrical Inspector Haryana are given below

Sr No	Particulars	Sales Tax		State Excise		Taxes and duties on electricity	
		Number of cases	Amount (Rupees in lakh)	Number of cases	Amount (Rupees in lakh)	Number of cases	Amount (Rupees in lakh)
1	Claims outstanding at the beginning of the year	358	3 794 50	1	0 10	Nil	Nil
2	Claims received during the year	2 230	7 631 86	412	1 078 10	4	3 31
3	Refunds made during the year	2 173	5 791 89	407	1 065 16	4	3 31
4	Claims outstanding at the end of the year	415	5 634 47	6	13 04	Nil	Nil

Refunds of Rs 68 57 crore and Rs 0 03 crore had been made by the Excise and Taxation Department and Chief Electrical Inspector Haryana to 2 580 and four claimants respectively during the year 2006 07

The department in its written reply stated as under —

Sales Tax

Out of 1415 cases 414 have been disposed off by allowing refund of Rs 5633 40 lacs only one case of M/s Kafila forge Pvt Ltd Sonapat is pending (A Y 2000 2001) involving an amount of Rs 1 07 lacs Efforts are being made to finalise the balance case as early as possible

The Committee desired that sincere efforts be made to recover the balance amount under intimation to the Committee

[66] 2 1 Results of audit

Test check of sales tax assessments refund cases and other connected records conducted during the year 2006 07 revealed under assessments of sales tax amounting to Rs 395 96 crore in 974 cases which broadly fall under the following categories

Sr No	Particulars	Number of cases	Amount (Rupees in crore)
1	Under assessment of turnover under Central Sales Tax Act	405	41 34
2	Application of incorrect rates of tax	98	10 42
3	Non levy of penalty	29	2 15
4	Non levy of interest	35	1 15
5	Incorrect computation of turnover	38	0 97
6	Other irregularities	368	25 12
7	Review of Levy and collection of sales tax	1	314 81
	Total	974	395 96

During the year 2006 07 the Excise and Taxation Department accepted under assessments of tax of Rs 1 84 crore involved in 147 cases of which 53 cases involving Rs 0 53 crore were pointed out in audit during 2006 07 and the rest in earlier years An amount of Rs 0 83 crore was recovered in 88 cases during the year 2006 07 of which Rs 0 56 crore recovered in 58 cases related to earlier years

In two cases entire amount of Rs 17 18 lakh was recovered after the cases were brought to the notice of Government

A few illustrative cases involving Rs 6 37 crore and a review on Levy and collection of sales tax involving Rs 314 81 crore highlighting important cases are mentioned in this chapter

The department in its written reply stated as under —

Out of total 974 973 cases involving an amount of Rs 81 15 crore have been reviewed with the following results —

Number of cases	Amount pointed out by Audit (Rs in crore)	Result of Review
214	18 24	Settled with additional demand
378	29 86	Settled without additional demand
381	33 05	Cases are under process
973	81 15	

As regards the remaining one case involving an amount of Rs 314 81 crore as per Sr No 7 of the table reply is given in succeeding paras 2 2 6 1 to 2 2 13

The Committee desired that sincere efforts be made to recover the balance amount under intimation to the Committee

Non levy of interest

[67] 2 2 8 Under the HGST Act a dealer is liable to pay purchase tax on goods (other than goods specified in schedule B) purchased from within the State without payment of tax and used in the manufacture of goods No deduction from dealer's gross turnover (GTO) is admissible if such goods are transferred to his branch office outside the State In the event of default in payment the dealer is liable to pay interest on the amount of tax remaining unpaid at one per cent per month for the first month and at one and a half per cent per month thereafter so long as the default continues

During test check of records of DETC Ambala it was noticed that a dealer purchased petroleum products valued at Rs 247 44 crore during the years 1994 95 to 1996 97 and made branch transfer outside the State JETC (Range) Faridabad (Revisional Authority) while finalising the revisional orders during 2001 02 levied purchase tax of Rs 9 51 crore but did not levy interest of Rs 8 85 crore due or non deposit of tax with the returns This resulted in non levy of interest of Rs 8 85 crore besides penalty

After this was pointed out ETC Haryana stated in July 2007 that AAs had been directed to complete the action to levy interest at an early date

The department in its written reply stated as under —

M/s Hindustan Petroleum Corporation, Ambala Cantt , RC No 10408, AY 1994 95 to 1996 97 (8 85 Cr)

In this case additional demands of Rs 3 20 63 053 00 during the year 1994 95 Rs 2 59 70 758 00 for the year 1995 96 and Rs 3 70 50 839 00 for the year 1996 97 were created by the Jt Excise and Taxation Commissioner(I/E)

Faridabad The company filed appeal before The Hon ble Haryana Tax Tribunal against the said orders The Hon ble Haryana Tax Tribunal ordered the company to deposit additional tax within one month The dealer filed appeal before the Hon ble Punjab and Haryana High Court in C W P No 9601 of 2001 who vide its order dated 18 12 2001 dismissed the same

The dealer filed S L P No 9418 of 2002 in the Hon ble Supreme court of India against the orders of the Hon ble Punjab & Haryana High Court The apex court has granted Stay while allowing the Tribunal to proceed with and dispose of the matter on merits Accordingly the matters were heard by the Hon ble Haryana Sales Tax Tribunal on 19 11 2004 therefore it was posted on 22 01 2007 and 26 03 2007 Now The Hon ble Sales Tax Tribunal Haryana vide order dated 20 12 2011 upheld the assessment of tax made by the impugned orders by revising the order passed by the Assessing Authority The dealer was issued notice to deposit outstanding arrears However company has intimated that they have preferred an appeal before the Hon ble Punjab & Haryana High Court Chandigarh As per their version the case has reportedly been fixed for 18 03 2013 Action regarding levy of Interest and Penalty will be taken after the decision of Hon ble Punjab & Haryana High Court Accordingly

The Committee desired that action regarding levy of interest and penalty may be taken as and when the matter is decided by the Hon'ble Punjab & Haryana High Court and the Committee may be informed accordingly

[68] 2 2 9 Non levy of interest and penalty

Under the HGST Act If a dealer has maintained false or incorrect accounts or documents with a view to suppress his sales purchases or stock of goods or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority any accounts return document or information which is false or incorrect he shall be liable to pay penalty in addition to the tax to which he is assessed or is liable to be assessed a sum not less than twice and not more than three times the amount of tax which would have been avoided The instructions issued by ETC Haryana in September 1993 stipulate that it is the duty of every AA to finalise penal proceedings alongwith the assessment and if for some reason the penal action is kept pending that should be initiated immediately after the assessment is finalised and must be completed within six months of assessment

During review of assessment cases in seven offices of DETC it was noticed that in 50 cases of 17 dealers for different assessment years between 1994 95 and 2002-03 finalised between March 2003 and December 2005 demands for tax of Rs 76 76 crore were raised but action to levy penalty and interest for non payment of tax were stated to be taken separately However no such proceedings were initiated even after a lapse of 12 to 46 months Thus improper action on the part of AAs resulted in non levy of minimum penalty of Rs 117 42 crore and interest of Rs 17 57 crore

After this was pointed out ETC Haryana stated in July 2007 that AAs had been directed to complete the action to levy/imposition of interest/penalty at an early date

The department in its written reply stated as under —

1 M/s Vee Kay Enterprises Faridabad (West) RC No 1315081, AY 2001 02 & 2002 03 (4 95Cr)

In this case it is submitted that the case for the year 2001 02 & 2002 03 were decided by the then Assessing Authority vide orders dated 01 12 2005 & 01 12 2005 respectively which have been remanded back to the Assessing Authority. Now Assessing Authority has decided the remand cases vide orders dated 04 04 2011 creating an additional demand of Rs 1 15 87 220/ and Rs 2 38 65 267/ respectively. Hence the para may please be dropped.

2 M/s Hilton Rubber Ltd , Badkhalsa Sonapat RC No SON/ IV /2636 CST 2636, AY 97 98 to 2000 2001 (8 67 Cr)

In reply to audit para it is informed that the company has gone in Board of Industrial & Financial Reconstruction (BIFR) New Delhi vide case no 360/99 and no legal proceedings during the pendency of case with BIFR can be taken. However substitute service of notices has been carried out and interest and penalty imposed is conveyed to BIFR New Delhi. At present case is pending before Appellate Authority for Industrial & Financial Reconstruction (AAIFR) New Delhi vide case No 172/10. Affidavit is filed in AAIFR New Delhi for claim amounting to Rs 4 85 06 625/. Further the dealer has also filed an appeal in Punjab and Haryana High Court Chandigarh vide CP No 91/2011 and case is pending before Punjab and Haryana High Court. In these circumstances no action be taken in this case.

3 M/s Indian Oil Corporation Ltd Panipat, AY 1996 97 to 1999 2000 (45 77 Cr)

In this para it is intimated that the company was assessed to tax as detail given below —

A Y	Date of order	Addl Demand		Remarks
		ST	CST	
1996-97	5 2 03		2508953	The total demand recovered
1997 98	29 8 03	516400	136321400	Rs 516400/ under HGST Act recovered
1997 98 (rev)	6 10 04	-	31976545	
1998 99	15 6 04		263815662	-
1999 2000	4 3 09	-	384708730	-

The above tabled demand created on account of rejection of claim of Branch Transfer. Being aggrieved the company has preferred the appeal in the Honble Tax Tribunal Chandigarh. The decision is still pending. In view of the facts elaborated and being matter under litigation this office is not in a position to levy the interest and penalty.

- 1 M/s Vee Kay Enterprises Fardabad (West) RC No 1315081 AV 2001 02 & 2002 03 (4 95 Cr)

The Committee desired the department to recover the amount of additional demand of Rs 1,15 87,220/ and Rs 2,38,65,267/ from the concerned dealer under intimation to the Committee

- 2 M/s Hilton Rubber Ltd Badkhalsa Sonepat RC No SON/IV/2636/CST -2636 AY 1997 98 to 2000 2001 (8 67 Cr)

In view of the matter, the Committee desired that as and when the Hon ble Punjab & Haryana High Court decides the case, it may be informed to the Committee accordingly

- 3 M/s Indian Oil Corporation Ltd Panipat AV 1996 97 to 1999-2000 (45 77 Cr)

The decision of the Hon'ble Tax Tribunal Chandigarh, as and when taken be intimated to the Committee

[69] 2 2 10 Arrears of sales tax

Under the HGST Act every dealer is required to submit to the AA a monthly/quarterly return of turnover and pay tax due as per returns within the prescribed period After making final assessment a demand notice is served on the dealer for the balance tax if any specifying the time by which demand be payable For non/delayed payment of tax interest and penalty is also leviable under the Act/Rules Thus amount of tax interest and penalty which remain unpaid constitute arrears of sales tax If the dues are not paid by the dealer within time specified in the demand notice or within the extended period if any the AA may apply to the Collector for the recovery of Government dues as arrears of land revenue and to issue recovery certificate and take all legal steps such as attachment of property/assets and detention of dealer necessary for recovery of tax dues as arrears of land revenue

Total sales tax arrears pending collection as on 31 March of each year during the years 2001-02 to 2005 06 were as under

(Rupees in crore)

Year	Arrears at the beginning of the year	Current demand added during the year	Total	Collection of demand during the year	Arrears at the end of the year	Percentage of collection to total arrears
2001 02	252 48	202 66	455 14	64 29	390 85	14
2002 03	390 85	226 20	617 05	176 56	440 49	29
2003 04	440 49	484 30	924 79	207 40	717 39	22
2004 05	717 39	449 64	1 167 03	257 99	909 04	22
2005 06	909 04	453 21	1 362 25	220 10	1 142 15	16

It would be seen from the above table that collection/clearance of arrears ranged between 14 and 29 per cent hence the arrears are bound to increase every year The arrears increased from Rs 252 48 crore in the beginning of 2001 02 to Rs 1 142 15 crore at the end of 2005 06 i.e an increase of 352 per cent This shows that Government/department had not taken serious and concerted measures for recovery

The break up of arrears of Rs 1 142 15 crore pending as on 31 March 2006 was as under

Sl No	Stage of action	Amount (Rs in crore)
1	Recovery stayed by Courts sales tax tribunal appellate authorities and Government/departmental authority	421 28
2	Under liquidation	159 42
3	In the process of recovery covered by recovery certificates	
	Inter state	74 63
	Inter district	8 41
4	Other stages	
	Property attached	52 39
	Demand under write off	16 90
	Under instalments	9 31
	Recoverable	399 81
	Total	1 142 15

After this was pointed out ETC Haryana stated in July 2007 that arrears of Rs 187 48 crore have been recovered upto March 2007 and efforts were on for recovery of remaining amount of arrears

The department in its written reply stated as under —

Arrears of Sales Tax

In this para audit has shown arrears during the years 2001 02 to 2005 06 As on 31st March 2006 there were arrears of Rs 1142 15 crore Out of these arrears an amount of Rs 598 39 crore stand recovered upto 31 01 2013 leaving a balance amount of Rs 543 76 crore The breakup of arrears are as under

	(Rs in Crore)
1 Under Stay	149 31
2 Under liquidation	108 00
3 Inter State arrear	53 46
4 Inter Distt Arrear	11 51
5 For writing off	36 43
6 Property attached	46 92
7 Under instalment	0 63
8 Net recoverable	137 50
Total	543 76

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

[70] 2 2 13 Non inclusion of interest in the demand sent to liquidator

As per instructions issued by ETC Haryana in March 1984 interest liability which is raised against a dealer on account of non payment of tax is to be included in the arrears while registering the claim with the official liquidator For this purpose upto date interest

liability is worked out and claim of consolidated amount is to be registered with the official liquidator

During test check of records of six offices of DETC it was noticed that in case of seven dealers claims amounting to Rs 22.38 crore relating to different assessment years between 1993-94 and 2001-02 finalised between September 2004 and March 2006 were registered with the official liquidators during the period between September 2004 and March 2006 but claims of interest liability amounting to Rs 10.81 crore were not included

After this was pointed out ETC Haryana admitted the objection and intimated in July 2007 that the AA Faridabad levied interest of Rs 33 lakh vide order dated 8 July 2007 and action in remaining cases would be taken shortly

The department in its written reply stated as under

- 1 **M/s Apex Cables (Pvt) Ltd, Ambala City, RC No 26199, AY 1993-94 to 1996-97**

It is pointed out that the cases of the firm were decided ex parte by the Assessing Authority and demand was created on account of non production of statutory declaration prescribed under the HGST and CST Acts. In the absence of these declarations the entire demand was created against the defaulting firm. It is very much clear that the firm has gone under liquidation after winding its business at Ambala City. Therefore the department lodged the claim against the firm with the official liquidator appointed by the Court. It is also worthwhile to mention here that this department has no priority to recover the amount from the assets of the company being pari passu charge of other department where the assets of the company are pledged to bank and other financial institutions etc.

Besides this the dealer has discharged his tax liability in accordance with returns furnished to the department and nothing was due according to returns. The amount still unpaid by the company and as a sequel to it department resorted to legal remedy provided under the statute to lodge claim official liquidator appointed by the court. Assessing deemed fit not to levy interest of Rs 26,22,226/- in the of recovery of principal amount. Under these stances the claim was lodged with the liquidator for the principal amount. The latest recovery letter was sent to the official liquidator attached to the Punjab Haryana & Himachal Pradesh High Court, SCO NO 9, 11th Floor, Sector-26, Chandigarh vide no 96/TI(SB) dated 01/03/2012. In these circumstances no interest can be levied. Hence the para may please be dropped.

- 2 **M/s Jhallani Tools India Pvt Ltd, Faridabad (East) RC No 1202236, AY 1988-89 to 2001-02**

As pointed out by the Audit interest under section 59 of the HGST Act worth Rs 34,84,554/- and under section 9(2) of the CST Act read with section 59 of the HGST Act worth Rs 2,97,95,632/- was levied by ETO Cum Assessing Authority Faridabad (East) vide order dated 06/07/2007 and

copy of these orders has been sent to the official liquidator attached with the High Court of Delhi vide memo No 1463/NRP/TI dated 9 7 2007. Now letters have been sent to the official liquidator Delhi for addition of claim lodged of interest under both the Acts as stated above for latest position of recovery vide this office memo No 453/SG(CC) dated 28 05 2008 office memo No 4869/GM/W 7 dated 16 02 2011 and office memo No 1036/GM(W 7) dated 26 07 2011. Hence the para may please be dropped.

3 M/s Cure Fast Remedies Ltd , Faridabad (West), RC No 1310890 AY 1993 94 to 1998 99

In reply to para it is submitted that recovery of additional demand along with interest for the financial year 1993 94 to 1998 99 claim thereof has been lodged on 24 10 2009 in the office of Official Liquidator at Chandigarh. This case is now pending with Official Liquidator.

4 M/s Elson Cotton Mills Limited Faridabad (West) RC No 1303756, AY 1989 90 to 1995 96

In reply to para it is submitted that recovery of additional demand alongwith interest for the financial year 1989 90 to 1995 96 claim thereof has been lodged on 27 08 2010 in the office of Official Liquidator at Delhi. This case is now pending with Official Liquidator.

5 M/s Mundra Tech Industrial Generators, Gurgaon (W) RC No 1918184, AY 1994 95 to 1996 97

It is intimated that an interest amounting to Rs 3 07 70 360/- on account of interest under section 59 of Haryana General Sales Tax has been levied and official liquidator was requested to include it in the claim lodged with the official liquidator to be placed before the Hon ble High Court at Delhi vide this office dated 14 1 1 2006. Hence the para may please be dropped.

6 M/s S K Cotton Ltd Panipat RC No 7774 & 7774A AY 1994 95 to 2000 01

The dealer was a limited company company under the company Act 1956. The firm was closed down his business and went in liquidation department has already lodged a claim of Rs 4 65 11 815/- to official liquidator attached to High Court Chandigarh. Now a claim of interest Rs 1 51 91 876/- is also lodged to the official liquidator vide this office memo No SPL 2/SKB dated 13 05 2009 for the assessment year 1994 95 to 2000 01.

So kindly para may be dropped.

7 M/s B J Duplex Boards Ltd Kundli, Sonapat, RC No 7250

In reply to audit para it is admitted that the company has closed down its business w e f 8-4-2000 and the assessment was framed on 18 10 2004 but the delay in framing assessment is not admitted because in this case the exemption was granted by HLSC and the withdrawal of eligibility certificate was recommended to the Higher Level Screening Committee.

In the 79th meeting of HLSC held on 17-5 2002 under the Chairmanship of Sh Raj Kumar IAS it was decided to withdraw its exemption. Consequent upon the recommendation of HLSC the Dy Excise & Taxation Commissioner vide order dated 5 8 03 the exemption granted to the dealer was withdrawn and the A A on 18 10 2004 created Addl Demand against the dealer. Thus there is no extraordinary delay in the finalization of the assessment. The Company went into BIFR and said authority has appointed official liquidator and the lodging of claim is fully justified.

Hence the para may be dropped

- 1 M/s Apex Cables (Pvt) Ltd Ambala City RC No 26199 AY 1993 94 to 1996 97
The Committee desired the department to recover the amount from the Firm under intimation to the Committee
- 2 M/s Jhallani Tools India Pvt Ltd Faridabad (East) RC No 1202236 AY 1988 89 to 2001 02
The Committee desired that sincere and vigorous efforts be made to recover the amount under intimation to the Committee
- 3 M/s Cure Fast Remedies Ltd Faridabad (West) RC No 1310890 AY 1993 94 to 1998 99
- 4 M/s Elson Cotton Mills Limited Faridabad (West) RC No 1303756 AY 1989 90 to 1995 96
- 5 M/s Mundra Tech Industrial Generators Gurgaon (W) RC No 1918184 AY 1994 95 to 1996 97
- 6 M/s S K Cotton Ltd Panipat RC No 7774 & 7774A AY 1994 95 to 2000 01
The Committee desired that the case pending before the Official Liquidator be pursued vigorously by the department and his verdict be obtained at the earliest and final outcome be intimated to the Committee
- 7 M/s B J Duplex Boards Ltd Kundli Sonapat RC NO 7250
The Committee desired the department to recover the amount of additional demand from the dealer under intimation to the Committee

[71] 24 Under assessment of tax due to incorrect determination of gross turnover

Under HGST Act turnover includes the aggregate of the amount of sales and purchases and part of sales and purchases made by any dealer whether as principal agent or in any other capacity less any sum allowed as cash discount but including any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof. The ETC Haryana while pointing out lapses on the part of some AAs in not taking into account proper market price for the purpose of working out the sale turnover of quarry contractors directed all DETCs in June 1984 to make proper enquiries

regarding the sale price and ensure that the said sale price indicated in the books and returned to the department is realistic. As a guiding principle the ratio of 1:3 between the royalty account and GTO could be adopted as convenient basis for initiating proceedings and determining actual facts.

During test check of records of DETC Yamunanagar in December 2005 and January 2006 it was noticed that two mining contractors (dealers) paid contract money amounting to Rs 6.78 crore to the Mines and Geology Department during the years 2001-02 and 2002-03. Since the dealers did not provide the details of expenditure incurred on extraction of mines and transportation charges etc in the trading accounts and returns furnished to the department the AA was required to assess the GTO at Rs 20.32 crore by adopting ratio of 1:3 in terms of the instructions of June 1984 after initiating assessment proceedings. However the AA while finalising assessments in July 2004 did not take cognizance of the instructions and levied tax of Rs 35.86 lakh on contract money of Rs 6.78 crore. This resulted in short levy of tax upto Rs 2.95 crore worked out on the basis of instructions ibid.

After this was pointed out in December 2005 and January 2006 the department issued notices to the dealers for reassessment and determined the GTO of Rs 10.64 crore after adding loading charges of Rs 3.86 crore as shown in the annual accounts of the dealer in April 2006 and raised an additional demand of Rs 75.55 lakh. Further progress of recovery had not been intimated (August 2007).

The matter was referred to Government in February 2006 reply had not been received (August 2007).

The department in its written reply stated as under —

M/s Raj Hans Royalty Contractor, Jagadhri, RC No 14281, Ay 2002-03

In reply to the audit objection it is intimated that the assessment cases of the firm for the year 2002-03 has been re-assessed by the Assessing Authority vide order dated 21-4-2006 and an additional demand of Rs 12,40,323/- has been created.

So far as the view of the audit for determined the turnover three times the amount paid to mining department is concerned. It is again submitted that without any basic or material available on record enhancement in turnover can not be made and will not stand the legal scrutiny as well. However framing re-assessment whatever was required to be included in turnover has been included and assessed to tax.

It is further stated that the dealer filed an Appeal before the Jt. ETC (A) Ambala who directed to the dealer to deposit Rs 6,49,325/. The appeal has been rejected by the Ld. Appellate Authority. Now recovery proceedings against the dealer has been initiated and several notices for recovery had been issued to the dealer.

The Committee desired that constant sincere and vigorous efforts should be made to accelerate the pace of recovery and the progress of recovery be reported to the Committee accordingly.

[72] 2.5 Under assessment of tax due to application of incorrect rate

Under the HGST Act tax is leviable in accordance with the rates prescribed in the notification issued from time to time. Further under HGST rules notional sales tax liability (NSTL) means amount of tax payable by an eligible industrial unit on the sale of finished products but for an exemption computed at the maximum rates and not at the concessional rates specified under the local sales tax law.

During test check of records of four DETCs it was noticed between March 2005 and January 2007 that AAs applied incorrect rates of tax while assessing seven cases resulting in short levy of sales tax of Rs 88.57 lakh during the years 1999-2000 to 2002-03 as detailed below:

(Amount in lakh of rupees)

Sr No	Name of DETC	Assessment year/ (month/year of assessment)	Value of goods sold/ commodity	Rate of tax (in percentage)		Short levy
				Leviable	Levied	
1	Panchkula	2001-02 and 2002-03 (October 2005)	204.95 angular type roof top towers	10	4	10.80
Remarks After this was pointed out in April 2006 the AA created an additional demand of Rs 10.80 lakh (December 2006)						
2	Gurgaon (West)	2001-02 (April 2005)	218.94 PVC leather cloth	12	10	4.38
		2001-02 (August 2005)	259.43 poly propylene	12	10	51.89
		2002-03 (March 2005)	110.31 mobile hand sets	12	4	8.82
Remarks The department stated in two cases in October 2006 and August 2007 that the cases have been sent to revisional authority for taking suo motu action. Further report has not been received (August 2007)						
3	Panipat	1999-2000 (June 2005)	153.66 13.21 HDPE bags/sacks	10 4	5	7.56
Remarks The AA stated in January 2007 that the dealer sold goods to manufacturers against declaration in form STD 4 and tax was rightly levied at the rate of five per cent. The reply was not tenable as exempted unit was not entitled to the benefit of concessional rate of tax under local sales tax law.						
4	Sonapat	1999-2000 (May 2005)	158.77 17.98 Horlicks	10 10	7 8	4.76 0.36
	Total					88.57

The cases were referred to Government between September 2005 and May 2007. Reply had not been received (August 2007).

The department in its written reply stated as under —

M/s Vee Kay Polycoats, Narsingpur Gurgaon (W), RC No 1919946 AY 2001 02 dated 25 8 2005

The case for the year 2001 02 was taken for revision by the DETC cum Revisional Authority Gurgaon (West) The case has been decided vide orders dated 17 8-2012 creating demand of Rs 4 37 873/- The matter is pending before Hon ble Haryana Tax Tribunal at Chandigarh for adjudication

M/s Machino Basel India Ltd Sector-33, Pace City Gurgaon (W) RC No 1919278, AY 2001 02 dated 11-4 2005

The case for the year 2001 02 was taken for revision by the DETC cum-Revisional Authority Gurgaon (West) The case has been decided vide orders dated 17 8 2012 creating demand of Rs 51 88 606/ The matter is pending before Hon ble Haryana Tax Tribunal at Chandigarh for adjudication

M/s Poly Bag Overseas, Panipat, RC No 9382 AY 1999-2000

In this case it is intimated that the dealer was enjoying exemption from payment of tax under rule 28(A) of the HGST Rules 1975 vide EC No 315 valid w e f from 29 7-97 to 28 4 2004 for Rs 63 62 000/ In reply to audit para order dated 30 6 2005 stands rectified vide order dated 19 9 2007 creating an additional demand of Rs 7 56 611/- which has been adjusted against balance quantum of Notional Sales Tax Liability of the dealer and there remains a balance NSTL of 22 32 550/ after this rectification

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

In view of the matter the Committee desired that as and when the court of Hon'ble Haryana Tax Tribunal at Chandigarh decides the cases, it may be informed to the Committee and balance amount also be recovered accordingly

[73] 2 7 Non levy of tax on liquor

Under the HGST Act sale on liquor (foreign liquor and Indian made foreign liquor) including beer when sold by L 4/L-5 licensee is taxable at the rate of 20 *per cent*

During test check of records of DETC Rohtak it was noticed in February 2005 that M/s Haryana Tourism Corporation Limited Rohtak holding L-4/L-5 licence sold beer and whisky valued at Rs 39 68 lakh without payment of tax during the year 1998 99 The AA while finalising the assessment incorrectly excluded the turnover from levy of tax treating the sale as tax free The revisional authority took up the case for rectification under section 40 (1) of HGST Act and created additional demand of Rs 4 68 lakh on the sale of liquor valuing Rs 23 38 lakh instead of tax of Rs 7 94 lakh on turnover of Rs 39 68 lakh in April 2004 The omission resulted in under assessment of tax of Rs 3 26 lakh on differential amount of Rs 16 30 lakh

After this was pointed out in February 2005 the AA stated in March 2005 that the case was sent to the revisional authority for taking *suo motu* action The revisional

authority rectified the revisional order dated 28 April 2004 *ab initio* and created additional demand of Rs 7 94 lakh on turnover of Rs 39 68 lakh in December 2005 Further progress of recovery had not been received (August 2007)

The matter was referred to Government in May 2005 reply had not been received (August 2007)

The department in its written reply stated as under —

M/s Haryana Tourism Corp Rohtak RC No 10813, AY 98-99

In this regard it is stated that the assessment order dated 30-9 2003 was revised by the DETC cum Revisional Authority vide order dated 28 4 2004 At the time of revision order dated 30 9 2003 the taxable amount of sale of beer and whisky was taken as Rs 23 38 290/ instead of Rs 39 67 550/ due to clerical mistake The Revisional order dated 28-4 2004 has been revised on 23 12 2005 by the DETC Cum Revisional Authority Rohtak and demand of Rs 7 93 510/ has been created Out of Rs 7 93 510/ Rs 29 474/ has been recovered and balance amount of Rs 7 64 036/ has been sent to the Govt for writing off the arrears

In view of the position explained above the objection may please be dropped

The Committee desired that whatever the decision of the Govt to write off the balance amount be taken be intimated to the Committee

[74] 4 1 Results of audit

Test check of records of departmental offices relating to revenue received from taxes on motor vehicles State excise taxes on goods and passengers entertainment duty taxes and duties on electricity and purchase tax (Agriculture) conducted in audit during the year 2006 07 revealed under assessments of taxes/duties and loss of revenue amounting to Rs 26 26 crore in 72 196 cases as depicted below

Sr No	Nature of irregularities	Number of cases	Amount (Rs in crore)
B State excise			
1	Non recovery of penalty on illicit liquor	105	2 14
2	Non levy of penalty on illicit liquor	91	1 60
3	Non recovery of interest on late deposit of licence fee	2	0 04
4	Miscellaneous irregularities	2	0 09
	Total	200	3 87

C Taxes on goods and passengers			
1	Non/short realisation of passengers tax in respect of buses of co operative transport societies/city buses	216	1 93
2	Irregular exemption of passengers tax	6	0 13
3	Non recovery of passengers tax from maxi cabs/auto rickshaws/tempo owners	221	0 08
4	Non recovery of goods tax	882	0 51
	Total	1 325	2 65
D Entertainment duty			
1	Miscellaneous irregularities	14	0 04
	Total	14	0 04

During the year year 2006 07 the departments accepted under assessments of Rs 1 22 crore in 509 cases. An amount of Rs 63 lakh in 36 cases had been recovered of which Rs 54 lakh in 33 cases pertained to earlier years.

A few illustrative cases highlighting irregularities involving financial effect of Rs 2 80 crore and an IT Review on Activities of registration of vehicles in regulatory wing of Transport Department are mentioned in this chapter.

The department in its written reply stated as under —

Out of Rs 26 26 crore in 72196 cases only 6 56 crore in 1539 cases relates with the Deptt mentioned at B C D

1 State Excise

All the 200 cases involving an amount of Rs 3 87 crore have been reviewed with the following results —

- 1 74 cases involving an amount of Rs 0 60 crore have been settled with demand
- 2 2 cases involving an amount of Rs 0 09 crore have been settled without demand
- 3 124 cases involving an amount of Rs 3 22 crore are still under process/consideration of the department

Note

In fifteen cases related to Fatehabad district the audit has calculated the penalty at the maximum rate of Rs 500 per bottle. As per rules the Dy Excise & Taxation Commissioner (X) is empowered to levy penalty between Rs 50 to 500 considering the circumstances of each case. The Dy Excise & Taxation Commissioner (X) is the best judge as to decide what amount of penalty shall be imposed between Rs 50 to 500/. Accordingly in these cases penalty of Rs 0 38 crore have been imposed by Dy Excise & Taxation Commissioner whereas audit has shown Rs 1 11 crore which is not admitted.

2 Passenger and Goods Tax

All the 1325 cases involving an amount of Rs 2 65 crore have been reviewed with the following results —

- (i) 862 cases involving an amount of Rs 1 91 crore have been settled with demand
- (ii) 463 cases involving an amount of Rs 0 74 crore are still under process/consideration of the department

3 Entertainment

All the 14 cases involving an amount of Rs 4 lacs have been reviewed with the following results —

- (i) 12 cases has been settled by creating a demand of Rs 30 000/ and the same has been recovered Demand of Rs 3 04 lacs pointed out by A G was not Accepted the department
- (ii) 2 cases involving an amount of Rs 90 000/ are still under process/consideration of the department

1 State Excise

The Committee desired that the matter may be clarified and sorted out with the P A G Office under intimation to the Committee

2 Passenger and Goods Tax

The Committee desired the department to make sincere and vigorous efforts to recover the outstanding amount under intimation to the Committee

3 Entertainment

The Committee desired that the matter may be clarified and sorted out with the P A G Office under intimation to the Committee

[75] 4 6 Non/short realisation of passengers tax

4 6 1 As per notification issued in July 1996 under the Punjab Passengers and Goods Taxation (PPGT) 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 Further Government vide notification issued in April 2002 revised rates of passengers tax to Rs 20 000 and Rs 14 000 for 52/54 and 30/32 seater buses respectively in case their routes are extended upto 24 kilometers PPGT Rules 1952 also provide that if any sum is payable by an owner under the act or rules the assessing authority shall serve a notice in form PTT 11 to vehicle owner to furnish evidence/proof of payment of tax In case the tax is not paid within the prescribed time penalty not exceeding Rs 5 000 shall be leviable

During test check of records of nine offices of DETC it was noticed between April and September 2006 that 91 transport co operative societies either did not deposit the monthly passenger tax or deposited it short during 2005 06. The department however did not raise the demand to realise tax from the defaulting societies. This resulted in non/short realisation of passengers tax of Rs 89.61 lakh besides penalty.

After this was pointed out between April and September 2006 seven DETCs intimated between November 2006 and June 2007 that a sum of Rs 43.33 lakh had been recovered. Further report on balance recovery and reply from the remaining DETCs had not been received (August 2007).

The department in its written reply stated as under —

In this para it is submitted that out of Rs 89.61 lac as pointed out by Accountant General (Audit) a sum of Rs 74.95 lac have been recovered leaving a balance of Rs 14.66 lac. Efforts are being made to recover the balance at the earliest.

The Committee desired that some concrete/effective steps should be taken by the Govt to recover the balance amount under intimation to the Committee

[76] 4.6.2 Non/short realisation of passengers tax

As per PPGT (Haryana Amendment) Rules 2004 holders of permit for plying buses on roads within municipal corporation limit in Faridabad and Gurgaon districts are required to pay passengers tax at the rates prescribed for ordinary half body, ordinary full body and air conditioned full body buses at Rs 4,200, Rs 7,000 and Rs 12,000 per month respectively with effect from 24 February 2004. Passengers tax is payable by the 20th of each month. The owners of the bus shall pay lump sum tax by making deposit to Government treasury or by furnishing demand draft or pay order to the appropriate authority.

During test check of records of the offices of DETC Faridabad (East and West) and Gurgaon for the year 2005 06 it was noticed in May and June 2006 that 62 private bus operators granted permits for plying buses in city areas did not deposit the monthly passengers tax for different period during 2005 06. The department however did not raise the demand to realise tax from the defaulting bus owners. This resulted in non realisation of tax of Rs 21.90 lakh besides penalty.

After this was pointed out in May and June 2006 DETCs Faridabad and Gurgaon intimated in February 2007 that a sum of Rs 13.89 lakh had been recovered between May and December 2006. Further progress of recovery had not been received (August 2007).

The matter was referred to Government between June and December 2006. Reply had not been received (August 2007).

The department in its written reply stated as under —

In this para it is submitted that out of Rs 21.90 lac as pointed out by Accountant General (Audit) a sum of Rs 15.81 lac have been recovered.

leaving a balance of Rs 6.09. Efforts are being made to recover the balance at the earliest.

The Committee desired the department to take some concrete steps to recover the balance amount under intimation to the Committee

[77] 4.7.1 Non levy/recovery of penalty

As per provisions of Punjab Excise Act 1914 as applicable to Haryana, penalty not less than Rs 50 and did not more than Rs 500 per bottle of 750 ml is leviable on the offender for possession of illicit liquor. The Act further provides that if penalty is not paid within the stipulated period, the Collector or DETC shall pass orders for confiscation of means of transport seized alongwith the liquor and the means of transport shall be put to auction within 30 days from the date of order of confiscation. The auction amount shall be adjusted towards the payment of penalty.

During test check of records of DETC (Excise) Kaithal and Panchkula for the year 2005-06, it was noticed in July 2006 that six vehicles carrying 9,384 bottles of illicit country liquor were detained between June and November 2005 and penalty of Rs 25.25 lakh was imposed but the defaulters did not pay the penalty. However, the vehicles were not put to auction even after a lapse of seven to 12 months. This resulted in non recovery of Government revenue of Rs 25.25 lakh.

After this was pointed out in July 2006, DETC (Excise) Panchkula stated in January 2007 that an amount of Rs 1.25 lakh had been recovered and efforts were being made to recover the balance amount. DETC Kaithal stated in June 2007 that notices had been issued to the defaulters for effecting recovery of Rs 23.60 lakh. Further progress of recovery had not been received (August 2007).

The department in its written reply stated as under —

In reply to this, it is submitted all the vehicles have been put to auction and an amount of Rs 3.24 lac has been recovered from auction proceeds leaving thereby balance of Rs 22.01 lac. Efforts are being made to recover the balance amount.

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

[78] Non levy/recovery of penalty

4.7.2 During test check of records of DETCs (Excise) Faridabad, Fatehabad and Hisar, it was noticed between September and November 2006 that in 33 cases, 40,939 bottles of illicit liquor were confiscated/seized alongwith the vehicles during 2005-06 by the department. The department had however, not detained vehicles in five cases. The department neither imposed penalty nor initiated any action to recover the

amount by auctioning the impounded vehicles used by 28 offenders even after a lapse of 12 to 24 months. This resulted in non levy/recovery of minimum penalty of Rs 20.47 lakh.

After this was pointed out between September and November 2006 DETC Fatehabad stated in December 2006 that efforts were being made to recover the amount of penalty. DETC Hisar stated in December 2006 that notices had been issued to effect the recovery from the offenders. Further report on action taken and reply from DETC Faridabad had not been received (August 2007).

The matter was referred to Government between September and November 2006. Reply had not been received (August 2007).

The department in its written reply stated as under —

In reply to this it is submitted all the vehicles have been put to auction and an amount of Rs 10.58 lac has been recovered from auction proceeds leaving thereby balance of Rs 9.89 lac. Efforts are being made to recover the balance amount.

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

MINES & GEOLOGY DEPARTMENT

[79] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006 07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Name of departments and nature of irregularity	Number of cases	Amount (Rs in crore)
F Mines and Geology			
1	Non recovery of royalty and interest from brick kiln owners	194	0.40
2	Late deposit of contract money and non recovery of interest	9	1.22
3	Miscellaneous irregularities	184	0.17
	Total	387	1.79

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006 07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006 07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review on **Interest receipts from loans and advances** involving Rs 82.74 crore highlighting important cases are mentioned in this Chapter.

The department in its written reply stated as under —

Out of Rs 1.79 crores involved in audit paras pointed out by Audit parties during the audit inspection during the Financial year 2006 07, an amount of Rs 1.67 crores has already been recovered in 334 cases. Now a sum of Rs 0.12 crores on account of non recovery of contract money, royalty and interest and licence fee stone crushers is recoverable in 53 cases from the Ex contractors, Brick kiln owners and stone crusher owners for which efforts are being made to recover the balance amount.

The Committee desired the department to make one more effort to recover the amount and even thereafter if some amount remains unrecovered then the department may go ahead to get the amount written off by the Finance Department.

The Committee also desired the department to make departmental officer's committee to identify such cases in which the recovery is not possible and also to identify such pending Court cases in which recoverable amount is small and thereafter the department may go ahead to get the amount to such cases written off by the Finance Department.

TRANSPORT DEPARTMENT

[80] 4 2 9 1 Lack of control over monitoring of duplicate engine/chassis number

Chassis number and engine number are unique identification marks of a vehicle which are essential for the purpose of its registration under the provisions of the Motor Vehicles Act and rules made thereunder. It was however noticed in audit that there were no validation checks in the computer applications being used in RAs at Ambala Jagadhri Ballabgarh and Faridabad to enable RA to ensure that a vehicle with its unique identification was not re-registered again without cancellation of the previous registration. In addition, it was also observed that due to lack of networking of headquarters office with RA offices, the possibility of the same vehicle getting registered in different RAs could not be ruled out.

Analysis of data of four RAs revealed that large number of cases of duplicate chassis and engine number were available in the database as tabulated below:

Name of RA	Total number of records analysed	Number of duplicate chassis and engine numbers	
		No of cases where owner was same	No of cases where owner was different
Ambala	99 990	93	72
Jagadhri	79 992	70	60
Ballabgarh	44 158	Nil	14
Faridabad	53 517	40	12

Same chassis and engine numbers were suggestive of duplicate registration of a single vehicle. For a detailed scrutiny, audit requested for manual records of such cases detected from the system. Test check of aforementioned cases in RAs Faridabad, Ballabgarh and Jagadhri confirmed the allotment of duplicate registrations made against the same chassis/vehicle. RA Ambala did not produce requisite record despite constant pursuance.

Duplicate registration of the same vehicle was not only illegal but was obviously fraught with the risk of plying invalid/stolen vehicles as well as insurance irregularities by declaring non-existent vehicles as stolen.

The concerned RAs accepted the facts and stated that validation checks would be incorporated in the software to avoid entry of duplicate engine/chassis numbers. RA Faridabad while admitting the instance of duplicate registration numbers issued notices to vehicle owners in 52 cases. No action was taken by the RA Ambala in these cases. Further investigation by the department in these cases and action taken in the matter was awaited (August 2007).

The department in its written reply stated as under —

PA Faridabad has informed that the record of all 52 cases have been checked. It has been found that in 14 cases chassis/engine numbers and the owners were different in each case but the same engine & chassis numbers were feeded in data by mistake. In 26 cases the dealer issued form No. 21 & 22 mentioning the same engine & chassis nos. Due to that RCs to two vehicles having same engine & chassis nos were issued. The notices were issued to the dealer and vehicle owners in these cases. The RCs were deposited by the owners and after cancelling the same fresh RCs were issued. Out of 12 cases relating to duplicate chassis and engine numbers where owners were different 4 cases were found in order with different chassis and engine numbers and in remaining 8 cases notices were issued and same has been corrected.

In Registering Authority Ballabgarh out of 14 cases 3 cases were found in order with different chassis and engine numbers. In remaining cases the dealer issued sale certificate with same chassis and engine number to different vehicle owners. R A issued notices to the vehicle owners to deposit the RCs who surrendered the RCs and after obtaining the sale certificate from dealer with correct chassis and engine number they have been issued fresh RCs.

RA Ambala has informed that the record of cases pointed out by Audit has been checked and necessary corrections have been made.

RA Jagadhri has informed that all the files have been checked by Registering Authority (MV) Jagadhri and RCs corrected as per record. Now Vahan & Sarathi software has been implemented with validation checks. Hence para may be dropped.

The Committee desired that the action taken against the erring officials who issued RCs on duplicate Engine/Chesis numbers be intimated to the Committee

[81] 4 2 9 2 Same registration numbers were allotted to two vehicles

Data analysis at RA Ambala revealed that in 34 cases out of 99 990 cases of registration registration numbers allotted in the first instance were cancelled by the RA Ambala and a new number was allotted. However further analysis revealed that out of these 34 cases the new number allotted was previously allotted to some other person in 14 cases. RA Ambala did not produce the relevant records for further audit investigation.

The department in its written reply stated as under

SDO (C) Ambala has been directed not to reassign registration mark to vehicles. However there is no financial loss to the Govt. on this account.

Now VAHAN software has been implemented to take care of such issues.

The Committee desired that the responsibility of the erring officer or official should be fixed and action taken against the erring officer/official should be intimated to the Committee

[82] 4 2 9 3 Registration of two or more vehicles with same insurance cover note

As per provisions of the MV Act and rules made thereunder every vehicle is required to be insured before its registration. A valid insurance certificate is required to be furnished alongwith application for registration. Test check revealed that the RAs did not verify whether the insurance cover submitted along with the application for registration of vehicle was actually valid or not. Moreover there was no validation check in the system to ensure that the insurance cover note submitted for a particular vehicle was not re used for registration of other similar vehicles. Data analysis revealed that the insurance company and its cover notes for a particular vehicle/owner were common for two or more vehicles in a number of cases as tabulated below

Name of RA vehicle	Total records analysed	Number of insurance cover note used for registering more than one
Jagadhri	79 992	1 234
Ambala	99 990	25 082

Thus the system being used in these RAs was fraught with the risk of same insurance cover notes being used again and again for registering more than one vehicle. This was also a result of lack of controls in the system to detect duplicate entries.

The department in its written reply stated as under

Only first three digits were fed in the computer in place of feeding the complete insurance cover note number which created the confusion.

Now complete number of the insurance cover note is being fed in the computer. There is no financial loss to the Govt. on this account.

The Committee desired to know how department justify the lack of control in the system to detect duplicate entries?

The Committee further desired that detailed reply alongwith reasons of using same insurance cover note be sent to the Committee

AGRICULTURE DEPARTMENT

[83] 17 Arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs 1 601 84 crore of which Rs 390 44 crore were outstanding for more than five years as detailed in the following table

(Rupees in crore)

Sr No	Head of revenue receipts	Amount outstanding as on 31 March 2007	Amount outstanding more than 5 years as on 31st March 2007	Remarks
	Other taxes and duties on commodities and services Receipt under the Sugarcane (Regulation Supply and Purchase Control) Act	7 18	3 52	Seven sugar mills (Panipat Rs 3 78 crore Rohtak Rs 1 42 crore Yamunanagar Rs 0 77 crore Naraingarh Rs 0 57 crore Bhadson Rs 0 48 crore Kaithal Rs 0 15 crore and Bhuna Rs 0 01 crore) did not deposit the tax

Of these sales tax arrears of Rs 1 268 50 crore and the arrears outstanding for more than five years constituted 79 per cent and 24 per cent of the total arrears respectively Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue

The department in its written reply stated as under

As per details received from Accountant General (Audit) Haryana the Department involved in seven cases for Rs 7 18 crore The Sugar mills wise details is as under

Sr No	Name of office	Period	Para No	No s of cases	Amount (Rs In Crore)	Present position
1	2	3	4	5	6	7
1	A C D O Panipat	2004 05	1	1	3 78	Recovery not Effected Action is being taken to recover the arrear amount

1	2	3	4	5	6	7
2	A C D O Rohtak	2004 05	1	1	1 42	An amount of Rs 24138/ is still pending as purchase tax and an amount of Rs 1 41 75 940 as Interest on cane purchase tax against the Sugar Mills Rohtak Efforts are being made to recover this outstanding balance arrear
3	A C D O Yamuna nagar	2004 05	1	4	0 77	This para pertains to the recovery of Cane Purchase tax due against the Yamunanagar Sugar mills The Mills have filed a Suit in the Court against the recovery of the purchase tax and the case is still pending for final decision
4	A C D O Narain garh	2004 05	1	4	0 57	The Mills had filed a Suit in the Court against the recovery of the purchase tax and interest The C J M Panchkula passed order dated 08 2 2008 whereby Suit of the plaintiff has been dismissed as withdrawn District Attorney Panchkula stated that no further action is called for this case the Sugar Mills had deposited a sum of Rs 5 00 lakh against this amount Efforts are being made to recover the balance tax along with interest
5	A C D O Bhadson (Karnal)	2004-05	2	3	0 48	Recovery not Effected Action is being taken to recover the arrear amount Efforts are being made to recover this outstanding balance arrear
6	A C D O Kaithal	2004 05	1	1	0 15	An amount of Rs 0 15 crore as interest on cane purchase tax is to be recovered from sugar mill Kaithal Efforts are being made to recover this outstanding balance arrear

Now a sum of Rs 7 12 crore is recoverable The Managing Director Sugar Federation was directed to submit the present plan before 10 4 2004 to Cane Commissioner Haryana Panchkula for depositing purchase tax alongwith interest In meetings held under the chairmanship of Worthy PSCM the matter was reviewed on 15 4 2004 and 2 6 2004 D O letter No 4177 dated 16 9 2004 was written by the Financial Commissioner & Principal Secretary to Government Haryana Agriculture Department to Financial Commissioner and Principal Secretary to Government Haryana Corporation Department for depositing the purchase tax and interest thereon Thereafter a reminder No 1233 dated 18 3 2005 was written by Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Govt Haryana Cooperative Department for immediate action to recover the purchase tax from the defaulter Sugar Mills The Cane Commissioner Haryana vide his D O letter dated 11 10 2005 requested the Managing Director Haryana State Federation Cooperative Sugar Mills Ltd Panchkula for depositing the balance purchase tax and interest thereon due against the Cooperative Sugar Mills so that the pending audit paras may be got settled In the meeting of Sugarcane Control Board held under the Chairmanship of Hon ble Chief Minister Haryana on 10 11 2005 it was decided that Managing Director Sugar Federation prepare a draft for exemption of interest amount and send proposal to State Govt through Agriculture Department and Private Sugar Mills to deposit the purchase tax alongwith interest In this regard a certificate was issued through Collector Panchkula vide this office letter dated 13 12 2005 to Collector Yamunanagar Ambala and Karnal for recovery of purchase tax and interest due against the the Private Sugar Mill Naraingarh Yamunanagar and Bhadson The matter was also discussed in Deputy Commissioner conference held on 12 2 2006 under the chairmanship of Hon ble Chief Minister He directed all the concerned Deputy Commissioners to recover the Sugarcane purchase tax due against the Sugar Mills situated in their district The Cane Commissioner Haryana write a D O 4064 4069 dated 16 7 2007 to the Deputy Commissioner cum Collector Rohtak Panipat Kaithal Karnal Yamunanagar Ambala & Registered Letter to the Deputy Commissioner cum Collector Ambala vide his No 2746 dated 30 5 2008 for recovery of purchase tax from Sugar Mill Naraingarh Thus 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 earnest efforts are being made for effecting the recovery

The Committee desired the department to accelerate the pace of recovery with regard to the Cane purchase tax alongwith the interest thereon under intimation to the Committee

[84] 4 1 Results of audit

Test check of records of departmental offices relating to revenue received from taxes on motor vehicles State excise taxes on goods and passengers entertainment duty taxes and duties on electricity and purchase tax (Agriculture) conducted in audit during the year

2006-07 revealed under assessments of taxes/duties and loss of revenue amounting to Rs 26.26 crore in 72,196 cases as depicted below

Sr No	Nature of irregularities	Number of cases	Amount (Rs in crore)
F Purchase tax (Agriculture)			
1	Non deposit of purchase tax and loss of interest	3	0.39
Total		3	0.39
Grand Total		72,196	26.26

During the year 2006-07 the departments accepted under assessments of Rs 1.22 crore in 509 cases. An amount of Rs 63 lakh in 36 cases had been recovered of which Rs 54 lakh in 33 cases pertained to earlier years.

A few illustrative cases highlighting irregularities involving financial effect of Rs 2.80 crore and an IT Review on Activities of registration of vehicles in regulatory wing of Transport Department are mentioned in this chapter.

The department in its written reply stated as under:

As per details received from Accountant General (Audit) Haryana the department involved in three cases for Rs 0.39 crore. The Sugar Mills wise details is as under:—

Sr No	Name of office	Para No	No s of cases	Amount (Rs in Crore)	Present position
1	2	3	4	5	6
	A C D O Yamuna nagar	1	1	37.41	An amount of Rs 37.41 lakh is due against Sugar Mills Naraingarh which falls under the jurisdiction of A C D O Yamuna Nagar. As far as the recovery of purchase tax from Naraingarh Sugar Mill Naraingarh is concerned the recovery Certificate has been issued to Collector Ambala through Collector Panchkula vide his office letter No. R C(11)2005-06/DRA dated 23/2006.

Now a sum of Rs 3741 crore is recoverable. The Managing Director Sugar Federation was directed to submit the present plan before 10.4.2004 to Cane Commissioner Haryana and Panchkula for depositing purchase tax alongwith interest. In meetings held under the chairmanship of Worthy PSCM the matter was reviewed on 15.4.2004 and 2.6.2004. D.O. letter No 4177 dated 16.9.2004 was written by the 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 was written by Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Govt Haryana Cooperative Department for immediate action to recover the purchase tax from the defaulter Sugar Mills. The Cane Commissioner Haryana vide his D.O. letter dated 11.10.2005 requested the Managing Director Haryana State Federation Cooperative Sugar Mills Ltd Panchkula for depositing the balance purchase tax and interest thereon due against the Cooperative Sugar Mills so that the pending audit paras may be got settled. In the meeting of Sugarcane Control Board held under the Chairmanship of Hon ble Chief Minister Haryana on 10.11.2005 it was decided that Managing Director Sugar Federation prepare a draft for exemption of interest amount and send proposal to State Govt through Agriculture Department and Private Sugar Mills deposit the purchase tax alongwith interest. In this regard a certificate was issued through Collector Panchkula vide this office letter dated 13.12.2005 to Collector Ambala for recovery of purchase tax and interest due against the Private Sugar Mills Naraingarh. The matter was also discussed in Deputy Commissioners conference held on 12.2.2006 under the chairmanship of Hon ble Chief Minister. He directed all the concerned Deputy Commissioners to recover the Sugarcane purchase tax due against the Sugar Mills situated in their district. The Cane Commissioner Haryana write a D.O. 4068 dated 16.7.2007 to the Deputy Commissioner cum Collector Ambala & Registered Letter to the Deputy Commissioner cum Collector Ambala vide his No 2746 dated 30.5.2008 for recovery of purchase tax from Sugar mill Naraingarh. Thus 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 earnest efforts are being made for effecting the recovery.

The Committee desired the department to accelerate the pace of recovery with regard to the Cane purchase tax alongwith the interest thereon under intimation to the Committee

[85] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006

07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Nature of irregularities	Number of cases	Amount (Rs in crore)
D Agriculture			
1	Miscellaneous irregularities	157	0.77
Total		157	0.77

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006-07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review on Interest receipts from loans and advances involving Rs 82.74 crore highlighting important cases are mentioned in this chapter.

The department in its written reply stated as under —

This para relates to short realization of licence fees/losses of revenue etc relating to various departments of Govt. of Haryana during the year 2006-07. As far as Agriculture Department Haryana is concerned there are 157 cases involving an amount of Rs 76.70 lakh as per detail given below

Sr No	Name of Audit Unit	Para No	No of cases	Amount (Rs in lakh)
1	DDA Narnaul	1	34	0.40

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 may get his licence renewed in case he is interested in the sale of above agricultural inputs. The renewal of the licence is mandatory only when the licensee is interested to continue the business of selling of above agricultural inputs.

As regard loss due to non-renewal of licences of registered pesticides & fertilizers sellers of districts Narnaul, Kurukshetra & Sonapat which are mentioned at Serial No. 3 to 6 are concerned the reply is given as under —

Sr No	Name of Audit Unit	Para No	No of cases	Amount (Rs In Lakh)	Reply
1	DDA Narnaul	1	34	0 40	32 Registered Fertilizer sellers (copy enclosed) has closed their business and did not get renewed their licences after the expiry of the validity of the licences. It is practically not possible to recover the amount of Rs 0 40 lakh from the sellers who has closed their business. Therefore it is requested that the para may kindly be dropped.

After going through the written reply of the department the Committee observed that 32 Registered Fertilizer Sellers have closed their business and did not get renewed their licences after the expiry of the validity of the licences but no information has been provided by the department about the remaining 2 Registered Fertilizer Sellers.

The Committee therefore desired the department to supply the information about the said remaining 2 Registered Fertilizer Sellers within a stipulated period of three months.

In view of the matter the Committee desired that as and when stay is vacated by the Hon 'ble High Court of Mumbai it may be informed to the Committee so that further action in the matter may be taken as per decision of the Court.

REVENUE DEPARTMENT

[86] 3.1 Results of audit

Test check of records of various registration offices conducted in audit during the year 2006-07 revealed non/short levy of stamp duty and registration fee amounting to Rs 8.99 crore in 3,476 cases which broadly fall under the following categories

Sr No	Nature of irregularity	Number of cases	Amount (Rupees in crore)
1	Short levy/recovery of stamp duty due to under valuation of immovable property	1,195	4.00
2	Short recovery of stamp duty due to non charging of residential rates on purchase of rural land by builders	67	0.50
3	Irregular exemption of stamp duty on mortgage deeds	887	0.16
4	Loss of stamp duty due to misclassification of deeds	16	0.35
5	Short levy of stamp duty on release deeds	32	0.12
6	Miscellaneous irregularities	1,279	3.86
Total		3,476	8.99

During the year 2006-07 the department accepted under assessments of Rs 6.67 crore involved in 2,352 cases. An amount of Rs 3 lakh in 104 cases had been recovered which pertained to earlier years.

A few illustrative cases highlighting irregularities involving financial effect of Rs 33.67 lakh are mentioned in this chapter.

The department in its written reply stated as under:

Short levy/recovery of stamp duty due to under valuation of immovable property	No of cases	Amount (in lacs)
1. Amount Recovered by the department	129	19.57
2. Amount dropped by Collectors	241	82.89
3. Amount dropped by A.G.	165	22.45
4. Recovery already mentioned in CAG	15	0.62

5	Pending in various courts of Collectors under Stamp Act	350	229 13
6	Balance cases/Amount for recovery	295	45 04
Total		1195	399 71

This para relates to Short levy/recovery of stamp duty due to under valuation of immovable property All Deputy/Commissioners are constantly being directed to get the decisions expedited and bring down the number of cases pending in courts of Collectors and to make strenuous efforts to recover the balance amount

The latest position of para No 3 1 2 is as under

Short recovery of stamp duty due to non charging of residential rates on purchase of rural land by builders		No of cases	Amount (in lacs)
1	Amount Recovered by the department	3	0 51
2	Amount dropped by Collectors	44	34 02
3	Amount dropped by A G	17	14 93
4	Pending in various courts of Collectors under Stamp Act	1	0 04
5	Balance cases/ Amount for recovery	2	0 57
Total		67	50 07

In this para 1 case of ₹ 4000 is pending in court of collector DC has been directed to decide this case speedily ₹ 57 000/ in 2 cases is due to be recovered for which efforts are on

The latest position of para No 3 1 3 is as under

Irregular exemption of stamp duty on mortgage deeds		No of cases	Amount (in lacs)
1	Amount Recovered by the department	152	1 86
2	Amount dropped by Collectors	502	2 90
3	Amount dropped by A G	50	1 68
4	Pending in various courts of Collectors under Stamp Act	3	0 18
5	Balance cases/Amount for recovery	180	8 89
Total		887	15 51

Out of 887 cases 3 cases are pending in the court of collector for decision which are being proved and in 180 cases recovery is pending DCs have been directed

to settle these cases expeditiously and recover the balance amount by putting extra efforts

The latest position of para No 3 1 4 is as under

Loss of stamp duty due to misclassification of deeds		No of cases	Amount (in lacs)
1	Amount dropped by A G	2	1 04
2	Pending in various courts of Collectors	3	26 61
3	Recovery made by department	4	0 42
4	Balance cases/ Amount for recovery	7	6 68
Total		16	34 75

In this para 3 cases of ₹ 26 61 lacs are being pursued in the courts of collectors and 7 cases of ₹ 6 6 8 lacs are pending for recovery DCs have been impressed upon to make recoveries and settle cases U/S 47 of the Indian Stamp Act 1899

The latest position of para No 3 1 4 is as under

Short levy of stamp duty on release deeds		No of cases	Amount (in lacs)
1	Amount dropped by Collectors	2	0 94
2	Amount dropped by A G	27	8 67
3	Pending in various courts of Collectors under Stamp Act	3	2 14
4	Balance cases/Amount for recovery	Nil	Nil
Total		32	11 75

In this para 3 cases of ₹ 2 14 lacs are pending in the court of collectors of the amount will be recovered as and when pointed out in the decision of the court which are being pursued for quick disposed in the courts of Collectors of Gurgaon and Rohtak

The latest position of para No 3 1 6 is as under

Miscellaneous irregularities		No of cases	Amount (in lacs)
1	Amount Recovered by the department	132	18 52
2	Amount dropped by Collectors	312	75 99
3	Amount dropped by A G	344	204 13
4	Pending in the court of Collector under Stamp Act	212	30 53
5	Balance cases/Amount for recovery	279	57 28
Total		1279	386 45

All Deputy Commissioners are constantly being directed to get the decisions expedited and bring down the number of cases pending in courts of Collectors and to make strenuous efforts to recover the balance amount

The Committee desired that strenuous efforts may be made to recover the balance amount and pursue the case pending in various Courts of Collectors

[87] 3 2 2 Short levy of stamp duty due to application of incorrect rates of immovable property

In order to check evasion of stamp duty in sale deeds Government issued instructions in November 2000 to all RAs in the State to the effect that agricultural land sold with area less than 1 000 square yards in urban areas and near residential areas in villages be valued at the rate fixed for the residential property of that locality for the purpose of levying stamp duty

During test check of records of Sub Registrars (SRs) Kaithal and Thanesar (Kurukshetra) for the year 2005 06 it was noticed in May and August 2006 that 18 sale deeds of plots with area less than 1 000 square yards were registered between April 2005 and March 2006 The deeds were liable to be assessed for Rs 1 51 crore based on the rates fixed for residential areas and stamp duty of Rs 11 97 lakh was chargeable However the RAs assessed the deeds for Rs 43 94 lakh on the rate fixed for agricultural land and levied stamp duty of Rs 3 33 lakh This resulted in short levy of stamp duty of Rs 8 64 lakh After this was pointed out in May and August 2006 SRs Thanesar and Kaithal referred these cases to the Collector for decision in August and November 2006 Further report had not been received (August 2007) The matter was referred to Government in July and November 2006 reply had not been received (August 2007)

The department in its written reply stated as under

The amount related to Kurukshetra is ₹ 5 86 in 9 cases as per the audit notes and Kaithal is ₹ 3 14 lakh in 9 cases As such the amount involved in 18 cases is ₹ 9 00 lakh as against ₹ 8 64 lakh pointed out by Accountant General Haryana The latest position of 18 cases involved in the Para is as given below

	No of cases	Amount (in lakh)
Recovery made by the Department	8	3 06
Pending in various courts of collectors under Stamp Act	7	3 39
Deed cancelled by Collector (deed no 4026 dated 14 7 2005)	1	0 53
Amount dropped by Collectors	2	2 02
Total	18	9 00

DCs are constantly being impressed upon to settle cases U/S 47 of the Indian Stamp Act 1899 and effect expeditious recoveries as per stamp law procedure Recently a meeting for expeditious settlement of the balance cases was held under the Chairmanship of Additional Chief Secretary & Financial Commissioner Revenue on 5 11 2012 in which all the DROs participated and assured quick action

During the oral examination of the departmental representatives the Committee observed that this matter relates to revenue loss of the State Government. Thus the Committee desired the department to enquire about this matter and responsibility needs to be fixed in this matter and its report be sent to the Committee accordingly

[88] 3.3 Non levy of stamp duty on plant and machinery

Under the IS Act conveyance includes conveyance on sale and every instrument by which property whether movable or immovable is transferred. Further the Indian Registration Act 1908 provides that immovable property includes land, building and things attached to the earth. Government clarified in August 2003 that plant and machinery installed in the factory premises for running the business when sold along with the factory land and building would constitute a part of the immovable property for ascertaining value of property for stamp duty.

During test check of records of JSR Sampla (Rohtak) for the year 2005-06 it was noticed in September 2006 that a vendee purchased a factory land, building, plant and machinery for a consideration of Rs 2.74 crore (Rs 1.63 crore for land and building and Rs 1.11 crore for plant and machinery) in an auction conducted by the official liquidator attached to the Punjab and Haryana High Court at Chandigarh. While executing the conveyance deed in December 2005 stamp duty of Rs 9.78 lakh was paid on the cost of land and building amounting to Rs 1.63 crore. The RA did not levy stamp duty on the cost of plant and machinery amounting to Rs 1.11 crore. This resulted in short levy of stamp duty of Rs 6.63 lakh on the cost of plant and machinery.

After this was pointed out in September 2006 JSR Sampla issued notice to the party in November 2006 to deposit the deficit amount of duty of Rs 6.63 lakh. Further report on recovery had not been received (August 2007).

The matter was referred to Government in November 2006, reply had not been received (August 2007).

The department in its written reply stated as under:

Only one case is involved in this Para. The Collector has decided the deficiency of ₹ 6.63 lacs against the party. The party went in appeal in the Court of Divisional Commissioner, Rohtak against the decision of the Collector. The case was remanded to Collector who has upheld the earlier decision. The party has again preferred an appeal in the Court of Divisional Commissioner, Rohtak against the recent decision of the Collector. The case is fixed for further hearing on 16.1.2013. Further action will be taken in the matter according to the decision of the Court.

Hon'ble Public Accounts Committee is therefore requested to drop this Para, the matter being sub-judice.

In view of the matter the Committee desired that as and when the Court decides the case it may be informed to the Committee as well as to the office of the Principal Accountant General (Audit), Haryana.

FINANCE DEPARTMENT

[89] 5 2 6 2 Non recovery of Loans and interest

State Government advanced three short term loans of Rs 11 87 crore (February 2001 Rs 2 33 crore June 2002 Rs 3 91 crore December 2002 Rs 5 63 crore) to Haryana State Small Industries and Export Corporation Chandigarh (Export Corporation) for making payment of retrenchment compensation and dues to its retrenched employees. The loans for Rs 2 33 crore and Rs 9 54 crore sanctioned during the years 2000 01 and 2002 03 carried interest at the rate of 11 5 and 12 5 per cent respectively. These loans were required to be repaid by 31 March 2001 (Rs 2 33 crore) and 31 March 2003 (Rs 9 54 crore) alongwith interest. The Managing Director was also advised to take immediate suitable steps for sale or transfer of property of the Export Corporation as envisaged in the conditions of the sanctions.

During test check of records of loans and advances in the office of Director of Industries Haryana Chandigarh it was noticed that Export Corporation had not made repayment of loans alongwith interest by the stipulated dates. Repayment of loans amounting to Rs 2 66 crore only had been made between May 2001 and March 2006 but interest had not been paid. Demand notices were not issued by Director of Industries for recovery of outstanding dues. The recovery of loans of Rs 9 21 crore and interest of Rs 4 66 crore due was still pending as of 30 September 2006 besides penal interest.

After this was pointed out the Deputy Director (Technical) Department of Industries and Commerce Haryana stated in June 2007 that out of Rs 9 21 crore an amount of Rs 65 lakh was likely to be received after disposal of property at Kolkata. Property of Export Corporation at Jhajjar and Kohand valued at Rs 2 94 crore was under process for transferring to the department. Final outcome was awaited.

The department in its written reply stated as under

In addition to the sum of Rs 2 66 crore repaid earlier The HSSIIEC returned Rs 30 lakh on 22nd July 2008 against the total of Rs 11 87 crore.

The property of HSSIIEC located at Kolkata was disposed of by the Corporation in 2007 for an amount of Rs 65 lakh out of which a sum of Rs 30 lakh was deposited with the Government. In the meeting of the Board of Director of HSSIIEC held on 29 December 2011 it was decided to transfer the two properties at Kohand (valued at Rs 33 60 lakh) and Jhajjar (valued at Rs 7 3375 crore) to the Government in lieu of the outstanding loan. The Finance Department has advised the Department of Industries to take over the possession of land and plan their suitable utilization or disposal within three months.

The Committee desired the department to inform the Committee after taking final decision in this matter

[90] 5 2 6 3 Non recovery of loans and interest

RCS Haryana disbursed a loan of Rs 2 80 lakh to seven labour and construction societies under centrally sponsored scheme titled Assistance to weaker section co operatives for the year 2000 01 in January 2001. The loan carried interest at the normal rate of 13 per cent and penal rate of 15 75 per cent in the event of default in repayment of loans and interest. The principal was repayable in seven annual instalments commencing from the third anniversary of the grant of loan. But interest was required to be paid annually from the first anniversary of the drawal of the loan.

Test check of records in the office of ARCS Jagadhari revealed that loan of Rs 1 20 lakh was due for repayment upto 31 March 2006 of which only Rs 0 72 lakh was repaid by the three societies. Against the interest of Rs 1 81 lakh due Rs 0 51 lakh only was paid. Thus Rs 2 11 lakh (principal Rs 0 48 lakh interest Rs 1 30 lakh and penal interest Rs 0 33 lakh) was neither demanded nor recovered by Co operation Department from loanees.

After this was pointed out RCS Haryana Panchkula stated in July 2007 that a sum of Rs 0 19 lakh (interest Rs 0 14 lakh penal interest Rs 0 05 lakh) had been recovered and efforts were being made to recover the balance amount.

The department in its written reply stated as under

The Registrar of Cooperative Societies has provided the following updated status

Name of Societies	Balance as on 31 3 06			Recovery			Balance as on 30 6 2012		
	Principal	Interest	Penal Intt	Principal	Interest	Penal Intt	Principal	Interest	Penal Intt
Veshwa Karna L/C	0	10579	—	0	10579	—	0	0	0
Shine Shakti L/C	8254	12593	5202	7477	12593	5000	777	0	202
Vijay Laxmi L/C	17142	26841	5678	—	15000	—	17142	11841	5678
Anjana L/C	—	4672	5431	—	4672	5431	0	0	0
Krishna L/C	17142	26841	5678	—	—	—	17142	26841	5678
Chandpur L/C	17142	26841	5678	—	—	—	17142	26841	5678
Bajrang L/C	17142	21441	5678	—	—	—	17142	21441	5678
Total	76822	129808	33345	7477	42844	10431	69345	86964	22914

As per the reply of the Registrar Co operative Societies sincere efforts are being made for the recovery of remaining amount. The Finance Department has advised the Registrar Cooperative Societies to ensure that the outstanding dues are recovered within six months.

The Committee desired that the balance amount may be recovered at the earliest within six months and the Committee may be apprised about it

[91] 5 2 8 Non recovery of interest and penal interest

Interest on loans and advances is chargeable from the date of disbursement of loans to the loanees at the rates and on the terms and conditions mentioned in sanctions by the sanctioning authority. Penal interest is also chargeable at the rate of two per cent per annum above the normal rate of interest on all overdue instalments of principal and interest in case the repayment schedule was not adhered.

State Government released three loans amounting to Rs 9.96 crore and short term loan of Rs 2.85 crore between January 2001 and July 2002 to Haryana State Federation of Consumers Co-operative Wholesale Stores Limited, Chandigarh (CONFED) and Haryana State Handloom and Handicrafts Corporation, Chandigarh (Handloom Corporation) respectively at an annual rate of interest of 12.5 per cent for making payment of retrenchment compensation to retrenched employees. The loans were repayable between 2004-05 and 2007-08 in the case of CONFED and upto March 2001 in the case of Handloom Corporation. However, the clause for charging of penal interest in case of default in payment was not incorporated in the sanction orders.

During test check of records of the offices of Director Food and Supplies, Haryana and Director of Industries, Haryana, Chandigarh, it was noticed that CONFED had refunded the entire amount of loan amounting to Rs 9.96 crore between February 2004 and September 2006 but the interest required to be paid annually was not paid in time. As against interest of Rs 5.35 crore due upto July 2006, an amount of Rs 3.86 crore only was paid in September and October 2005 and thus leaving a balance of Rs 1.49 crore. The Handloom Corporation had paid entire loan between May 2001 and June 2005. Delay in repayment of loan ranged between one and 50 months. Interest amounting to Rs 62.92 lakh due upto June 2005 was not paid. Demand notices were not issued to recover the amount of interest. This resulted in non/short recovery of interest of Rs 2.12 crore. Besides, Government also suffered a loss of Rs 30.82 lakh on account of penal interest chargeable on overdue instalments of principal and interest due to non inclusion of clause of penal interest in the sanction.

After this was pointed out, Director Food and Supplies stated in July 2007 that CONFED had deposited the balance amount of interest of Rs 1.49 crore between October and December 2006. Since there was no clause of penal interest chargeable on overdue instalment of principal and interest in the sanction orders issued for release of loan to CONFED, the penal interest of Rs 16.82 lakh was not recoverable. The reply of the department was not tenable as the department was required to incorporate clause of charging penal interest as per instructions of Finance Department of March 1979 reiterated in July 1997 and January 2002. Moreover, CONFED had deposited last instalment of loan of Rs 50 lakh on 20 September 2006 but the department had neither demanded nor recovered interest of Rs 0.85 lakh for the period from 1 August to 19 September 2006.

Director of Industries stated in February and July 2007 that Handloom Corporation was not in a position to pay the interest due to its bad financial health and the case for waiving of the entire interest on loans had been sent to Government in September 2006. Government decision was awaited.

The department in its written reply stated as under —

Haryana State Handloom & Handicraft Corporation

The State Govt had taken the decision to wind up this Corporation in the year 2000-2001. The Corporation had taken the short term loan of Rs 2.85 crore in 2001 for making payment of retrenchment compensation to retrenched employees.

It was decided to dispose off all the assets of the Corporation to set off the outstanding loan. Accordingly the Corporation after disposing off the assets at Bhiwani, Kolkata, Simla and Jaipur had paid the entire amount of short term loan amounting to Rs 2.85 crore. The detail of repayment is as under -

Date of repayment	Amount
24.05.01	25,88,220
19.04.02	59,11,780
27.06.02	45,00,000
01.08.02	17,00,000
26.07.02	38,00,000
11.03.03	45,00,000
16.05.05	10,00,000
02.05.05	27,00,000
07.06.05	18,00,000
Total	2,85,00,000

In the absence of any source for returning the interest, a proposal regarding waiving off the interest component is under consideration. One of the constraints for waiver is that waiver would be treated as taxable income for the beleaguered Corporation. The department of Industries is in contact with the Registrar of Companies for quick obliteration of the Corporation. A decision on waiver will be taken thereafter. It is requested that the paragraph may be dropped.

The Committee desired the department to inform the Committee as well as to the office of the Principal Accountant General (Audit), Haryana about the final report of the decision taken with regard to waive off the amount of interest in question.

[92] 5.2.9 Non recovery of loans granted in lieu of deferment of sales tax and interest

With a view to promote industry at an accelerated pace, State Government formulated an industrial policy which inter alia provides number of financial and fiscal incentives (including

deferment of sales tax for specified period) to new as well as existing entrepreneurs. State Government in December 1992 decided to provide interest free loans to Industries Department to the extent of sales tax liabilities under scheme of deferment of sales tax under the industrial policy. These loans were recoverable after a period of five years. In case the repayment schedule was not followed, interest and penalty was also chargeable on amount of sales tax due as per provisions of HGST Act and rules made thereunder. Further, on cancellation of eligibility certificate before it was due for expiry or after the date of expiry of period of deferment due to non fulfilment of conditions of the deferment scheme, the entire amount of deferred tax became payable immediately in lump sum along with interest and penalty as if no deferment was allowed.

Test check of records in the offices of five DICs revealed that 20 industrial units availed the benefit of deferment of sales tax between April 1997 and April 2000 for which State Government sanctioned interest free loans of Rs 30.98 crore. The loan was recoverable after five years i.e. between April 2002 and April 2005. A sum of Rs 7.12 crore had been recovered as of 30 September 2006 leaving balance loan amounting to Rs 23.86 crore and interest of Rs 36.35 crore chargeable thereon as on 30 September 2006.

The GM, DIC of concerned district was fully empowered to recover the loan in cases of default as arrears of land revenue under the provision of the Haryana Public Money Recovery Act. However, for proceeding under the Act, a show cause notice and personal hearing was required to be given to the industrial units. It was noticed in audit that notices for recovery of loan and interest thereon were not issued to the units concerned by the concerned GM, DICs (except DIC Gurgaon). Thus, non pursuance of their repayment resulted in accumulation of loans amounting to Rs 60.21 crore including interest of Rs 36.35 crore.

After this was pointed out, Director of Industries and Commerce intimated in July 2007 that an amount of Rs 1.80 crore (principal Rs 1.74 crore, interest Rs 0.06 crore) had been recovered from six units. GM, DIC had been asked to expedite the recovery of balance amount. Further reply has not been received.

The department in its written reply stated as under —

During the year 2006-07, an amount of Rs 30.98 crore was sanctioned to 20 units in respect of benefit granted under the scheme of interest free Loan in lieu of deferred sales tax. Out of this, an amount of Rs 11.02 crore (Rs 10.72 crore principal + Rs 0.30 crore interest) has been recovered from the industrial units up to 30 June 2012. The balance amount of Rs 56.31 crore (Rs 20.26 crore principal + Rs 36.05 crore interest) is to be recovered from the industrial units. Some cases are pending before the Tribunal, Debt Recovery II/Court/Steering Committee. However, General Managers, District Industries Centres are also directed to expedite the recovery of balance amount.

Out of 20 units, Principal as well as interest amount from five units (2 units of Gurgaon, 2 units Yamunanagar and 1 unit of Rewari) has been fully recovered till date. The latest position regarding sanctioned/recovered/outstanding amount is added in the annexure A.

Annexure A

**Latest position regarding amount sanctioned/recovered and Interest recoverable thereon
under Interest Free Loan in lieu of Deferred Sales Tax Scheme**

Sr No	Name of the unit	Amount Sanctioned	Amount Recovered	Balance amount recoverable			Remarks
				Upto 30 09 2012	Principal	Interest	
1	2	3	4	5	6	7	8
District Yamuna Nagar							
1	M/s Pragati Silicones Pvt Limited	2894215	2894215	0	0	0	100% recovery has been made
2	M/s ShreeGold Polymers	673812	673812	0	0	0	100 / recovery has been made
District Rewari							
3	M/s Inertia Industres Dharuhera	16561967	16561967	0	0	0	100 % recovery has been made
4	M/s Delton Cables Limited Dharuhera	30084000	30084000	0	8655512	8655512	The case has been moved by GM DIC Rewari to collector Rewari to issue recovery certificate of the Govt dues as per Land Revenue Act
District Gurgaon							
5	M/s Advance Matenal Pvt	6273851	6273851	0	0	0	100 / recovery has been made
6	M/s Trnnayna Auto Industry Limited Plot No 560 Udyog Vihar Gurgaon	2955890	2955890	0	0	0	100 / recovery has been made
7	M/s A S Impex Limited Plot No 9 Sector 34 Gurgaon	7609193	20000	7589193	15734614	23323807	The unit is under the process of winding up Liquidator has been appointed and initiated the process for the recovery of outstanding amount
District Faridabad							
8	M/s Atul Glass Limited 14/1 MR	5020000	755000	4265000	10089750	14354750	Unit has moved to Appellant Authority for Industrial and Financial Reconstruction (AAIFR)

1	2	3	4	5	6	7	8
							and AAIFR has set aside the orders of Board for Industrial and Financial Reconstruction (BIFR) on 20 10 2011 for reviewing the case
9	M/s Equipment Conductor & Cable	863862	0	863862	1894316	2758178	Court case efforts are being made to recover the amount
10	M/s Condor Power Product Pvt Limited	3662000	147338	3514662	8696993	12211655	Court case efforts are being made to recover the amount
11	M/s Clutch Auto Limited 134 MR Faridabad	22364543	22364543	0	9214769	9214769	Principal amount has been recovered and efforts are being made to recover the interest
12	M/s Khemka Ispat Limited 230/24	1432856	862229	570627	892043	1462670	60 % Principal amount has been recovered since the unit is closed and under liquidation claims for the outstanding amount has been lodged with the official liquidator
13	M/s Khemka Ispat Limited 2621/24	4184377	2050000	2134377	5307362	7441739	50 / Principal amount has been recovered since the unit is closed and under liquidation claims for the outstanding amount has been lodged with the official liquidator
14	M/s Balaji Fast Pack 317/24	356720	95000	261720	452876	714596	Efforts are being made to recover the balance amount
15	M/s Kartik Electronic Sec 31	705961	705961	0	160822	160822	Principal amount has been recovered and efforts are being made to recover the interest
16	M/s Namo Forging Sector 23	978459	978459	0	277328	277328	Principal amount has been recovered and efforts are being made to recover the interest
17	M/s Sadhu Forging Unit II	14926288	14370000	556288	709267	1265555	96% Principal amount has been recovered since the unit is closed efforts are being made to recover the balance amount

1	2	3	4	5	6	7	8
18	M/s Jaisons (Aircon)	238043	0	238043	607467	845510	Efforts are being made to recover the balance outstanding
19	M/s Surya Investment	2062203	1186998	875205	1266101	2141306	57 % Principal amount has been recovered since the unit is closed efforts are being made to recover the balance amount
District Rohtak							
20	M/s Haryana Telecom Limited Rohtak	186812656	3859556	182953100	338478779	521431870	The unit has moved the case to Board for Industrial and Financial Reconstruction (BIFR) on 18 02 1999 which was further moved to Appellate Authority for Industrial and Financial Reconstruction (MIFR) in the year 2006 now the case is under review hearing at the level of BIFR which was fixed for 20 12 2011 but the same was postponed till further orders
Grant Total		310660896	106838819	203822077	402437999	606260076	

The Committee desired the department to send the report of recovering the balance amount to the committee within a period of three months

[93] 5 2 10 Non reconciliation of outstanding loans and interest

The Finance Department directed in March 1979 that reconciliation between the departmental figures and the public sector undertakings and corporation s etc figures and those of Accountant General (Accounts and Entitlement) should be done by the HOD concerned at the appropriate time without fail

As per Finance Accounts of the State for the year ending 31 March 2006 loans amounting to Rs 176 31 crore (Rs 95 26 crore since 1989 90 and Rs 81 05 crore drawn during 2002 03) were outstanding But as per records of the Managing Director MITC Chandigarh loans amounting to Rs 97 66 crore were outstanding Thus there was discrepancy in outstanding loans of Rs 78 65 crore No reconciliation was done by MITC or Irrigation Department in respect of outstanding amount of loans on which no interest was recovered causing loss to Government

After this was pointed out the Finance Department directed (June 2007) the Irrigation Department and MITC to take immediate steps to sort out the matter Final outcome was awaited

The Department in its written reply stated as under —

The process for disposal of Assets of HSMITC has taken place since January 2007 and the Committees constituted for fixation of reserve price of the Assets and disposal have disposed off the Assets of the Corporation. The amount received on account of disposal of assets are being used by HSMITC for the purpose of making the payment to the Ex-employees of HSMITC on account of various claims lodged by them through courts as the funds initially released by the Govt i.e. Rs 76.65 crores were not sufficient to meet with the liabilities.

The figure of the Govt loan i.e. 97.66 crores shown in the Balance Sheet of HSMITC as on 31.3.2007 is in order. The year wise breakup of the same is enclosed as Annexure A. The amount of outstanding loan as on 31.03.2011 is Rs 97.65 crores, the interest due but not paid on Govt loans as on 31.03.2011 is Rs 97.18 crores.

At present fixed deposits of Rs 18.50 crores (Maturity value) are lying in various banks. These FDRs are due for maturity in the month of Sept. 2012, Nov. 2012 and June 2013. This amount has been retained for making payment of Gratuity alongwith interest under the Payment of Gratuity Act 1972 in compliance to the orders of various Controlling Authorities under the Payment of Gratuity Act. At present about 800 such cases filed by the retrenched/terminated employees of HSMITC are lying pending with various Controlling Authorities.

It is further stated that as per terms and condition of the loan Managing Director HSMITC was advised to take suitable steps for repayment of advance/loan to Govt either by transfer of unencumbered assets and stocks or by payment of sale/transfer of property of the corporation.

In this connection it is intimated that the Board of Directors of HSMITC in their 185th meeting held on 25.04.2011 have decided to transfer the assets/Lands of HSMITC to the Irrigation Department without value. The value of these assets/Lands transferred to the Irrigation Department without value. The collector rate would be more than the outstanding loan and interest thereon. As such the Finance Department, Haryana Govt (ways and means) was requested either to the waive of the loan and interest thereon/or the value of assets transferred to the Irrigation Department (without value) be adjusted against the outstanding loan and interest thereon. Keeping in view the above facts the Finance Department, Government of Haryana (FICW Branch) was requested to either waive off the loan of Rs 97.65 crores and interest amount of Rs 97.18 crores as on 31.03.2011 or the value of assets transferred to Irrigation Department (without value) be adjusted against the outstanding loan and interest which meets the condition of loan so that the C & AG para No. 5.2.6.1 may be got dropped. In reply to the said reference the Finance Department vide their U.O. No. 65/3/2012, FICW has advised that the properties of HSMITC may be transferred to Irrigation Department on Collectorate rate and the value of such properties may also be set off against the loan due amounting to Rs 194.83 crores. As advised by the Finance Department, Haryana the matter regarding to review of transfer of Assets of HSMITC to Irrigation Department without value was placed before the Board of Directors. HSMITC in

its 189th meeting held on 12 07 2012 vide agenda item No 189 07 The Board of Directors considered the position brought before it in the agenda item and desired that a reference be again made to the Finance Department with reference to their U O No 65/3/2012 5FICW explaining therein that the most of land was acquired by the Irrigation Department for channel to be run by the HSMITC and land compensation was given by the Irrigation Department It was observed that where the land compensation was disbursed by the HSMITC the same was given by taking loans from the Bank and their re payment was ultimately made by obtaining funds from the State Govt Keeping in view these peculiar circumstances and present status of HSMITC the Board in its 185th meeting held on 25 04 2011 had taken a decision to transfer the land and building noted in the Agenda Item to the Irrigation Department without value/cost The Board of Directors further desired that the Finance Department may be requested again to reconsider its advice to transfer these properties to the Irrigation Department at Collector rate and the outstanding loan of Rs 76 65 crores and interest thereon standing in name of HSMITC may be set of against these properties

In view of above the Finance Department (FICW Branch) through single file vide U O No 3365/MITC dated 26 07 2012 has been requested to reconsider its advice to transfer these properties to Irrigation Department at Collector rate and the outstanding loan of Rs 98 65 crores and interest amounting to Rs 97 18 crores as on 31 03 2011 standing in the name of HSMITC may be set of against these properties which also meets the condition of loans so that C & AG para No 5 2 6 1 may also be got dropped

The reply of FD (FICW Branch) is still awaited

The Committee desired the department to reconcile the figures of the outstanding loans/interest with the office of the Principal Accountant General (Audit), Haryana

The Committee also desired to maintain the registers by the HoD for follow up of loan and interest

HOME DEPARTMENT

[94] 17 Arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs 1 601 84 crore of which Rs 390 44 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 2007	Amount outstanding for more than 5 years as on 31 March 2007	Remarks
5	Police	14 42	4 39	Demands of Rs 6 87 crore (out of Rs 7 19 crore) were likely to be written off and balance amount of Rs 0 32 crore was recoverable from Indian Oil Corporation Recovery of Rs 5 49 crore was outstanding from nine States Remaining amount of Rs 1 74 crore was recoverable from Civil Aviation Bachod (Rs 0 54 crore) Civil Aviation Pinjore (Rs 0 91 crore) and Thermal Plant Bhakra Beas Management Board (BBMB) Fandabad (Rs 0 29 crore)

Of these sales tax arrears of Rs 1 268 50 crore and the arrears outstanding for more than five years constituted 79 per cent and 24 per cent of the total arrears respectively Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue

The Department in its written reply stated as under —

Out of outstanding amount of Rs 14 42 crore amount Rs 1 09 20 447/ has been written off and for the balance recoverable amount the concerned States/ Departments and organizations have been requested to reimburse the amount The detail of balance arrear of revenue is as under -

Sr No	States	Amt in Lacs
1	West Bengal	110 85
2	Kerala	17 75

3	Bihar	223 10
4	Tamilnadu	6 32
5	Uttar Pradesh	114 05
6	Rajasthan	1 95
7	Punjab	7 29
8	Assam	58 89
9	Gujarat	1 24
10	IOC	687 00
11	Civil Bacchod	54 00
12	Civil Aviation Pinjore	91 00
13	Thermal Power House FBD	29 00
Total		1402 44

All the concerned have been requested to reimburse the amount. All out efforts are being made to recover the dues.

The Committee desired that constant suitable efforts should be made by the department to recover the balance amount from the concerned States/Departments and organizations without further loss of time under intimation to the Committee

[95] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006-07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Name of departments and nature of irregularity	Number of cases	Amount (Rs in crore)
A Home (police)			
1	Non recovery of deployment charges/cost of police deployed in other States	1 021	6 91
2	Loss of revenue due to non auction of condemned vehicles/articles	148	0 42
3	Miscellaneous irregularities	8	5 36
Total		1 177	12 69

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006-07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review on interest receipts from loans and advances involving Rs 82.74 crore highlighting important cases are mentioned in this chapter.

The Department in its written reply stated as under:

There were 1177 cases of non-recovery of deployment charges/cost of police deployed in other States, loss of revenue due to auction of condemned vehicles/articles and miscellaneous irregularities involving an amount of ₹ 1268.47 lacs outstanding as on 31-3-2007 out of which 1066 cases involving an amount of ₹ 1236.27 lacs has since been settled leaving 111 cases involving an amount of ₹ 32.20 lacs as under:

Name of irregularities	Balance outstanding cases	Amount (Rs in lacs)
Loss of Revenue due to non-auction of condemned vehicles/articles	107	31.88
Miscellaneous irregularities	4	0.32
Total	111	32.20

Efforts are being made to recover these amounts as well.

The Committee desired the department to recover the balance amount at an early date and latest position in this regard be intimated to Committee.

PUBLIC HEALTH DEPARTMENT

[96] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006-07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Name of departments and nature of irregularity	Number of cases	Amount (Rs in crore)
1	Miscellaneous irregularities	560	0.65
Total		560	0.65

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006-07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review on Interest receipts from loans and advances involving Rs 82.74 crore highlighting important cases are mentioned in this chapter.

The department in its written reply stated as under -

It is intimated that total 560 cases amounting to Rs 64.83 lac (0.65 crore) pertaining to Miscellaneous irregularities has been shown pending related to this department whereas its total becomes 530 cases of Rs 64.83 lac (0.65 crore).

Out of 530 cases recovery in 164 cases amounting to 30.23 lacs has been made as per given below

Sr No	No of Cases	Amount (Rs in lacs)	No of cases cleared	Amount cleared in lacs	Balance cases	Balance Amount (Rs in lacs)
1	530	64.83	164	30.23	366	34.60

However the efforts are being made to recover the balance amount

The Committee desired that some active/effective steps should be taken by the department to recover the balance amount under intimation to the Committee

PUBLIC WORKS (B&R) DEPARTMENT

[97] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006-07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Name of departments and nature of irregularity	Number of cases	Amount (Rs in crore)
B	Public Works Department Building and Roads		
1	Non credit of lapsed deposit into Government receipts	335	0.36
2	Miscellaneous irregularities	35	0.06
Total		370	0.42

The concerned departments accepted under assessments of revenue amounting to Rs 4.30 crore in 303 cases during the year 2006-07. An amount of Rs 5.6 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 recovered in 86 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to clear years.

A few illustrative cases involving Rs 48 lacs and a review on interest receipt from loans and advances involving Rs 82.47 crore highlighting important cases are mentioned in this chapter.

The department in its written reply stated as under

Rs. in Lacs

Sr No	Name of Audited Unit	Para No	No of Cases	Amount to be recovered	Amount recovered	Balance amount
1	2	3	4	5	6	7
Non credit of lapse deposit into Govt revenue receipt						
1	EE Provl Divn Charkhi Dadri	1	290	27.79	27.79	Nil
2	EE Provl Divn No. 1 Gurgaon	1	15	6.15	6.03	Nil
3	EE Provl Divn Palwal	1	30	2.53	2.53	Nil
Total			335	36.47	36.35	Nil

Miscellaneous Regularities

1	EE Jagadhri Provl Divn Yamuna Nagar	1	1	0 24-	0 24	Nil
2	EE Mech Divn Ambala	1	3	1 19	1 42	Nil
3	EE Provl Divn NO 1 Karnal	1	14	0 36	0 36	Nil
4	EE Bridge Const Divn No 1 Chd	1	4	3 41	3 41	Nil

Total		22	5 20	5 43	Nil
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Non deposit of revenue receipt into Treasury

1	EE Provl Divn PWD (B&R) Y/Nagar	2	11	0 28	—	Nil
2	EE Provl Divn PWD (B&R) Palwal	2	2	0 53	0 53	Nil

Total		13	0 81	0 64	Nil
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Grand Total		370	42 48	42 42	Nil
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- Note 1 EE Provl Divn Charkhi Dadri has informed that all 290 cases amounting to RS 27 79 Lacs have been adjusted
- 2 EE Provl Divn No 1 Gurgaon has informed that actual amount is Rs 6 03 Lacs instead of Rs 6 15 Lacs in 15 cases
- 3 EE Provl Divn Yamuna Nagar has informed that actual amount is Rs 0 11 Lacs instead of Rs 0 28 Lacs in 2 cases
- 4 E E Mech Divn Ambala has informed that actual amount is Rs 1 42 instead of Rs 1 19 Lacs which have been adjusted

The Committee desired that constant efforts should be made by the department to recover the balance amount in the remaining cases under intimation to the Committee

IRRIGATION DEPARTMENT

[98] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006-07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

Sr No	Name of departments and nature of irregularity	Number of cases	Amount (Rs in crore)
1	Irrigation	88	12.88

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006-07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review on Interest receipts from loans and advances involving Rs 82.74 crore highlighting important cases are mentioned in this chapter.

The department in its written reply stated as under

Out of 27,683 cases of under assessment and loss of revenue amounting to Rs 132.39 crores, only 88 cases of Rs 12.88 crore shown outstanding against Irrigation Department Haryana. The Department has settled 55 No. cases amounting to Rs 7.02 lakh leaving a balance of only 33 No. cases amounting to Rs 12.81 crore.

Field Superintending Engineers have been directed to take immediate steps for the settlement of remaining cases.

The Committee desired that some suitable active/effective steps should be taken by department to recover the balance amount under intimation to the Committee

POWER DEPARTMENT

[99] 17 Arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs 1 601 84 crore of which Rs 390 44 crore were outstanding for more than five years as detailed in the following table

(Rupees in crore)

Head of revenue receipts	Amount outstanding as on 31 March 2007	Amount outstanding for more than 5 years as on 31 March 2007	Remarks
Taxes and duties on electricity	89 82	45 61	Rs 1 crore was recoverable from M/s Haryana Concast Hisar Rs 0 38 crore from M/s Rama Fibres Bhiwani Rs 0 30 crore from M/s Dadri Cement Factory Charkhi Dadri and Rs 0 16 crore from M/s Competent Alloys Ballabgarh The remaining amount of Rs 87 98 crore was pending towards consumers of DHBVNL/ UHBVNL

Of these sales tax arrears of Rs 1 268 50 crore and the arrears outstanding for more than five years constituted 79 per cent and 24 per cent of the total arrears respectively. Substantial accumulation of arrears of taxes shows that the State Government did not tackle the problem vigorously. It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue.

The department in its written reply stated as under

Initially the arrears of electricity duty as on 31-3-2007 were intimated as RS 89 82 crores tentatively to the Accountant General (Audit) Haryana because at the time of audit by the Audit Party of Accountant General (Audit) Haryana the actual amount of Electricity Duty was available from 4/2006 to 2/2007 and the figures of electricity duty for the month of 3/2007 were taken as tentative. Power Utilities have finally reconciled/audited the arrears of electricity duty and intimated the amount of Rs 80 66 crores as on 31 3 2007. The decrease in arrear (i.e. from Rs 89 82 crores to Rs 80 66 crores) is due to excess realization of Electricity Duty than assessment during the month of 3/2007 by the Nigams. This position already been intimated to the Accountant General (Audit) Haryana vide this department Memo No. RR IIII 3229 dated 15 4 2008.

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 accounts because electricity duty is levied and collected by them. The Chief Electrical Inspector Haryana however on behalf of the State Government only compiles the figures supplied by the Power Utilities.

An amount of Rs 1 99 crores have been collected by the Power Utilities. The balance amount of Rs 78 67 crores (80 66 1 99) are pending due to various court cases against permanent disconnected consumers and other connected consumers.

The status of each individual case as mentioned in the para is as under

(a) Rs One crores recoverable from M/s Haryana Concast, Hisar

The consumer was 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 4 99 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 Liquidator. The claim has been lodged with the Liquidator. The Official Liquidator vide his letter Ho HCL/Share Holder/Liqn 5089 dated 17 10 2006 informed this office to wait and to file claim as when it is invited. Position regarding recovery will be known after the decision of the Liquidator.

(b) Rs 0 38 crores recoverable from M/s Rama Fibres Bhiwani

M/s Rama Fibres Bhiwani was allowed deferment for payment of electricity duty from 1 1 1987 to 31 12 1991 by Financial Commissioner and Secretary to Govt Haryana Industries Department Chandigarh vide his Memo NO 7838/40 dated 16 6 1987. The electricity duty was leviable from 1 1 92 and the deferred amount of electricity duty for the period 1 1 1987 to 31 12 1991 was to be recoverable in five equal installments as per instructions contained in Chief Electrical Inspector to Govt Haryana letter No ED/Deferment/2/Ch 74 dated 9 1 1992. The firm made the payment of monthly electricity duty for the period 1/92 to 5/92 but did not pay deferred amount. The supply of the consumer was permanently disconnected on 3-7 1995. Later on the firm was declared a sick unit and ordered to be wound up on 11 7 1998. The Official Liquidator was appointed. The Official Liquidator vide its letter No RFL/Liqui/5692 dated 16 11 2006 has intimated to this department that his office has realized assets/property of the subject cited company and has adjudicated and settled the claims of workmen and secured creditors and there is no sufficient fund left in the liquidation account of the company to entertain the claims of preferential creditors as well as other creditors including this department.

(c) 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/HVPN.

(d) Rs 0 16 crores recoverable from M/s Competent Alloys Ballabgarh

The supply of the consumer was permanently disconnected on 20 11 1997 found defaulter. Against the order of disconnection and recovery, the firm filed a case in the court of Civil Judge, Faridabad.

On 24-4-2003 Civil court (JD) Faridabad decided the case in favour of the firm. Against the order dated 24-4 2003, an appeal was filed in the court of Additional District Judge, Faridabad. The said appeal had also been dismissed by the Ld. Additional District Judge, Faridabad on 10 08 2006. The District Attorney, Faridabad, rendered his advice vide his letter dated 26 9 2006 to the L R, Haryana, that the case is not fit for filing appeal in the Hon'ble Punjab and Haryana High Court, Chandigarh. The L R, Haryana, also agreed with the view of District Attorney, Faridabad, and suggested this office that it is not a fit case to file appeal.

(e) Rs 87 98 crores recoverable from Consumers of DHBVNL/UHBVNL

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 disputed. 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 Government by the Power Utilities is usually adjusted by the State Government against the amount of subsidy payable by the State Government to the Power Utilities from time to time.

Regarding recovery of balance arrears, it is submitted that 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 new electricity duty arrears go side by side. In view of the above, para may please be dropped.

(a) Rs one crore recoverable from M/s Haryana Concast Hisar

After going through the written reply of the department, the Committee observed that more than six years have been passed when liquidator asked the department to file the claim. The Committee therefore recommends that latest position of the recovery be intimated to the Committee within a period of three months.

- (b) Rs 0 38 crores recoverable from M/s Rama Fibres Bhiwani

The Committee desired the department to furnish the detailed report about the recoverable amount after the realization of assets/property of the company as intimated by the official liquidator and possibilities should have been explored to recover this amount departmentally under intimation to the Committee

- (c) Rs 0 38 crores recoverable from M/s Dadri Cement Factory Charkhi Dadri

The Committee desired the department to furnish the detailed report about the recoverable amount after the realization of assets/property of the Company as intimated by the official liquidator and possibilities should have been explored to recover this amount departmentally under intimation to the Committee

- (d) Rs 0 16 crores recoverable from M/s Competent Alloys Ballabgarh

The Committee recommends that possibilities should have been explored to recover this amount departmentally under intimation to the Committee

- (e) Rs 87 98 crores recoverable from Consumers of DHBVNLIUHBVNL

The Committee desired that constant efforts should be made by the department to accelerate the pace of recovery and the progress be intimated to the Committee from time to time

CO-OPERATION DEPARTMENT

[100] 5.1 Results of audit

Test check of records in departmental offices relating to home (police) public works (irrigation building and roads and public health) medical agriculture (horticulture) mines and geology animal husbandry forest and co operation conducted during the year 2006-07 revealed under assessments and loss of revenue amounting to Rs 132.39 crore in 27,683 cases as depicted below

	Number of loss	Amount (Rs. in crore)
1 Short/non recovery of dividend on share capital	28	3.55
2 Non recovery of audit fees	65	2.63
3 Miscellaneous irregularities	7	1.62
Total	100	7.80

The concerned departments accepted under assessments of revenue amounting to Rs 4.36 crore in 303 cases during the year 2006-07. An amount of Rs 5.66 crore had been recovered in 180 cases during 2006-07 of which Rs 1.81 crore recovered in 86 cases pertained to earlier years.

A few illustrative cases involving Rs 48 lakh and a review of **‘Interest receipts from loans and advances’** involving Rs 82.74 crore highlighting important cases are mentioned in this chapter.

The department in its written reply stated as under

The Co-operative Societies registered under the Haryana Cooperative Societies Act, 1984 are liable to pay audit fee as per norms fixed by the R.C.S. Haryana.

1. The Audit fees is initially assessed on the basis of annual statement prepared by the society and after availability of audited profit & loss a/c the audit fee is re-assessed and difference of audit fee is recovered accordingly.
2. The institutions have deposited the dividend as per Govt. of India instruction dated 15/07/1972 at the rate of maximum 3%. The rest of the institutions have not deposited the dividend. The cases are under consideration with BOD. The

recovery position of this para is as under

Name of departments and nature of irregularity	Number of cases	Amount in Lacs	Recovered amount in Lacs	Wrong assessment/ difference between 10% & 3% in Lacs	Balance in Lacs
Short/non recovery of dividend on share capital	28	355 00	118 23	206 54	30 23
Non Recovery of audit fees	65	263 04	259 35	3 55	0 14
Miscellaneous irregularities	7	162 00	162 00	0	0
Total	100	780 04	539 58	210 09	30 37

- 3 Assistant Registrar Panipat has given reply that the due amount of audit fee has been recovered and balance of arrear amount of Rs 0 50 Lacs is due to wrong and excess assessment of audit fee in case of Sugar Mills Panipat. The crushing capacity of the Mills was less than 1800 M T on which audit fee comes to Rs 2 50 lacs but wrongly assessed to Rs 3 00 lacs by A G which is not actually due. Hence excess amount may be deleted.
- 4 Assistant Registrar Kaithal has also informed that the due audit fee has been recovered and the arrear shown to Rs 3 05 lacs has been wrongly excess assessed. Out of this balance Rs 2 99 lacs has been assessed as wrong against PARDB Kaithal by showing the bank in profit of Rs 59 87 lacs where as bank was in loss during the year 2005 2006 and 0 06 lacs is difference.
- 5 ARCS Narwana informed that the said an amount of Rs 3 73 lacs was shown @10% as dividend. Marketing Societies has been deposited an amount of Rs 1 31 Lacs @ 3 % as dividend and the para has been dropped and by A G (Audit) Haryana Chandigarh vide letter No RA W/Other Receipt/0425/IR/282/2010 11/829 31 dated 3 1 2012.
- 6 ARCS Jind informed that the amount of Rs 37 50 lakhs has been shown to CCB Jind. The Bank is earned profit in the year 2003 04 of Rs 92 00 lacs and Rs 78 86 lakhs in the year 2004 05 which has been adjusted with in the previous accumulated loss and the balance amount of Rs 3 23 lakhs relates Jind Mkg Socs @ 10%. The Societies has deposited of Rs 0 76 lacs @ of 3%.
- 7 The ARCS Karnal has informed that Rs 12 51 lakhs is relates to CCB Karnal & Marketing Society Asandh as dividend @ 10%. The above institution has deposited Rs 6 99 lakhs @ 3%.
- 8 The ARCS Yamunanagar has informed that due to NPA above 5% No dividend has been declared. But AG Haryana has shown Rs 5 71 lakhs as dividend.

- 9 The ARCS Sonapat has informed that Rs 42 85 lakhs is relates to CCB Sonapat as dividend @ 10% The CCB Sonapat has deposited Rs 25 371 lakhs @ 1% for the year 2002 03 & @4% for the year 2003 04 & 2004 05 and the amount 1 30 lacs relates to Marketing Society Kharkhoda as dividend @ 10% The above Society has deposited Rs 13040 @of 1%
- 10 ARCS Ambala informed that the amount of Rs 17 12 lakhs has been shown to CCB Ambala @ 10% as dividend The Bank has deposited Rs 5 14 @ 5% The balance amount of Rs 13 90 lakhs is relates to DPCARDB Ambala (Rs 5 7 lakh) & DPCARDB Brara The above Bank has been adjusted current year profit with in the previous accumulated loss
- 11 The ARCS Panipat has informed that Para was settled by A G party on dated 18 08 2008 vide his letter no 3009 dated 18 10 2012
- 12 Further efforts are being made to recover the remaining balance amount

The Committee desired that efforts should be made to accelerate the pace of recovery and the progress of recovery be intimated to the Committee

[101] 5 3 Non deposit of dividend on State share capital

As per terms and conditions laid down in the sanction orders issued by the RCS Haryana Chandigarh from time to time every co operative society shall give a suitable return in the form of dividend on contribution of Haryana Government's share capital on the basis of resolutions passed by the Board of Directors Under the provisions of Haryana Co operative Societies Rules 1989 the dividend shall not exceed 10 per cent per annum of the paid up share capital of a co operative society

During test check of records of the ARCS Ambala and Sonapat it was noticed in July and September 2006 that two Central Co operative banks had been running in profit The Board of Directors of the banks had passed resolution between June 2004 and August 2006 for payment of dividend at rates ranging between one and five per cent to shareholders for the years 2002 03 to 2005 06 A dividend of Rs 33 93 lakh was payable to Government on share capital of Rs 9 51 crore for this period RCS Haryana to whom the cases were sent by the banks between June 2004 and August 2006 for approval of proposal for payment of dividend to Government/shareholders had not granted approval for payment of dividend as of June 2007 Thus delay in granting approval led to non deposit of dividend of Rs 33 93 lakh

After this was pointed out in July and September 2006 ARCS Ambala stated in July 2007 that Ambala Central Co operative Bank deposited Rs 5 17 lakh in Government treasury in March 2007 and credited Rs 3 42 lakh in Agriculture Credit Stabilisation Funds as per instructions of October 1964 of Reserve Bank of India and ARCS Sonapat stated in March 2007 that dividend would be deposited by the banks on receipt of approval from the RCS The matter was referred to Government in September and November 2006 reply had not been received (August 2007)

The department in its written reply stated as under

Name of the Bank	Year Partains	Govt Share Capital invested	Amount due at rate of	Dividend deposited at the rate of	Excess Balance deposited
CCB Ambala	2005 06	17123000	856150 5%	513690 3%	— Nil
CCB Sonapat	2002 03	19433100	194331 1%	194331 1%	Nil
	2003 04	29281900	1171276 4%	1171276 4%	Nil
	2004 05	29281900	1171276 4 %	1171276 4 /	599675 Nil
Total		95119900	3393033	3050573	599675 Nil

Central Coop Bank Ambala & Sonipat have completely deposited the Dividend nothing is due against the Banks So the Para may be dropped

The Committee desired the department to send the copy of the letter showing percentage of Dividend declared in the case of Ambala Central Co operative Bank to the office of the Principal Accountant General (Audit), Haryana so that this para may be settled

PART-III 2007-2008
(Revenue Receipts)

EXCISE & TAXATION DEPARTMENT

[102] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs 1 981 92 crore of which Rs 423 65 crore were outstanding for more than five years as mentioned below

(Rupees in crore)

Sr No	Heads of revenue	Amount outstanding as on 31 March 2008	Amount outstanding for more than 5 years as on 31 March 2008	Remarks
1	Taxes on sales trade etc	1 591 87	296 68	Recovery of Rs 256 33 crore were stayed by the High Court and other judicial authorities Rs 187 82 crore was stayed due to the order of the Government Rs 40 73 crore were held up due to the dealers becoming insolvent Rs 17 23 crore were proposed to be written off Rs 36 85 crore were held up due to rectification review and appeal Recovery of Rs 190 75 crore was outstanding due to cases pending with the official liquidator/Board of Industrial and Financial Reconstruction (BIFR) Balance amount of Rs 862 16 crore was at different stages of action
2	State excise	52 31	31 23	Recovery of Rs 14 03 crore were stayed by the High Court and other judicial authorities Rs 37 lakh was likely to be written off Recovery of Rs 1 10 crore was outstanding due to cases pending with the official liquidator/BIFR Balance amount of Rs 36 81 crore was at different stages of action
3	Taxes on goods and passengers	48 55	13 82	Action to recover the amount of Rs 48 55 crore was not intimated by the department
4	Tax on entry of goods into local areas (Local Area Development Tax)	157 37	11 75	Recovery of Rs 70 67 crore were stayed by the High Court judicial and departmental authorities and Rs 5 94 crore was held up due to rectification review and appeal Recovery of Rs 4 lakh was held up due to dealers becoming insolvent Recovery of Rs 1 43 crore was outstanding due to cases pending with the liquidator/ BIFR Recovery of Rs 52 lakh was being made in instalments Balance amount of Rs 78 77 crore was at different stages of action
5	Receipts under entertainment duty and show tax	1 13	1 13	Recovery of Rs 1 08 crore had been stayed by the High Court and other judicial authorities Balance amount of Rs 7 lakh was at the different stages of action

Of these sales tax arrears of Rs 1 591 87 crore contributed 80 per cent of the total arrears. Substantial accumulation of arrears of taxes show that the State Government did not tackle the problem vigorously. It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue.

The position of arrears of revenue pending collection at the end of 2007-08 in respect of other departments was not furnished (August 2008) despite being requested (July 2008).

The Department in its written reply stated as under—

The arrear of revenue as on 31-03-2008 in respect of heads of revenue related to Excise & Taxation Department amounts to Rs 1851.23 crore. Out of this amount Rs 704.53 crore have been recovered upto 31-01-2013. Out of balance outstanding amount of Rs 1146.70 crore Rs 382.32 crore is under stay Rs 130.82 crore is under liquidation Rs 37.76 crore is to be writing off Rs 61.65 crore is interstate Rs 43.91 crore in case where property is attached and Rs 1.49 crore is in cases in which installments have been fixed. Accordingly net recoverable amount is Rs 488.75 crore as per details given below.

Sales Tax

The para is based on information supplied by the department to the A.G. (Audit) Haryana. Out of total arrear in revenue of Rs 1591.87 crore Rs 676.26 crore stands recovered up to 31-01-2013 leaving a balance of Rs 915.61 crore. The breakup of balance arrear are given below.

		(Amount in Crores)
1	Under Stay	289.32
2	Under Liquidation	130.82
3	Interstate arrear	60.33
4	For writing off	37.26
5	Property attached	35.03
6	Under installment	0.79
7	Net recoverable	362.06
	Total	915.61

State Excise

Out of total arrear of Rs 52.31 crore in revenue of Rs 4.73 crore have been recovered up to 31-01-2013 leaving a balance of Rs 47.58 crore. The breakup of balance arrear are as under —

		(Amount in Crores)
1	Under Stay	3 49
2	Interstate arrear	1 30
3	For writing off	0 49
4	Property attached	8 84
5	Under installment	0 07
6	Net recoverable	33 39
	Total	47 58

Passenger and Goods Tax

Out of total arrear in revenue of Rs 48 55 crore Rs 22 55 crore stands recovered up to 31 01 2013 leaving a balance of Rs 26 00 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	0 09
2	Interstate arrear	0 02
3	For writing off	0 003
4	Under installment	0 13
5	Net recoverable	25 76
	Total	26 00

LADT

Out of total arrear in revenue of Rs 157 37 crore Rs 0 17 crore stands recovered up to 31 01 2013 leaving a balance of Rs 157 20 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	89 42
2	Under installment	0 50
3	Property attached	0 04
4	Net recoverable	67 24
	Total	157 20

Entertainment Duty

Out of total arrear in revenue of Rs 1 13 crore Rs 0 82 crore stands recovered up to 31 01 2013 leaving a balance of Rs 0 31 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under writing off	0 01
2	Net recoverable	0 30
	Total	0 31

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

[103] 17 Arrears in assessments

The number of cases pending assessment at the beginning of the year cases becoming due during the year cases disposed during the year and number of cases pending at the end of each year during 2003 04 to 2007 08 as furnished by the Excise and Taxation Department in respect of taxes on sales trade etc (ST) and taxes on goods and passengers (PGT) are mentioned below

Sr No	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 7 to col 6
1	2	3	4	5	6	7	8	9
1	2003-04	ST	2 33 865	1 64 386	3 98 251	1 92 321	2 05 930	48
		PGT	1 102	667	1 769	457	1 312	26
2	2004-05	ST	2 05 930	1 59 740	3 65 670	1 42 901	2 22 769	39
		PGT	1 312	704	2 016	536	1 480	27
3	2005-06	ST	2 22 769	1 63 789	3 86 558	1 86 761	1 99 797	48
		PGT	1 480	618	2 098	433	1 665	21
4	2006-07	ST	1 99 797	1 76 682	3 76 479	1 59 608	2 16 871	42
		PGT	1 665	672	2 337	1 915	422	82
5	2007-08	ST	2 16 871	1 81 128	3 97 999	1 75 124	2 22 875	44
		PGT	422	1 400	1 822	723	1 099	40

The above table shows that pending cases in respect of ST at the beginning of 2003 04 were 2 33 865 which decreased to 2 22 875 at the end of 2007 08 i.e. five per cent while the percentage of cases finalised decreased from 48 per cent in 2003 04 to 44 per cent in 2007 08. Fifty six per cent of total cases (3 97 999) were pending assessment (2 22 875 cases) as on 31 March 2008. Pending cases in respect of PGT decreased from 1 102 at the beginning of 2003 04 to 1 099 at the end of 2007 08. The percentage of cases finalised increased from 26 per cent in 2003 04 to 40 per cent in 2007 08. Sixty per cent of total cases (1 822) were pending assessment (1 099 cases) as on 31 March 2008.

The Department in its written reply stated as under—

In the CAG Report for the year 2007 08 there were 223974 (222875 ST+ 1099 PGT) cases shown pending for assessment. Out of which 223194 cases (222707 ST + 487 PGT) have been disposed off upto 31 01 2013 leaving a balance of 780 cases (168 ST + 612 PGT). Efforts are being made to get the balance cases cleared as soon as possible.

Percentage of cases finalised has decreased from 48% in 2003 04 to 44% in 2007 08 mainly due to the fact that during 2003 04 pendency of cases under

HGST Act was cleared on war path & thereafter finalization of all deemed cases & scrutiny cases within the period of limitation is the normal practice in the department. Every year cases equal to the number of live dealers are instituted fresh which can be taken up for disposal only during the subsequent year & thereafter. Hence the pendency does not warrant any alarm.

The Committee desired the department to make all out efforts to settle the balance cases as early as possible under intimation to the Committee.

[104] 1.8 Performance of assessments

No norms have been fixed for Deputy Excise and Taxation Commissioners for disposal of assessment cases. After the introduction of Haryana Value Added Tax Act 2003 Assistant Excise and Taxation Officers have not been assigned the duty to frame assessment and there are no norms fixed for Excise and Taxation Officers to frame or dispose off assessment of sales tax cases.

However an assessing authority is required to dispose off all the cases under Deemed Assessment Scheme within one year of the date prescribed for furnishing of last return for the year and all scrutiny cases within a period of three years from the close of the year to which the assessments relate.

The Department in its written reply stated as under—

It is true that no norms have been fixed for DETC or ETO for disposal or assessment cases. It is pointed out that DETCs dispose of cases or revenue of higher stakes in additions to their administrative duties. ETOs are required to dispose off all the deemed as well as scrutiny cases falling in their jurisdiction within the period of limitation. Further it is pointed out that no case has been allowed to be barred by limitation.

The Committee desired the department to fix a time schedule for DETCs for disposal of assessment cases.

[105] 1.9 Evasion of tax

The details of cases of evasion of tax detected by the Excise and Taxation Department cases finalised and the demand for additional tax raised during 2007-08 are mentioned below.

(Rupees in crore)

Sr No	Heads of revenue	Cases pending as on 31 March 2007	Cases detected during the year 2007-08	Total (3+4)	Number of cases in which assessments/investigations completed and additional demand including penalty etc raised		Number of cases pending finalization as on 31 March 2008
					Number of cases	Amount of demand	
1	Taxes on sales trade etc	67	1 578	1 645	1 586	1 24	59
2	State excise	177	1 927	2 104	1 955	1 95	149
3	Taxes on goods and passengers	2 593	4 937	7 530	6 908	4 66	622

The Department in its written reply stated as under—

Sales Tax

Out of 59 cases 46 cases have been disposed off by creating an additional demand of Rs 53 53 lacs out of which an amount of Rs 13 23 lacs stand recovered leaving a balance of Rs 40 30 lacs Remaining 13 cases are still under process All concerned DETC s have been directed to dispose off these cases at the earliest

Excise

Out of 149 cases 69 cases have been disposed off by creating additional demand of Rs 19 78 lacs and out of which an amount of Rs 7 80 lacs stand recovered leaving a balance of Rs 11 98 lacs Remaining 80 cases are still under process as whereabouts of the persons are not available The concerned DETC s have been directed to dispose off these cases at the earliest

PGT

Out of 622 cases 421 cases have been disposed off by creating additional demand of Rs 27 45 lacs and out of which Rs 27 05 lacs stand recovered leaving a balance of Rs 0 40 lac Remaining 201 cases are still under process as whereabouts of the persons are not available The cases are mainly of DTO period The concerned DETC s have been directed to dispose off these cases at the earliest

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

[106] 1 10 Write off and waiver of revenue

During the year 2007 08 demands for Rs 17 23 crore in 265 cases and Rs 36 64 lakh in 28 cases were written off as reported by the Excise and Taxation Department The details are mentioned below

(Rupees in lakh)

Sr No	Reasons	Sales tax		State excise	
		Number of cases	Amount	Number of cases	Amount
1	Whereabouts of defaulters not known	118	865 11	14	16 74
2	Defaulters no longer alive	19	129 97	8	9 67
3	Defaulters not having any property	88	442 26	6	10 23
4	Defaulters adjudged insolvent	4	6 50	Nil	Nil
5	Other reasons Total	36	279 06	Nil	Nil
	Total	265	1 722 90	28	36 64

The Department in its written reply stated as under—

The decision regarding writing off is taken in case where all possibilities for the recovery of the arrears are exhausted and the chances for the recovery are nil. All such cases are referred to the committee constituted under the Chairmanship of the Chief Minister or the Excise & Taxation Minister as per norms fixed. Lately an amount of Rs. 6.28 lakhs involving 4 cases was written off by the Govt. Action in remaining cases is under process.

The Committee desired that if the recovery is not possible then the proposal for writing off the amount be sent to the Govt. under intimation to the Committee.

[107] 1.11 Refunds

The number of refund cases pending at the beginning of the year 2007-08, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2007-08 as reported by the Excise and Taxation, Power and Public Works departments are mentioned below.

(Rupees in lakh)

Sr No	Particulars	Sales tax		State excise		Taxes and duties on electricity		Public Works Department	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
1	Claims outstanding at the beginning of the year	415	5 634.47	6	13.04	Nil	Nil	Nil	Nil
2	Claims received during the year	2 452	8 724.84	428	521.50	3	0.84	1	0.40
3	Refunds made during the year	2 566	11 175.37	387	514.20	3	0.84	1	0.40
4	Claims outstanding at the end of the year	301	3 183.94	47	20.34	Nil	Nil	Nil	Nil

Refund of Rs. 116.91 crore had been made to 2 957 claimants during the year 2007-08 by the departments.

The Department in its written reply stated as under—

Sales Tax

Out of 301 cases, 300 have been disposed off by allowing refund of Rs. 3182.87 lacs, leaving only one case of M / s Kafila Forge Pvt. Ltd. Sonepat is pending (A.Y. 2000-2001) involving an amount of Rs. 1.07 lacs. Efforts are being made to finalize the balance cases as early as possible.

Excise

Out of 47 cases, 44 have been disposed off by allowing refund of Rs. 16.75 lacs, leaving only 3 cases in balance involving an amount of Rs. 3.59 lacs. Efforts are being made to finalize the balance cases as early as possible.

The Committee desired that all out efforts should be made by the department to recover the balance amount under intimation to the Committee.

[108] 1 17 Compliance with the earlier Audit Reports

During the years between 2002 03 and 2006 07 the department/Government accepted audit observations involving revenue of Rs 1 040 48 crore out of which an amount of Rs 31 39 crore was recovered till 31 March 2008 as mentioned below

(Rupees in crore)

Year of Audit	Total money value	Accepted money value	Recovery made
2002 03	340 66	253 63	12 95
2003 04	315 26	95 19	4 33
2004 05	367 24	362 94	1 91
2005 06	200 60	98 17	6 11
2006 07	407 54	230 55	6 09
Total	1 631 30	1,040 48	31 39

The recovery in respect of the accepted cases was very low (three per cent of the accepted money value) The Government may advise the concerned departments to take necessary steps for speedy recovery

The Department in its written reply stated as under—

With reference to this para it is submitted that AG office has shown figures relating to CAG Report for last five years i.e. from 2002 03 to 2006 07 Replies relating to recovery position have already been given in the initial replies submitted to the Public Account Committee and updating of the same are being given in quarterly progress report

The reply of the department is not complete as the latest position of the balance recovery has not been mentioned The Committee desired that the detailed reply about the balance recovery be intimated to the Committee within the stipulated period of three months

[109] 2 1 Results of audit

Test check of the records relating to sales tax/value added tax conducted during the year 2007 08 revealed under assessments of revenue amounting to Rs 176 04 crore in 1 232 cases which fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
1	Exemptions and concessions under Sales Tax/VAT Act (A review)	1	56 01
2	Non levy of penalty	86	27 09
3	Application of incorrect rates of tax	123	15 11
4	Non levy of interest	79	7 99
5	Incorrect computation of turnover	62	3 35
6	Underassessment of turnover under the CST Act	35	0 53
7	Other irregularities	846	65 96
Total		1 232	176 04

During the year 2007 08 the department accepted under assessments and other deficiencies of Rs 2 44 crore involved in 145 cases of which 138 cases involving Rs 1 90 crore had been pointed out during 2007 08 and the remaining in the earlier years. The department recovered Rs 1 44 crore in 77 cases during the year 2007 08 of which 71 cases involving Rs 1 01 crore related to the year 2007 08 and the balance to the earlier years.

After the issue of the draft paragraphs the department recovered Rs 27 15 lakh in two cases.

A few illustrative cases involving Rs 1 90 crore and a review of Exemptions and concessions under Sales Tax/VAT Act involving Rs 56 01 crore are mentioned in the succeeding paragraphs.

The Department in its written reply stated as under —

Out of total 1231 cases involving an amount of Rs 120 03 crore have been reviewed with the following results —

Number of cases	Amount pointed out by Audit (Rs in crore)	Result of Review
246	28 49	Settled with additional demand
428	40 52	Settled with additional demand
557	51 02	Cases are under review
1231	120 03	

As regards the remaining one case involving an amount of Rs 56 01 crore as per Sr No 1 of the table reply is given in succeeding para 2 2 7 to 2 2 13.

The Committee wants to know the latest position of the recovery in the remaining cases and also in the cases which are under review.

[110] 2 2 7 Absence of mechanism to verify the tax deposited before allowing input tax credit

Under the HGST Act a dealer may deduct from his gross turnover the purchase and sale value of goods forming part of the taxable turnover which have already been subjected to tax at the first stage of sale or purchase under section 17 or 18 provided the dealer produces in respect of such goods a declaration in form ST 14 duly authenticated by the AAs filled in and signed by the selling registered dealer. The dealer is required to give detailed particulars like bank draft/pay order or treasury challan number and date of deposit of tax in the treasury by the selling dealer or previous selling dealer from whom he had purchased the goods. Under the HVAT Act a registered dealer is entitled to claim benefit of input tax credit (ITC) if he produces proof in support of purchase of goods from VAT dealer in form VAT C48 or original tax invoices. But the form VAT C4 does not contain column(s)/similar entries as existed in the form ST 14. The form VAT C4 is also not required to be authenticated from the AA under the HVAT Act.

During test check of the assessment records of seven DETCs it was noticed that 103 dealers purchased goods valued as Rs 6 271 44 crore during the year 2003 04 and claimed ITC While finalising the assessments between May 2006 and March 2007 the AAs allowed benefit of ITC amounting to Rs 270 16 crore against the production of VAT C4 forms In the absence of these details genuineness of ITC of Rs 270 16 crore allowed to the dealers could not be verified in audit

The Government may therefore consider providing additional column(s) for recording details like the particulars of goods sold amount of tax deposited date and number of treasury challan/bank draft/cheque etc in the declaration form VAT C 4 on the lines of declaration in form ST 14 and authentication/issuance of these forms by the department to ensure genuineness and correctness of the tax deposited by the selling dealers while allowing ITC

In the Audit Review Committee meeting the department stated (July 2008) that the suggestion for inserting similar provisions regarding tax deposited in form VAT C4 as contained in form ST 14 was under consideration

The Department in its written reply stated as under —

In reply to this para it is submitted that necessary suitable amendments u/s 8(3) of Haryana Value Added Tax Act read with rule 20 of the rules are under process and will be finalized at the earliest The format of VAT C 4 is also being amended Additional columns have been proposed in VAT C 4 The dealer will be required to maintain proper record of VAT C 4

The Committee wants to know whether the necessary amendment u/s 8(3) of Haryana Value Added Tax Act read with Rule 20 of the Rules has been finalized

The Committee also wants to know whether additional columns proposed in VAT C-4 have been accepted

[111] 2 2 8 2 Absence of a monitoring mechanism to ensure cross verification of purchase transactions

During test check of the assessment records of 10 DETCs it was noticed that 55 dealers were allowed benefit of ITC on the strength of VAT C4 forms and concessions against declaration in form C amounting to Rs 2 43 crore on account of sales/purchases made during the years 2001 02 to 2004 05 Cross verification of records of these offices revealed that they had suppressed their sales or purchases and submitted false information/incorrect return Failure on the part of AAs to scrutinise the claim and cross verify the transactions resulted in incorrect allowing of ITC and of concessional rate of tax on inter state sales (ISS) which consequently led to short levy of tax of Rs 2 43 crore besides penalty of Rs 6 83 crore

After the cases were pointed out the DETC Sonipat stated in March 2008 that the dealer in one case involving tax effect of Rs 19 40 lakh had submitted two C forms for the same transaction i.e. one with the purchase order and second with the invoices issued by the purchasing dealers and had requested to withdraw one C form The reply is not tenable as the dealer had not mentioned the particulars of sales transactions to which the said C forms pertained Reply in the remaining cases has not been received (August 2008)

The Government may therefore consider prescribing a periodical return by the AAs to the superior authorities about the number of transactions required to be cross verified actual number of transactions verified shortfall if any to ensure compliance with departmental instructions

The Department in its written reply stated as under —

1 M/s Vee Aar Steels Faridabad (ID TIN No 1317847 AY 2001 02 & 2002 03

In response to the audit objection it is submitted that the case was reassessed by the Assessing Authority vide order dated 06 08 2010 creating an additional demand of Rs 22 37 350/ for the year 2001 02 and Rs 7 55 868/ for the year 2002 03 as pointed out by the Audit party Hence para may please be dropped

2 M/s Rajdhani Industrial Corporation Faridabad (W), TIN No 1313635 A Y 2002 03

The case has been reassessed vide AAs orders dated 30 08 2010 creating an additional demand amounting to Rs 72 43 205/ and the dealer went in appeal in May 2011 against the impugned order The appeal case is still pending

3 M/s Jindal Stainless Steel, Hisar, TIN No 06781511659 A Y 2003 04

In reply to audit para it is submitted that as per LS 9 lists submitted by the dealer alongwith the quarterly returns sales worth Rs 3 60 46 017/ (HRD Division) & Rs 3 03 91 783/ (CRD Division) totaling Rs 6 64 37 780/ during the year 2003 04 have been shown to M/s Shiv Dass & Sons Bahadurgarh out of which goods worth Rs 1 86 090/ were returned by the purchasing dealer leaving net sales worth Rs 6 62 51 690/ In respect of the above sales two VAT C4 certificates bearing No 210 worth Rs 3 80 36 126/ including tax worth Rs 14 41 840/ pertaining to the sales made by HRD Division and VAT C4 bearing No 212 worth Rs 3 03 91 763/ excluding tax pertaining to the CRD Division totaling Rs 6 69 86 049/ were issued to the purchasing firm i.e M/s Shiv Dass and Sons Bahadurgarh against the total sales worth Rs 6 62 51 690/ On verification of the facts it has been found that while issuing VAT C4 bearing No 210 worth Rs 3 80 36 126/ the selling dealer has wrongly added the value of goods return worth Rs 1 86 090/ and the value of Bill No 3021751 worth Rs 5 48 272/ The balance difference worth Rs 14 41 840/ is on account of sales tax included in the VAT C4 certificate The sales conducted through Bill No 3021751 have actually been made to M/s Shree Venktesh Wire & Steel Pvt Ltd Mumbai already shown in the LS 2 lists No tax invoice in respect of the sales conducted through Bill No 3021751 has been issued in favour of M/s Shiv Dass & Sons Bahadurgarh Hence no sales have been suppressed by M/s Jindal Stainless Limited Hisar

In view of the above facts the audit para may please be dropped

- 4 M/s Harshit Metal, Rewari, TIN No 06332705033 AY 2003 04
- 5 M/s Indital Tintoria Ltd Rewari TIN No 06092704993 AY 2003 04
- 6 M/s Evershin Moulders Ltd , Dharuhera (Rewari) TIN No 4103 AY 2003 04
- 7 M/s Himalaya Roller Flour Mills Bawal (Rewari) TIN No 06932705210,AY 2003 04
- 8 M/s Coventry Coil O Matic (Haryana) Ltd Bawal (Rewari) TIN No 06632702853, AY 2003 04
- 9 M/s Life Appliances Ltd Dharuhera (Rewari) TIN No 06872704318, AY 2003 04
- 10 M/s Rico Auto Industries Ltd , Rewari TIN No 06832702840 AY 2003 04
- 11 M/s Auto Fit Ltd Rewari TIN No 06572702304 AY 2003 04
- 12 M/s Oriental Carbon & Chemical Ltd , Dharuhera, TIN No 06592701420 AY 2003 04

In this case it is intimated that all these assessment cases are time bound and going to be time barred on 31 03 2007 It is also mentioned here that in all cases the verification of purchases were sent to concerned districts but the replies were not received from the districts in these cases were going to time barred and cases were necessary to be decided before 31st March Reminders are again issued to the concerned districts When the replies were received and any purchase transactions are not verified the cases will reopened and reassessed in due course

- 13 M/s Crystal Phosphates Ltd Nathurpur Sonapat TIN No 06493008189, A Y 2003-04

In response to the audit objections it is stated that the cross verification of purchases from various districts could not be done in view of the time limit for assessment of these cases as the case would have become time barred after 31 03 2007 Now however letters for cross verification of input tax have been written to various districts and reminders have also been issued but verification report is still awaited As & when the same is received audit will be informed accordingly

- 14 M/s Kaneria Chemicals & Industries Ltd , Kundli, Sonapat TIN No 06423010216 AY 2003-04

In this case the point raised by the audit party is not admitted The dealer under objection is not at fault at all because he has sold goods to M/s Bharat Insecticides Ltd and the purchasing dealer should have claimed the input tax on purchases and not on tax also If he has claimed input tax claim on purchase + tax then the selling dealer should not be blamed In this particular case the purchasing dealer has committed mistake i.e. of Bahadurgarh District and not the dealer of this district However the Dy Excise & Taxation Commissioner Bahadurgarh/Jhajjar is being requested to look into the matter & reject the input claim claimed in excess Hence the Para may be dropped

15 M/s Crystal Phosphates, Sonipat TIN/RC No 63008189 AY 2003 04

In reply to audit para it is submitted that the complete L S 9 was not found on file Notice in this regard has been issued to the dealer The Assessing Authority Bahadurgarh is requested to supply copy of V A T C 4 issued by the dealer of this district Audit will be informed about the action taken in this case in due course of time

16 M/s Sukusheel Sinter India (P) Ltd Ganaur, RC No 7306 AY 2001 02

The audit party has raised objection that dealer has suppressed purchases amounting to Rs 4 10 0001 from M/s Parmanand Ganida Singh Panipat which resulted in under assessment of tax amounting to Rs 41 000/

Keeping in view of the audit objection notice was issued to the dealer But the notice was not served to the dealer because the firm is closed down his business since long back The perusal of the assessment file reveals that the dealer has filed only two returns for the quarter ending 30 06 2001 and 30 09 2001 thereafter the dealer has close the case ex parte on merit after issuing so many notices to the dealer and sureties but none turned up Haryana Value Added Tax Act 2003 introduced from 1st April 2003 and pending cases under Haryana General Sales Tax Act had to assessed in pressure from Higher Authorities within a limit period there is no alternative is left with the Assessing Authority to decide the case on the basis of material available on record

The dealer M/s Parma Nand Gaiinda Singh Panipat Holding RC No PNP 452 has shown R D sale vide bill No 8874 dated 16 01 2002 whereas the dealerhu close down his business w e f 30 9 2001 and was not traceable after this So the Sonapat firm was lying closed It seems the Panipat dealer has made bogus R D sale and hence action should be taken against the selling dealer

Keeping in view of the above mention facts and circumstances no under assessment of tax in this case as pointed out by the audit Hence audit objection may please be dropped

1 M/s Vee Aar Steels Faridabad (W) TIN No 1317847 AY 2001 02 & 2002 03

The Committee wants to know the latest position of the recovery of additional demands

2 M/s Rajdhani Industrial Corporation Faridabad (W) TIN No 1313635 AY 2002 03

The Committee wants to know the latest position of appeal preferred by the dealer in this case

3 M/s Jindal Stainless Steel Hisar TIN No 06781511659 AY 2003 04

The Committee desired that the facts stated in the reply may be got verified from the office of Principal Accountant General and final outcome be intimated to the Committee accordingly

- 4 M/s Harshit Metals Rewari TIN No 06332705033 AY 2003 04
- 5 M/s Indital Tintoria Ltd Rewari TIN No 06092704993 AY 2003 04
- 6 M/s Evershin Moulders Ltd Dharuhera (Rewari) TIN No 4103 AY 2003 04
- 7 M/s Himalya Roller Flour Mills Bawal (Rewari) TIN No 06932705210 AY 2003 04
- 8 M/s Coventry Coil O Matric (Haryana) Ltd Bawal (Rewari) TIN No 06632702853 AY 2003 04
- 9 M/s Life Appliances Ltd Dharuhera (Rewari) TIN No 06872704318 AY 2003 04
- 10 M/s Rico Auto Industries Ltd Rewari TIN No 06832702840 AY 2003 04
- 11 M/s Auto Fit Ltd Rewari TIN No 06572702304 AY 2003 04
- 12 M/s Oriental Carbon & Chemical Ltd Dharuhera TIN No 06592701420 AY 2003 04

The Committee desired that final action and reply in these cases & may be furnished to the Committee for its early settlement as early as possible

- 13 M/s Crystal Phosphates Ltd Nathurpur TIN/No 06493008189 AY 2003 04

The Committee desired that the final outcome of the verification report may be intimated to the Committee

- 14 M/s Kaneria Chemicals & Industries Ltd Kundli Sonapat TIN No 06423010216 AY 2003 04
- 15 M/s Crystal Phosphates Sonapat TIN/RC No 63008189 AY 2003 04

The Committee desired the department to send the detailed report about the final action taken in this case

- 16 M/s Sukusheel Sinter India (P) Ltd Ganaur RC No 7306 AY 2001 02

The Committee wants to know whether any action has been taken against the dealer or sureties?

The Committee also wants to know that how the department will effect the recovery from dealer or sureties?

[112] 2 2 11 Misuse of declaration forms STD IV/VAT DI and C

2 2 11 1 Under the State Acts where goods taxable at first point of sale are sold by one dealer to another dealer tax is leviable at a lower rate if the purchasing dealer furnishes a declaration in form STD IV/VAT D1 certifying that the goods are meant for use in the manufacture of goods for sale. As per the departmental inspections issued in September 1998 (applicable upto 31 March 2003) the manufacturers availing facility of concessional rate of tax are not allowed to transfer the goods to their branches in other states otherwise than by way of sale. Further if the dealer availing the benefit of concessional rate violates any of the conditions/restrictions imposed he is liable to pay penalty not exceeding one and a half times of the tax involved in addition to the additional tax payable

During test check of the assessment records of five DETCs it was noticed that 18 dealers purchased goods valued as Rs 363 92 crore at the concessional rate of tax against declaration in forms STD IV/VAT D1 for use in the manufacture of goods. However the goods purchased or manufactured were transferred to their branches outside the State otherwise than by way of sale during the period 2000 01 to 2004 05. The AAs while finalising the assessments between June 2004 and March 2007 omitted to levy tax at the rates applicable to these goods. This resulted in non levy of tax of Rs 20 99 crore besides maximum penalty of Rs 31 48 crore.

After the cases were pointed out the department stated in July 2008 that if the concessional rate was restricted to the sale within the State or ISS of the manufactured goods the State may lose even four per cent tax since the manufacturer would prefer to purchase goods from outside the State against C forms. The reply of the department is not tenable as it is not in conformity with the provisions of the State Acts.

The department in its written reply stated as under

- 1 **M/s Ess Kay Industries, Gurgaon (West), TIN No 06521921918 AY 2003 04**

The assessment tile of the dealer has been re examined on the point raised by the audit. A notice has been issued to the dealer to appear in the office with record of the case and audit will be informed about the action taken in this case in due course of time.

- 2 **M/s Haryana Timber Store, Sirsa, TIN No 06202907323 AY 2003 04**

In reply to para it is submitted that the case was sent to DETC(I) cum Revisional Authority for taking suo motu action who remanded the case back to the Assessing Authority on 27 8 2008. The Assessing Authority has decided the case vide order bearing demand no 154 A/dated 15 05 2012. Hence the para may be dropped.

- 3 **M/s Bansal Timber Supply Sirsa TIN No 06212906202 AY 2004 05**

In reply to para it is submitted that the case was sent to DETC(I) cum Revisional Authority for taking suo motu action who remanded the case back to the Assessing Authority on 18 03 2009. The Assessing Authority has decided the case vide order bearing demand No 170A/ dated 22 06 2009.

It is therefore requested that the para may kindly be dropped.

- 1 **M/s Ess Ky Industries Gurgaon (West) TIN No 06521921918 AY 2003 04**

The Committee desired the department to inform the Committee about the final action to be taken in this case in due course of time.

- 2 **M/s Haryana Timber Store Sirsa TIN No 06202907323 AY 2003 04**
- 3 **M/s Bansal Timber Supply Sirsa TIN No 06212906202 AY 2004 05**

The Committee desired the department to intimate the final outcome of the case decided by the Assessing Authority to the Committee within a period of one month.

[113] 2 2 12 Incorrect allowing of exemption/concession without declarations/documents or against incomplete declarations/documents

Under the State Acts and CST Act certain exemptions and concessions have been allowed to dealers for selling/purchasing goods either without payment of tax or at concessional rate of tax on submission of statutory declarations in forms ST 15 A/VAT D 2 VAT D 1 C F and H One form F is to cover the transactions of only one calendar month Similar exemption is allowed on account of sale during import of goods into the territory of India (high seas sale) and sale of goods to units availing benefit of exemption from payment of tax on production of proof of transfer of title to goods etc and declaration duly supported with/list containing complete particulars of purchasing dealer availing exemptions from payment of tax respectively

Test check of the records of 16 DETC offices revealed that the AAs allowed the concessions and exemptions to the dealers either without obtaining requisite declarations/documents or after obtaining incomplete/invalid declarations This resulted in short levy of tax Rs 30 38 crore as mentioned below

(Rupees in crore)

Sr No	Number of districts	Number of dealers	Value of goods sold/ purchased	Amount of tax			Nature of irregularity
				leviable	levied	Short levied	
1	15	66	241 16	26 79	8 77	18 02	Concession/lower rate of tax was allowed/applied in cases not supported with declaration in form C or against duplicate C forms
Remarks After the cases were pointed out the AA Fardabad (West) created an additional demand of Rs 2 06 lakh in one case in August 2006 The department issued instructions (July 2008) in one case of dryer felts involving Rs 2 88 lakh to the revisional authority (RA) to revise the assessment Reply in the remaining cases has not been received (August 2008)							
2	11	88	91 47	7 65		7 65	Exemption was allowed against incomplete/invalid forms H/ST 15A/D 2
Remarks After the cases were pointed out the department accepted (July 2008) the audit observations A report on recovery has not been received (August 2008)							
3	2	2	24 35	2 43	—	2 43	Exemption of tax on high seas sale was allowed without the requisite documents
4	10	23	17 03	1 60		1 60	Exemption was allowed without the production of F forms or one form covered transactions for more than one calendar month
5	2	4	3 32	0 37		0 37	Deduction of sale to units availing exemption from payment of tax was allowed without the requisite declaration/complete particulars of purchasers
6	2	3	3 84	0 46	0 15	0 31	Benefit of concessional rate of tax was allowed without the requisite declaration forms

Remarks	After the cases were pointed out the AA raised additional demand of tax of Rs 8 56 lakh in one case in September 2007 A report on recovery and action taken in the remaining cases has not been received (August 2008)					
Total	186	381 17	39 30	8 92	30 38	

The department in its written reply stated as under

- 1 **M/s Raje Suphur Industries Fbd (W) TIN No 06171312514 A Y 2003 04**

In this para it is submitted that the original order dated 2 8 2006 has been rectified and an demand of Rs 2 05 934/ has been created without C forms and the dealer has been allowed to submit C forms by allowing him sometime and the same will be shown to the audit party Hence the para may please be dropped

- 2 **M/s Fib Com India Ltd Gurgaon (East), TIN/RC No 1822046, A Y 2002 03**

The Revisional Authority cum Dy Excise and Taxation Commissioner has revised the order of Assessing Authority vide his orders dated 4 4 08 However photo copy of the orders is enclosed herewith for perusal of the audit Hence the para may be dropped

- 3 **M/s Eastern Medikit Ltd , Gurgaon (East), TIN/RC No 1819274 A Y 2002 03**

It is submitted that the order of Assessing Authority has been revised by the Revisional Authority vide order dated 10 7 2008 and accordingly the notional tax liability has been enhanced Hence the para may be dropped

- 4 **M/s V C S Enterprises Ltd Gurgaon (East) TIN/RC No 1815741 AY 2002 03**

File transferred to Dy Excise & Taxation Commissioner Mewat

- 5 **M/s Hi Tech Enterprises, Gurgaon (East) TIN/RC No 1818024 A Y 2002 03**

In this para it is submitted that the order of Assessing Authority has been revised by the Revisional Authority vide order dated 10 7 2008 and accordingly the notional tax liability has been enhanced Hence para may be dropped

- 6 **M/s Vibgyor International Pvt Ltd , Gurgaon (East) TIN/RC No 1817199, A Y 2002 03**

It is submitted that the order of Assessing Authority has been revised by the Revisional Authority vide order dated 10 7 2008 and accordingly the notional tax liability has been enhanced Para may be dropped

- 7 **M/s Rajgarhia Oil Mills Ltd , Hisar TIN No 06711520670 AY 2003 04**

In this case it is submitted that verification letters No 3383 3384 and 3386 all dated 05 09 2008 have already been written No adverse information has so far been received Appropriate action as per the related Act shall be

taken according to the reply received from Sales Tax Authorities of seller dealers In view of this audit para may please be dropped

8 M/s Brown Laboratories, Faridabad IID, TIN No 06641309976 AY 2003 04

In this para it is submitted that in view of the audit objection the order was rectified vide order dated 27 09 2007 and an additional demand of Rs 46 70 576/ under the CST Act against the demand of Rs 38 14 843/ created originally on 26 03 2007 subsequently the dealer submitted additional declaration forms under the CST Act against the demand The claim of the dealer has been verified and order rectified on the basis of declaration forms submitted Now the balance additional demand against the firm stands at Rs 741856/ The issue on which objection was raised has been complied with and so objection may be dropped

9 M/s Batra Rice Mills, Karnal TIN No 06362211163 AY 2003 04

In this reply it is submitted that an additional demand of Rs 73 571/ as proposed by the audit has been levied vide order dated 06 10 2009 In view of the above facts para may please be dropped

10 M/s Jagruti Rasin Pvt Ltd , Gurgaon (East) RC No 1821522, AY 2002 03

The case is being sent to the Revisional Authority for suo moto action which is still pending

11 M/s Parma Nand Ganda Singh & Co Panipat TIN No 06752600452 AY 2003 04

The case of the dealer for the year 2003 04 was re assessed by the Assessing Authority vide order dated 10 02 2009 Wherein an additional demand of Rs 1499142/ was raised against the dealer in absence of declaration in form VAT 1 It is also submitted that later on the dealer submitted VAT 1 forms before the Assessing Authority and the holder was rectified by the Assessing Authority wherein net demand due against the dealer come to Rs 452420/ The recovery proceeding to recover the arrears are in process and will be intimated in due course So kindly para may be dropped

12 M/s Mohan Clothing Co , Gurgaon (East) TIN/RC No 1819329 AY 2002 03

C and F form have been submitted before the audit party Hence para may be dropped

13 M/s Ericsson India Pvt Ltd , Gurgaon (East) RC No 1822715, AY 2003 04

In this para audit party has pointed out that the total value of C forms submitted worth Rs 166 07 599/ and E1 forms for Rs 70 26 411/ corresponding sales price Rs 82 91 165/

The deduction on account of subsequent sale would work out to Rs 26 06 59 212/ (allowed in original assessment) plus 82 91 165/ i.e. 26 89 50 795/ and sales taxable @ 4% would be 2 16 06 345 (allowed in original assessment) less 82 91 165/ (allowed in subsequent sales) plus Rs 1 66 07 599/ (C forms submitted for rectification) Sales taxable @ 12% would be reduced by Rs 1 66 07 599/ for which C forms has been submitted. Details of calculations are placed on the file. Hence the para may please be dropped.

14 M/s Haryana Packaging Panipat, TIN No 5368 AY 2001 02

It is intimated that in reply to objection raised by the audit party it is submitted that H forms have been got completed and placed on the file.

In view of the above para may please be dropped.

15 M/s S G Carpets, Panipat, TIN No 06852610873, AY 2004 05

In this case it is intimated that the required H form and c form received from the dealer and placed on the file. Hence the para may please be dropped.

16 M/s Multi Tech Industries Gurgaon (E), TIN No 06861812412 AY 2003 04

The claim of deduction worth Rs 393215 00 has been allowed by the Assessing Authority on account of export against statutory declaration H forms. It is pertinent to mention that the claim of deduction has been allowed after complete verification in respect of purchase order, dispatches and export by the purchasing dealer. It is correct that order number have not been mentioned in the ST 15 A forms but the photocopy of purchase order are placed on the file. The claims have been allowed after complete verification. Hence para may be dropped.

17 M/s Batra Rice Mills Karnal TIN No 06362211163 AY 2003 04

In this para it is intimated that particulars of D 2 forms have been got filled up by the dealer and necessary declaration i.e. Bill of lading etc. have been obtained and placed on the file. Hence there is no under assessment. In view of the above facts para may please be dropped.

18 M/s Agsons Agencies India Pvt Ltd Gurgaon (W), TIN No 06411909223 AY 2003 04

- 1 That in reply to your audit para No 1 that stock transfer of Rs 3135543/ to branch is allowed without obtaining proof. In this regard it is stated that F form received from the branches submitted during the course of assessment than they were allowed the same are placed on the file.
- 2 that in reply the next para in which objection has been raised that input tax credit on branch transfer and consignment sale is not reversed. In this regard it is stated that the dealer has stock transfer

and branch transfer the imported goods non vat purchases is being transferred It is verified during the course of assessment and affidavit in this regard placed on the file

In view of the above facts the objection may please be dropped

- 1 M/s Raje Suphur Industries Fbd (W) TIN No 06171312514 AY 2003 04
- 2 M/s Fib Com India Ltd Gurgaon (East) TIN/Rc No 1822046 AY 2002 03
- 3 M/s Eastren Medikit Ltd Gurgaon (East) TIN/RC No 1819274 AY 2002 03

The Committee recommends that the matter be settled in liaison with the Office of P A G (Audit) Haryana under intimation to the Committee

- 4 M/s V C S Enterprises Ltd Gurgaon (East) TIN/RC No 1815741 AY 2002 03

The Committee observed that the reply of the department is not complete as there is nothing mentioned about the action taken in this regard The Committee desired the department to inform the Committee about the action taken by the department in this regard

- 5 M/s Hi Tech Enterprises Gurgaon (East) TIN/RC No 1818024 AY 2002 03

- 6 M/s Vibgyor International Pvt Ltd Gurgaon (East) TIN/RC No 1817199 AY 2002 03

The Committee recommends that the matter be settled in liaison with the Office of P A G (Audit), Haryana under intimation to the Committee

- 7 M/s Rajgarhia Oil Mills Ltd Hisar TIN No 06711520670 AY 2003 04

The Committee observed that the reply of the department is not complete as there is nothing mentioned about the action taken in this regard The Committee desired the department to inform the Committee about the action taken by the department in this regard

- 8 M/s Brown Laboratories Fardabad (W) TIN No 06641309976 AY 2003 04

The Committee wants to know whether the balance additional demand against the firm amounting to Rs 741856/ has been recovered or not?

- 9 M/s Batra Rice Mills Karnal TIN No 06362211163 AY 2003 04

The Committee wants to know whether the balance additional demand against the firm amounting to Rs 73571/ has been recovered or not?

- 10 M/s Jagruti Rasin Pvt Ltd Gurgaon (East) RC No 1821522 AY 2002 03

In view of the matter the Committee desired that as and when the Revisional Authority decides the case with regard to Suo moto be intimated to the Committee accordingly

11 M/s Parma Nand Ganda Singh & Co Panipat TIN No 06752600452 AY 2003 04

The Committee desired the department to make strenuous efforts to recouer the amount of arrears from the dealer and the progress of recovery be reported to the Committee in due course

12 M/s Mohan Clothing Co Gurgaon (East) TIN/RC No 1819329 AY 2002 03

13 M/s Ericsson India Pvt Ltd Gurgaon (East) RC No 1822715 AY 2003 04

14 M/s Haryana Packaging Panipat TIN No 5368 AY 2001 02

15 M/s S G Carpets Panipat TIN No 06852610873 AY 2004 05

16 M/s Multi Tech Industries Gurgaon (E) TIN No 06861812412 AY 2003 04

17 M/s Batra Rice Mills Karnal TIN No 06362211163 AY 2003 04

18 M/s Agsons Agencies India Pvt Ltd Gurgaon (W) TIN No 06411909223 AY 2003 04

The Committee desired that strenuous efforts may be made to settle these paras as early as possible by holding the meeting with P AG (Audit) Haryana and its progress be reported to the Committee on quarterly basis accordingly

The Committee recommends that the relevant records/documents of the cases be shown to the PAG(Audit) Haryana as and when it is required by them in future The necessary directions may be issued to all the DETCs for strict compliance in this regard

[114] 2 2 13 Non levy of penalty

Under the State Acts if a dealer has maintained false or incorrect accounts or documents with a view to suppress his sales or purchases or has furnished or produced any account return document or information which is false or incorrect in any material particular such authority may direct him to pay by way of penalty in addition to the tax to which he is assessed or liable to be assessed a sum thrice (twice under the HGST Act) the amount of tax which would have been avoided Under the CST Act if any dealer fails to prove to the satisfaction of the AA claim of transit sale from one state to another against form E 1 he would be liable to pay penalty not exceeding one and a half times of the tax leviable

Further section 14 (6) of the Act provides that if any dealer fails to pay tax as required he shall be liable to pay simple interest at the rate of one and a half per cent per month if the payment is made within 90 days from the last date specified for the payment of tax If the default continues thereafter simple interest is chargeable at the rate of three per cent per month for the whole period from the last date specified for payment of tax to the date he makes the payment

2 2 13 1 Scrutiny of the records of four DETCs revealed that 56 dealers had purchased iron and steel from dealers who had evaded payment of tax on that sale While finalising the assessments the AAs failed to disallow ITC and levy penalty or had

kept penal action pending In another case the AA failed to levy penalty after disallowing deduction from sale against form E 1 This resulted in short levy of tax and penalty amounting to Rs 19 14 crore as mentioned below

(Rupees in crore)

Sr No	Number of districts	Number of dealers	Value of goods sold/ purchased	Tax levied/ ITC disallowed	Tax levied/ ITC to be disallowed	Penalty leviable	Nature of irregularity
1	1	48	146 30	5 85		17 56	The AAs disallowed the ITC but penal action for levy of minimum penalty kept pending at the time of assessment in February and March 2007 has not been finalised/initiated even after the lapse of 16/17 months
2	1	1	17 46	0 70		1 05	Maximum penalty leviable was not levied on account of disallowing of dealer's wrong claim of E 1 sale
3	3	8	3 53		0 13	0 40	No action to disallow the benefit of ITC and levy minimum penalty was initiated on account of purchases made from dubious dealers
Total		57	167 29	6 55	0 13	19 01	

The department in its written reply stated as under

- 1 M/s Nidhi Enterprises Faridabad (West) TIN No 06811313132 AY 2003 04
- 2 M/s Anshu Ispat Pvt Ltd Faridabad (West) TIN No 06881311687 AY 2003 04
- 3 M/s Bhagwati Trading Co Faridabad (West) TIN No 06681320527 AY 2003 04
- 4 M/s B N Traders Faridabad (West) TIN No 06841317529 AY 2003 04
- 5 M/s Madhav Enterprises Faridabad (West) TIN No 06501317454 AY 2003 04
- 6 M/s Neeraj Enterprises Faridabad (West) TIN No 06291316619 AY 2003 04
- 7 M/s M M Steel Corporation Faridabad (West) TIN No 06721320505 AY 2003 04
- 8 M/s Rajdhani Industrial Co Faridabad (West) TIN No 06261307603 AY 2003 04
- 9 M/s Madhav Industrial Corp Faridabad (West) TIN No 06621317359 AY 2003 04

- 10 M/s Neelam Industrial Co Fardabad (West) TIN No 06711319104 AY 2003 04
- 11 M/s A G S Enterprises Fardabad (West) TIN No 06841318693 AY 2003 04
- 12 M/s Faridabad Steel Fardabad (West) TIN No 06961311061 AY 2003 04
- 13 M/s Balaji Enterprises Faridabad (West) TIN No 06231321017 AY 2003 04
- 14 M/s Arvind Enterprises Faridabad (West) TIN No 06101317160 AY 2003 04
- 15 M/s G M Steel Industries Faridabad (West) TIN No 06911310458 AY 2003 04
- 16 M/s Auti Enterprises Fardabad (West) TIN No 06901312355 AY 2003 04
- 17 M/s Dinesh Enterprises Faridabad (West) TIN No 06501315776 AY 2003 04
- 18 M/s Ambika Enterprises Fardabad (West) TIN No 06761318252 AY 2003 04
- 19 M/s A G Brothers Ltd Faridabad (West) TIN No 06761318252 AY 2003 04
- 20 M/s Ashish Industrial Corp Fardabad (West) TIN No 06751311128 AY 2003 04
- 21 M/s Ajay Trading Co Fardabad (West) TIN No 06121311329 AY 2003 04
- 22 M/s Ankit Industrial Co Faridabad (West) TIN No 06761318252 AY 2003 04
- 23 M/s Ajit Trading Co Fardabad (West) TIN No 06651314578 AY 2003 04
- 24 M/s Shiva Steels Faridabad (West) TIN No 06151315629 AY 2003 04
- 25 M/s Gautam Steel Traders Fardabad (West) TIN No 06591322274 AY 2003 04
- 26 M/s Anshul Steel Faridabad (West) TIN No 06601313102 AY 2003 04
- 27 M/s Aggarwal Steels Fardabad (West) TIN No 0676131007 AY 2003 04
- 28 M/s V K Enterprises Faridabad (West) TIN No 06911315081 AY 2003 04
- 29 M/s Brij Steel Trading Co Fardabad (West) TIN No 06551316282 AY 2003 04
- 30 M/s Rajdhani Industrial Corporation Faridabad (West) TIN No 06262307603 AY 2003 04
- 31 M/s S K Enterprises Fardabad (W) TIN No 06291318074 AY 2003 04

In these cases it is intimated that no penalty under section 38 of VAT Act 2003 has been imposed on the demand of input tax credit disallowed to the dealer

In this regard it is stated that penalty under section 38 is leviable for failure of the dealer to maintain the correct account and to furnish the correct returns. In these cases the dealer has shown purchases/sales and produced necessary V A T C-4 forms so there is no suppression of sales/purchases. On verification it has been found that the selling dealer did not deposit the tax on sale on which the purchaser is claiming the input tax credit. No penalty is livable in the light of judgment of Hon ble Supreme Court in the case of M/s J K Synthetic Vis Commercial Tax Officer No 94STC 422. In this case only input tax credit has been disallowed because no tax has been paid on the purchases. Penalty is leviable when it is proved that the forms V A T C 4 submitted by the dealer are forged.

However the case is pending before the Appellate Authority and after the decision of Appellate Authority the case of penalty under section 38 will be examined and action as per law will be taken. Hence the para may please be dropped.

**32 M/s Bhawna Enterprises Faridabad (West) TIN No 06961314165
AY 2003 04**

In this case it is intimated that the dealer case was decided by the Assessing Authority on 08/03/2007 in which an additional demand of Rs 8,74,336.00 was created under the HVAT Act. This demand was mainly on account of purchases made from dealers who had either not filed returns or paid the tax into the Govt. treasure. During the course of assessment the dealer has filed VAT C 4 and copies of bills in respect of the purchases made from such dealer. These were cross verified and it was found that due tax was not paid. Further firm had submitted the VAT C 4 issued by the selling firms and entries were made in account books. The additional demand was created for not payment of tax under rule 20 as has been rightly pointed out by the firm in its reply. Moreover in the assessment order neither it was ordered to take penal action nor it was desirable to initiate. Apart from this the credit of input tax was disallowed on the purchases of Rs 2,83,497.00. Keeping in view of the above facts the objection is not sustainable and needs to be dropped. However the Assessing Authority concerned have been informed for taking necessary action at their end. Hence the para may please be dropped.

**33 M/s Ganpati Industrial Co , Faridabad (West) TIN No 06151321934
AY 2003 04**

In this case it is intimated that the assessment of the firm was finalized on 16/03/2007 and an additional demand of Rs 10,06,269.00 Was created. It was mainly due to purchase made from firms to whom input tax was not allowable. Though the firm had submitted VATC 4 in respect of purchases made from all these firms. Therefore penalty under section 38 of HVAT Act is not leviable in these circumstances. However firm had preferred an appeal before the Jt ETC(A) Faridabad and action if any shall be taken later on. Hence the para may please be dropped.

**34 M/s Janta Engineering & Co Faridabad (West), TIN No 06321317039
AY 2003 04**

In response to audit objection It is submitted that the input tax credit reversed is as per order of the Ld Jt Excise & Taxation Commissioner (Range) Faridabad vide orders dated 01 03 2007 The dealer has not suppressed any kind of purchases mentioned in the audit para and produced All these purchases had duly accounted for in the dealer account books of the dealer So he has not submitted any false/incorrect information However it is also mentioned in order that the penal action u/s 38 of HVAT Act 2003 will be taken separately as cases of the same kind are pending with the Appellate Authority

**35 M/s Electronic Traders, Faridabad (West) TIN No 06821302602
AY 2003 04**

In this case it is intimated that the penal action was kept in abeyance as the dealer has filed an appeal and the appeal was rejected by the Jt ETC(A) vide order dated 14 07 2008 Although the dealer has preferred second appeal before the Hon ble Sales Tax Tribunal but there being no reason for keeping the penal action pending any more Notice has been issued to the dealer for 22 6 2009 to show cause as to why penal action U/S 38 may not be taken up Now penalty U/S 38 has been levied on 22 6 2009 for Rs 2 07 325/ Hence para may please be dropped

**36 M/s Clay Engineering Works Faridabad (West), TIN No 06641303186,
AY 2003 04**

In reply to audit objection it is submitted that firm had made purchases worth Rs 1653415 00 from M/s Vikram Steels As a matter of fact the firm had produced invoices of purchases and V AT C-4 forms as a proof of purchases Input tax of firm was disallowed on the basis of recommendations of its Assessing Authority Therefore in such situation penalty under section 38 is not leviable Matter is also pending in appeal before the Ld JETC (A) Faridabad

**37 M/s Sanjay Stampings, Faridabad (West), TIN No 06831307204
AY 2003 04**

In response to the audit objection it is submitted that the dealer has not suppressed any kind of purchase mention in the Audit para and produced VAT C-4 certificates/Original bills All these purchases had duly Accounted for in the dealer account books of the dealer So he has not submitted any false/Incorrect information Moreover now in view of judgment of Hon ble Punjab & Haryana high Court in case of Gherumal it was held that liability could not be fastened only on the basis

The case of the firm has been remanded by JT ETC (Appeal) Order dt 08/08/2008 and it has been directed to reassess the case In view of above submission the audit objection may please be dropped

38 M/s Esa Steel Faridabad (West), TIN No 06621311442 AY 2003 04

In respect to audit objection it is submitted so far as disallowance the claim of input tax in concerned it was solely on the ground that the sale Purchases were not verified from available record in this office This was the reason simplicitor for disallowance of claim of input tax and by no stretch can imitation the provisions of section

3 of HVAT Act 2003 can be attracted. However, if the penal action is required at a subsequent state, the same can be very well be taken by the concerned assessing authority. Moreover, the dealer has filed an appeal before the JET ETC (Appeal) FBD for remedial majors and the same is till pending with the JT Etc (Appeal) FBD. This section will be taken in due course and mated accordingly.

39 M/s Quality Engineers Faridabad (West), TIN No 06491303996 AY 2003 04

In this case, it is intimated that during the course of assessment, it was found that the dealer made the purchases from M/s K K Steel Corporation for Rs. 3,15,007.00. The enquiry in this case has revealed that M/s K K Steel Corporation was allowed the rebate of input tax on its purchases 17% and remaining part was disallowed. Since, in this case, the purchases of M/s K K Steel Corporation has been reduced to 17% correspondingly, the benefit of input tax is to be allowed only to the extent of 17%. In this case, accordingly, the claim of input tax on the purchases from 3,15,007.00 was reduced and balance claim on the purchases was allowed.

The dealer has produced VAT C 4 purchases invoices and account books in relation to purchases made from M/s K K Steel Corporation. Hence, as per record produced, it can be said that the dealer has made or false incorrect account or documents with a view to suppress his purchases. Therefore, the Assessing Authority was not of the view to levy penalty under section 38 of the HVAT Act 2003. Hence, the para may please be dropped.

40 M/s Ajay Steels, Faridabad (West) TIN No 06021311190 AY 2003-04

In this case, it is intimated that an additional demand of Rs. 69,899.00 under the VAT Act and Rs. 59,808.00 under the CST Act was created by the Assessing Authority on 23.03.2007. This additional demand was mainly on account of the purchases made from the dealers who neither filed the return nor paid the tax due according to the returns. The dealer filed VAT C 4 along with copy of bills in support of his claim. During the course of verification of purchases, it was found that some dealers such as M/s Vijay Enterprises, M/s Vikram Steel, M/s K K Enterprise and M/s V K Enterprises who have been declared as dubious dealers by the respected higher authorities and as such, these claim of input tax on the purchases made by the dealers from the dubious dealers is not admissible and as such, the input tax of the dealer on the purchases of Rs. 29,20,998.00 was disallowed and as a result of this additional demand, it became due. It has been contented by the dealer that the penalty provision under section 38 as pointed out by the audit is not called for. Keeping in view the reply made by the dealer, however, the Assessing Authorities concerned have been requested to take action at their end. In view of the above facts, the objection is not sustainable which needs to be dropped.

41 M/s Indo Burma Petroleum Corporation Ltd, Ambala Cantt., TIN/RC No 10690 AY 2000 01 & 2001 02

In these cases, the dealer i.e. M/s Indo Burma Petroleum Corporation Limited is a government of India undertaking. Although claim of the dealer in respect of E-1 sales was rejected due to difference of legal opinion, but there is no misstatement of facts/misuse of declarations, as pointed out by the Audit in the hands of Ambala assesses, because form E-1 in this case has been issued by LO C Limited Panipat. If any penalty for misuse/misrepresentation is called for, the same can be levied on LO C Panipat. There

seems no men srea to attract penalty on the I B P C The matter is being sub judice and no penalty can be imposed before its finalization for the sake of natural justice Moreover the assesses has gone in appeal against rejection of E I sales and the matter is pending with Haryana Tax Tribunal The objection raised by Audit will be taken care of after the decision of Hon ble Tribunal in these cases

**42 M/s Bhawna Steel Traders Faridabad (West) TIN No 06261317363
AY 2003 04**

The case has been reassessed vide AA's order dated 26-2-2010 creating an additional demand amounting to Rs 6 88 286/- the dealer went in appeal against the impugned order and the appeal case is still pending

**43 M/s B D Bansal & Sons, Faridabad (West) TIN No 06061313399
AY 2003 04**

It has been pointed out by the audit that no penalty U/S 38 of VAT Act 2003 has been imposed on the demand of input tax credit disallowed to the dealer

In this regard it is stated that penalty u/s 38 is leviable for failure for the dealer to maintain the correct accounts and to furnish the correct returns In this case the dealer has shown purchases/sales and produced necessary VAT C 4 forms so there is no suppression of sales/purchases On verification it has been found that the selling dealer did not deposit the tax on sale on which the purchaser is claiming the input tax credit No penalty is leviable in the light of judgment of Hon ble Supreme Court in the case of M/s J K Synthetic V /s Commercial Tax Officer No 94 STC 422 In this case only input tax credit has been disallowed because no tax has been paid on the purchase Penalty is leviable when it is proved that the forms VAT C-4 submitted by the dealer are forged

However the case is pending before the Appellate Authority and after the decision of Appellate Authority the case of penalty u/s 38 will be examined and action as per law will be taken

**44 M/s JNS Indusruiments Ltd Gurgaon (West), TIN No 06091820985
AY 2003 04**

In this case it is intimated that the order of Assessing Authority dated 15-03-2007 has been examined and revised under section 34 of HVAT Act 2003 vide order dated 6-9-2007 by Jt Excise & Taxation Commissioner (Range) Gurgaon Cum Revision Authority and an additional demand of Rs 17 377/- was created which stands recovered from excess amount of Rs 4 05 074/- as was computed by Assessing Authority in order dated 15-3-2007 which now stands reduced by Rs 17 377/- to Rs 3 87 697/-

Since the order of Assessing Authority dated 15-3-2007 has already been revised by Revisional Authority the audit para may please be dropped

- 1 M/s Nidhi Enterprises Faridabad (West) TIN No 06811313132 AY 2003 04
- 2 M/s Anchit Ispat Pvt Ltd Faridabad (West) TIN No 06881311687 AY 2003 04

- 3 M/s Bhagwati Trading Co Faridabad (West) TIN No 06681320527 AY 2003 04
- 4 M/s B N Traders Faridabad (West) TIN No 06841317529 AY 2003 04
- 5 M/s Madhav Enterprises Faridabad (West) TIN No 06501317454 AY 2003 04
- 6 M/s Neeraj Enterprises Faridabad (West) TIN No 06291316619 AY 2003 04
- 7 M/s M M Steel Corporation Faridabad (West) TIN No 06721320505 AY 2003 04
- 8 M/s Rajdhani Industrial Co Faridabad (West) TIN No 06261307603 AY 2003 04
- 9 M/s Madhav Industrial Corp Faridabad (West) TIN No 0621317359 AY 2003 04
- 10 M/s Neelam industrial Co Faridabad (West) TIN No 06711319104 AY 2003 04
- 11 M/s A G S Enterprises Faridabad (West) TIN No 06841318693 AY 2003 04
- 12 M/s Faridabad Steel Faridabad (West) TIN No 06961311061 AY 2003 04
- 13 M/s Balaji Enterprises Faridabad (West) TIN No 06231321017 AY 2003 04
- 14 M/s Arvind Enterprises Faridabad (West) TIN No 06101317160 AY 2003 04
- 15 M/s G M Steel Industries Faridabad (West) TIN No 06911310458 AY 2003 04
- 16 M/s Atul Enterprises Faridabad (West) TIN No 06901312355 AY 2003 04
- 17 M/s Dinesh Enterprises Faridabad (West) TIN No 06501315776 AY 2003 04
- 18 M/s Ambika Enterprises Faridabad (West) TIN No 06761318252 AY 2003 04
- 19 M/s A G Brothers Ltd Faridabad (West) TIN No 06761318252 AY 2003 04
- 20 M/s Ashish Industrial Corp Faridabad (West) TIN No 06751311128 AY 2003 04
- 21 M/s Ajay Trading co Faridabad (West) TIN No 06121311329 AY 2003 04
- 22 M/s Ankit Industrial Co Faridabad (West) TIN No 06761318252 AY 2003 04
- 23 M/s Ajit Trading Co Faridabad (West) TIN No 06651314578 AY 2003 04

- 24 M/s Shiva Steel Faridabad (West) TIN No 06151315629 AY 2003 04
- 25 M/s Gautam Steel Traders Faridabad (West) TIN No 06591322274 AY 2003 04
- 26 M/s Anshul Steel Traders Faridabad (West) TIN No 06601313102 AY 2003 04
- 27 M/s Aggarwal Steels Faridabad (West) TIN No 0676131007 AY 2003 04
- 28 M/s V K Enterprises Faridabad (West) TIN No 06911315081 AY 2003 04
- 29 M/s Brij Steel Trading Co Faridabad (West) TIN No 06551316282 AY 2003 04
- 30 M/s Rajdhani Industrial Corporation Faridabad (West) TIN No 06262307603 AY 2003 04
- 31 M/s S K Enterprises Faridabad (West) TIN No 06291318074 AY 2003 04

In view of the matter the Committee desired that final position of these cases pending before the Appellate Authority may be intimated to the Committee accordingly

- 32 M/s Bhawna Enterprises Faridabad (West) TIN No 06961314165 AY 2003 04

The Committee observed that the reply of the department is not complete as there is nothing mentioned about the action taken in this regard. The Committee desired the department to inform the Committee, about the action taken by the department in this regard

- 33 M/s Ganpati Industrial Co Faridabad (West) TIN No 06151321934 AY 2003 04

The Committee desired the department to inform the Committee about the decision of the appeal preferred before the Joint ETC (A), Faridabad and action taken after the decision in this case

- 34 M/s Janta Engineering & Co Faridabad (West) TIN No 0632131703 AY 2003 04

The Committee desired the department to inform about the penal action taken against the dealer u/s 38 of HVAT Act, 2003 to the Committee

- 35 M/s Electronic Traders Faridabad (West) TIN No 06821302602 AY 2003-04

The Committee desired the department to inform the Committee about the latest position of the recovery of penalty for amount Rs 2,07,325/ levied on the dealer

- 36 M/s Clay Engineering Works Faridabad (West) TIN No 06641303186 AY 2003 04

In view of the matter, the Committee desired that as and when the Ld JETC (A) Faridabad decides the case it may be informed to the Committee accordingly

- 37 M/s Sanjay Stampings Fardabad (West) TIN No 06831307204 AY 2003 04

The Committee wants to know whether the department has reassessed the case as remanded by JT ETC (Appeal) order dated 8 8 2012 and if so the latest position of the reassessed case be informed to the Committee

- 38 M/s Esa Steel Faridabad (West) TIN No 06621311442 AY 2003 04

The Committee desired the department to inform the latest position of appeal filed before Jt ETC (Appeal) Faridabad and action taken there on by the department against the dealer

- 39 M/s Quality Engineers Fardabad (West) TIN No 06491303996 AY 2003 04

The Committee wants to know what action has been taken against the dealer for suppressing his purchases

- 40 M/s Ajay Steels Faridabad (West) TIN No 06021311190 AY 2003 04

The Committee desired the department to inform the Committee about the action taken by the Assessing Authorities in this case

- 41 M/s Indo Burma Petroleum Corporation Ltd Ambala Cantt TIN/RC No 10690 AY 2000 01 & 2001 02

In view of the matter, the Committee desired that as and when the Court of Haryana Tax Tribunal decides the case it may be informed to the Committee and also the action taken after examining the decision of the case

- 42 M/s Bhawna Steel Traders Faridabad (West) TIN No 06261317363 AY 2003 04

The Committee wants to know the latest position of the appeal preferred by the dealer with regard to creating an additional demand amounting to Rs 6 88 286/ which is still pending

- 43 M/s B D Bansal & Sons Faridabad (West) TIN No 06061313399 AY 2003 04

In view of the matter, the Committee desired that as and when the Appellate Authority decides the case it may be informed to the Committee and also the action taken after examining the decision of the case

44 M/s JNS industrumnnents Ltd Gurgaon (West) TIN No 06091820985 AY 2003 04

The Committee wants to know whether the addition demand created by Jt ETC (Range), Gurgaon cum Revisional Authority has been recovered ?

[115] 2 2 13 2 Non levy of Penalty

During test check of the records of DETC Hisar in December 2006 it was noticed that a dealer purchased iron/scrap valued as Rs 1 06 crore from five dealers (selling dealers) between December 2003 and March 2004 and claimed ITC of Rs 4 24 lakh. The AA got the purchases made by the assesses verified from the offices of DETC Jind and Sonapat and found that the selling dealers did not exist and were bogus dealers. Therefore the AA while finalising the assessment for the year 2003 04 in April 2005 rejected ITC and raised additional demand of Rs 4 24 lakh and stated that action to levy interest would be taken separately. The AA did not levy minimum penalty of Rs 12 72 lakh for maintenance of false/incorrect account and submission of false/incorrect returns. This resulted in non levy of minimum penalty of Rs 12 72 lakh besides interest for non payment of tax.

After the case was pointed out in December 2006 the AA admitted the facts and rectified the order in July 2007 and raised an additional demand of Rs 17 86 lakh (including interest of Rs 5 13 lakh upto July 2007). The department further stated in June 2008 that the action for recovery was in process. A report on recovery has not been received (August 2008).

The department in its written reply stated as under

M/s Tara Enterprises, Hisar TIN No 06601533486, A Y 2003 04

In accordance with the audit objection after due issuance of notice to the dealer interest and penalty of Rs 1785511/ (Interest 512979/ and penalty Rs 12 72 522/ and entered in demand disposal register. Dealer preferred an appeal before the Jt ETC(A) Rohtak against this order No 79B dated 7 1 2010 who quashed the penalty amount of Rs 1272522/ and reduced the interest amount from 512989/ to 424174/.

Now the Ld Haryana Tax Tribunal Chandigarh has remanded the case back to Assessing Authority vide order dated 2 3 2012. Proceedings of remand case has been initiated and remand case will be decided soon as per direction of Ld Haryana Tax Tribunal. Photocopy of remand order is attached here with.

As the original order on which Audit objection was raised stands remanded Para may be dropped.

The Committee wants to know the final outcome of the remanded case

[116] 2 5 2 Short recovery of lump sum tax on Works contract

During test check of the records of DETC Faridabad (West) in September 2007 it was noticed that the dealer company (contractor) was engaged in building construction and paid tax in lump sum. A firm of Faridabad (contractee) supplied cement and steel valued as Rs 3.21 crore during the year 2003-04. The AA while finalising the assessment in March 2007 allowed deduction of Rs 3.21 crore from the gross turnover of Rs 27.03 crore for the tax paid cement and steel supplied by the contractee to the contractor for use in the project. In the case of a dealer involved in the execution of works contract no deductions except labour and service charges were admissible under the ambit of definition of sale price. Inadmissible allowing of deduction resulted in underassessment of tax of Rs 12.84 lakh.

After the case was pointed out in September 2007 the AA stated in June 2008 that the case was sent to the RA Faridabad for taking suo motu action. Further report has not been received (August 2008).

The department in its written reply stated as under:

M/s Omex Construction Ltd Faridabad No 06691375138 AY 2003-04

The Revisional Authority has revised the orders and taxed the turnover vide orders dated 16.3.09 created an additional demand of Rs 428448/- final action has been done (Copy attached). Para may therefore be dropped.

The Committee wants to know whether the additional demand of Rs 428448/- has been recovered or not?

[117] 2 6 Excess allowing of input tax credit

Under the HVAT Act and the rules framed thereunder, claim of input tax can be allowed to the purchasing dealer only when the tax has been deposited by the selling dealer. With a view to detect evasion of VAT by claiming fraudulent ITC by issuing forged tax invoices or fictitious accounting of goods neither purchased nor sold etc., the ETC issued instructions in March 2006 for cross verification of all purchase transactions totalling more than Rs 1 lakh from a single VAT dealer in a year. As per direction issued by the JETC (Range) Faridabad in March 2007, claim of input VAT in respect of purchases made from dealer A and dealer B was admissible at nil and 35 per cent respectively during assessment year 2003-04.

During test check of the records of DETC Faridabad (West) in August and September 2007 it was noticed that two dealers purchased cold rolled steel strips and iron and steel scrap valued as Rs 2.74 crore (dealer A Rs 75 lakh, dealer B Rs 1.99 crore) during the year 2003-04 and claimed ITC of Rs 10.98 lakh. The AAs while finalising the assessments in January and March 2007 allowed the ITC of Rs 10.98 lakh. Since JETC (Range) had issued direction on 1 March 2007 for allowing ITC at nil and 35 per cent of purchases made from dealer A and dealer B, the AAs were required to revise the assessment order of January 2007 and take into consideration the directions at the time of finalisation of assessment on 23 March 2007. Failure on the part of AAs to initiate

action for allowing ITC as per direction of JETC (Range) in March 2007 resulted in non raising of demand and excess allowing of ITC totalling Rs 8 19 lakh

After the cases were pointed out in August and September 2007 the AA disallowed ITC and raised demand of Rs 3 69 lakh in August 2007. The department intimated in June 2008 that a sum of Rs 2 68 lakh (out of Rs 3 69 lakh) had been recovered in January 2008. A report on recovery of the balance amount and reply in the remaining case has not been received (August 2008).

The matter was reported to the Government in December 2007. Their reply has not been received (August 2008).

The department in its written reply stated as under

M/s Khemka Ispat Ltd , Faridabad (W), TINN06781309414, AY 2003 04

In this para it is submitted that the dealer closed down the business and the firm went in liquidation vide order of Hon ble court of Delhi dated 25 09 2007 in CWP No 171 of 2007. A letter No 3574/W 13/dated 26 11 2008 sent to Official liquidator for lodging the claim. The official liquidator has not invited the claim so far.

The Committee desired the department to pursue the case pending before the Official Liquidator and final outcome be intimated to the Committee accordingly

[118] 2 7 Underassessment of tax due to allowing of excess benefit of deferment

The HVAT Act read with the HVAT Rules 2003 provides that an industrial unit availing the benefit of deferment of payment of tax may in lieu of making payment of the deferred tax after five years pay half of the amount of the deferred tax upfront along with the returns and on making payment in this manner the tax due according to the returns shall be deemed to have been paid in full. If the tax calculated is more than the input tax the difference of the two shall be the tax payable.

During test check of the records of DETC Panipat in August 2007 it was noticed that the assessee availing deferment from payment of tax for the period from 3 December 1998 to 2 December 2007 had opted to pay 50 per cent of the tax in lieu of deferment of payment of tax under the HVAT Rules. The assessee had made sale of goods valued as Rs 6 52 crore involving tax of Rs 26 06 lakh during the year 2004 05. After adjusting input tax of Rs 14 55 lakh paid on purchases of goods (Rs 3 64 crore) from tax of Rs 26 06 lakh the balance tax payable was Rs 11 51 lakh. The dealer was entitled to exemption of 50 per cent of deferred tax amounting to Rs 5 76 lakh. The AA while finalising the assessment in May 2006 allowed 50 per cent of total tax liability i.e. Rs 13 03 lakh instead of admissible amount of Rs 5 76 lakh. This resulted in excess exemption of tax of Rs 7 27 lakh.

After the case was pointed out in August 2007 the ETO Panipat intimated in June 2008 that the case had been sent to the RA for taking suo motu action in September 2007. The RA decided the case and created additional demand of

Rs 12.85 lakh including interest of Rs 6.42 lakh in May 2008. A report on recovery has not been received (August 2008).

The matter was reported to the department and the Government in November 2007. Their reply has not been received (August 2008).

The department in its written reply stated as under —

M/s Balaji Spuntex (P) Ltd Panipat RC No 8284 A Y 2004 05

In reply to audit memo it is submitted that the case was sent for taking suo moto action to the DETC cum Revision Authority Panipat vide this office memo No 1226/Ward 8 dated 02.05.2008 by creating an additional demand of Rs 1284832/ (including interest Rs 642416/) under the HVAT Act and Rs 169674/ (including interest Rs 84837/) under CST Act. Out of total additional demand recovery of Rs 684832/ under VAT Act and Rs 169674/ under CST Act has been recovered from the dealer and for balance amount recovery proceedings are in progress.

Hence para may be dropped.

The Committee desired the department to make all out efforts to recover the balance amount under intimation to the Committee

[119] 2.9 Underassessment of tax due to application of incorrect rate

As per the notification issued on 8 July 2003 under the HVAT Act VAT on components spare parts and accessories of motor vehicles including those of tractors is leviable at the rate of 12 per cent (at 10 per cent under general category upto 7 July 2003).

During test check of the records of DETC Faridabad (West) in July 2007 it was noticed that a dealer sold components of tractors valued as Rs 1.05 crore between 8 July 2003 and 31 March 2004 and paid tax at the general rate of 10 per cent. The AA while finalising the assessment for the year 2003-04 in March 2007 levied tax at the rate of 10 per cent instead of the correct rate of 12 per cent on the sales of Rs 1.05 crore. Application of incorrect rate of tax resulted in underassessment of VAT of Rs 2.09 lakh. Additionally interest was also leviable.

After the case was pointed out in July 2007 the AA admitted the audit observation and raised (December 2007) additional demand of Rs 4.03 lakh including interest. A report on recovery has not been received (August 2008).

The matter was reported to the department and the Government in December 2007. Their reply has not been received (August 2008).

The department in its written reply stated as under —

M/s Eicher Tractor Faridabad (West), TIN No 06371305517 AY 2003 04

In the case it is intimated that necessary rectification has been carried out vide order dated 28.12.2007 so Para may please be dropped.

The Committee wants to know how much additional demand was created in rectification and whether the whole of the amount after rectification has been recovered ?

[120] 2 10 Inadmissible allowing of input tax credit

Under the HVAT Act input tax in respect of any goods purchased by a VAT dealer shall be the amount of tax paid to the State on the sale of such goods to him

During test check of the records of the DETC Faridabad (West) in October 2007 it was noticed that the AA while finalising the assessment for the year 2003-04 in December 2006 allowed ITC of Rs 2.08 lakh on purchases of goods valued as Rs 51.94 lakh from within the State. Audit scrutiny revealed that the invoices against which ITC was allowed actually pertained to the purchases of goods in May 2004. Thus ITC of Rs 2.08 lakh was not admissible during assessment year 2003-04. This resulted in inadmissible allowing of ITC of Rs 2.08 lakh.

After the case was pointed out in October 2007 the AA admitted the audit observation and stated in October 2007 that rebate was wrongly allowed to the dealer during assessment year 2003-04 and necessary rectification order was being passed. A report on action taken has not been received (August 2008).

The matter was reported to the department and the Government in December 2007 their reply has not been received (August 2008).

The department in its written reply stated as under

**M/s Apollo Tyres Ltd , Faridabad (West) TIN No 06511301172,
AY 2003-04**

It is intimated that necessary adjustment/ correction has been made on input tax credit amounting to Rs 2,07,758/- on purchase of DEPB license which was admissible in the year 2004-05 instead of 2003-04. Necessary rectification has been made in the case so para may please be dropped.

The Committee recommends that the matter be settled in liaison with P A G (Audit) Haryana

[121] 4 1 Results of audit

Test check of the records in the offices of Transport and Excise and Taxation departments relating to revenue received from taxes on motor vehicles and taxes on goods and passengers during the year 2007-08 revealed non/short recovery of motor vehicles tax, passengers and goods tax, fees and penalty etc amounting to Rs 6.94 crore in 59,965 cases which fall under the following categories

Sr No	Category	Number of cases	Amount
	Excise and Taxation Department		
1	Non recovery of passengers tax from bus owners of co operative societies	860	2 84
2	Non recovery of passengers and goods tax from inter State private transporters	239	0 40
3	Non recovery of goods tax	591	0 40
	Total	1 690	3 64

During the year 2007 08 the departments accepted under assessments and other deficiencies of Rs 2 crore involved in 4 547 cases of which 4 526 cases involving Rs 1 98 crore had been pointed out in audit during the year 2007 08 and the remaining in the earlier years The departments recovered Rs 3 11 lakh in 22 cases of which Rs 50 000 related to the year 2007 08 and balance to the earlier years

A few illustrative cases involving Rs 4 63 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under —

Passenger and Goods Tax

All the 1690 cases involving an amount of Rs 3 64 crore have been reviewed with the following results

- (i) 721 cases involving an amount of Rs 1 50 crore have been settled with demand
- (ii) 109 cases involving an amount of Rs 0 46 crore have been settled without demand
- (iii) 860 cases involving an amount of Rs 1 68 crore are still under process / consideration of the Audit

The Committee want to know whether the demand of Rs 1 50 Crore in 721 cases have been recovered and on what basis 109 cases were settled without demand

The committee desired that the department should make strenuous and vigorous efforts to recover the balance amount under intimation to the Committee

[122] 4 7 Non/short realisation of passengers tax from co operative transport societies

Under the PPGT Act and the rules framed there under permit holders plying buses on link routes of the State under the scheme of privatisation of passenger road transport are required to pay lump sum passengers tax based on the seating capacity of the bus on monthly basis at the rate of Rs 16 000 for 52/54 seater and Rs 10 000 for 30/32 seater buses by 20th of each month Further the Government vide notification issued in

April 2002 revised rates of passengers tax to Rs 20 000 and Rs 14 000 for 52/54 and 30/32 seater buses respectively in case their routes are extended upto 24 kilometers. The Government however reduced the passengers tax to Rs 16 000 for 52/54 seater and Rs 10 000 for 30/32 seater buses with effect from March 2007. In case the said sum is paid within the first seven days of the month to which the payment relates, the permit holder shall be entitled to a concession of 10 *per cent* of the sum payable. PPGT Rules 1952 provided that if any sum is payable by an owner under the Act/rules, the prescribed authority shall serve a notice in form PTT 11 to the vehicle owners to furnish receipted challans in proof of such payment within 15 days from the date of service of the notice. For default in payment of the tax within the prescribed time, penalty not exceeding Rs 5 000 shall be leviable.

During test check of the records of 10 offices of DETC between October 2006 and January 2008, it was noticed that 118 transport co-operative societies either did not deposit the monthly passengers tax or deposited it short during 2005-06 and 2006-07. The department however did not raise the demand to realise the tax from the defaulting societies. This resulted in non/short realisation of tax of Rs 93.11 lakh besides penalty.

After the cases were pointed out between October 2006 and January 2008, eight DETCs intimated between September 2007 and June 2008 that amounts totalling Rs 12.05 lakh had been recovered between January 2007 and May 2008 and efforts were being made to recover the balance amount of Rs 68.34 lakh. A report on recovery and reply from the remaining DETCs involving Rs 12.72 lakh has not been received (August 2008).

The matter was reported to the department and the Government between November 2006 and February 2008; their reply has not been received (August 2008).

The department in its written reply stated as under —

In this para, it is submitted that out of Rs 93.11 lac as pointed out by Accountant General (Audit), a sum of Rs 27.62 lacs has been recovered leaving a balance of Rs 65.49 lac. Efforts are being made to recover the balance amount at the earliest.

The Committee desired that all out efforts should be made by the department to recover the balance amount of Rs 65.49 lacs under intimation to the Committee.

[123] 4.8 Non/short realisation of passengers tax from educational institutions

As per the notification issued in February 2006 under the PPGT Act and rules framed thereunder, the owner of the bus of an educational institution may, in lieu of the tax chargeable on fare and freight, pay lump sum tax (month wise) at the rate of Rs 60 per seat per month for nine months (from July to March) in a year. Passengers tax (lump sum) is payable by the 20th of each month. The owner of the bus shall pay the lump sum tax either into the Government treasury or furnish a demand draft or pay order to the appropriate authority. In case the tax is not paid within the prescribed time, penalty not exceeding Rs 5 000 shall be leviable.

During test check of the records of five offices of DETC between July and October 2007 it was noticed that the owners of 353 educational institution buses either did not deposit the monthly passengers tax or deposited it short during 2006-07. The department however did not raise the demand to realise the tax from the defaulting bus owners. This resulted in non/short realisation of passengers tax of Rs 45.41 lakh besides penalty.

After the cases were pointed out between July and October 2007, four DETCs intimated in January and June 2008 that an amount of Rs 11.63 lakh had been recovered in respect of 133 buses and efforts were being made to recover the balance amount. DETC Rohtak stated in January 2008 that notices had been issued to recover the amount. A report on recovery had not been received (August 2008).

The matter was reported to the department and the Government between November 2007 and February 2008. Their reply has not been received (August 2008).

The department in its written reply stated as under —

In this para it is submitted that out of Rs 45.41 lac as pointed out by Accountant General (Audit) a sum of Rs 26.58 lacs has been recovered leaving a balance of Rs 18.83 lacs. Efforts are being made to recover the balance amount at the earliest.

The committee desired that constant efforts should be made by the department to recover the balance amount of Rs 18.83 lacs under intimation to the Committee.

[124] 4.9 Non/short recovery of passengers tax from city bus operators

As per the PPGT (Haryana Amendment) Rules 2004, the holders of permit for plying buses on the roads within the municipal corporation limit in Gurgaon and Faridabad districts are required to pay passengers tax at the rates prescribed for ordinary half body and ordinary full body at Rs 4,200 and Rs 7,000 per month respectively with effect from 24 February 2004. The passengers tax is payable by the 20th of each month. The owner of a bus shall pay the lump sum tax either into the Government treasury or furnish a demand draft or pay order to the appropriate authority. In case the tax is not paid within the prescribed time, penalty not exceeding Rs 5,000 shall be leviable.

During test check of the records of the offices of three DETC in August 2007 and January 2008 for the year 2006-07, it was noticed that 20 private bus operators who were granted permits for plying buses in city areas did not deposit the monthly passengers tax for different periods during 2006-07. The department however did not take action to realise the tax from the defaulting bus owners. This resulted in non/short realisation of tax of Rs 8.89 lakh besides penalty.

After the cases were pointed out in August 2007 and January 2008, the DETC Faridabad (West) and Gurgaon intimated in January and May 2008 that Rs 1.51 lakh had been recovered in five cases between October 2007 and May 2008 and efforts were being made to recover the balance amount.

The DETC Faridabad (East) issued notices to 12 defaulters for the recovery of Rs 5.32 lakh in February 2008. A report on the recovery of tax and penalty has not been received (August 2008).

The matter was reported to the department and the Government in November 2007 and February 2008. Their reply has not been received (August 2008).

The department in its written reply stated as under —

In this para it is submitted that out of Rs 8.89 lac as pointed out by Accountant General (Audit) a sum of Rs 2.01 lac has been recovered leaving a balance of Rs 6.88 lac. Efforts are being made to recover the balance amount at the earliest.

The Committee desired that all out efforts should be made by the department to recover the balance amount of Rs 6.88 lacs under intimation to the Committee.

[125] 5.1 Results of audit

Test check of the records of the departmental offices relating to State excise, entertainment duty and show tax, purchase tax on sugarcane, taxes and duties on electricity and land revenue conducted in audit during the year 2007-08 revealed non/short recovery of tax, duty, fees and penalty etc. amounting to Rs 46.06 crore in 32,096 cases which fall under the following categories:

(Rupees in crore)

Sr No	Category	Number of cases	Amount
	A Excise and Taxation Department (State excise)		
1	Non imposition of penalty	121	2.42
2	Non/late deposit of licence fees and loss of interest	263	1.80
3	Non recovery of penalty on illicit liquor	253	1.11
4	Miscellaneous irregularities	189	36.50
	Total	826	41.83
	B Excise and Taxation Department (Entertainment duty and show tax)		
	Non recovery of entertainment duty	1	0.01

During the year 2007-08, the departments accepted under assessments and other deficiencies of Rs 6.10 crore involved in 350 cases of which 316 cases involving Rs 4.55 crore had been pointed out during the year 2007-08 and the remaining in the earlier years. The departments recovered Rs 1.69 crore in 136 cases of which Rs 14 lakh related to the year 2007-08 and balance to the earlier years.

A few illustrative cases involving Rs 1.23 crore and an IT review of **Computerisation of land records** are mentioned in the succeeding paragraphs.

The department in its written reply stated as under —

All the 826 cases involving an amount of Rs 41 83 crore have been reviewed with the following results —

- 1 235 cases involving an amount of Rs 2 19 crore have been settled with demand
- 2 36 cases involving an amount of Rs 0 16 crore have been settled without demand
- 3 555 cases involving an amount of Rs 39 48 crore are still under process / consideration of the Audit

Entertainment

Efforts are being made to recover the amount at the earliest

The Committee wants to know whether the amount of Rs 2 19 crore in 235 cases has been recovered and on what basis 36 cases have been settled without demand. The Committee desired that constant efforts should be made by the department to recover the balance amount under intimation to the Committee

[126] 5.3 Non realisation of differential licence fee

Under the Haryana Liquor License (HLL) Rules 1970 read with the excise policy for the year 2006 07 a person to whom a liquor outlet has been allotted shall pay by the 15th of every month an instalment equal to 10 *per cent* of the total annual licence fee upto the month of November 2006. If any successful allottee fails to deposit the amount of security equal to 20 *per cent* of the total licence fee by 7 April 2006 or refuses to accept the licence the DETC (Excise) of the respective district may re allot it at the risk and cost of the original allottee by seeking prior permission of the Financial Commissioner.

During test check of the records of DETC (Excise) Jind in May 2007 it was noticed that six retail liquor outlets were auctioned in March 2006 for Rs 1 80 crore for the year 2006 07. Of the security of Rs 36 lakh payable by the successful bidders only Rs 16 50 lakh was deposited. Thereafter the allottees did not deposit the balance security of Rs 19 50 lakh. The department cancelled their licences between May and October 2006 and forfeited the entire amount of security. These retail liquor outlets were reaucted on 25 September and 31 October 2006 for the remaining period for Rs 64 86 lakh at the risk and cost of the original licensees. However the department did not initiate any action to recover the differential amount of licence fee of Rs 98 64 lakh from the original allottees. This resulted in non realisation of revenue of Rs 98 64 lakh.

After the case was pointed out in May 2007 the department admitted the facts and stated in March 2008 that show cause notices had been issued to effect recovery of Rs 98 64 lakh from the original licensees. A report on recovery has not been received (August 2008).

The matter was reported to the Government in November 2007 their reply has not been received (August 2008).

The department in its written reply stated as under —

In this case it is submitted that license fee as pointed out by the audit party has been declared as arrears recoverable under the Punjab Land Revenue Act. Show cause notices for recovery of the outstanding amounts were issued to the defaulting licensees and the concerned Tehsildars. Naib Tehsildars were requested to supply the details of their moveable/immoveable properties. One licensee Sh. Dharmbir Singh L 14A, Lijwana Khurd has filed a Civil Suit in the Civil Court. No amount has so far been recovered from these six defaulters mentioned in the para. However, efforts are being made to recover the arrears.

The Committee desired that some concrete/effective steps should be taken by the department to recover the outstanding recoveries.

The Committee also desired the department to inform the Committee about the latest position of court case pending in Civil Court, Jind.

[127] 5.4 Short recovery of licence fee and interest

The HLL Rules read with the excise policy for the year 2006-07 provide for payment of monthly instalment of licence fee by the 15th of each month by the licensee holding licence for retail outlets for vending country liquor (CL) and Indian made foreign liquor (IMFL). Failure to do so renders him liable to pay interest at the rate of one and a half *per cent* per month for the period from the first day of the month to the date of payment of the instalment or any part thereof. If the licensee fails to deposit the monthly instalment in full alongwith interest by the end of the month, the licensed outlet shall cease to be in operation on the first of the following month and shall ordinarily be sealed by the DETC (Excise) of the respective district.

During test check of the records of DETC (Excise) Rohtak in August 2007, it was noticed that licences for retail liquor outlets for the sale of CL/IMFL were allotted to five licensees for Rs. 1.06 crore. The licensees failed to pay the monthly instalments of licence fee for the period between April and November 2006 in full by the prescribed dates. Against Rs. 1.06 crore, the licensees had paid only Rs. 86.90 lakh. The DETC (Excise) however, did not initiate any action to cease/seal the vends for non deposit of monthly instalments in full by the end of the month and levy interest for belated payment of the licence fee. This resulted in short recovery of license fee of Rs. 19.10 lakh besides interest of Rs. 5.73 lakh.

After the cases were pointed out in August 2007, the DETC (Excise) intimated in January 2008 that licence fee of Rs. 2.60 lakh and interest of Rs. 51,000 had been recovered from two licensees in December 2007 and efforts were being made to recover the balance amount. A report on recovery has not been received (August 2008).

The matter was reported to the department and the Government in November 2007. Their reply has not been received (August 2008).

The department in its written reply stated as under —

In this case it is intimated that during the year 2006 07 the retail liquor vends in Haryana were allotted singly for the first time by draw of lots and some un experienced persons entered in the liquor trade. Due to the in experience and public resentment the licensees could not run the business smoothly which resulted in late/non payment of license fees. Further there was an abnormal increase of 36.29% in license fee for the year 2005 06 and therefore in the interest of Government Revenue and to have the revenue at least at par with the revenue of the proceeding year the license fee of these vends had to be fixed on the higher side for the year 2006 07. It is also submitted that for the above reasons out of these vends the vends L 14A Civil Road and L 2 Industrial Area were closed whereas license fee of the vend L 2 Gandhi Camp had to be reduced heavily in the consequent years. It is further submitted that the department made strenuous efforts to recover the license fees and out of the licence fee of Rs. 144 lacs fixed for the year 2006 07 of these vends license fee of Rs. 124.80 lacs had been recovered prior to the audit.

The Committee desired that strenuous and vigorous efforts should be made by the department to recover the outstanding amount and interest under intimation to the Committee

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TRANSPORT DEPARTMENT

[128] 4.2 Loss of revenue due to non levy/collection of passengers tax on students concession passes

The Punjab Passengers and Goods Taxation (PPGT) Act 1952 (as applicable to Haryana State) *inter alia* provides that tax would be levied charged and paid to the State Government at such rate not exceeding 60 *per cent* of the value of the fare. In case lump sum fare is charged on account of seasonal tickets tax would also be levied on the amount of such lump sum fare. Monthly passes are issued on concessional rates by the General Managers (GMs) of Haryana Roadways to bonafide students of recognised schools and colleges.

The Government decided (December 1991) to issue monthly passes to the students of Haryana by charging 10 single fares. This facility was also extended (January 1992) to the students of Haryana going to Chandigarh and Delhi. For girl students charging of 10 single fares was reduced to five single fares from 31 January 2006.

Test check of the records (April October 2007) of eight GMs of Haryana Roadways revealed that the students were being issued concessional passes without levy of passengers tax at the rate of 60 *per cent* of the fare although in accordance with the provisions of the PPGT Act passengers tax was to be collected along with the basic fare. The amount of passengers tax not levied on students concessional passes worked out to Rs. 4.33 crore as mentioned below.

(Rupees in lakh)

Sr No	Name of the depot	Period	Amount collected from students	Passengers tax to be collected
1	Gurgaon	April 2005 to March 2007	61.91	37.15
2	Hisar	October 2003 to May 2006	198.02	118.81
3	Jind	April 2005 to February 2007	82.02	49.21
4	Karnal	April 2006 to March 2007	42.90	25.74
5	Kaithal	April 2005 to May 2007	80.31	48.19
6	Narnaul	April 2005 to April 2007	49.77	29.86
7	Panipat	April 2005 to February 2007	53.07	31.84
8	Yamunanagar	September 2003 to March 2006	153.46	92.08
	Total		721.46	432.88

It was further noticed that though the depots had not collected passengers tax on students passes yet they deposited Rs. 2.70 crore as passengers tax out of the basic fare collected by them. As the depots were not charging passengers tax from students the Transport Commissioner directed (January 2007) all the GMs not to deposit the tax in the Government account.

Thus due to non levy of passengers tax on students concessional passes the State Government suffered a loss of revenue of Rs. 1.63 crore (Rs. 4.33 crore - Rs. 2.70 crore). The loss would be much more if non levy of passengers tax in respect of all the

depots and from the time the concessional passes were introduced in the State was taken into account

After the cases were pointed out between April and October 2007 the Transport Commissioner intimated in June 2008 that notifications for fare increase prior to 18 August 2003 were made for the basic fare only. But the notification for increase in fare dated 18 August 2003 was made for the gross fare (basic fare plus passengers tax). Keeping in view the resentment shown by the students in the State the case was sent to the Government to exempt passengers tax on student passes and the then Transport Minister desired to keep the previous practice continued. Accordingly an order was issued (April 2006) to all the GMs for not charging passengers tax on student passes. The reply of the department is not tenable as no notification/amendment was issued by the Government under the Haryana Motor Vehicles Rules and PPGT Act/Rules.

The matter was reported to the Government in February 2008. Their reply has not been received (August 2008).

The department in its written reply stated as under —

The monthly passes to the bonafide students or recognized schools/colleges of Haryana are being issued by the GMs of Roadways @ 10 single fare per month as per the Govt instructions dated 28.2.91. The rates are being amended from time to time on the basis of increase in the fare by the Govt of Haryana. It is worth while to mention here that fare increase notifications prior to 18.08.2003 are made for basic fare only but the notifications for increase in fare dated 18.8.2003 was made for gross fare i.e. basic fare + passengers tax. Accordingly the new rate for student passes were conveyed to all the General Managers of Haryana Roadways depots and it was then noticed that some of the depots are not charging passengers tax over and above on the basic fare on the student passes.

The case was sent to the Govt to exempt the passengers tax on the student passes keeping in view the resentment shown by the students in the Haryana State for large hike in the rates of students passes. The then Honble Transport Minister desired that the previous practice passengers tax shall not be charged on students bus passes may be continued. Accordingly an order was issued to all General Managers of Haryana Roadways Depots for not charging passengers tax on the students bus passes and directions was also issued to the depots for not paying the passenger tax on the student passes as the same is not being charged from the students. The case was also sent to Govt for issuing notifications for the same (for exemption of Passengers Tax on students passes) but the Govt desired that only clarification be issued to all General Managers.

At present passenger tax is neither being charged from students on issue of student passes nor it is being paid to Excise and Taxation Department. Moreover the rate of passenger tax is also reduced from 60% to 25% vide the notification issued on 29.3.2007 by keeping the gross per KM fare at same rate i.e. 50 paise per KM/per passenger. The rate of student passes was also revised to that extent.

The matter was referred to Honble Chief Minister Haryana for exemption of Passangers tax on student's bus passes. Honble Chief Minister Haryana has approved the matter which is available at Annexure A and accordingly approval/concurrence on dated 3/8/2010 of Finance Department Haryana which is available at Annexure B has also been obtained regarding exemption of Haryana Passangers Tax on student bus pass. Presently No Haryana Passengers tax is being charged from the students bus passes issued on concessional rates. A notification of this effect has also been issued by Financial Commissioner and Principal Secretary to Govt Haryana Excise & Taxation Department on dated 20/1/2011 which is available at Annexure C.

In view of the facts submitted above it is requested that para may kindly be dropped.

The Committee desired the department to take approval of the Haryana Legislative Assembly with regard to the amendment in act and inform the Committee accordingly

[129] 4.3 Non charging of permit transfer fee

Under the Haryana Motor Vehicles Rules 1993 where the holder of a permit desires to transfer the permit to some other person under section 82 (1) of the Central Motor Vehicles Act 1988 (MV Act) they shall make a joint application accompanied by a cash receipt or treasury challan showing the payment of fee of Rs 100 specified for making application for grant of permit to the State or Regional Transport Authority (RTA) for issue of the permit. If the RTA allows transfer of a permit it shall call upon the holder of the permit in writing to surrender parts A and B of the permit within seven days of the receipt of the order and shall likewise call upon the person to whom the permit is to be transferred to deposit the fee of Rs 2,625 and Rs 1,750 specified for grant of permit for heavy transport vehicle (HTV) and light transport vehicle (LTV) respectively.

During test check of the records of 13 offices of Secretary RTA between April and October 2007 it was noticed that holders of 4,601 permits (HTV 2,877 LTV 1,724) applied for transfer of permits during the year 2006-07. Against the recoverable fee of Rs 1.10 crore the department charged application fee of Rs 4.60 lakh only. This resulted in short realisation of permit fee of Rs 1.06 crore.

After the cases were pointed out between April and October 2007 the State Transport Controller Haryana (STC) admitted the audit observation and directed (August 2007) the RTAs to charge full permit fee for a period of five years from the date of transfer of permit. Seven RTAs intimated in February and June 2008 that they had started charging permit transfer fee between September 2006 and October 2007. A report on action taken and reply from the remaining six RTAs involving Rs 63.05 lakh has not been received (August 2008).

The matter was reported to the Government between July and December 2007 their reply has not been received (August 2008).

The department in its written reply stated as under —

The fee for transfer of permits could not be charged in certain cases due to difference in interpretation of the relevant provisions of rules. Work of RTA was transferred to SDO (Civil)s in 1997. To enable them to perform their duties smoothly guidelines were issued to all the SDO (Civil)s vide letter No. 5649/89/AT-3 dated 27th February 1997. In these guidelines among other things it was indicated that a sum of Rs 100/- is to be charged as per rule 74(1) of Haryana Motor Vehicle Rules for transfer of permit. However, no mention of the fee prescribed under rule 74(4) was made in the guidelines. The Registering Authorities accordingly charged fee of Rs 100/- as mentioned in letter dated 27.02.1997. When this came to notice it was written to all Registering Authorities vide letter dated 11/7/07 that the fee for transfer of permits may be charged from the date of transfer. Thereafter numerous letters have been written to the Registering Authorities to recover the amount. All the Secretary Regional Transport Authorities have been directed to make special efforts to recover the pending fee.

Efforts are thus being made to recover the amount. However, a number of practical and legal problems have been pointed out by the Field Officers during discussions. In many cases the vehicles are now out of service or transferred in other states or there have been multiple transfers of ownership within the State. In all such cases the recovery has become practically very difficult. Further, since the permits of these vehicles were not issued for a period of five years from the date of transfer and full fee was charged upon such renewal of permit, therefore charging of permit fee for full five years may not be legally in order. Similar para in the report of CAG 2007 has already been discussed in PAC meeting held on 17.10.2012 and dropped. PAC keeping in view the circumstances explained above, PAC is requested to drop the para.

The Committee desired the department to furnish the present status of the balance recovery and also recover the balance amount under intimation to the Committee

[130] 4.4 Non realisation of bid money on stage carriage permits

Under the MV Act Private Bus Service Scheme in Haryana Year 2001 was introduced for the grant of stage carriage permits to the existing co-operative societies under the 1993 scheme, general public and new transport co-operative societies 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 was to be allotted to the highest bidder. The bid money was required to be deposited before 10th of each month. In case of non-payment of bid money, the authority could initiate action for suspension/cancellation of permit and imposition of penalty.

During test check of the records of Secretary RTAs Jind, Kurukshetra and Narwana between July 2006 and October 2007, it was noticed that 14 transport co-operative societies were granted permits between January 2002 and November 2004 for a period of five years under this scheme. These co-operative societies were required to

deposit bid money in equal monthly instalments. The bid money was neither deposited regularly or demanded by the department. No action was taken either to suspend/cancel the permit or to levy penalty. This resulted in non realisation of bid money of Rs 22.85 lakh for the period between April 2005 and March 2007. Additionally, penalty was also leviable.

After the cases were pointed out between July 2006 and October 2007, RTAs Kurukshetra and Narwana intimated in February and March 2008 that notices had been issued to the defaulters between December 2007 and February 2008 to deposit the outstanding bid money. Reply from RTA Jind involving Rs 8.99 lakh and a report on recovery has not been received (August 2008).

The matter was reported to the department and the Government between October 2006 and December 2007; their reply has not been received (August 2008).

The department in its written reply stated as under —

In this case, out of Rs 22.85 lac, an amount of Rs 17.45 lac has already been recovered, and notices have been issued to the vehicle owners to recover the balance amount of Rs 5.40 lac. As the major part of the recovery has been made by the department, PAC is requested to drop this para.

The Committee desired the all out efforts may be made to recover the balance amount under intimation to the Committee.

[131] 4.5 Non/short recovery of token tax from stage carriage bus owners

Under the Punjab Motor Vehicles Taxation Act, 1924, as applicable to Haryana, token tax shall be leviable in advance on every motor vehicle in equal instalments for quarterly periods commencing on the first day of April, July, October and January at the rate of Rs 550 per seat per annum, subject to a maximum of Rs 35,000 per vehicle per annum. Any broken period in such quarterly periods shall, for the purpose of levying the tax, be considered as a full quarter. In case of omission to comply with the provisions, the Act further provides that the licensing officer may impose a penalty which may extend to twice the amount of tax due. When a person neglects or refuses to pay instalment of tax within one month from the expiry of the period fixed for such payment, the licensing officer may forward to the Collector a certificate specifying the amount of tax due recoverable as arrears of land revenue.

During test check of the records of 10 RTAs between April and October 2007, it was noticed that 106 buses were plied as stage carriages by the co-operative transport societies during the year 2006-07. However, token tax was either not deposited or deposited short by the societies. No action was taken by the RTAs to recover the tax. This resulted in non/short realisation of token tax of Rs 21.37 lakh besides penalty.

After the cases were pointed out between April and October 2007, seven RTAs stated between February and June 2008 that Rs 5.07 lakh had been recovered between May 2007 and February 2008, and efforts were being made to recover the balance amount of Rs 9.74 lakh. A report on recovery and reply from the remaining three RTAs involving Rs 6.56 lakh has not been received (August 2008).

The matter was reported to the department and the Government between July and December 2007 their reply has not been received (August 2008)

The department in its written reply stated as under —

In this case out of Rs 21 37 lac an amount of Rs 17 65 lac has already been recovered In nine cases recovery of token tax amounting to Rs 2 03 lac is not recoverable Out of these in one case bus has been transferred to a School in another case the vehicle has been transferred to RTA Hisar in seven cases Permit RC were deposited In rest of the cases notices have been issued to the vehicle owners to recover the balance amount of Rs 1 69 lac Keeping in view the major part of the recovery made by the department PAC is requested to drop this para

The Committee desired the all out efforts may be made to recover the balance amount under intimation to the Committee

[132] 4 6 Short realisation of conductor s licence fee

Under section 29 of the MV Act no person shall act as a conductor of a stage carriage unless he holds an effective conductor s licence authorising him to act as such and no person shall employ or permit any person who is not so licensed to act as a conductor of a stage carriage Further section 30 of the Act lays down that the fee for a conductor s licence shall be one half of that for a driving licence As per notification issued by the Ministry of Road Transport and Highways in May 2002 fee for the issue of a driving licence shall be charged at the rate of Rs 200 (including the cost of computerised chip and card)

During test check of the records of the office of the registering authority Hisar for the year 2006 07 in August 2007 it was noticed that the registering authority started issuing computerised conductor s licence from July 2006 and issued 3 376 licences between July 2006 and August 2007 However fee for issue of a conductor s licence was charged at the rate of Rs 25 instead of Rs 100 Application of incorrect rate resulted in short realisation of fee of Rs 2 53 lakh

After the cases were pointed out in August 2007 the registering authority Hisar admitted the facts and intimated in June 2008 that efforts were being made to effect the recovery of deficient amount of fee as pointed out by audit A report on recovery has not been received (August 2008)

The matter was reported to the department and the Government in October 2007 their reply has not been received (August 2008)

The department in its written reply stated as under —

In this case RA Hisar has recovered an amount of Rs 0 55 lac out of Rs 2 53 lac and notices have been issued to recover the balance amount from the conductor licensee PAC is requested to drop this para

The Committee desired the all out efforts may be made to recover the balance amount under intimation to the Committee

AGRICULTURE DEPARTMENT

[133] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs 1 981 92 crore of which Rs 423 65 crore were outstanding for more than five years as mentioned below

(Rupees in crore)

Sr No	Heads of revenue	Amount outstanding as on 31 March 2008	Amount outstanding for more than 5 years as on 31 March 2008	Remarks
1	Other taxes and duties on commodities and services Receipt under the Sugarcane (Regulation Supply and Purchase Control) Act	14 28	10 15	Five Sugar Mills (Panipat Rs 3 32 crore Yamuna Nagar Rs 85 lakh Naraingarh Rs 4 90 crore Bhadson Rs 5 11 crore and Kaithal Rs 10 lakh) did not deposit the tax

Of these sales tax arrears of Rs 1591 87 crore contributed 80 per cent of the total arrears. Substantial accumulation of arrears of taxes show that the State Government did not tackle the problem vigorously. It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue.

The position of arrears of revenue pending collection at the end of 2007 08 in respect of other departments was not furnished (August 2008) despite being requested (July 2008).

The department in its written reply stated as under —

As per details received from Accountant General (Audit) Haryana the department involved in 5 cases for Rs 14 28 crore. The mill wise detail is as under —

S No	Name of Office	No of cases	Amount (Rs in crore)
1	A C D O Panipat	1	3 32
2	A C D O Yamunanagar	1	0 85
3	A C D O Naraingarh	1	4 90
4	A C D O Bhadson	1	5 11
5	A C D O Kaithal	1	0 10
	Total		14 28

- 1 An amount of Rs 3 32 crore is due against Cooperative Sugar Mills Panipat Concerned Sugar mill has been deposited Rs 1 50 Crore in various Treasury Challans from the year 2001 02 to 2007 08 Balance amount of Rs 1 82 crore is to be recovered from the concerned Sugar Mill Vigorous efforts are being made to recover the said amount
- 2 An amount of Rs 0 85 crore as purchase tax was due against the Saraswati Sugar Mills Yamuna nagar This amount is pending against concern Sugar mill due to Court case in Hon ble Panjab & Haryana High Court Chandigarh
- 3 An amount of Rs 4 90 crore is due against Sugar Mills Naraingarh No recovery has been made from the concerned Sugar Mill The Cane Commissioner Haryana Panchkula wrote a Registered letter No 5048 dated 18 11 2008 to the Collector Ambala to recover the arrear of Cane Purchase Tax & interest The Vigorous efforts are being made to recover the said amount
- 4 An amount of Rs 5 11 crore is due against Piccadilly Agro Sugar Mills Bhadson Recovery has been made from the concerned Sugar Mill Rs 370023/ vide Challan No 10 dated 18 3 2008 & balance amount Rs 50729977/ still stand The concerned Sugar Mill has filed the case in Hon ble Panjab & Haryana High Court Chandigarh which is pending for decision
- 5 An amount of Rs 0 10 crore is due against Cooperative Sugar Mills Kaithal The concerned Sugar Mill had been deposited Rs 8 22 314/ vide Challan No 30 dated 13-7 2007 Balance amount Rs 1 05/ lakh as interest The vigorous efforts are being made to recover the said amount

The Managing Director Sugar Federation had prepared a draft for exemption of interest The matter had been examined by the Govt and turned down with the proposal For affecting the recovery the certificates for recovery of purchase tax and interest has arrear of land revenue have been issued to the Collectors concerned through the Collector Panchkula vide Memo No CC/Acctt/4584 dated 14-10-2004 Addl Cane Commissioner Haryana Panchkula wrote a D O No 3645 dated 16 7 2007 to Managing Director Co op Sugar Mill Panipat The Cane Commissioner Haryana Panchkula wrote a D O No 4066 dated 21 8 2007 to the Collector Panipat to recover the arrear of Cane Purchase Tax Vigorous efforts are being made to recover the balance amount

For affecting the recovery a meeting of MDs concerned and MD Sugar fed was convened on 23-7-2008 under the Worthy Cane Commissioner Haryana Pachkula They were directed to deposit the Purchase Tax at the earliest possible

Further for affecting the recovery a meeting of MDs concerned and MD Sugar-fed was held on 15 01 2009 under the Chairpersonship of Financial Commissioner &

Principle Secretary to Haryana Govt Department of Agriculture Chandigarh They were directed to deposit the Purchase Tax and due interest immediately The proceeding was sent to the concerned sugar mills and M D Sugar fed vide this office letter No 568 77 dated 10 2 09 and reminders were issued on 25 2 09 and 5 3 09 for necessary action M D Sugar Mill Bhadson and Naraingarh sent a proposal for exemption of purchase tax and interest thereon for the 1st five years like other sugar mills but the same proposal was turned down by the Govt vide their memo No 217 Agr II(3)-2001/5831 dated 28 3 01 and intimation in this regard has been sent to the concerned M D s of Sugar Mills vide this office letter No 2640-41 dated 2 7 09

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 the department to accelerate the pace of recovery with regard to Cane purchase tax alongwith the interest thereon under intimation to the Committee

[134] 5 1 Results of Audit

Test check of records in departmental offices relating to Stat Excise entertainment duty and show tax purchase tax on sugarcane taxes and duties on electricity and land revenue conducted in audit during the year 2007 08 revealed non/short recovery of tax duty fees and penalty etc amounting to Rs 46 06 crore in 32 096 cases which fall under the following categories

Sr No	Category	Rupees in crore	
		Number of cases	Amount
1-4	Others Deptt		
4 C	Agriculture Department (Purchase Tax)		
	Non deposit of purchase tax and interest	25	2 60
	Total	25	2 60

During the year 2007-08 the departments accepted under assessments and other deficiencies of Rs 6 10 crore involved in 350 cases of which 316 cases involving Rs 4 55 crore had been pointed out during the year 2007 08 and the remaining in the earlier years The departments recovered Rs 1 69 crore in 136 cases of which Rs 14 lakh related to the year 2007 08 and balance to the earlier years

A few illustrative case Involving Rs 1 23 crore and an IT review of Computerisation of land records are mentioned in the succeeding paragraphs

The department in its written reply stated as under —

- 1 Out of 32 096 cases 25 cases are pertaining to the Agriculture Department Details of 25 cases are given as under

2 Non/Short recovery of Purchase Tax on Surgarcane

Sr No	Name of Office	Period	Para No	Nos of cases	Amount (Rs in lacs)	Present position
1	A C D O Meham	2006 07	1	1	37 66	This para pertains to recovery of interest only Recovery not effected Efforts are being made to recover the balance of interest
2	A C D O Yamuna Nagar	2006 07	1	7	75 07	An amount of Rs 40 00 000/ has been deposited by the Sugar Mill Naraingarh vide various treasury challan Numbers & dates Balance amount of Rs 35 07 lakhs Purchase Tax & Interest are still pending to recover Hence recovery certificate issued to the concerned collector vide this office letter No 5048 dated 18 11 2008 for recovery
3	A C D O Bhuna	2006 07	1	0	92 62	An amount of Rs 92 62 000/ (Purchase Tax 4829239+4432852/ Interest) The Liquidator of Bhuna Co op Sugar Mill has deposited as Purchase Tax Amount of Rs 44 28 405/ vide treasury challan No 18 dated 29 11 07 Rs 835/ vide challan No 5 dated 8 6 2012 by the Liquidator Co op Sugar Mills Bhuna The balance amount of Rs 4432852/ as Interest is outstanding for recovery Efforts are being made to recover this amount

The following efforts have been made to recover the outstanding balance

A meeting of MDs concerned and MD Sugar fed was convened on 23 7 2008 under the Worthy Cane Commissioner Haryana Panchkula They were directed to deposit the Purchase Tax at the earliest possible

During the discussion on 4 11 2008 held in the meeting of PAC all the heads of the Sugar factories have been asked through letter No 5061 70 dated 18 11 2008 to deposit the outstanding dues immediately by the Additional Cane Commissioner Haryana Panchkula

Director of Agriculture cum Cane Commissioner Haryana certificates have been issued to the concerned Collectors through Collector Panchkula for affecting the recovery as arrear of land revenue vide this office memo No CC/Acctt/4584 dated 14 10 2004 and D O letter No 4065 70 dated 21 8 2007 sent to all the concerned D C s for affecting the recover

The Managing Director Sugarfed had prepared a draft for exemption of interest The matter had been examined by the Govt and turned down the proposal as intimated vide letter No 2015 Agri II (3)2006/24046 dated 23 11 2006

For affecting the recovery a meeting of MDs concerned and MD Sugared was convened on 23 7 2008 under the Worthy Cane Commissioner Haryana Panchkula They were directed to deposit the Purchase Tax at the earliest possible

Further for affecting the recovery a meeting of MDs concerned and MD Sugar fed was held on 15 01 2009 under the Chairpersonship of Financial Commissioner & Principal Secretary to Haryana Govt Department of Agriculture Chandigarh. They were directed to deposit the Purchase Tax and due interest immediately. The proceeding was sent to the concerned sugar mills and M D Sugarfed vide this office letter No 568 77 dated 10 2 09 and reminders were issued on 25 2 09 and 5 3 09 for necessary action. M D Sugar Mill Bhadson and Naraingarh sent a proposal for exemption of purchase tax and interest thereon for the 1st five years like other sugar mills but the same proposal was turned down by the Govt vide their memo No 217 Agri II(3) 2001/5831 dated 28 3 01 and intimation in this regard has been sent to the concerned M D s of sugar mills vide this office letter No 2640-41 dated 2 7 09. A part from this Financial Commissioner & Principal Secretary to Govt Haryana Co operation Deptt was requested vide this office letter No 1150 dated 17 3-2009 and reminder was issued on 10 6 2009 to send a proposal for writing of purchase tax and interest thereon in respect of Bhuna sugar mill. The Financial Commissioner & Principal Secretary to Govt Haryana Co operation Deptt has intimated to this office vide his letter No 1824 C 5 2009/8402 dated 30 6 09 that the matter is under consideration with the Govt. A meeting was convened on 17 9 2009 under the Chairmanship of Cane Commissioner Haryana Panchkula. The Managing Director Sugarfed and all the Cane Managers of the concerned sugar mills attended the same and were directed to deposit the due purchase tax and interest thereon. Proceedings of the meeting were sent to all the concerned vide No CC/Vikas/2009/3658 73 dated 1 10 2009 for immediate necessary action.

A meeting was convened on 25 03 2010 under the Chairmanship of Addl Cane Commissioner Haryana Panchkula with all the Cane Managers of the concerned sugar mills and reviewed the recovery of purchase tax and they were directed to deposit the due purchase tax and interest thereon. Addl Cane Commissioner Haryana Panchkula wrote a D O letters No 1907 dated 12 5 2010 to Managing Directors Sugar mill Meham to deposit the arrear of purchase tax immediately. There after the Cane Commissioner Haryana Panchkula wrote D O letter No 3495 3496 3497 3501 dated 06 10 2010 to M D Sugar Mills Naraingarh Panipat Rohtak and Bhadson respectively to deposit the arrear of Purchase tax.

The Cane Commissioner Haryana Panchkula wrote a D O No 2139 dated 3 8 2011 to the Collector Ambala to recover the arrear or cane purchase tax. Addl Cane Commissioner Haryana Panchkula wrote a letters No 2493-2507 dated 16 08 2011 to Managing Directors of concerned Sugar mills to deposit the arrear of purchase tax immediately. The meeting was held under the Chairmanship of Honble A M on dated 02/11/2011 to review the recovery position of purchase tax the MD Sugarfed assured that the case for conversion of interest into Share Capital will be submitted to the Government. The matter regarding recovery of purchase tax was discussed in the meeting held on 10/02/2011 under the Chairmanship Special Secretary (Budget) Finance Department and viewed very seriously. The Cane Commissioner Haryana Panchkula wrote D O letter No 2091 2093 2095 2096 2097 2098 dated 26 07 2012 to all the M D s Sugar Mills to deposit the arrear of Purchase tax.

In view of the position explained above it is evident that the Department is serious about the recovery of the cane purchase tax along with the interest thereon and efforts

are being initiated for the recovery. Thus vigorous efforts are being made to recover the amount.

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

[135] 6.1 Results of Audit

Test check of records in departmental offices relating to Urban Development, Home (Police), Public Works, Medical and Health, Agriculture, Animal Husbandry, Mines and Geology, Co-operation, Food and Supplies and Forest conducted in audit during the year 2007-08 revealed underassessment of tax and loss of revenue amounting to Rs. 253.84 crore in 27,055 cases which fall under the following categories —

Agriculture Department

	Number of cases	Amount
Miscellaneous irregularities	133	0.03 crores

During the year 2007-08 the departments accepted non/short realization and other deficiencies of Rs. 191.20 crore involved in 225 cases of which 163 cases involving Rs. 182.81 crore had been pointed out during 2007-08 and in 143 cases of which Rs. 63.44 crore related to the year 2007-08 and balance to the earlier years.

After the issue of draft paragraph, the department recovered Rs. 11.23 lakh in one case. A few illustrative cases involving Rs. 32.21 crore are mentioned in the succeeding paragraphs.

The department in its written reply stated as under —

This para relates to short realization of licence fees/losses of revenue etc relating to various departments of Govt. of Haryana during the year 2007-08. Out of 133 cases, 2 cases involving Rs. 1.60 lakh pertain to District Horticulture Officer, Fatehabad. As far as Agriculture Department, Haryana is concerned, there are 131 cases involving an amount of Rs. 1.69 lakh as per detail given below —

Sr No	Name of Audit Unit	Para No	No of cases	Amount (Rs. in lakh)
1	DDA Panipat	1	98	1.10
		2	6	0.18

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 in 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 done and licence expires automatically.

As regard loss due to accrual of non renewal of licences of registered Pesticides/Fertilizers of district DDA Panipat & Sirsa mentioned supra the reply is given as under —

Sr No	Name of Audit Unit	Para No	No of cases	Amount (Rs in lakh)	Reply
1	DDA Panipat	1	98	1 10	98 Registered Licence holders (copy enclosed) has closed their business and did not renew their licences after the expiry of the validity of the licences. It is partially not possible to recover the an amount of Rs 1 10 lakh from the Registered licence holders who has closed their business. It is therefore requested that the para may kindly be dropped.
	do	2	6	0 18	The Audit in the observation stated that as per the provision laid down under Rule 2 2 of PFR Volume I Part I the Drawing & Disbursing Officer has not maintained CTR Register and not verified the amount deposited with the department through Challan and not get the same attested from the concerned Treasury Officer. The concerned Drawing & Disbursing Officer has maintained the C T R Register on the basis of the provision stated above. It is therefore requested that the para may kindly be dropped.

The Committee desired that if the recovery is not possible then the proposal for writing off the amount be sent to the Government under intimation to the Committee.

[136] 6 6 Non-recovery of interest on purchase tax

Under the Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 and the rules framed thereunder as applicable to Haryana the occupier or agent of 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. In the event of default in payment interest at 15 per cent per annum shall be charged for the period of default.

During test check of the records of the Assistant Cane Development Officer (ACDO) Meham (Rohtak) in October 2007 for the years 1998 99 to 2006 07 it was noticed that Co operative Sugar Mill Meham (sugar mill) purchased 1 21 52 596 55 quintals of sugarcane between April 2001 and January 2005. The sugar mill deposited the purchase tax of Rs 1 82 crore between December 2003 and May 2005 but did not deposit the interest due thereon for delayed payment of purchase tax. Interest of Rs 37 58 lakh for the period between May 2001 and December 2007 though payable was not demanded by the ACDO.

After the case was pointed out in October 2007 the ACDO Meham intimated in January and may 2008 that efforts were being made to recover the amount of interest from the Sugar Mill A report on recovery has not been received (August 2008)

The matter was reported to the department and the Government in October 2007 their reply has not been received (August 2008)

The department in its written reply stated as under —

An amount of Rs 37.66 lakh as interest was due against Cooperative Sugar Mills Meham No recovery has been made from the concerned sugar mill vigorous efforts are being made to recover the said amount

The Managing Director Sugarfed had prepared a draft for exemption of interest The matter had been examined by the Govt and turned down the proposal as intimated vide letter No 2015 Agri II (3)2006/24046 dated 23.11.2006

For affecting the recovery a meeting of MDs concerned and MD Sugar fed was convened on 23.7.2008 under the Worthy Cane Commissioner Haryana and Panchkula They were directed to deposit the Purchase Tax at the earliest possible

Further for affecting the recovery a meeting of MDs concerned and MD Sugar fed was held on 15.01.2009 under the Chairpersonship of Financial Commissioner & Principal Secretary to Haryana Govt Department of Agriculture Chandigarh They were directed to deposit the Purchase Tax and due interest immediately The proceeding was sent to the concerned sugar mills and MD Sugarfed vide this office letter No 568/77 dated 10.2.09 and reminders were issued on 25.2.09 and 5.3.09 for necessary action A meeting was convened on 17.9.2009 under the Chairmanship of Cane Commissioner Haryana Panchkula The Managing Director Sugarfed and all the Cane Managers of the concerned sugar mills attended the same and were directed to deposit the due purchase tax and interest thereon Proceedings of the meeting were sent to all the concerned vide No CC/Vikas/2009/3658/73 dated 01-10-2009 for immediate necessary action

A meeting was convened on 25.03.2010 under the Chairmanship of Addl Cane Commissioner Haryana Panchkula with all the Cane Managers of the concerned sugar mills and reviewed the recovery of purchase tax and they were directed to deposit the due purchase tax and interest thereon Addl Cane Commissioner Haryana Panchkula wrote a D.O. letters No 1907 dated 12.5.2010 to Managing Directors Sugar Mill Meham to deposit the arrear of purchase tax immediately

Addl Cane Commissioner Haryana Panchkula wrote letters No 2493/2507 dated 16.08.2011 to Managing Directors of concerned Sugar mills to deposit the arrear of purchase tax immediately The meeting was held under the Chairmanship of Honble A.M. on dated 02/11/2011 to review the recovery position of purchase tax The MD Sugarfed assured that the case for conversion of interest into Share Capital will be submitted to the Government

The matter regarding recovery of purchase tax was discussed in the meeting held on 10/02/2011 under the Chairmanship Special Secretary (Budget) Finance Department and viewed very seriously. The Cane Commissioner Haryana Panchkula wrote a D O letter No 2096 dated 26 07 2012 to M D Sugar Mill Meham to deposit the arrear of Purchase tax.

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 all out efforts may be made to recover the balance amount of Cane purchase tax alongwith the interest thereon in a time bound manner and the position of the recovery be intimated to the committee on quarterly basis.

CO-OPERATION DEPARTMENT

[137] 6.1 Result of Audit

Test Check of records in departmental offices relating to Urban Development Home (Police) Public Works Medical and Public Health Agriculture Animal Husbandry Mines and Geology Co operation Food and Supplies and Forest conducted in audit during year 2007-08 revealed under assessments of tax and loss of revenue amounting to Rs. 253.84 crore in 27,055 cases which fall under the following categories

Sr No	Name of departments and nature of irregularity Co operation	Number of cases	Amount (Rs. in Crore)
1	Non recovery of loans and interest	11	17.29
2	Short recovery of audit fees	153	1.57
3	Non/Short recovery of dividend on share capital	106	1.44
	Total	270	20.30

During the year 2007-08 the departments accepted non/short realization and other deficiencies of Rs. 191.20 crore involved in 255 cases of which 163 cases involving Rs. 182.81 crore had been pointed out during 2007-08 and the remaining in the earlier years. The department recovered Rs. 71.83 Crore in 143 cases of which Rs. 63.44 Crore related to the year 2007-08 and the balance to the earlier years.

After the issue of draft paragraph the department recovered Rs. 11.23 lakh in one case.

A few illustrative cases involving Rs. 32.21 crore are mentioned in the succeeding paragraphs.

The department in its written reply stated as under —

The Co-operative Societies registered under The Haryana Cooperative Societies Act, 1984 are liable to pay audit fee as per norms fixed by the R.C.S. Haryana.

1. The Audit fees is initially assessed on the basis of annual statement prepared by the society and after availability of audited profit & loss a/c the audit fee is re-assessed and difference of audit fee is recovered accordingly.
2. The institutions have to deposit the dividend as per Govt. of India instruction dated 15/07/1972 at the rate of maximum 3%. The recovery position of this para is as under —

Name of departments and nature of irregularity	Number of cases	Amount in Lacs	Recovered amount in Lacs	Wrong Assessment	Balance in Lacs
Non recovery of loans and interest	11	1728 91	2 31	0	1726 60
Short recovery of audit fees	153	157 00	96 95	12 66	47 39
Non/Short recovery of dividend on share capital	106	143 91	69 66	54 25	20 00
Total	270	2029 82	168 92	66 91	1793 99

- 3 Out of total 1726 60 lac balance to recover Rs 1720 00 lac relates to Cooperative Sugar Mills Palwal which is running in loss and Rs 6 60 lac relates to Bahadurgarh Cooperative Consumer Store which was cancelled The procedure of writing of above amount i e 6 60 lac is under consideration
- 4 Out of total 47 39 lacs balance to recover an amount of Rs 9 15 and 12 69 lac relates to Assistant Registrar Cooperative Societies Naraingarh and Bhiwani respectively The para relates to this amount has been removed by A G Haryana
- 5 The Balance amount of wrong assessment of Rs 27 80 lacs is relates to Palwal Sugar Mills which is running in loss As per provisions of bye laws of the mills the dividend payable in case the Sugar Mills earn the profit The balance amount of Rs 26 45 lacs variations of declare the dividend of profit by the institution/societies

Further efforts are being made to recover the remaining balance amount

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

TOWN AND COUNTRY PLANNING DEPARTMENT

[138] 63 *Short recovery of licence fee and conversion charges*

Under Section 3 (1) of the Haryana Development and Regulation of Urban Area Act (HDRUA Act) 1975 read with Rule 3 of the HDRUA Rules 1976 any owner of land desiring to convert his land into a colony may apply to the Director for the grant of licence to develop a colony in the prescribed form and pay for it such fee and conversion charges as may be prescribed. The Government revised the rates of licence fee in respect of residential (plotted) residential (group housing) and commercial colonies in September 2005 and December 2006 effective from 23 July 2005 and 4 December 2006 respectively.

During test check of the records of Director Town and Country Planning (DTCP) Haryana in March 2008 it was noticed that 10 owners of land applied (between December 2003 and September 2006) for conversion of their land into a plotted colony group housing colony and commercial/office complexes in residential sectors and individual colony and paid licence fee and conversion charges amounting to Rs 52.12 crore between December 2003 and November 2006. Though the Government had revised the rates the department did not ask the applicants to pay the differential amount of licence fee and conversion charges before granting approval in these cases. The approval was granted between July 2005 and January 2007 on the basis of charges received at pre revised rates alongwith the applications and after issue of the letter of intent (LOI). The licence fee and conversion charges at the revised rates worked out to Rs 79.40 crore. This resulted in loss of revenue of Rs 27.28 crore due to non realisation of the differential amount of fee and conversion charges.

After the cases were pointed out in March 2008 the department stated in March 2008 that the licence fee and conversion charges demanded in the LOI were payable by the coloniser in the stipulated time. Once he had complied with the terms and conditions of the LOI and paid the demanded amount subsequent revision in licence fee and conversion charges were not payable by them. The reply of the department was not tenable since the Government had revised the rates the department should have asked the applicants to pay the differential charges before granting approval in these cases.

The matter was reported to the Government in March 2008 their reply has not been received (August 2008).

The department in its written reply stated as under —

In reply to this para it is submitted that as per the provision of Rule 10 of the Haryana Development and Regulations of Urban Areas Rules 1976 the applicant is required to fulfill the requirement and pre requisites for grant of license as prescribed under Rule 11 of the said Rules which has been complied with by the Colonizer within prescribed time period. Thus with its compliance the Department comes under a statutory obligation to issue license.

In view of the above it is clear that the demand of conversion charges and license fee made in the letter of intent (LOI) is as per rates of license fee

and conversion charges applicable at the time of issuance of LOI and the colonizer has complied with the terms of LOI within prescribed period Accordingly licenses have been issued Therefore subsequent revision in fee in between issuance of letter of intent and grant of license is not applicable However if the colonizer fails to comply with the terms and conditions of LOI within prescribed time limit and still if he desire to seek license he is required to pay the subsequent revision in license fee and conversion charges Therefore the license fee and conversion charges recovered though LOI are as per the provision of Rules The detailed position with regard to cases under the Audit Para is as under —

Sr No	Name of Builder/Company and Colonizers	Date of LOI	Date of issue of notification (license fee)	Date of issue of notification (conservation charges)
1	Mapsko Builders Pvt Ltd	16 10 2006	4 12 2006	21 12 2006 (10 11 2006)
2	Unitech Ltd	2 12 2004	13 9 2005 (23 7 2005)	27 7 2005 (7 6 2005)
3	Essal Housing Projects Pvt Ltd	22 9 2004	do	do
4	Ansal Properties & Industries Ltd	17 12 2004	do	-do
5	Ansal Properties & Industries Ltd	14 12 2004	-do	do
6	Cadillac Buildwell Faridabad	13 11 2006	4 12 2006	21 12 2006 (10 11 2006)
7	Triveni Infrastructure Development Faridabad	29 9 2006	do	do
8	Trivene Fervious Infrastructure	16 10 2006	do	-do
9	Swatantra Land & Finance Pvt Ltd	4 10 2006	do	do
10	Swatantra Land & Finance Pvt Ltd	4 10 2006	do	do

From the above position it is clear that the LOIs in all the cases have been issued prior to the date of issue of notices Hence para may please be dropped

The Committee desired the department to furnish the case wise detailed reply to the Committee for its consideration

[139] 6 4 Non recovery of service charges from colonisers

Under the HDRUA Act any coloniser to whom a licence has been given under this Act shall deposit service charges at the rate of Rs 10 per square metre of the gross area (plotted and covered area) of all floors in case of flats proposed to be developed into a colony in two equal instalments The first instalment shall be deposited within 60 days and second instalment is to be deposited within six months from the date of grant of the licence

During test check of the records of the DTCP in March 2008 it was noticed that 1 507 colonisers were granted licences for the development of plotted and covered area of floors in the colonies at various towns of Haryana The department had not maintained any register or any other control record to watch the recovery of service charges from the colonisers Scrutiny of case files revealed that 13 colonisers were granted licences between January 2006 and January 2007 for development of 948 621 acre (plotted

area/group housing) These licensees were required to pay service charges amounting to Rs 3 84 crore in two instalments between February 2006 and July 2007 against which Rs 63 61 lakh were deposited Balance service charges of Rs 3 20 crore were neither deposited by the colonisers nor demanded by the department

After the cases were pointed out in March 2008 the DTCP intimated in June 2008 that an amount of Rs 44 54 lakh had been recovered and notices had been issued to recover the balance amount A report on action taken to recover the balance amount has not been received (August 2008)

The matter was reported to the Government in March 2008 their reply has not been received (August 2008)

The department in its written reply stated as under —

In reply to this para it is submitted that the outstanding amount of Rs 3 20 crore as shown in the CAG report has been recovered by the Department Hence the para may please be dropped

The Committee desired that responsibility needs to be fixed for not charging the service charges and the Committee be informed about the action taken against the erring officers/officials

The Committee further desired that the Principal Secretary and Director General of the department should check randomly some cases on their own level also

[140] 6 5 Short levy of conversion charges

Under the Punjab Scheduled Road and Controlled Areas Restriction of Unregulated Development Rules 1965 as applicable to Haryana every person other than the coloniser intending to change the existing use of any land in a controlled area for the purpose of developing it into buildings for residential industrial commercial or other purposes shall be granted permission after making payment of conversion charges at the prescribed rates Separate rates of conversion charges have been notified for different places as well as different categories (residential commercial institutional industrial etc) by the Government from time to time Buildings meant to be used for office or for practising any profession or for carrying on any occupation trade business etc fall under the integrated commercial complex

During test check of the records of the DTCP in March 2008 it was noticed that the department granted permission for change of land use measuring 7 771 06 square yards for construction of Multi Specialty Hospital First Aid Post for Paramedics in the village Badoli (Panipat District) in December 2003 and additional 4 763 37 square metre area for further extension of the hospital in February 2006 Conversion charges in respect of commercial activities were leviable at the rate of Rs 565 per square yard and Rs 1 200 per square metre with effect from 28 June 2003 and 27 February 2005 respectively The department recovered the conversion charges from the land owner at the rates applicable for institutional activities of Rs 565 per square yard instead of for commercial activities at

Rs 1 200 per square metre This resulted in short recovery of conversion charges of Rs 93 05 lakh

After the case was pointed out in March 2008 the DTCP stated in June 2008 that the project at Panipat was for the improvement of health standard in the rural area and to train and educate rural girls to become economically independent The proposed activity involved an educational institution which had public/semi public institutional use Therefore the conversion charges for institutional use were charged The reply is not tenable as this activity of nursing education etc was not mentioned in the permission letter Since the permission for change of land use for the construction of Rural Multi Speciality Hospital First Aid Post and Trauma Centre was granted the project falls under commercial activities and conversion charges at the rates applicable for commercial activities would be leviable

The matter was reported to the Government in March 2008 their reply has not been received (August 2008)

The department in its written reply stated as under —

In this case CLU permission was granted for construction of Rural Multi Specialty and First Aid post for Paramedics in favour of Lala Harbhagwaan Memorial at Village Badoli Distt Panipat with the objective to set up a 300bed hospital in order to provide medical facilities to 8 to 10 villages As per project report the site is situated on GT Road and it is mentioned that it will be used for First Aid Facilities to Road Accident victims on account of any accident at NH 1 This project is to improve health standard in the Rural areas and to train and educate rural girls to become economically independent In this project Paramedical like nurses ward boys will be taught basic nursing and medical training The said activities involve hospital First Aid Post for Paramedics and training institute for nurses and ward boys The Audit has calculated the charges for the building on commercial basis However the proposed activity involved educational institute which is public semi Public Institution use Therefore the conversion charges for public semi public I was charged correctly Hence para may please be dropped

After hearing the departmental representatives the Committee desired that the matter be clarified and sorted out with the Principal Accountant Generals Office under intimation to the Committee

REVENUE DEPARTMENT

[141] 3 2 7 Absence of database of revenue foregone

The Government in extending exemptions or remissions decides to forego revenue in pursuance of certain defined objectives. A reliable database of revenue foregone is therefore a pre requisite for informed decision making. It was noticed in audit that the computerised system for registration of instruments introduced in the State in July 2001 had the facility for recording concessions in SD granted by SRs/JSRs at the time of registration of instruments. However this facility was not being used and the consolidated database of the revenue foregone due to grant of exemptions and concessions was not available with the FCR and IGR. Consequently the revenue remitted during the years 2003-07 on account of grant of concessions in SD and RF could not be quantified by the department.

After the case was pointed out in May 2008, the Revenue Department admitted the audit observations and issued (June 2008) instructions for keeping an account/database of revenue foregone.

The Government may consider maintenance of a centralised database of remissions/concessions in SD and RF for effective monitoring and instituting deterrent penalties for their abuse.

The department in its written reply stated as under —

Action will be taken after consultation with N I C.

The Committee desired the department to intimate the latest position of action taken on this issue after consultation with N I C.

[142] 3 2 9 Absence of mechanism to detect availing of irregular exemption by not presenting documents for registration

Section 9 of the IS Act empowers the Government to reduce or remit whether prospectively or retrospectively the duties with which any instrument is chargeable. However audit came across many areas in which transactions were not being subjected to duty even though these were covered in the Act and had not been specifically exempted from payment of SD by the Government. It was observed that there was no mechanism with the Revenue Department to check the proliferation of such de facto exemptions. In many cases the department replied that SD would have been charged had the instrument been presented for registration. This was indicative of a serious shortcoming as the department was dependent upon the executants for presentation of the documents for registration and had not devised any proactive or control measures to ensure that documents due for registration were brought before the registering authorities.

The department in its written reply stated as under —

It happened on the part of other departments/public entrepreneurs/corporations who executed the agreements/leases with private persons. A letter is being written to all departments/corporations/Public enterprises not to offer any exemption in Stamp duty without approval of Revenue Department.

The Committee desired that the final action take with regard to not offering any exemption in stamp duty without approval the Revenue Department be intimated to the Committee

[143] 3 2 9 2 Contracts for catching fish from public ponds

Scrutiny of the information collected from the office of the Director of Fisheries Haryana in November 2007 revealed that the Fisheries Department granted licences to 58 licensees on annual basis to catch fish in the public waters specified for the period between 2003-04 and 2006-07. The licensees paid consideration of Rs. 1.33 crore for the grant of licences and also furnished security. The Fisheries Department accepted the instruments as agreements on non-judicial stamp paper of Re. 1 to Rs. 20 and did not insist upon the licensees to get these instruments registered as lease deeds with the concerned 19 SRs/JSRs after levying proper SD and RF. Non-execution of lease deeds by these licensees resulted in irregular availing of exemption of SD amounting to Rs. 4.27 lakh (including RF of Rs. 29,000).

After the case was pointed out, the Revenue Department admitted the audit observations and issued (June 2008) instructions to the Director of Fisheries that documents of contract/agreement for the period exceeding one year between the entrepreneurs and Fisheries Department were compulsorily registerable and attracted SD under the provisions of IS Act and IR Act.

With a view to curb the incidence of evasion of SD, the Government may consider declaring all offices in which documents are presented as public offices and laying down norms/targets for the inspection of departments/corporations by the Registrars/SRs of the concerned districts to ensure the correctness of property classified for the purpose of levy of SD and prescribing a periodical return to be furnished by them to the Revenue Department on the number and nature of documents presented and SD found deficient.

The department in its written reply stated as under —

It has come to notice of the Department during the internal audit that the Department of Fisheries has started to register these lease deeds in the concerned Sub-Registrar offices.

The suggestion to inspect documents departments/Corporations is acceptable and some mechanism shall be worked out to not only ensure annual return but also to enable inspection.

The Committee desired the department to recover the amount of Rs. 4.27 lacs as early as possible under intimation to the Committee

[144] 3 2 11 1 *Incorrect grant of exemption on instrument of SEZ/real estate developer*

During test check of the records of SR Gurgaon it was noticed that four conveyance deeds in favour of a developer of New Delhi were registered in December 2006 for the transfer of land measuring 454 kanal 8 marla for a consideration of Rs 76 41 crore Audit scrutiny revealed that the said land was already in the possession of the vendee and no consideration was passed on to the vendors (member of the family) at the time of registration of conveyance deeds as the vendee promised to pay the consideration after two days from the date of registration The registering authority irregularly allowed exemption from payment of SD in the absence of any consideration paid and transfer of the immovable property Incorrect grant of exemption resulted in non realisation of SD of Rs 4 58 crore

After the cases were pointed out the Revenue Department stated in June 2008 that the cases were pending in the court of the Collector for decision since January 2008

The department in its written

reply stated as under —

Many SEZ s have been approved by Govt in Haryana State This is a New Scheme of business in India So the State of Haryana is also follow these schemes in the shapes of SEZ s and exemption of Stamp Duty has been granted on the instruments relating to SEZ s lands

The Committee desired that directions be issued to the Deputy Commissioner, Gurgaon for deciding the cases at earliest and Committee be apprised of the decision of the court accordingly

[145] 3 2 14 *Exemption of SD on collusive decrees*

Under the IR Act non testamentary instruments transferring or assigning any decree or order of a Court or any award when such decree or order or award purports or operates to create declare assign limit or extinguish whether in present or in future any right title or interest whether vested or contingent of the value of Rs 100 and upwards to or in immovable property are compulsory registrable documents Thus a compromise decree which is not bonafide is liable to be charged as an instrument of conveyance The FCR issued instructions in September 1996 to all the registering authorities that mutated property registered on the basis of a compromise decree which is not bonafide is liable to be charged as an instrument of conveyance as per Schedule I A of the IS Act

During test check of the records of nine SRs/JSRs it was noticed that 22 compromise decrees which were not bonafide were registered between April 2003 and March 2007 without charging SD on total consideration of Rs 13 40 crore These parties obtained collusive decrees to evade SD The SRs did not comply with the instructions of the FCR issued in September 1996 and allowed exemptions from payment of SD without

confirming the fact that property mutated was executed between blood relations This resulted in irregular exemption of SD of Rs 66 92 lakh

After the cases were pointed out the Revenue Department stated in June 2008 that all the cases of deficiency of Rs 66 92 lakh had been referred to the Collector under section 47 A of the IS Act for decision Further report has not been received (August 2008)

The department in its written reply stated as under —

	No of cases	Amount (in lacs)
Amount recovered by Department	1	0 94
Pending in Court of Collector U/S 47 A of Indian Stamp Act	4	2 98
Balance case/Amount for recovery	18	63 00
Total	23	66 92

The concerned D C s are being impressed upon to settle the paras by making recovery of balance amount In this connection a meeting was held under the chairmanship of J S R on 4 9 2012 and thereafter a meeting was also held under the chairmanship of worthy A C S & F C R on 5 11-2012 with all D R O s In this connection a D O letter had also been issued to all D C s in the State

The Committee desired that some concrete steps should be taken by the department to recover the balance amount of recovery under intimation to the Committee

The Committee further desired that directions be issued to the Collectors for deciding the cases at the earliest and the Committee be apprised of the decision of the Courts accordingly

[146] 3 2 15 Remission of SD on instruments of compensation awards

By a notification issued on 11 August 1995 the Government remits SD in respect of the sale deeds to be executed by the farmers whose land is acquired by the Government of Haryana for public purposes and who purchase agricultural land in the State within one year of the amount of compensation received by them for the acquired land This remission is subject to the conditions viz the remittance will be limited to the compensation amount only and the additional amount involved for the purchase of agricultural land will be liable to SD as per the rules Such farmers will have to obtain a certificate from the concerned Land Acquisition Controller (LAC) regarding acquisition of their land by the Government and the amount of compensation being paid to them and produce the same before the registering authority while getting the sale deed registered in respect of the agricultural land being purchased with the amount of compensation

During test check of the records of documents registered in the offices of 18 SRs/JSRs it was noticed that the registering authorities had registered deeds of conveyance in the following cases and did not levy SD under aforesaid notification without verifying the conditions specified therein as mentioned below

(Rupees in lakh)

Name of the registering authority	Number of instruments	Period	SD leviable	Nature of irregularity
12	50	2003 07	39 91	Certificate from LAC was not produced
SR Bawal	4	Between April and October 2006	7 66	SD on the additional amount in purchase of land was not levied
Seven	8	2003 07	13 41	Remission was incorrectly allowed on purchase of residential/ commercial land
SR Sohna	2	August 2007	1 00	Sale deed was not executed within one year of the receipt of compensation
Total	64		61 98	

After the cases were pointed out the Revenue Department stated in June 2008 that all the cases of deficiency of Rs 61 98 lakh on sale deeds of immoveable property had been referred to the concerned Collectors under section 47A of the IS Act for decision. Further report has not been received (August 2008)

The department in its written reply stated as under —

The latest position of this para is as under —

	No of cases	Amount (in lacs)
Amount dropped by Collector s	12	7 26
Amount dropped by A G	24	18 13
Pending in Court of Collector U/S 47 A of Indian Stamp Act	1	3 31
Balance cases/Amount for recovery	27	33 28
Total	64	61 98

The concerned D C s are being impressed upon to settle the paras by making recovery of balance amount. In this connection a meeting was held under the chairmanship of J S R on 4 9 2012 and thereafter a meeting was also held under the chairmanship of worthy A C S & F C R on 5 11 2012 with all D R O s. In this connection a D O letter had also been issued to all D C s in the State.

The Committee desired that some concrete steps should be taken by the department to recover the balance amount of recovery under intimation to the Committee.

The Committee further desired the department to give directions to the Collectors for deciding the cases at the earliest and the Committee be apprised of the decision of the Courts accordingly.

[147] 3 2 16 Incorrect grant of remission of SD

By a notification in July 1948 under the IS Act the Government remitted the SD chargeable on instruments executed by or on behalf of any society for the time being registered or deemed to be registered under the Co operative Societies Act or instruments executed by any officer or member of any such society and relating to the business of the society By another notification issued in October 2003 the Government added explanation at the end of notification of July 1948 that such remission shall no more be permissible on the instruments executed by any person to secure loans for the purposes other than agricultural activities specified in the instant notification

During test check of the records of 23 registering authorities it was noticed that 519 deeds of mortgage (without possession of the property) were registered between April 2003 and November 2006 by the agriculturists for securing the loans from Primary Co operative Agriculture Rural Development Banks for non agricultural purposes such as purchase of land and construction repairs of houses etc but no SD and RFs was recovered from them The registering authorities did not verify these deeds keeping in view the agricultural activities specified in the notification and registered these deeds without charging SD leviable thereon The omission resulted in incorrect grant of exemption of SD and RF amounting to Rs 15 64 lakh

After the cases were pointed out the Revenue Department admitted the audit observations and stated in June 2008 that efforts were being made by the concerned registering authorities for the recovery of the deficient amount after verifying the purpose of the loan from the concerned banks

The department in its written reply stated as under —

The latest position of this para is as under —

	No of cases	Amount (in lacs)
Amount recovered by department	87	2 15
Amount dropped by Collectors	2	0 06
Amount dropped by A G Haryana	57	1 22
Balance cases/Amount for recovery	375	12 21
Total	521	15 64

The concerned D C s are being Impressed upon to settle the paras by making recovery of balance amount In this connection a meeting was held under the chairmanship of J S R on 04 09 2012 and thereafter a meeting was also held under the chairmanship of worthy A C S & F C R on 05 11 2012 with all D R O s In this connection a D O letter had also been issued to all D C s in the State

The Committee desired the department to make sincere and vigorous efforts to recover the balance amount under intimation to the Committee

[148] 3 2 17 Irregular exemption of SD on supplementary deed

Under Para 159 (a) of the Haryana Registration Manual 1967 registration of a document may take place where a deed is altered after registration by consent of parties to correct an error of description and in furtherance of their original intention. Such alteration in fact makes the document a new one different from the one already registered and if it is a document covered by Section 17 of the IR Act re registration becomes obligatory. Another mode of correcting such a mis-description is to draw up a supplementary document reciting the error in the former one and the correction now intended to be made and to register this document also. Such supplementary document will however have to be treated in every respect in the same way as the original and will be liable to the same fee. Moreover it should be properly stamped and unless section 9 of the IS Act operates to reduce the SD it will generally be found preferable to draw up an entirely new instrument and have it registered.

During test check of the records of four SRs it was noticed that five parties registered rectification deeds involving consideration of Rs 50.59 lakh where the deeds were altered after registration by consent of parties to correct an error of description and the furtherance of their original intention. Since there was material change in furtherance of the original intention of the vendor and vendee such alteration made these documents new one requiring re registration after levy of proper SD thereon. This resulted in irregular exemption of SD of Rs 3.07 lakh.

After the cases were pointed out the Revenue Department stated in June 2008 that the matter was pending for decision before the Collector.

The department in its written reply stated as under —

	No of cases	Amount (in lacs)
Amount recovered by department	2	0.99
Amount dropped by Collectors	1	0.41
Balance cases/Amount for recovery	2	1.67
Total	5	3.07

The concerned D C s are being impressed upon to settle the paras by making recovery of balance amount. In this connection a meeting was held under the chairmanship of J S R on 04.09.2012 and thereafter a meeting was also held.

The Committee desired the department to make sincere and vigorous efforts to recover the balance amount under intimation to the Committee

[149] 3 3 Delay in implementation of enhanced rates

As per notification issued in November 2006 the Government revised the rates of RF with effect from 6 November 2006. The RF was leviable at the prescribed rates subject to a minimum of Rs 1.75 and maximum of Rs 500 upto 5 November 2006 and thereafter at the

revised rates subject to a minimum of Rs 50 and maximum of Rs 15 000 depending upon the value of the consideration of the document

During test check of the records of 33 SRs/JSRs of six districts between September 2007 and March 2008 for the year 2006 07 it was noticed that the registering authorities registered 2 240 documents/instruments relating to the immovable property between 6 November 2006 and 5 December 2006 and charged RF amounting to Rs 11 20 lakh at the pre revised rates instead of Rs 1 16 crore at the revised rates This resulted in short realisation of RF of Rs 1 05 crore

After the cases were pointed out the Government clarified in May 2008 that the notification regarding enhancement in the rates of RF was applicable from 6 November 2006 They further directed the Registrars to recover the differential amount in case the documents had been registered by charging RF at the pre revised rates A report on recovery has not been received (August 2008)

The department in its written reply stated as under —

In this para 2240 cases are involved amounting to Rs 104 68 lacs Out of this Rs 25 69 lacs have been recovered in 1041 cases D Cs have been impressed upon to hold special campaigns to recover the balance amount of Rs 78 99 lacs in 1199 cases

The Committee desired the department to conduct enquiry within a month about the reasons of delay in this case and also the name of the officer who was responsible for this delay

The Committee further desired the department to recover the balance amount at an early date

[150] 3 4 Evasion of stamp duty due to undervaluation of immovable property

The IS Act as applicable to Haryana provides that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty with which it is chargeable should be fully or truly set forth therein The Act further provides that any person who with the 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 fine which may extend to Rs 5 000 per instrument

During test check of the records of 10 registering offices between June 2007 and January 2008 it was noticed that 29 conveyance deeds were registered between May 2006 and May 2007 on account of sale of immovable properties The total value of properties set forth in all these conveyance deeds was Rs 4 58 crore Cross verification of these deeds with the agreements executed between the affected parties during January 2006 to February 2007 and recorded with the various document writers revealed that the total sale value of the agreements worked out to Rs 10 04 crore Thus the conveyance deeds were got executed and registered at a consideration less than that agreed upon between the parties Undervaluation of immovable properties in conveyance deeds resulted in evasion of SD of Rs 25 28 lakh Additionally penalty not exceeding Rs 1 45 lakh for undervaluation made with intent to defraud the Government was also leviable

After the cases were pointed out between June 2007 and January 2008 the SRs Dhand Fatehpur Pundri Rajaund and Kaithal stated in March 2008 that notices to effect the recovery of SD were being issued to the concerned parties SRs Beri and Tosham stated in January and March 2008 that necessary action was being taken to effect recovery SRs Ferozepur Jhirka Nuh and Ratia stated in December 2007 and March 2008 that the cases had been referred to the Collector under section 47 A of the Act for determination of value of the immovable property The reply is not tenable as the value of the property had already been agreed upon between the parties and there was no need to refer the cases to the Collector for decision Reply from the SR Palwal has not been received (August 2008)

The matter was reported to the department and the Government between October 2007 and March 2008 their reply has not been received

The department in its written reply stated as under —

This para relates to Evasion of stamp duty due to undervaluation of immovable Property

The latest position of this Para is as under —

	No of cases	Amount (in lacs)
1 Amount Recovered by the department	15	11 84
2 Amount dropped by Collectors	1	0 21
3 Pending in court of Collector under Stamp Act	1	2 16
4 Balance cases/Amount for recovery	12	11 07
Total	29	25 28

The Deputy Commissioner s have been instructed to pay special heed to decide the balance cases expeditiously and make strenuous effort to disposed of the pendency of these cases and recover the balance amount in a time bound manner

The Committee desired the department to ensure fast judgment in the cases of appeal before the Collectors with regard to revenue matters and to make the system time bound and transparent from the level of Commissioner to low level

The Committee further desired the department to effect the recovery of pending cases within a period of three months

[151] 3 5 Loss of stamp duty due to misclassification of documents

Under the provisions of the IS Act separate rates have been prescribed for different types of instruments The classification of an instrument depends upon the nature of the transaction recorded therein In case possession of the property is handed over after receipt of the full amount of consideration the instrument becomes a conveyance deed and SD becomes leviable under the IS Act

During test check of the records of the JSR Dharuhera and SR Rewari in March 2008 for the year 2006 07 it was noticed that 76 instruments conveying possession and transfer of property valued as Rs 3 98 crore to the vendees were executed between April 2006 and March 2007. In all the cases the vendors received full amount in lieu of the property sold and the possession of immovable property was also handed over to the purchasers. The deeds were liable to be treated as conveyance deeds and SD of Rs 20 27 lakh was leviable. However the registering authorities misclassified these documents and registered the deeds as agreements to sell charging SD of Rs 2 000 which was incorrect. This resulted in short realisation of SD of Rs 20 25 lakh.

After the cases were pointed out in March 2008 the registering authorities stated in March 2008 that progress of recovery would be intimated after taking necessary action as per provisions of the IS Act. Further report has not been received (August 2008).

The matter was reported to the department and the Government in April 2008 their reply has not been received (August 2008).

The department in its written reply stated as under —

In this para 76 cases are involved amounting to Rs 20 25 lacs. Out of this Rs 4 97 lacs have been recovered in 18 cases. In 58 cases an amount of Rs 15 28 lacs is pending in the court of collectors. Deputy commissioner Rewari is constantly being directed to get the decisions expedited and bring down the number of cases pending in the courts of Collectors and to make strenuous efforts to recover the balance amount.

The Committee desired the department to recover the balance amount within a period of three months and progress report about the recovery be sent to the Committee within a period of two months.

[152] 3 6 Short levy duty due to application of incorrect rates of immovable property

In order to check evasion of SD in sale deeds the Government issued instructions in November 2000 to all registering authorities in the State to the effect that agricultural land sold with an area less than 1 000 square yards in urban areas and near residential areas in village be valued at the rate fixed for the residential property of that locality for the purpose of levying SD.

During test check of the records of SRs Narnaul and Rohtak in September 2006 and May 2007 for the years 2005 06 and 2006 07 it was noticed that 10 sale deeds of plots with an area less than 1 000 square yards in urban areas and near residential areas in villages were registered between May 2005 and April 2006. The deeds were liable to be assessed for Rs 3 32 crore based on the rates fixed for residential areas and SD of Rs 26 55 lakh was chargeable. However the registering authorities assessed the deed for Rs 84 12 lakh on the rates fixed for agricultural land and levied SD of Rs 6 72 lakh. This resulted in short levy of SD of Rs 19 83 lakh.

After the cases were pointed out in September 2006 and May 2007 the SR Rohtak stated in April 2008 that cases had been sent to the Collector in November 2006 under section 47 A of the Act for decision. The Collector Narnaul decided the case for effecting

recovery of Rs 8700 in one case and also intimated in June 2008 that notice for recovery had been issued. A report on recovery has not been received (August 2008)

The matter was reported to the department and the Government in November 2006 and July 2007. Their reply has not been received (August 2008)

The department in its written reply stated as under —

The amount related to Narnaul is Rs 0.29 lacs in one case as per A.G. Audit note and that of Rohtak Rs 19.74 lacs in 9 cases. As such the amount involved in 10 cases is Rs 20.03 lacs and not Rs 19.83 lacs pointed out by Accountant General Haryana.

In this Para recovery has been made for Rs 0.29 lacs in 1 case and in 9 cases an amount of Rs 19.74 lacs is pending under section 47-A of Indian Stamp Act 1899 in the court of Collector Rohtak. Deputy Commissioner Rohtak is constantly being directed to get the decisions expedited.

The Committee desired the department to issue the instructions to the Collectors for disposing of the revenue cases as early as possible.

The Committee further desired the department to ask D.C. of Narnaul and Rohtak to dispose of the two cases in question in the first week of February otherwise they have to appear before the Committee.

[153] 5.2.5 General controls

General controls create the environment in which IT applications and the related controls operate. Scrutiny of the records of CLR revealed the following deficiencies due to deficient implementation of such controls:

5.2.5.1 It was noticed that the operations and maintenance of database of HARIS and HALRIS software was being managed by NIC HSIU and departmental officials were not involved. No monitoring of data maintenance was being carried out by the departmental officers. Besides, there was no control of physical distribution of reports generated through HARIS and HALRIS software.

The department in its written reply stated as under —

District Revenue Officers are made nodal officers for implementation of HARIS and HALRIS. Each sub-registrar is made responsible for his or her respective tehsil/sub-tehsil.

The Committee desired the department to furnish the report about the registries executed in the districts of Ambala and Kurukshetra in spite of ban at that time.

The Committee further desired the department to check its complete system in Tehsils and thereafter the Committee will visit the Tehsils/Sub-Tehsils of Haryana State for checking the record and also to know whether the proper procedure is being adopted therein or not.

The Committee also desired the department to organize training programmes for the employees in the training laboratories and in the office of the Registering Authorities

[154] 5 2 5 6 Audit findings/General controls

According to the rules all material received should be entered in the stock register

It was noticed that no inventory for IT assets was maintained Further no records relating to the movement of equipment for repair periodical maintenance and call details etc were maintained Annual physical verification of IT assets had not been carried out since the installation of the hardware items Absence of these checks exposed the assets to the risk of pilferage or misuse

After the case was pointed out the SRs stated (April 2008) that the provision would be followed in future

The department in its written reply stated as under —

Entries for all the items received are being made at all levels as per Haryana Government rules and regulation Sadar Kanungo at district levels for land records supplies and Red Cross for HARIS supplies are responsible for stock entries The procedure is being maintained for periodical repairs of equipments and their day to day maintenance also There is procedure of annual physical verifications of all the stocks in the department and issue of gate pass etc

The Committee desired the department to evolve a mechanism for centralizing the record of revenue

[155] 5 2 6 Inadequacy of input controls & validation checks

Input controls ensure that the data received for processing is genuine complete valid accurate and properly authorised and the data entry is done accurately and without duplication Validation checks in software ensure that the data entered into the database is validated

Analysis of data of HALRIS and HARIS package revealed various instances of inadequacies of input controls and absence of validation checks as discussed in the succeeding paragraphs

5 2 6 1 Incomplete and inaccurate data in the HALRIS database

The data pertaining to land contained in the database like khasra number ownership nature of land etc was compared with that contained in the manual jamabandi records of two to three villages in each SR's office and a few discrepancies were noticed

After the cases were pointed out it was informed that the initial capture of past data from the manual jamabandis was entrusted to manpower deployed on contract basis who were not familiar with the departmental records To ensure correctness of data hardcopies/printouts of computerised data of jamabandis was sent to the village patwaris for checking However despite checking by village patwaris the discrepancies existed which rendered the data unreliable This undermined the objective of issuing accurate copy of record of rights

(RORs) to the land owners. There was no system for authorisation of data against an authenticated document maintained for this purpose.

The department in its written reply stated as under —

There is an established procedure that after feeding the data in the computer printout of the same is given to the concerned patwari who checks all the entries with the manual records and verifies all the entries of the printout. After verification the printout is given to the Data Entry Operator who rectifies all the entries if any in the computer. Hence there is no chance for any discrepancy in the entered records. However if it has been observed on the site the corrective measures will be taken up for ensuring that 110 discrepancy is less in the revenue records.

The Committee desired the department to start imparting training to the new Patwaris so that they can perform their duty efficiently

[156] 5 2 8 4 Disputed lands and properties

During test check of the records of HARIS software it was observed that there were 98 cases of disputed lands/properties (Gurgaon-91 Rewari I and Sohna 6). It was noticed that while registering a sale deed of land/property in any village having disputed land the system alerted the user by showing the list of disputed lands/properties in that village. But the system allowed the data entry operator to register the sale deed of such disputed lands/properties. Modifications in the software are needed so that the registration of such disputed lands/properties may be carried out by the Administrator level user only.

After the cases were pointed out the Director Land Records stated (July 2008) that technically it was not possible to stop the registration of these properties because there was no unique number to identify the properties. The reply was not tenable as the data of disputed lands and properties was already available in the database and the access to this data could be restricted to the administrator.

The department in its written reply stated as under —

In HARIS we are providing the alert to the user if the village/city is having some disputed properties. Technically it is not possible to stop the registration of these properties automatically because there is no unique number to identify the properties.

The Committee desired the department to stop the registration of such disputed lands and properties automatically whose data is already available in Data base for which Unique Number to identify the properties may be allotted

The Committee further desired to stop the registries of disputed lands and properties at every cost so that court case may not be filed in future in this regard

[157] 5 2 8 6 Non allotment of unique ID number to land owner/cultivator

As per the project plan every owner and cultivator of land was to be assigned a unique ID number irrespective of khewat and khataunis but this feature was not implemented in the software. In the absence of unique ID number total holding of individual farmer could not be ascertained for disbursement of relief under the various Government schemes.

After the cases were pointed out the Director Land Records stated (July 2(08) that it was not possible to uniquely identify a particular owner or cultivator in the village due to the absence of shajra nasb. He further stated that the department would plan to generate the shajra nasb from the existing jamabandi data for making it possible to assign the unique IDs to owners and cultivators.

The department in its written reply stated as under —

HARIS and HALRIS projects will be made Aadhaar enabled to assign the UID to owners/cultivators.

The Committee desired the department to make sincere efforts for allotting Unique ID Number for the identification of the total land of the particular areas and cultivator of land

[158] 5 2 8 7 Absence of provision in HARIS to capture serial number of stamp papers

During test check of the records it was noticed that deeds registered in the office of the District Revenue Officer Ambala Bhiwani and Jind were having stamp papers of Rs 5 000 and Rs 50 denominations which did not bear any serial numbers. The matter relating to issue of stamp papers without serial numbers was taken up (November 2007 and March 2008) with the concerned treasury officers.

The Treasury Officer Ambala and Bhiwani stated (November 2007 and March 2008) that stamp papers of Rs 5 000 and Rs 50 denominations were received in their treasury without serial number from the nodal office at Faridabad. Out of total stamp papers of Rs 5 000 denomination valuing Rs 94.58 crore and Rs 50 denomination valuing Rs 1.74 crore received in these three treasuries without serial numbers stamp papers of Rs 5 000 denomination valuing Rs 42.96 crore and Rs 50 denomination valuing Rs 73.33 lakh were still to be issued. Since this could result in malpractice stamp papers without serial numbers lying in various treasuries should be got machine numbered by the Nodal Office.

It was further noticed that there was no provision in the software for entry of serial number of the stamp papers received in the Nodal Office from Nasik in the absence of which the authenticity of stamp papers received with the document for registration of a deed could not be checked. The feasibility of making provision in HARIS software of capturing serial numbers of all stamp papers received/issued by treasury in master table may be examined so that on receipt of stamp papers for registration of the deed the serial number of stamp papers are checked for authenticity.

After the cases were pointed out the Director Land Records stated (July 2008) that HARIS software could be enhanced to capture the serial number of the stamp papers but it would not be possible to validate these serial number with serial number of the stamp papers issued by the local treasury as a person could purchase the stamp papers from any treasury. The reply was not tenable as the data about stamp papers serial number series can be provided to all locations by the Nodal Office and captured in HARIS at various locations so as to ensure authenticity of the stamp papers issued.

The department in its written reply stated as under —

Stamp duty is now paid through bank and the receipt provided by the bank can be easily verified from the bank's web site

The Committee desired the department to make ensure that stamp duty to be paid above Rs 10 000/ denominations should be paid through banks only

[159] 5 2 9 2 Other points of interest

As per the guidelines of the scheme of computerisation of Land records financial assistance was not to be provided by the GOI after completion of CLR project in a district and that State would provide requisite funds for future maintenance and continuation of the project

During test check it was noticed that pasting fee and service charges for various deeds were prescribed and were being levied. The pasting charges were being collected through HARIS and a computerised receipt issued but service charges were being collected manually by way of issuing the Red Cross receipts. An amount of Rs 2.48 crore was collected as service charges by Red Cross during the year 2006-07 and Rs 1.07 crore during the year 2007-08 for which there was no provision in the scheme of GOI as maintenance of the scheme was to be financed by the State.

The Director Land Records stated (July 2008) that this was 100 per cent centrally sponsored scheme at present and that policy was being framed for sustaining the scheme in the State from its own sources in future. The reply was silent about the retention of service charges by the Red Cross Societies in the districts.

The department in its written reply stated as under —

This is 100 % Centrally sponsored scheme at present. Policy is being framed for the sustainability of the scheme in the State from its own source in future.

The Committee desired the department to frame the policy for the sustainability of the scheme in the State from its own sources in future

MEDICAL & PUBLIC HEALTH DEPARTMENT

[160] 6.1 Result & of audit

Test check of records in departmental offices relating to Urban Development Home (Police) Public Works Medical and Health Agriculture Animal Husbandry Mines and Geology Coooperation Food and Supplies and Forest conducted in audit during the year 2007-08 revealed underassessment of tax and loss of revenue amounting to Rs 253.84 crore in 27,055 cases which fall under the following categories —

Medical and Public Health Department	Number of Cases	Amount
Miscellaneous irregularities	53	3.58 Crores

During the year 2007-08 the departments accepted non/short realization and other deficiencies of Rs 191.20 crore involved in 255 cases of which 163 cases involving Rs 182.81 crore had been pointed out during 2007-08 and in 143 cases of which Rs 63.44 crore related to the year 2007-08 and balance to the earlier years

After the issue of draft paragraph the department recovered Rs 11.23 lac in one case

A few illustrative cases involving Rs 32.21 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under —

In the report of the CAG (RR) for the year 2007-08 16 Audit Paras and 53 cases amounting to Rs 357.66 Lakhs are shown outstanding against Health Department Out of which 3 Paras and five cases amounting to Rupees 25.34 Lacs pertains to Medical College Rohtak In this regard it is stated that the Directorate has issued instructions to the concerned institutions for early settlement of these paras vide No 34/175 Audit-08/7747 55 dated 16.10.08 and to inform latest position accordingly Efforts are being made for the early settlement of the pending Paras

The Committee desired the department to recover the outstanding amount as quickly as possible under intimation to the Committee

HOME DEPARTMENT

[161] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs 1 981 92 crore of which Rs 423 65 crore were outstanding for more than five years as mentioned below

(Rupees in crore)

Heads of revenue	Amount outstanding as on 31st March, 2008	Amount outstanding for more than 5 years as on 31st March 2008	Remarks
Police	17 12	2 96	Demands of Rs 6 87 crore (out of Rs 7 38 crore) were likely to be written off and balance amount of Rs 51 lakh was recoverable from the Indian Oil Corporation. Recovery of Rs 5 81 crore was outstanding from nine States. Remaining amount of Rs 3 93 crore was recoverable from Civil Aviation. Bachod (Rs 54 lakh) Bhiwani (Rs 78 lakh) Hisar (Rs 57 lakh) Karnal (Rs 80 lakh) Pinjore (Rs 95 lakh) Thermal Plant Fardabad (Rs 29 lakh)

Of these sales tax arrears of Rs 1 591 87 crore contributed 80 per cent of the total arrears. Substantial accumulation of arrears of taxes show that the State Government did not tackle the problem vigorously. It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue.

The position of arrears of revenue pending collection at the end of 2007-08 in respect of other departments was not furnished (August 2008) despite being requested (July 2008).

The department in its written reply state as under —

S No	Authority	> 5 years old	Upto 5 years old	Total
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1 Civil Aviation — The Government has decided that it is the normal and expected functions of the Police Department to provide Security to the Govt Air Fields as such raising of bills to Civil Aviation Department on account of provision Police Guard

1	2	3	4	5
is not required at present This notional expenditure should be adjusted internally by the Police Deoartment So para may kindly be dropped				
1(a)	Narnaul (Bachod)	33 17 474/	20 75 361/	53 92 835/
1(b)	Pinjore	35 02 870/	60 33 609/	95 36 479/
2	IOC	1 47 36 266/	5 90 49 809/	7 37 86 075/
3	BBMB FBD	28 99 880/-	—	28 99 880/
4 (i)	Karnal (Civil Aviation)	—	80 61 000/	80 61 000/
4 (ii)	Bhiwani (-do)	—	77 93 500/	77 93 500/
4 (iii)	Hisar (do)	—	56 69 978/	56 69 978/
Total (i)		2 44,56 490/	8,86 83 257/	11,31 39 747/
Total (ii)		51 59,869/	5,29 28,166/	5,80,88 035/
Grand Total		2,96,16,359/	14,16,11,423/	17,12,27,782/

The DGP in all States have been requested to inform whether the Police Force deployed for security of the depots of Oil Companies in their States and the Oil Companies are paying deployment charges or not vide DGPs memo No 2956 83/ Accts 3 dated 28 2 2007 Meghalaya Madhya Pardesh and Goa intimated that no force is deployed to IOC Assam Sikkim West Bengal Tripura and Punduchery intimated that deployment charges are being paid by oil installations The matter is under consideration with Govt of India Petroleum and Natural Gas New Delhi for getting the outstanding amounts

As regard recovery of deployment charges of Rs 5 81 crores from nine states it is stated that Haryana Armed Police Police force of Telecom and IRB deployed for Election duties in West Bengal Kerala Bihar Tamilnadu and Uttar Pradesh etc and a huge amount was recoverable on account of deployment of Police force But the same were still outstanding This issue was pursued by deputing an official to the Ministry of Home Affairs New Delhi by this office and Govt of India assured that the total amount of deployment charges will be released in 4 to 5 installments The Under Secretary to the Government of India Ministry of Home Affairs North Block New Delhi vide his letter No 16011/II/2008 PF V dated 2 12 2008 accorded sanction amounting to Rs 2 80 00 000/ out of total Rs 4 31 75 469/ on account of deployment of Haryana Police in Bihar Tamilnadu West Bengal Kerala and Uttar Pardesh State for election duty and further intimated that reimbursement of balance amount of Rs 1 51 75 469/ would be made in due course

As regards recovery from TPH Faridabad it is submitted that the force of 5th Bn HAP was deployed at Thermal Power Station prior to 1989 and after 21 1 1989 the force of SP Faridabad was deployed for which the entire deployment charges were reimbursed by the Government Thermal Power Station Recovery of Rs 28 99 880/ is still outstanding from TPH Faridabad A meeting was held on 31 1 2008 in this

regard which was attended by Commandant 4th Bn HAP with Managing Director HPGC Limited Panchkula to sort out this matter for early reimbursement After discussion Ms Jyoti Arora IAS Managing Director assured that she would discuss the issue with authorities of TPH Faridabad and finalize the matter shortly last meeting was attended by Shri Rajbir Singh Beniwal Commandant 4th Bn HAP Madhuban on 19 6 2008 but the progress of this meeting has not been received so for from IGP /HAP Madhuban Reminder was sent vide this office memo No 11186 87/C 3 dated 7 7 2008 This office has made repeated correspondence with the Chief Engineer/Thermal HPGCI Faridabad and last reminder has been issued by the Commandant 5th Bn HAP Madhuban on 12 12 2008

In view of above it is requested that this audit para may kindly be dropped

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

POWER DEPARTMENT

[162] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs 1 981 92 crore of which Rs 423 65 crore were outstanding for more than five years as mentioned below

Head of revenue	Amount outstanding as on 31 March 2008	Amount outstanding for more than 5 years as on 31 March 2008	Remarks
Taxes and duties on electricity	85 72	51 71	Rs 1 crore was recoverable from M/s Haryana Concast Hisar Rs 38 lakh from M/s Rama Fibres Bhiwani Rs 30 lakh from M/s Dadri Cement Factory Charkhi Dadri and Rs 16 lakh from M/s Competent Alloys Ballabhgarh The remaining amount of Rs 83 88 crore was pendings towards the consumers of DHBVNL/UHBVNL

Of these sales tax arrears of Rs 1 591 87 crore contributed 80 *per cent* of the total arrears. Substantial accumulation of arrears of taxes show that the State Government did not tackle the problem vigorously. It is recommended that effective steps for collecting these arrears may be taken to augment Government revenue.

The position of arrears of revenue pending collection at the end of 2007-08 in respect of other departments was not furnished (August 2008) despite being requested (July 2008).

The department in its written reply stated as under —

Initially the arrears of electricity duty as on 31 3 2008 were intimated as Rs 85 72 crores tentatively to the Accountant General (Audit) Haryana because at the time of audit by the Audit Party of Accountant General (Audit) Haryana the actual amount of Electricity Duty was available from 4/2007 to 2/2008 and the figures of electricity duty for the month of 3/2008 were taken as tentative. Power Utilities have finally reconciled / audited the arrears of electricity duty and intimated the amount of Rs 85 06 crores as on 31 3 2008. The decrease in arrear (i.e. from Rs 85 72 crores to Rs 85 06 crores) is due to excess realization of Electricity Duty than assessment during the month of 3/2008 by the Nigams. This position has already been intimated to the Accountant General (Audit) Haryana vide this department Memo No. RR III/1927 dated 12 3 2009.

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 recovery and proper upkeep of the accounts because electricity duty is levied and collected by them. The Chief Electrical Inspector Haryana however on behalf of the State Government only compiles the figures supplied by the Power Utilities.

An amount of Rs 2 58 23 604/ crores have been collected by the Power Utilities. An amount of Rs 15 03 (Rs 1 84 + 13 19) is pending due to various court cases and in arbitration against permanent disconnected consumers and other connected consumers.

The status of each individual case as mentioned in the para is as under —

(a) Rs One crores recoverable from M/s Haryana Concast Hisar

The consumer was 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 16-4-99 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 Liquidator. The claim has been lodged with the Liquidator. The Official Liquidator vide his letter Ho HCL/Share Holder/Liqn 5089 dated 17-10-2006 informed this office to wait and to file claim as when it is invited. SDO OP S/Divn Satrod vide memo no 1397 dated 10-7-2009 addressed to DHBVNL that a sum of Rs 10742989/ as E D is outstanding against the firm. Position regarding recovery will be known after the decision of the Liquidator.

(b) Rs 0 38 crores recoverable from M/s Rama Fibres Bhiwani

M/s Rama Fibres Bhiwani was allowed deferment for payment of electricity duty from 1-1-1987 to 21-12-1991 by Financial Commissioner and Secretary to Govt Haryana Industries Department Chandigarh vide his Memo No 7838/40 dated 16-6-1987. The electricity duty was leviable from 1-1-92 and the deferred amount of electricity duty for the period 1-1-1987 to 31-12-1991 was to be recoverable in five equal installments as per instructions contained in Chief Electrical Inspector to Government Haryana letter No ED/Deferment/2/Ch 74 dated 9-1-1992. The firm made the payment of monthly electricity duty for the period 1/92 to 5/92 but did not pay deferred amount. The supply of the consumer was permanently disconnected on 3/7/95. Later on the firm was declared a sick unit and ordered to be wound up on 11-7-1998. The Official Liquidator was appointed.

The Official Liquidator vide its letter No RFL/Liqui/5692 dated 16-11-2006 has intimated to this department that his office has realized assets/property of the subject cited company and has adjudicated and settled the claims of workmen and secured creditors and there is no sufficient fund left in the liquidation account of the company to entertain the claims of preferential creditors as well as other creditors including this department. The matter is being processed under Land Recovery Act 1970.

(c) 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 company was taken over by Govt of India and was entrusted to CCI w.e.f 25 6 1981. The Commissioner was appointed to discharge the liabilities of M/s DDCL. A sum of Rs 34 87 000/- was made available to the Commissioner for Payment. The claim was lodged with Commissioner. The claim of Nigam was grouped under Category II for priorities laid down in the schedule of payment. The claim application was submitted but the same was rejected. Electricity charges as well as E D of Rs 30 00 lacs could not be recovered and the matter for writing off of E D amount is under process.

(d) Rs 0 16 crores recoverable from M/s Competent Alloys, Ballabgarh

The supply of the consumer was permanently disconnected on 20 11 1997 found defaulter. Against the order of disconnection and recovery the firm filed a case in the court of Civil Judge Faridabad. On 24-4-2003 Civil court (JD) Faridabad decided the case in favour of the firm. Against the order dated 24-4-2003 an appeal was filed in the court of Additional District Judge Faridabad. The said appeal had also been dismissed by the Ld. Additional District Judge Faridabad on 10 8-2006. The District Attorney Faridabad rendered his advice vide his letter dated 26 9 2006 to the L R Haryana that the case is not fit for filing appeal in the Hon ble Punjab and Haryana High Court Chandigarh. The L R Haryana also agreed with the view of District Attorney Faridabad and suggested this office that it is not a fit case to file appeal.

(e) 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 disputed 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 Government by the Power Utilities is usually adjusted by the State Government against the amount of subsidy payable by the State Government to the Power Utilities from time to time.

Regarding recovery of balance arrears it is submitted that 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 new electricity duty arrears go side by side. In view of the above para may please be dropped.

(a) Rs one crore recoverable from M/s Haryana Concast Hisar

After going through the written reply of the department the Committee observed that more than six years has been passed when liquidator asked the department to file the claim. The Committee therefore recommends that latest position of the recovery be intimated to the Committee within a period of three month.

(b) Rs 0 38 crores recoverable from M/s Rama Fibres Bhiwani

The Committee desired the department to furnish the detailed report about the recoverable amount after the realization of assets/property of the company as intimated by the official liquidator and possibilities should have been explored to recover this amount departmentally under intimation to the Committee

(c) Rs 0 30 crores recoverable from M/s Dadri Cement Factory Charkhi Dadri

The Committee desired that department should proceed in 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 the Committee also

(d) Rs 0 16 crores recoverable from M/s Competent Alloys Ballabgarh

The Committee recommends that possibilities should have been explored to recover this amount departmentally under intimation to the Committee

(e) Rs 83 88 crores recoverable from Consumers of DHBVNL/UHBVNL

The Committee desired the department that constant efforts should be made to accelerate the pace of recovery and the progress be intimated to the Committee from time to time

ANIMAL HUSBANDRY DEPARTMENT

[163] 6.1 Results & of audit

Test check of records in departmental offices relating to Urban Development Home (Police) Public Works Medical and Health Agriculture Animal Husbandry Mines and Geology Co operation Food and Supplies and Forest conducted in audit during the year 2007-08 revealed underassessment of tax and loss of revenue amounting to Rs. 253.84 crore in 27,055 cases which fall under the following categories —

Category	Number of cases	Amount
Miscellaneous irregularities	138	0.02 Crores

During the year 2007-08 the departments accepted non/short realization and other deficiencies of Rs. 191.20 crore involved in 255 cases of which 163 cases involving Rs. 182.81 crore had been pointed out during 2007-08 and in 143 cases of which Rs. 63.44 crore related to the year 2007-08 and balance to the earlier years

After the issue of draft paragraph the department recovered Rs. 11.23 lakh in one case

A few illustrative cases involving Rs. 32.21 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under —

Serious efforts are being made to recover this amount of Rs. 0.37 lacs from the concerned offices/institutions. After recovery it will be informed to the Accountant General (Audit) Haryana, Chandigarh

The Committee desired that some active/effective steps should be taken by the department to recover the amount of Rs. 0.37 lacs from the concerned officers/institutions under intimation to the Committee

Appendix VII

(Refer paragraph 1 5 5, page 21)

Details of utilisation certificates required, received and outstanding

Sr No	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
1	Housing	2005 06	8	35 51	8	35 51	0	0 00
		1998 99	15	569 21	0	0 00	15	569 21
		1999 2000	124	677 67	9	45 90	115	631 77
2	Urban Development	2000-01	132	1 094 00	0	0 00	132	1 094 00
		2001-02	457	1 478 26	0	0 00	457	1 478 26
		2002-03	299	3 489 08	6	56 50	293	3 432 58
		2003-04	202	3 399 85	16	180 83	186	3 219 02
		2004 05	194	4 761 51	77	469 98	117	4 291 53
		2005-06	561	10 127 05	141	893 25	420	9 233 80
3	Power	2001 02	5	2 537 36	0	0 00	5	2 537 36
		2002 03	5	1 880 30	0	0 00	5	1 880 30
		2003 04	8	5392 87	0	0 0	8	5392 87
		2004 05	60	995 38	0	0 00	60	995 38
		2005 06	2	1 873 50	0	0 00	2	1 873 50
4	Agriculture	2004 05	6	1 881 00	6	1 881 00	0	0 00
		2005 06	20	9 480 00	20	9 480 00	0	0 00
5	Development and Panchayat	2002 03	3	502 06	0	0 00	3	502 06
		2003 04	16	10 095 18	0	0 00	16	10 095 18
		2004 05	13	6 884 90	0	0 00	13	6 884 90
		2005-06	44	15 811 82	3	100 84	41	15 710 98
6	Economical and Statistical Advisor	2001-02	10	25 22	10	25 22	0	0 00
		2004 05	29	12 15	18	10 15	11	2 00
		2005-06	60	20 83	11	8 84	49	11 99
7	Medical	2002-03	1	100 00	0	0 00	1	100 00
		2003-04	3	77 78	1	69 47	2	8 31
		2004-05	6	129 68	5	73 20	1	56 48
		2005-06	15	1 047 99	10	836 38	5	211 61
8	Revenue	2001-02	8	372 72	8	372 72	0	0 00
		2002 03	3	0 45	3	0 45	0	0 00
		2005 06	6	27 70	6	27 70	0	0 00
9	Technical Education	2004 05	3	1 405 00	2	530 00	1	875 00
		2005 06	43	3 298 27	43	3 298 27	0	0 00
10	Sports	2001 02	1	1 65	1	1 65	0	0 00
		2002 03	3	20 50	3	20 50	0	0 00
		2003 04	7	148 56	7	148 56	0	0 00
		2004 05	25	320 70	23	289 71	2	30 99
		2005 06	7	100 15	3	61 65	4	38 50
11	Tourism	2005 06	8	42 00	8	42 00	0	0 00
12	Art and Culture	2005 06	4	15 27	1	0 27	3	15 00
13	Non Conventional Sources of Energy	1993 94	1	1 99	0	0 00	1	1 99
		2003 04	5	143 58	5	143 58	0	0 00
		2004 05	10	107 71	7	93 07	3	14 64
		2005 06	25	397 56	16	326 70	9	70 86
14	Civil Aviation	2005-06	24	39 50	24	39 50	0	0 00

Appendix VIII
(Refer paragraph 1 5 6, page 21)

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

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	Municipal Committee Bahadurgarh	1986 87 1993 94 1996 97 1997 98 1999 2000 2000 01 2003 04 2004 05 2005 06 2006 07	35 93 34 08 50 00 25 95 49 50 48 93 304 10 33 12 221 34 51 00
2	Municipal Committee Bhiwani	1987 88 1988 89 1989 90 1995 96 1997 98 1998 99 1999 2000 2000 01 2002 03 2003 04 2004 05 2005 06 2006 07	36 40 33 25 36 00 50 00 27 56 72 00 1 156 87 247 58 169 48 182 25 47 90 118 21 32 53
3	Municipal Committee Karnal	1982 83 1988 89 1997 98 1998 99 2000 01 2001 02 2002 03 2003 04 2004 05 2005 06 2006 07	7 00 32 61 36 12 26 25 60 08 57 73 62 67 39 84 52 72 138 41 52 51
4	Municipal Committee Narnaul	1988 89 1989 90 1997 98 1998 99 2000 01 2001 02 2004 05 2005 06 2006 07	25 30 28 63 36 12 26 25 60 08 75 88 49 30 192 58 201 00

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
5	Municipal Committee Rohtak	1987 88	34 00
		1988 89	37 61
		1989 90	32 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
		2004 05	140 58
		2005 06	301 32
		2006 07	219 58
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
		2004 05	121 80
		2005 06	404 28
		2006 07	202 45
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
		2004 05	50 43
		2005 06	206 72
		2006 07	41 25
8	Municipal Committee Jagadhari	2004 05	33 46
		2005 06	54 92
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
		2004 05	57 06
		2005 06	238 95
		2006 07	50 23

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
10	Municipal Committee Gurgaon	1996 97 1997 98 1998 99 1999 2000 2000 01 2002 03 2003 04 2004 05 2005 06 2006 07	31 69 42 78 471 25 235 76 170 38 34 96 86 01 42 32 217 18 38 72
11	Municipal Committee Yamunanagar	1998 99 1999 2000 2000 01 2001 02 2002 03 2003 04 2004 05 2005 06 2006 07	350 00 578 66 172 96 273 05 419 51 26 77 43 33 104 61 36 40
12	Municipal Committee Palwal	1995 96 1998 99 1999 2000 2000 01 2003 04 2004 05 2005 06	50 00 50 00 105 00 62 75 41 49 38 05 214 68
13	Municipal Committee Charkhi Dadri	1995 96 1999 2000 2000 01 2001 02 2004 05 2005 06 2006 07	33 33 50 00 43 14 50 00 26 33 53 65 71 05
14	Municipal Committee Rewari	1996 97 1997 98 1999 2000 2000 01 2003 04 2004 05 2005 06	50 00 38 82 229 73 84 17 48 40 35 70 133 45
15	Municipal Committee Barwala	1996 97 1999 2000 2000 01 2001 02 2005 06	33 33 50 00 31 04 70 54 40 98

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
16	Municipal Committee Thanesar	1997 98 1999 2000 2000 01 2002 03 2003 04 2004 05 2005 06 2006 07	31 81 26 76 80 81 126 28 31 01 163 32 89 72 51 00
17	Municipal Committee Ambala City	1998 99 2000 01 2002 03 2003 04 2005 06 2006 07	70 25 676 27 145 80 208 56 148 50 26 70
18	Municipal Committee Ambala Cantt	2002 03 2005 06	26 43 239 80
19	Municipal Committee Kurukshetra	1998 99 2005 06 2006 07	33 75 133 48 180 00
20	Municipal Committee Kaithal	1998 99 1999 2000 2000 01 2003 04 2004 05 2005 06 2006 07	62 25 638 42 98 95 198 12 33 98 103 66 176 00
21	Municipal Committee Gannaur	2002 03 2006 07	41 16 40 00
22	Municipal Committee Gobana	2003 04 2005 06 2006 07	119 24 69 99 116 98
23	Municipal Committee Bawani Khera	1998 99 1999 2000	32 03 40 00
24	Municipal Committee Kharkhoda	1998 99 2005 06	50 00 46 41
25	Municipal Committee Pehowa	1999 2000 2000 01 2001 02 2002 03	36 16 41 81 32 67 50 00
26	Municipal Committee Jhajar	1999 2000 2004 05 2005 06	180 00 21 48 169 09
27	Municipal Committee Safidon	2000 01 2003 04 2004 05	81 62 110 28 95 15

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
28	Municipal Committee Sirsa	2001 02 2002 03 2003 04 2004 05 2005 06 2006 07	48 66 127 27 26 06 29 47 297 76 30 85
29	Municipal Committee Dabwali	2002 03 2003 04	140 23 158 58
30	Municipal Committee Taoru	1999 2000 2005 06	40 00 59 95
31	Municipal Committee Uchana	1999 2000 2006 07	30 00 46 22
32	Municipal Committee Asandh	1999 2000 2003 04 2004 05	120 00 74 54 44 06
33	Municipal Committee Naraingarh	1999 2000 2002 03 2005 06	34 79 59 62 70 10
34	Municipal Committee Kalanaur	1999 2000 2005 06 2006 07	40 00 42 32 47 07
35	Municipal Committee Tosham	1999 2000	28 40
36	Municipal Committee Ratia	1999 2000 2005 06	30 00 141 32
37	Municipal Committee Shahabad	2000 01 2003 04	73 04 158 64
38	Municipal Committee Ladwa	2000 01 2006 07	45 16 44 74
39	Municipal Committee Tohana	2001 02 2005 06	137 98 25 21
40	Municipal Committee Meham	2000 01 2003 04 2005 06 2006 07	31 06 64 41 54 02 40 00
41	Municipal Committee Sohna	2000 01	37 58
42	Municipal Committee Narwana	2000 01 2003 04 2004 05 2005 06 2006 07	60 58 51 00 48 61 79 92 84 68

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
43	Municipal Committee Hansi	2000 01 2001 02 2002 03 2003 04 2004 05 2005 06 2006-07	108 50 105 25 83 89 138 08 32 70 108 10 51 17
44	Municipal Committee Mohindergarh	2000 01 2005 06	38 55 61 26
45	Municipal Committee Jind	2000 01 2001 02 2002 03 2003 04 2004 05 2005 06 2006-07	135 63 73 50 57 39 25 01 41 85 133 74 26 35
46	Municipal Committee Fatehabad	2000 01 2002 03 2004-05 2005 06 2006 07	50 23 40 16 89 71 222 22 33 33
47	Municipal Committee Ellenabad	2000 01 2005 06	43 10 41 22
48	Municipal Council Panchkula	2001 02 2005 06 2006 07	116 06 160 54 27 04
49	Municipal Committee Cheeka	2003 04 2004 05	158 28 81 00
50	Municipal Committee Indri	2003 04 2005 06 2006 07	74 01 54 21 46 51
51	Municipal Committee Pinjore	2003 04	34 60
52	Municipal Committee Bawal	2006 07	40 00
53	Municipal Committee Hisar	2006 07	49 28
54	Municipal Committee Hodal	2006 07	40 00
55	Municipal Committee Kalka	2006 07	25 06
56	Municipal Committee Kalayat	2006 07	47 05
57	Municipal Committee Nuh	2006 07	40 00
58	Municipal Committee Pundri	2006 07	47 07
59	Municipal Committee Pinjore	2006 07	73 93
60	Shri Bhuteshwar Temple Tirath Jind	1994-95	25 29
61	Aravali Vikas Sangathan Gurgaon	1995 96	100 00
62	Software Technology Park of India New Delhi	2002 03	250 00

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
63	Haryana Slum Clearance Board Chandigarh	1998 99	700 48
64	District Council for Child Welfare Rewari	1999 2000	38 75
65	Fish Farm Development Agency Gurgaon	2000 01	45 85
66	Charitable Endowment Haryana Manimajra	2001 02 2002 03	478 00 478 00
67	Society for I T Initiative fund for e Governance Chandigarh	2002 03 2003 04 2004 05	165 55 60 00 25 00
68	Haryana Energy Development Agency Chandigarh	2001-02 2002 03 2003 04 2004 05	67 30 41 50 384 37 25 00
69	Board of Trustees (SOS) Childrens Villages Bal Gram Rai (at Chandigarh)	2003 04	240 00
70	Saket Hospital Panchkula	2004 05	50 00
71	Director Haryana Institute of Rural Development Nilokheri	2004 05	40 00
72	Fish Farm Development Agency Hisar	2005 06	42 54
73	Haryana State Council of Science and Technology	2005 06	170 00
74	Blood Transfusion Council Panchkula	2005 06	150 00
75	Haryana Rajya Sainik Board Panchkula	2006 07	30 00
76	Non Conventional Energy Sources Haryana Chandigarh	2006 07	49 89
77	Director of Electronics Haryana Chandigarh	2006 07	378 00
Private Aided Colleges			
78	S L D A V College of Education Ambala City	2005 06 2006 07	40 93 46 25
79	SM Lubana Khalsa Girls College Barara (Ambala)	2006 07	56 95
80	M P N College Mullana (Ambala)	2005 06 2006 07	54 29 58 40
81	Maharaja Aggarsein College Jagadhari	2003 04 2004 05 2005 06 2006 07	49 13 41 68 44 55 53 10
82	DAV College Sadhaura Yamunanagar	2006 07	55 25
83	APJ Saraswati College of Education Charkhi Dadri	2003 04 2005 06 2006 07	40 73 43 99 28 20

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
84	B L J Suiwala College Tosham (Bhiwani)	2003 04 2005-06 2006 07	30 20 30 63 38 10
85	RLS College of Education Sidhrawali (Gurgaon)	2006-07	50 55
86	DAV Centenary College Faridabad	2005 06 2006 07	66 70 73 90
87	Saraswati Mahila Mahavidyala Palwal	2005-06 2006-07	57 30 53 55
88	SD Mahila Mahavidyalya Hansi (Hisar)	2002 03 2003 04 2004 05 2005 06 2006 07	54 66 61 26 49 93 56 85 67 25
89	CR College of Education Hisar	2004-05 2006-07	31 44 37 85
90	SD Mahila Mahavidyalya Narwana (Jind)	2006-07	36 55
91	DAV College Pundri (Kaithal)	2006-07	59 78
92	DAV College Cheeka (Kaithal)	2006 07	69 23
93	Kanya Mahavidyalya Dhand (Kaithal)	2006 07	61 05
94	Bhagwan Parshu Ram College Kurukshetra	1999 2000 2000-01 2002 03 2003-04 2004 05 2005 06 2006 07	37 30 44 30 44 30 67 43 56 99 68 09 76 60
95	RDS Public Girls College Rewari	2004 05 2005 06 2006 07	43 28 57 92 60 10
96	SP College of Education Rewari	2003 04 2004 05 2005 06 2006 07	26 95 26 99 25 33 33 25
97	CR College of Education Rohtak	2006 07	41 65
98	MK Jat Kanya Mahavidyalya Rohtak	2006 07	78 95
99	Guru Hari Singh Mahavidyalya Jiwan Nager Sirsa	2006 07	40 85
100	Vaish Arya Kanya Mahavidyalya Bhadurgarh (Jhajjar)	2006 07	33 05
101	M A College for Women Jhajjar	2006 07	61 10

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
102	TR College of Education Sonipa	2000 01 2003 04 2004 05 2005 06 2006 07	29 10 26 09 27 68 31 34 32 75
103	CIS Kanya Mahavidhalya Fatehpur Pundri (Kaithal)	2005 06 2006 07	63 12 70 10
104	DAV College Naneola (Ambala)	2006 07	32 75
105	APJ Saraswati KMV Charkhi Dadri	2006 07	49 35
106	Vaish College of Education Rohtak	2004 05	26 61
107	MLN College Yamunanagar	2006 07	208 60
108	KM College of Education Bhiwani	2006 07	30 98
109	Dr Ganesh Dass DAV College of Education Karnal	2006 07	36 40
110	Vaish girls College Smalkha	2006 07	28 45
111	Vaish College Rohtak	2006 07	113 55
112	Hindu College of Education Sonapat	2006 07	47 75
113	TR Girls College Sonapat	2006 07	37 70
114	Kanya Mahavidyalaya Kharkhoda	2006 07	27 75

Appendix XI (A)
(Refer paragraph 1 6, page 22)

Department wise/year-wise break up of the cases in which final action was pending at the end of June 2007

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 (6 52)	1 (0 52)	2 (3 02)	1 (0 20)			6 (10 26)
Forest	1 (0 15)	9 (14 01)	1 (0 55)	6 (1 12)	1 (0 15)		18 (15 98)
Labour and Employment				2 (0 16)			2 (0 16)
Medical	4 (2 04)		1 (1 50)	2 (11 92)			7 (15 46)
Police	1 (3 79)						(3 79)
Public Health	5 (3 54)		1 ()	3 (0 29)		1 (0 72)	10 (4 55)
Public Relations	3 (4 32)	1 (0 08)					4 (4 40)
Public Works (B&R)	5 (0 71)						5 (0 71)
Revenue	1 (1 24)	1 (9 28)					2 (10 52)
Social Welfare				1 ()			1 ()
Women and Child Welfare	1 (0 12)						1 (0 12)

Appendix X1 (B)

(Refer paragraph 1 6, page 22)

Department wise details in respect of cases relating to theft, misappropriation/loss of Government material and fire/accident at the end of June 2007

Name of the Department	Theft cases		Misappropriation/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	7 33		
Education	26	15 28	8	5 51	1	0 07
Forest	3	4 70	1	0 15	14	11 13
Labour and Employment	2	0 16				
Medical and Public Health	2	2 04	3	1 50	2	11 92
Police					1	3 79
Public Health	8	1 79	2	2 76		
Public Relations	3	4 32			1	0 08
Public Works (B&R)	3	0 71	2			
Revenue			2	10 52		
Social Welfare			1			
Women and Child welfare	1	0 12				

Appendix XII

(Refer paragraph 1 7 2 1, page 23)

Statement showing department wise position of arrear of proforma accounts and investments made by Government

Department	No of undertakings/ schemes under the department	Accounts not finalised (name of undertakings/ schemes)	Year upto which accounts finalised	Investment as per last accounts (Rupees in crore)
Agriculture	2	(i) Purchase and Distribution of Pesticides	1985 86	2 53
		(ii) Seed Depot Scheme	1987 88	NA
Printing and Stationery	1	Text Book Organisation	2003 04	() 0 41
Total				1684 54

Appendix XIX**(Refer paragraph 4 6 1, page 137)****Statement showing the year-wise break up of outstanding Inspection Reports and Paragraphs**

Sr No	Year	Inspection Reports	Paragraphs	Amount (Rupees in crore)
1	1998 99	50	78	1 19
2	1999 00	74	116	2 73
3	2000-01	94	141	2 99
4	2001-02	74	103	2 52
5	2002-03	79	119	4 80
6	2003-04	65	113	4 15
7	2004-05	83	163	10 69
8	2005 06	117	325	20 73
9	2006-07	65	178	6 61
Total		701	1,336	56 41

Appendix XX

(Refer paragraph 4 6 1, page 137)

Details of serious irregularities pointed out through outstanding Inspection Reports

Sr No	Nature of irregularities	Number of paragraphs	Amount (Rupees in crore)	Period
1	Non obtaining/non production of utilisation certificate and wanting actual payees receipts from firms/departments	76	3 55	April 1998 to March 2007
2	Non recovery/short recovery and outstanding recovery of loan/seed and margin money/interest free loan/subsidy	35	2 21	April 1998 to March 2007
3	Excess/irregular/wasteful/avoidable expenditure on pay and allowances	284	5 30	April 1998 to March 2007
4	Irregular/wasteful/unfruitful expenditure	165	8 71	April 1998 to March 2007
5	Non production/Non maintenance of records	52	0 71	April 1998 to March 2007
6	Non condemnation of old/ unserviceable articles/vehicles and non disposal of condemned store articles/vehicles	90	0 83	April 1998 to March 2007
7	Irregular/retention/drawl/Misutilisation/ Non utilisation of Government money/ funds/loans/blockade of Government funds and excess expenditure over budget	99	13 13	April 1998 to March 2007
8	Non adjustment of advance payments/ advances	22	4 07	April 1998 to March 2007
9	Miscellaneous irregularities/cash book	513	17 90	April 1998 to March 2007
Total		1,336	56 41	

Appendix XXI

(Refer paragraph 4 6 2, page 138)

Statement showing the names of departments where Action Taken Notes were awaited

Sr No	Name of Administrative Department	Year of Audit Report	Para Number	Number of paragraphs	Total
1	Education	2005 06	3 1 4 2 6	2	2
2	Finance	2003 04 2004 05 2005 06	4 5 4 4 5 5 4 5 3 3 5 4 5 2	2 1 2	5
3	Food and Supplies	2005 06	3 4	1	1
4	Forest	2005 06	4 2 7	1	1
5	General	2002 03	4 9 1 4 9 2 4 9 3	3	3
6	Home (Police)	2004-05 2005 06	5 1 4 2 2 4 2 8	1 2	3
7	Irrigation	2002 03 2003 04 2004 05 2005 06	4 2 4 4 3 2 4 6 4 4 2 1 4 3 10 3 2 4 4 3 4 2 10 4 5 1	3 2 2 2	9
8	Industries	2002 03	4 6 2	1	1
9	Medical and Public Health	2005 06	4 2 5	1	1
10	Planning	2005 06	4 2 10	1	1
11	PWD (B&R)	2005 06	3 2 4 2 1 4 3 2	3	3
12	PWD (PH)	2004-05 2005 06	4 2 3 4 2 4 4 3 2 4 5 2 4 2 1 1	4 1	5
13	Revenue	2005 06	3 3 4 1 1	2	2
14	Social Justice and Empowerment	2005 06	5 1	1	1
15	Town and Country Planning (HUDA)	2003 04 2004 05 2005 06	4 1 1 4 3 1 3 1 4 2 1 4 2 3 4 3 1 4 3 4 4 4 1	2 2 4	8
16	Transport	2004-05 2005 06	4 4 2 4 2 9 4 3 3 4 4 2	1 3	4
17	Urban Development	2005 06	4 4 1	1	1
18	Women and Child Development	2005 06	4 2 4	1	1

Appendix XXII

(Refer paragraph 4 6 2, page 138)

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments

Sr No	Name of Administrative Department	Year of Audit Reports	Paragraph Number	Amount (Rupees in lakh)
1	Agriculture	2000 01	6 3	40 45
			6 6	30 60
2	Animal Husbandry	2000-01	3 4	21 96
		2001-02	6 3	747 00
3	Finance	2001-02	3 3	19 86
4	Food and Supplies	2002-03	4 6 8	80 30
5	Rural Development (DRDA)	2001 02	6 1 11	1 87
		2003 04	4 5 1	273 00
6	Town and Country Planning (HUDA)	2000-01	3 16	15 529 00
		2001-02	6 10	4 055 00
Total			10	20,799 04 -

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 2005**

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	3	0 83	—	—
Education	25	13 28	7	4 21	1	0 07
Finance	1	2 79	—	—	—	—
Fisheries	—	—	—	—	1	8 06
Food and Supplies	—	—	—	—	4	6 24
Forest	3	4 70	—	—	14	11 13
Irrigation	72	9 65	31	8 72	8	11 95
Labour and Employment	2	0 16	—	—	—	—
Medical and Public Health	2	2 04	1	1 50	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	—	—
Revenue	—	—	2	10 52	—	—
Social Welfare	—	—	1	—	—	—
Sports and Youth Welfare	1	0 87	—	—	—	—
Technical Education	13	21 19	2	11 58	1	0 29
Transport	5	13 30	7	4 98	1	0 60
Total	157	76 55	65	45 88	35	51 00

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
9th Report			
1	Industries	5(2)	Credit facilities for development of small industries
14th Report			
2	Industries	16	Purchase of Cotton Yarn
16th Report			
3	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			
4	Co operation	39	Co operative Consumer Stores
22nd Report			
5	Industries	10(ii)	Industrial Estate
6	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
7	Revenue	40	Non levy of registration fee
8	Excise and Taxation	54	Shortfall in duty
9	Excise and Taxation	56	Recovery due from contractor
23rd Report			
10	Food and Supplies	35	Haryana State Federation of Consumer Co operative Wholesale Stores Limited Chandigarh
11	Excise and Taxation	47	Uncollected Revenue
12	Excise and Taxation	55	Result of test audit in general
13	Excise and Taxation	57	Failure to initiate action to recover the licence fee
14	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
25th Report			
15	Colonization	9	Encroachment of Land

1	2	3	4
16	Colonization	11	Recoveries from plot holders
17	Fisheries	31	Development of Fisheries
18	Excise and Taxation	54	Un collected revenue
19	Excise and Taxation	58	Incorrect computation of tax on interstate sales
20	Excise and Taxation	67	Irregular allowance for wastage
21	Excise and Taxation	69	Failure to enforce licence conditions
26th Report			
22	Revenue	10	Gratuitous relief for crops/houses damaged
23	Irrigation	22	Faulty measurement of work resulting in over payment
24	Excise and Taxation	49	Uncollected revenue
25	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
26	Excise and Taxation	63	Non recovery of licence fee and interest
28th Report			
27	PWD (B&R)	14	Shortage of Steel
28	Excise and Taxation	41	Registration of dealers under Sale Tax Act
29	Excise and Taxation	44	Non recovery of licence fee and interest
29th Report			
30	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
31	Irrigation	17	Excess issue of coal
32	Development	32	Forestry sector
33	Excise and Taxation	47	Non levy of penalty
34	Excise and Taxation	50	Non levy of penalty
35	Excise and Taxation	51	Non levy of penalty
36	Excise and Taxation	53	Interest not charged
37	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
38	Revenue	62	Results of Audit
39	Revenue	63	Under valuation of immovable property
40	Mines and Geology	71	Results of Audit
32nd Report			
41	Industries	4	Development of small Industries
42	Irrigation	12	Misappropriation
43	Irrigation	20	Shortage of Stores
44	Revenue	25	Inadmissible payment

1	2	3	4
45	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
46	Mines and Geology	47	Uncollected revenue
47	Mines and Geology	48	Results of Audit
48	Excise and Taxation	61	Uncollected revenue
49	Excise and Taxation	69	Irregular levy of tax at concessional rate
34th Report			
50	Development and Panchayats	8	Irregular and wasteful expenditure on books
51	Revenue	29	Land reforms
52	Revenue	30	Compensation to landowner
53	Revenue	31	Consolidation of holdings
54	Food and Supplies	47	Under Storage of wheat
55	Mines and Geology	55	Uncollected revenue
56	Excise and Taxation	63	Uncollected revenue
57	Excise and Taxation	66	Short levy/non levy of purchase tax
58	Excise and Taxation	69	Non levy of penalty
59	Excise and Taxation	70	Non filling the quarterly returns
60	Irrigation	72	Arrears of revenue
61	Irrigation	74	Non raising of demand
62	Chief Electrical Inspector	78	Uncollected revenue
63	Chief Electrical Inspector	80	Arrears of electricity duty
64	Public Health	82	Results of Audit
65	Revenue	83	Results of Audit
66	Revenue	84	Under valuation of immovable property
36th Report			
67	Local Self Government	3	Non recovery of Government dues
68	Food and Supplies	7	Loss due to storage of wheat
69	Transport	9	Irregular payment of overtime allowance
70	Industries	13	Non utilization of loan
71	Revenue	18	Inadmissible gratuitous relief
72	Public Health	23	Consturction of a water tank
73	Haryana State Lottenes	25	Suspended misappropriation of Government money
74	PWD (B&R)	29	Excess measurement
75	PWD (B&R)	31	Misappropriation of stores
76	Revenue	43	Results of Audit

1	2	3	4
77	Revenue	46	Misclassification of instruments
78	PWD (B&R)	51	Results of Audit
79	Excise and Taxation	53	Uncollected Revenue (P G T)
80	Excise and Taxation	54	Uncollected Revenue (State Excise)
81	Excise and Taxation	58	Results of Audit (Sales Tax)
38th Report			
82	Science and Technology	16	Evaluation and monitoring
83	Medical and Health	18	Stores and Stock
84	Irrigation	32	Surplus material
85	Irrigation	34	Other point of interest
86	Irrigation	36	Shortage of tiles
87	Public Health	41	Excess payment to the contractor
88	Public Health	42	Excess Payment
89	Mines and Geology	50	Results of Audit
90	Mines and Geology	51	Receipts from Mines and Minerals
91	Agriculture	56	Interest not charged on belated payments
92	PWD (B&R)	61	Arrears of rent
93	Revenue	64	Results of Audit
94	Revenue	68	Misclassification of Instrument
95	Excise and Taxation	71	Uncollected revenue
96	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court
97	Excise and Taxation	79	Suppression of purchases
98	Excise and Taxation	81	Irregular stay of tax and interest
99	Excise and Taxation	87	Recovery at the instance of Audit
40th Report			
100	Town and Country Planning	19	Delay in land acquisition cases
101	Public Health	33	Stores and stock
102	Public Health	34	Injudicious purchases
103	PWD (B&R)	37	Extra payment due to incorrect entries in Measurement Books
104	PWD (B&R)	38	Avoidable extra expenditure due to retendering
105	Co operation	41	Embezzlement
106	Food and Supplies	47	Damage caused to wheat in Storage
107	Supplies and Disposals	49	Extra expenditure due to retendering
108	Excise and Taxation	51	Uncollected Revenue (Sales Tax)

1	2	3	4
109	Excise and Taxation	52	Uncollected Revenue (State Excise)
110	Excise and Taxation	55	Delay in re assessment of remand cases
111	Excise and Taxation	57	Appeals entertained without deposit of tax
112	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
113	Excise and Taxation	61	Application of incorrect rate to tax
114	Excise and Taxation	62	Non levy of tax
115	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
116	Excise and Taxation	68	Non levy of penalty
117	Excise and Taxation	69	Interest not charged
118	Excise and Taxation	74	Non recovery of duty on wastage in excess norms
119	Excise and Taxation	75	Interest not charged
120	Revenue	79	Outstanding Inspection Reports
121	Revenue	80	Results of Audit
122	Revenue	81	Under valuation of immovable property
123	Revenue	82	Misclassifications of instruments
124	Revenue	83	Irregular grant of exemption
125	Revenue	84	Non/Short levy of stamp duty
126	Revenue	85	Irregular registration of supplementary deeds
127	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
128	Revenue	89	Embezzlement of Government revenue
129	Mines and Geology	93	Outstanding Inspection Reports
130	Mines and Geology	94	Results of Audit
42nd Report			
131	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
132	Irrigation	17	Defective execution of work
133	Irrigation	18	Avoidable payment of interest
134	Food and Supplies	42	Loss due to negligence
135	Public Health	60	Inflated/Fictitious measurement
136	PWD (B&R)	71	Shortage of Tools and Plant
137	Revenue	101	Outstanding Inspection Reports
138	Revenue	103	Results of Audit
139	Revenue	104	Irregular exemption of stamp duty
140	Excise and Taxation	108	Uncollected Revenue

1	2	3	4
141	Excise and Taxation	109	Frauds and evasion of taxes
142	Excise and Taxation	111	Results of Audit
143	Excise and Taxation	112	Details of appeals pending on 31 3 90
144	Excise and Taxation	113	Delay in taking up of appeal cases
145	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
146	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
147	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
148	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
149	Excise and Taxation	120	Irregular grant of exemption certificate
150	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
151	Excise and Taxation	122	Other interesting cases
152	Excise and Taxation	125	Application of incorrect rate of tax
153	Excise and Taxation	126	Non/Short levy of interest
154	Excise and Taxation	127	Results of Audit
155	Excise and Taxation	128	State Excise Duty
156	Excise and Taxation	129	Loss of revenue due to re auction of vends
157	Excise and Taxation	130	Short recovery of composite fee
158	Excise and Taxation	131	Non recovery of license fee and interest
159	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
160	Excise and Taxation	133	Interest not recovered
161	Excise and Taxation	134	Non recovery of penalties
162	Excise and Taxation	136	Uncollected Revenue
163	Excise and Taxation	138	Results of Audit
164	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
165	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
166	Excise and Taxation	144	Short levy of penalty
167	Excise and Taxation	145	Results of Audit
44th Report			
168	Public Health	3	Sub Standard execution of work
169	Irrigation	12	Surplus materials

1	2	3	4
170	Irrigation	17	Shortage of T&P articles
171	Social Welfare	23	Payment of pension to ineligible persons
172	Social Welfare	26	Liberation of scavengers
173	Rural Development	36	Integrated Rural Development Programme
174	Town and Country Planning	38	Unfruitful Expenditure
175	Town and Country Planning	41	Functioning of State Planning Cell
176	Town and Country Planning	42	Idle investment
177	Town and Country Planning	43	Avoidable payment of interest
178	Revenue	46	Mewat Development Board
179	Mines and Geology	48	Uncollected Revenue
180	Mines and Geology	50	Results of Audit
181	Mines and Geology	53	Short Calculation of interest
182	Mines and Geology	54	Uncollected Revenue
183	Mines and Geology	56	Results of Audit
184	Mines and Geology	57	Non realisation of contract money and interest
185	Mines and Geology	58	Non recovery of dead rent and interest thereon
186	Mines and Geology	59	Interest not charged on delayed payments
187	Mines and Geology	60	Uncollected revenue
188	Mines and Geology	61	Results of Audit
189	Mines and Geology	62	Non recovery of contract money and interest
190	Mines and Geology	63	Non recovery/Short recovery of royalty
191	Mines and Geology	64	Interest not charged
192	Revenue	66	Uncollected Revenue (Land Revenue)
193	Revenue	67	Result of Audit
194	Revenue	68	Short levy of Stamp duty
195	Revenue	69	Under valuation of immovable property
196	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
197	Revenue	71	Irregular exemption of Stamp duty and registration fee
198	Revenue	72	Misclassification of instruments
199	Revenue	73	Uncollected Revenue
200	Revenue	76	Results of Audit
201	Revenue	78	Irregular exemption of stamp duty
202	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property

1	2	3	4
203	Revenue	80	Misclassification of instruments
204	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
205	Prohibition Excise and Taxation	94	Results of Audit
206	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
207	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
208	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding cross verifications
209	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
210	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
211	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
212	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
213	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
214	Prohibition Excise and Taxation	103	Other points of interest
215	Prohibition Excise and Taxation	106	Results of Audit
216	Prohibition Excise and Taxation	107	Interest not charged
217	Agriculture	108	Non recovery of purchases tax and interest
218	Agriculture	109	Non recovery of purchase tax and interest
219	Irrigation	116	Under assessment of water charges
46th Report			
220	Housing	6	Loss owing to construction of houses on unapproved layout plan
221	PWD (B & R)	25	Short receipt of material
222	PWD (B & R)	27	Procurement of sub standard cement
223	Irrigation	34	Procurement of sub standard cement
224	Haryana State Lotteries	36	Appointment of main stockists
225	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
226	Haryana State Lotteries	40	Other points of interest
227	Prohibition and Excise	41	Arrears in revenue
228	Prohibition and Excise	42	Results of Audit
229	Commercial Taxes	43	Arrears in revenue
230	Commercial Taxes	46	Outstanding inspection reports and audit observations
231	Commercial Taxes	47	Results of Audit

1	2	3	4
232	Commercial Taxes	48	Sales Tax Check Barriers
233	Commercial Taxes	50	Short levy of Purchases Tax
234	Commercial Taxes	51	Non/Short levy of interest and penalty
235	Commercial Taxes	52	Results of Audit
48th Report			
236	Agriculture	4	Arrears in revenue
237	Animal Husbandry	8	Frauds and evasion of taxes/duties
238	Mines and Geology	14	Arrears in revenue
239	Mines and Geology	15	Outstanding inspection reports and audit observations
240	Transport	20	Outstanding audit objections in Internal Audit
241	Housing	27	Avoidable liability of interest
242	Education	29	Purchases without assessment of requirement
243	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
244	Excise and Taxation	33	Arrears in revenue
245	Excise and Taxation	37	Results of Audit
246	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
247	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
248	Excise and Taxation	45	Non levy of interest and penalty
50th Report			
249	Finance (Lotteries)	3	Printing of lottery tickets
250	Industries	5	Capital investment subsidy
251	Industries	6	Irregular release/ non recovery of assistance
252	Social Welfare	8	Panjin Plants
253	Home (Jail)	9	Injudicious purchase
254	Irrigation	18	Stores and Stock
255	Irrigation	21	Physical verification
256	Irrigation	22	Surplus materials
257	Town and Country Planning	24	Construction of Building and Roads by HUDA
258	Town and Country Planning	25	Construction of Building
259	Town and Country Planning	26	Test check of records relating to construction of roads
260	Town and Country Planning	27	Other points of interest

1	2	3	4
261	Town and Country Planning	28	Non recovery of compounding fee
262	Town and Country Planning	29	Avoidable payment of interest
263	Transport	32	Purchase of Sub standard tubes of butyl rubber
264	Forest	36	Generation of employment
265	Forest	38	Alkali/saline land plantation
266	PWD (B&R)	47	Construction of Major Building including Staff Quarters
267	PWD (B&R)	49	Execution of works without technical sanction of cost estimates
268	PWD (B&R)	52	Undue financial favour to the contractors
269	PWD (B&R)	57	Reimbursement claims
270	PWD (B&R)	58	World Bank and Asian Development bank loan
271	PWD (B&R)	60	Execution
272	PWD (B&R)	61	Release of advances not covered by agreement
273	PWD (B&R)	63	Excess payment of price increase on diesel
274	PWD (B&R)	65	Irregular adjustment of expenditure
275	Rural Development	77	Other points
276	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
277	Rural Development	79	Non recovery of misutilised subsidy
278	Town and Country Planning	80	Non levy of Penalty
279	Town and Country Planning	81	Non recovery of auction money
280	Town and Country Planning	82	Non transfer of developed sectors
281	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the tribunal
282	Revenue	92	Arrears in revenue
283	Revenue	93	Frauds and evasion of taxes/duties
284	Revenue	94	Results of Audit
285	Revenue	95	Internal Audit
286	Revenue	96	Results of Audit
287	Revenue	97	Stamp duty and Registration Fees
288	Revenue	98	High Pendency of cases of undervaluation with Collectors
289	Revenue	99	Misclassification of instruments
290	Revenue	100	Short levy of stamp duty

1	2	3	4
291	Revenue	101	Pre audit of registrable documents
292	Revenue	102	Arrears in Revenue
293	Revenue	103	Frauds and evasion of taxes/duties
294	Revenue	104	Results of Audit
295	Revenue	105	Outstanding audit objections in Internal Audit
296	Revenue	106	Results of Audit
297	Revenue	107	Short recovery of stamp duty on mortgage deed
298	Revenue	108	Evasion of stamp and registration fees through power of attorney
299	Revenue	109	Evasion of Stamp Duty
300	Chief Electrical Inspector	110	Arrears in revenue
301	Mines and Geology	112	Results of Audit
302	Animal Husbandry	115	Frauds and evasion of taxes/duties
303	Excise and Taxation	116	Arrears in revenue
304	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
305	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
306	Excise and Taxation	121	Under assessment
307	Excise and Taxation	122	Under assessment
308	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
309	Excise and Taxation	125	Non/short levy of purchase tax
310	Excise and Taxation	126	Results of Audit
311	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
312	Excise and Taxation	128	Low yield of spirit
313	Excise and Taxation	129	Loss of spirit due to re distillation
314	Excise and Taxation	133	Interest short charged
315	Excise and Taxation	134	Short realisation of composite fee
316	Revenue	135	Results of Audit
317	Revenue	137	Arrears in revenue
318	Mines and Geology	139	Arrears in revenue
319	Agriculture	141	Arrears in revenue
320	Agriculture	142	Results of Audit
321	Agriculture	143	Non recovery of purchase tax and Interest
322	Finance (Lotteries)	146	Results of Audit

1	2	3	4
		52th Report	
323	Education	6	Extra expenditure on purchase of paper
324	Agriculture	15	Non recovery of principal and interest from Sugar Mills
325	Irrigation	39	Miscellaneous Public Works Advances
326	PWD (B&R)	43	Miscellaneous Public Works Advances
327	PWD (B&R)	44	Stores and Stock
328	PWD (B&R)	45	Purchase without sanctions
329	PWD (B&R)	46	Short receipt of material
330	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court s Judgement
331	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
332	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
333	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
334	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
335	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
336	Social Welfare	60	Embezzlement of Rs 3 99 lakh
337	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
338	General	65	Wnte off of losses etc
339	Animal Husbandry	67	Arrears in revenue
340	Revenue	69	Results of Audit
341	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
342	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
343	Power (Chief Electrical Inspector)	76	Non charging of electricity duty on extended load
344	Power (Chief Electrical Inspector)	77	Short realisation of electricity duty due to application of incorrect rates
345	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
346	Transport	79	Results of Audit

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347	Haryana State Lotteries	86	Results of Audit
348	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
349	Agriculture	88	Arrears in revenue
350	Agriculture	89	Results of Audit
351	Excise and Taxation	94	Arrears in revenue
352	Excise and Taxation	95	Arrears in assessment
353	Excise and Taxation	96	Frauds and evasions of taxes/duties
354	Excise and Taxation	97	Results of Audit
355	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
356	Excise and Taxation	102	Under assessment due to non submission of declaration forms
357	Excise and Taxation	104	Arrears in assessments
358	Excise and Taxation	105	Evasion of tax due to suppression of purchases
359	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
360	Excise and Taxation	107	Incorrect levy of concessional rate of tax
361	Excise and Taxation	108	Inadmissible deduction from turnover
362	Excise and Taxation	109	Non levy of purchase tax
363	Excise and Taxation	111	Application of incorrect rate of tax
364	Excise and Taxation	112	Non levy of tax
365	Excise and Taxation	114	Under assessment due to excess rebate
366	Excise and Taxation	115	Non levy of penalty
367	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
368	Excise and Taxation	117	Results of Audit
369	Excise and Taxation	118	Short/non recovery of passenger tax
54th Report			
370	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
371	Revenue	18	Fictitious payment of gratuitous relief
372	Revenue	19	Drawal of funds without requirement
373	PWD (B&R)	22	Avoidable payment of interest
374	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
375	Agriculture	30	General

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376	Education	31	Nugatory expenditure due to payment of idle wages
377	Town and Country Planning	32	Land Acquisition transfer of land and utility thereof
378	Town and Country Planning	33	Non allotment and non handling over of land
379	Town and Country Planning	34	Non utilisation of land
380	Town and Country Planning	35	Loss due to non recovery of rebate
381	Printing and Stationery	36	Pilferage of Paper
382	Animal Husbandry	47	Frauds and evasions of taxes/duties
383	Chief Electrical Inspector	48	Arrears in revenue
384	Revenue	49	Arrears in revenue
385	Revenue	50	Results of Audit
386	Revenue	51	Results of Audit
387	Revenue	52	Non/Short recovery of stamp duty
388	Revenue	53	Incorrect exemption of stamp duty
389	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
390	Revenue	55	Short levy of stamp duty due to misclassification of instruments
391	Revenue	56	Incorrect refund of stamp duty
392	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
393	Revenue	58	Short recovery of stamp duty on exchange deeds
394	Revenue	59	Results of Audit
395	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
396	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
397	Revenue	62	Return of RRCs
398	Excise and Taxation	64	Arrears in revenue
399	Excise and Taxation	65	Arrears in assessment
400	Excise and Taxation	67	Results of Audit
401	Excise and Taxation	68	Disposal of appeal cases
402	Excise and Taxation	69	Delay in finalising assessments
403	Excise and Taxation	70	Delay in finalisation of remand cases
404	Excise and Taxation	72	Recovery certification cases
405	Excise and Taxation	73	Incorrect levy of concessional rate of tax

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406	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
407	Excise and Taxation	75	Inadmissible deduction from turnover
408	Excise and Taxation	76	Short levy of tax on sales to Non government bodies
409	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
410	Excise and Taxation	78	Under assessment due to excess rebate
411	Excise and Taxation	79	Results of Audit
412	Excise and Taxation	80	Incorrect levy of entertainments duty
413	Transport	81	Results of Audit
414	Irrigation	84	Recovery of Water rates from canal water
415	Irrigation	85	Arrears of revenue
416	Irrigation	86	Less measurement of area irrigated
417	Irrigation	88	Excess credit to an industrial unit
418	Irrigation	90	Short recovery of lease rent
419	Agriculture	91	Arrears in revenue
420	Agriculture	92	Results of Audit
421	Agriculture	93	Non recovery of purchase tax and interest
422	Mines and Geology	97	Arrears in revenue
423	Mines and Geology	98	Results of Audit
424	Mines and Geology	99	Short recovery of contract money and interest

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425	Education	4	Nutritional Support to Primary Education
426	Forest	5	Rehabilitation of common lands in Aravalli Hills
427	Medical and Health	6	Working of Medical and Health Department including Manpower Management
428	Medical and Health	7	Hospitals and dispensaries
429	Medical and Health	9	Hospital Waste Management
430	Medical and Health	11	Outstanding Inspection Reports
431	Finance	14	Overpayment of pensionary benefits
432	Home	18	Stores and Stock
433	Prohibition Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
434	Revenue	21	Loss of interest due to delayed refund of unspent amount

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435	Revenue	22	Excess payment of Gratuitous Relief
436	Irrigation	34	Undue retention of heavy Cash Balances
437	Co operation	37	Loss due to negligence and improper maintenance of cold storage plant
438	Town and Country Planning	38	Payment of loan to Sugar Mill from the funds of H U D A
439	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period
58th Report			
440	Forest	3	Rehabilitation of common lands in Aravalli Hills
441	Excise and Taxation	4	Arrears in revenue
442	Excise and Taxation	5	Arrears in assessment
443	Excise and Taxation	6	Frauds and evasions of taxes/duties
444	Excise and Taxation	8	Results of Audit
445	Excise and Taxation	9	Cross verification by Audit
446	Excise and Taxation	10	Incorrect deduction from turnover
447	Excise and Taxation	12	Non levy of Purchase tax
448	Excise and Taxation	13	Non recovery of tax
449	Excise and Taxation	15	Non/Short levy of purchase tax
450	Excise and Taxation	16	Non levy of tax
451	Excise and Taxation	17	Results of Audit
452	Excise and Taxation	18	Short realization of passenger tax
453	Mines and Geology	19	Arrears in revenue
454	Mines and Geology	20	Result of Audit
455	Mines and Geology	21	Receipts from Mines and Minerals
456	Mines and Geology	22	Non/Short recovery of dead rent royalty and interest
457	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
458	Mines and Geology	24	Non recovery of lease fee on short term permits
459	Mines and Geology	25	Non recovery of interest on belated payments
460	Animal Husbandry	27	Frauds and evasions of taxes/duties
461	Revenue	29	Results of Audit
462	Revenue	30	Stamp Duty and Registration Fees
463	Agriculture	31	Arrears in revenue

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464	Agriculture	32	Result of Audit
465	Transport	33	Results of Audit
466	Transport	34	Non deposit of token tax
467	Irrigation	36	Results of Audit
468	Co operative	38	Results of Audit
469	Finance	39	Non charging of interest and penal interest
470	Finance	40	Loans to Municipal Councils/Municipal Committees
471	Forest	41	Short recovery of royalty on forest produce
472	Power	43	Arrears in revenue
473	General	44	Results of Audit
474	Education	46	Working of Education Department (Primary Education wing including Manpower Management)
475	Education	47	Incentives to scheduled castes and weaker section students
476	Education	48	Pass percentage in class V
477	Education	49	Literacy rate
478	Education	50	Internal Audit
479	Education	51	Sanctioned posts and actual strength
480	Education	52	Deployment of teachers beyond norms
481	Education	53	Outstanding inspection reports
482	Education	54	Monitoring and Evaluation
483	Education	55	District Primary Education Programme
484	Education	56	Management cost in excess of norms
485	Education	57	Programme management
486	Education	58	Civil Works
487	Education	59	Appointment of teachers/instructors/staff
488	Education	60	Training
489	Education	61	Monitoring and Evaluation
490	Medical and Health	66	Manpower position
491	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak
492	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
493	Co operative	71	Storage gain on account of moisture in wheat stocks below norms
494	Finance	72	Overpayment of pensionary benefits
495	Irrigation	76	Unauthorised excess execution of work in post tender stage

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496	Irrigation	77	Hathnikund Barrage	
497	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates	
498	Irrigation	79	Unfruitful expenditure on extension of existing channel	
499	Public Health	80	Non responsiveness to Audit findings and observation resulting in erosion of accountability	
500	Printing and Stationery	81	Excess payment due to failure in internal control system	
501	Printing and Stationery	82	Excess issue of paper to private printers	
502	Environment	83	Implementation of Environmental Acts and Rules relating to Water Pollution	
503	Environment	84	Status of water pollution	
504	Environment	85	Treatment of Industrial effluent	
505	Environment	86	Domestic sewage treatment plants	
506	Environment	88	Environment training education and awareness	
507	Environment	89	Monitoring and Evaluation	
508	Urban Development	90	Urban Employment Generation Programme	
509	Rural Development	91	Loss of Central assistance under Integrated Rural Development Programme	
510	Town and Country Planning	93	Non recovery of enhanced compensation of land	
511	Food and Supplies	94	Pilferage of large quantity of wheat due to manipulation of weight	
512	General	97	Write off of losses etc	
513	Excise and Taxation	101	Arrears in revenue	
514	Excise and Taxation	102	Arrears in assessment	
515	Excise and Taxation	103	Frauds and evasions of taxes/duties	
516	Excise and Taxation	105	Results of Audit	
517	Excise and Taxation	106	Evasion in sales tax	
518	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification	
519	Excise and Taxation	108	Under assessment of notional sales tax liability computed on taxable turnover	
520	Excise and Taxation	109	Non levy of purchase tax	
521	Excise and Taxation	110	Non recovery of tax	
522	Excise and Taxation	111	Non levy of interest	
523	Excise and Taxation	112	Under assessment due to excess rebate	

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524	Excise and Taxation	113	Results of Audit
525	Excise and Taxation	114	Short realization of passengers tax towards expenditure
526	Excise and Taxation	115	Non recovery of licence fee
527	Revenue	116	Results of Audit
528	Revenue	117	Short levy of stamp duty on exchange of property
529	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
530	Revenue	119	Evasion of stamp duty
531	Revenue	120	Short levy of stamp duty
532	Transport	121	Taxes on Motor Vehicles
533	Transport	123	Short realization of permit/countersignature fee
534	Transport	124	Lack of co ordination between Transport and Excise and Taxation Departments
535	Transport	125	Non recovery of token tax in respect of Stage carriage buses
536	Finance	126	Results of Audit
537	Forest	129	Results of Audit
538	Forest	130	Loss due to delay in harvesting of poplar trees
539	Forest	132	Absence of physical verification of timer
540	Forest	133	Loss due to excess unit cost
541	Irrigation	135	Results of Audit
542	PWD (B&R)	136	Utilization of departmental receipts towards expenditure
543	Co operative	137	Non charging of interest and penal interest
60th Report			
544	Medical and Health	3	Prevention and Control of Diseases
545	Architecture	14	Fradulent drawals and embezzlement of Govt money by a Cashier
546	Animal Husbandry	16	Non recovery of cost of land
547	Co operative	17	Non responsiveness to Audit findings and observations resulting in erosion of accountability
548	Education	18	Unutilized girls hostel
549	Revenue	24	Fradulent drawal and embezzlement of Government money
550	Revenue	25	Drawal of funds in advance of requirement

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551	Social Welfare	26	Fraudulent payment of Old Age Pension
552	Town and Country Planning	27	Non collection of External Development Charges (EDCs)
553	Town and Country Planning	29	Less recovery of plan scrutiny fee
554	Town and Country Planning	30	Avoidable loss due to delay in handling over possession of plots
555	Irrigation	34	Formulation of Schemes
556	Irrigation	36	Implementation of Schemes
557	Irrigation	39	Land under unauthorized possessions
558	Irrigation	41	Recoverable Amount
559	Irrigation	42	Store Management
560	Irrigation	43	Complaint Cases
561	Irrigation	44	Introduction of selection grade of Engineers
562	Irrigation	46	Recoverable amount from HUDA
563	Irrigation	51	Monitoring
564	Irrigation	54	Wasteful expenditure on construction of Irrigation channels
565	PWD (B&R)	63	Extra expenditure
566	PWD (B&R)	64	Non responsiveness to Audit findings and observations resulting in erosion of accountability
567	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
568	Environment	66	Environment laboratories grossly underutilized
569	Environment	67	Status of industrial pollution
570	Environment	68	Stone crushing units
571	Environment	69	Rice shelling units/solvent extraction plants
572	Environment	70	Vehicular pollution
573	Environment	71	Training/mass education programme
574	Environment	72	Waste management
575	Environment	73	Prosecution under Air Act
576	Agriculture	74	Non recovery of extension fee from allottees
577	Transport	88	General lack of accountability for the use of public funds in departmental commercial undertakings
578	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
579	Printing and Stationery	90A	Overpayment to private printer
580	Excise and Taxation	95	Arrears in revenue
581	Excise and Taxation	99	Outstanding inspection reports and audit

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			observations
582	Excise and Taxation	101	Results of Audit
583	Excise and Taxation	102	Recovery of sales tax in arrears
584	Excise and Taxation	103	Non recovery due to delay in assessment
585	Excise and Taxation	104	Non delay in raising of demands for the assessed dues
586	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
587	Excise and Taxation	106	Disposal of recovery certificates
588	Excise and Taxation	107	Demands under stay
589	Excise and Taxation	108	Non inclusion of interest in the demand sent to the liquidator
590	Excise and Taxation	109	Under assessment of notional sales tax liability
591	Excise and Taxation	110	Application of incorrect rate of tax
592	Excise and Taxation	111	Non levy of purchase tax
593	Excise and Taxation	112	Non recovery of tax
594	Excise and Taxation	113	Results of audit
595	Revenue	114	Results of audit
596	Revenue	115	Outstanding inspection reports and audit observations
597	Revenue	116	Results of Audit
598	Revenue	117	Short levy of stamp duty on exchange of property
599	Revenue	118	Short levy of stamp duty on plant and machinery
600	Revenue	119	Short levy of stamp duty on lease deed
601	Revenue	120	Embezzlement/evasion of stamp duty
602	Revenue	121	Incorrect exemption of stamp duty
603	Agriculture	122	Results of Audit
604	Agriculture	123	outstanding inspection reports and audit observations
605	Agriculture	124	Results of Audit
606	Agriculture	125	Non/short recovery of purchase tax and interest
607	Agriculture	126	Non realization of lease money
608	Agriculture	127	Results of Audit
609	Transport	128	Results of Audit

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610	Transport	129	Non/short charging of fitness fee (passing fee)
611	Transport	130	Non realisation of fees
612	Home	131	Arrears in revenue
613	Home	134	Arrears of revenue
614	Co operative	136	Results of Audit
615	Co operative	137	Non redemption of Government share capital
616	Forest	139	Outstanding inspection reports and audit observations
617	Forest	140	Result of Audit
61st Report			
618	Development and Panchayat	3	Non responsiveness to audit findings and observations resulting in erosion of accountability
619	PWD (B&R)	8	Execution of Works
620	Water Supply and Sanitation	9	Tool and plant returns
621	Water Supply and Sanitation	12	Shortage of material
622	Rural Development	15	Allotment of houses to ineligible families
623	Rural Development	16	Other irregularities
624	Rural Development	22	Reclamation work not taken up for 2 ½ years
625	Animal Husbandry	24	Non recovery of lease money
626	Town and Country Planning	26	Non recovery of external development charges
627	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
628	General	28	Misappropriations defalcations etc
629	General	31	Lack of accountability
62nd Report			
630	Excise and Taxation	3	Arrears in revenue
631	Excise and Taxation	4	Arrears in assessment
632	Excise and Taxation	5	Frauds and evasions of taxes/duties
633	Excise and Taxation	6	Results of Audit
634	Excise and Taxation	7	Assessments in arrear
635	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
636	Excise and Taxation	9	Incorrect acceptance of applications
637	Excise and Taxation	10	Incorrect determination of zones
638	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
639	Excise and Taxation	12	Excess availing of tax deferment

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640	Excise and Taxation	13	Irregularities in assessments of exempted/deferred units
641	Excise and Taxation	14	Under assessment due to application of concessional rate of tax
642	Excise and Taxation	15	Under assessment tax of due to irregular deduction
643	Excise and Taxation	16	Under assessment of notional sales tax liability
644	Excise and Taxation ,	17	Non monitoring of exempted/deferred units
645	Excise and Taxation	18	Non levy of purchase tax
646	Excise and Taxation	19	Non levy of tax on lease rent
647	Excise and Taxation	20	Non levy/under assessment of purchase tax due to application of incorrect rate of tax
648	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
649	Excise and Taxation	22	Non levy of interest and penalty
650	Excise and Taxation	23	Non raising of demands for interest
651	Excise and Taxation	24	Non realization of tax
652	Excise and Taxation	25	Results of Audit
653	Excise and Taxation	26	Receipts of excise duty from auction of venders
654	Excise and Taxation	27	Short recovery of licence fee and interest
655	Excise and Taxation	28	Loss of revenue due to re auction of vends
656	Excise and Taxation	29	Non recovery due to incorrect adjustment of security
657	Excise and Taxation	30	Loss due to late credit/realization of demand drafts
658	Excise and Taxation	31	Improper fixation of minimum license fee/ reserve bid money
659	Excise and Taxation	32	Short levy of excise duty on excess lifting of additional quota of IMFL
660	Excise and Taxation	33	Results of Audit
661	Excise and Taxation	34	Non/short realization of passengers tax
662	Excise and Taxation	35	Non recovery of entertainment duty
663	Revenue	36	Results of Audit
664	Revenue	37	Results of Audit
665	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
666	Revenue	39	Non levy of stamp duty on exchange of property

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667	Revenue	40	Evasion of stamp duty
668	Revenue	41	Short levy of stamp duty
669	Revenue	42	Inadmissible exemption of stamp duty
670	Transport	43	Non realization of token tax
671	Agriculture	44	Arrears in revenue
672	Agriculture	45	Results of Audit
673	Agriculture	46	Outstanding inspection reports and audit observations
674	Agriculture	47	Non/short recovery of purchase tax and interest
675	Cooperation	49	Non redemption of Government share capital
676	Agriculture	50	Recovery from Patedars
677	Medical & Health	56	Manpower
678	Medical & Health	57	Manufacturing and selling units
679	Medical & Health	59	Statistics of prosecutions vis a vis cases filed
680	Social Justice and Empowerment	60	Facilities to handicapped persons
681	Social Justice and Empowerment	61	Budget provision and expenditure
682	Social Justice and Empowerment	62	Identification of persons with disabilities
683	Social Justice and Empowerment	63	Non maintenance of record
684	Social Justice and Empowerment	64	Monitoring
685	Urban Development	66	Non collection of fire tax
686	Education	67	CBI inquiry
687	Finance and Justice	68	Recovery regarding appointment of daily wage workers
688	Forest	69	Felling of Trees
689	Town and Country Planning	70	Exemption of Sales Tax
690	Irrigation	72	Non responsiveness to Audit findings and observations resulting in erosion of accountability
691	Food and Supplies	73	Recovery of amount from the Millers
692	Public Works (Buildings and Roads)	76	Non adjustment of storage charges
693	Public Works (Buildings and Roads)	77	Irregular/un authorized expenditure of storage charges
694	Public Works (Buildings and Roads)	78	Non recovery of difference of sales tax
695	Education	80	Delay in issue of Inspection Reports and settlement of old objections
63rd Report			
696	Excise and Taxation	3	Arrears of revenue
697	Excise and Taxation	4	Evasion of tax

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698	Excise and Taxation	5	Result of Audit
699	Excise and Taxation	6	Position of collection of revenue receipts and arrears
700	Excise and Taxation	7	Delay in finalization of remand cases
701	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
702	Excise and Taxation	9	Under assessment of tax due to inadmissible deduction
703	Excise and Taxation	10	Non levy of purchase tax
704	Excise and Taxation	11	Non levy of interest and penalty
705	Excise and Taxation	12	Non recovery of tax
706	Excise and Taxation	13	Other Tax Receipts
707	Excise and Taxation	14	Non recovery of penalties
708	Excise and Taxation	15	Non/Short realization of passengers tax
709	Excise and Taxation	16	Short/non recovery of entertainment duty
710	Revenue	17	Result of Audit
711	Revenue	18	Evasion of stamp duty due to under valuation of immovable property
712	Revenue	19	Short levy of stamp duty on exchange of property
713	Revenue	20	Evasion of stamp duty on release deeds
714	Revenue	21	Short levy of stamp duty
715	Transport	25	Non deposit of token tax
716	Agriculture	26	Arrears in revenue
717	Agriculture	27	Result of Audit
718	Agriculture	28	Non recovery of purchase tax and interest
719	Cooperation	29	Result of Audit
720	Cooperation	30	Audit in arrears
721	Cooperation	33	Short levy of audit fee due to incorrect computation of profit
722	Cooperation	34	Non deposit of Government share capital
723	Cooperation	35	Non redemption of Government share capital due to late fixation of terms and conditions
724	Cooperation	36	Non redemption of Government share capital as per terms and conditions
725	Finance	38	Result of Audit
726	Finance	39	Incorrect classification/non collection of guarantee fee
727	Finance	40	Government guarantees

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728	Finance	41	Conclusion/Recommendations
729	Urban Development	42	Result of Audit
730	Urban Development	43	Non recovery of 832 supervision charges
731	Forest	44	Result of Audit
732	Power	45	Arrears of Revenue
733	Power	46	Result of Audit
734	Mines & Geology	47	Arrears of revenue
735	Mines & Geology	48	Result of Audit
736	Home	49	Arrears of Revenue
737	Home	50	Result of Audit
738	Home	51	Result of Audit
739	PW (B&R)	52	Result of Audit
740	PW (Public Health)	53	Result of Audit
741	Irrigation	54	Result of Audit
742	Medical & Health	55	Result of Audit
743	Animal Husbandry	56	Result of Audit
744	Education (Prathmik Shiksha Paryojna Parishad)	58	Mis utilisation of teaching learning equipment funds
745	Education (Prathmik Shiksha Paryojna Parishad)	59	Irregular Purchase of material
746	Education (Prathmik Shiksha Paryojna Parishad)	60	Payment of teachers and school grant
747	Public work (B&R)	61	Deficient agreements
748	Public works (B&R)	62	Execution of works without technical sanctions
749	Public works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
750	Public works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland Cement
751	Revenue	66	Policy for recovery of beneficiaries share not formulated
752	Revenue	67	Inadequate supply of drinking water
753	Food & Supplies	68	(i) Food Security Subsidy and Management of Foodgrain (ii) Financial arrangements
754	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
755	Food & Supplies	70	Loss due to non adherence of the instructions of FCI
756	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
757	Food & Supplies	72	Loss due to damage of wheat
758	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain

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759	Food & Supplies	74	Supervision mechanism of PDS
760	Food & Supplies	75	Conclusions
761	Finance	76	Mismatch of expenditure data in OTIS database
762	Home	77	Wasteful expenditure on creation of Haryana State Industrial Security Force
763	Forest	79	Nugatory expenditure
764	Transport	81	Avoidable expenditure due to non adjustment of insurance premium
765	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
766	General	84	Financial assistance to local bodies and other institutions
767	General	85	Misappropriations defalcations etc
768	General	86	Write off of losses etc
64th Report			
769	Public Health	3	Non recovery of loans and non contribution of share by MCs
770	Public Health	4	Recoverable amount from HUDA
771	Public Health	5	Non completion of sewerage schemes
772	Public Health	6	Yamuna Action Plan
773	Revenue	7	Organizational set up
774	PW (B&R)	8	Overpayment to contractors
775	General	9	Financial assistance to local bodies and other institutions
776	General	10	Misappropriations defalcations etc
777	General	11	Write off of losses etc
778	Agriculture	12	Arrears of revenue
779	Agriculture	13	Results of Audit
780	Agriculture	14	Results of Audit
781	Agriculture	15	Non/short recovery of purchase tax and interest
782	Transport	18	Cost of collection
783	Transport	19	Results of Audit
784	Transport	20	Replies to Inspection Reports
785	Transport	21	Departmental Audit Committee Meetings
786	Transport	22	Response of the Departments to Draft Audit Paragraphs
787	Transport	23	Results of Audit
788	Transport	24	Short realisation of bid money on stage carriage permits
789	Excise and Taxation	25	Arrears of revenue

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790	Excise and Taxation	26	Arrears in assessments
791	Excise and Taxation	27	Evasion of tax
792	Excise and Taxation	28	Write off and waiver of revenue
793	Taxes on Sales Trade	29	Results of Audit
794	Taxes on Sales Trade	30	Delay in assessments and their impact on revenue and collection of sales tax demands
795	Taxes on Sales Trade	31	Absence of provisions for finalizing assessments
796	Taxes on Sales Trade	32	Recovery Certificates
797	Taxes on Sales Trade	34	Delay in issue of demand notice
798	Taxes on Sales Trade	35	Delay in finalisation of assessment
799	Taxes on Sales Trade	37	Under assessment due to incorrect deduction at first stage
800	Taxes on Sales Trade	38	Non levy of purchase tax
801	Taxes on Sales Trade	39	Non levy of interest
802	Taxes on Sales Trade	40	Results of Audit
803	Taxes on Sales Trade	41	Short recovery of licence fee and interest
804	Taxes on Sales Trade	42	Non/short realisation of passengers tax
805	Revenue	43	Results of Audit
806	Revenue	44	Levy and Collection of Stamp Duty and Registration Fees
807	Revenue	45	Sale and utilization of non judicial stamps
808	Revenue	46	Defects noticed in Sub Registrar Offices
809	Revenue	47	Indents for supply of non judicial stamps
810	Revenue	48	Short receipt of stamps
811	Revenue	49	Non disposal of obsolete/damaged stamps
812	Revenue	50	Evasion of stamp duty due to misclassification of sale deeds into release deeds
813	Revenue	51	Failure to cross verify the transactions
814	Revenue	52	Short levy of stamp duty
815	Revenue	53	Under valuation of immovable properties
816	Revenue	54	Short levy of stamp duty due to incorrect application of rates
817	Revenue	55	Non levy of stamp duty on exchange of property
818	Revenue	56	Incorrect grant of exemption
819	Revenue	57	Incorrect grant of exemption
820	Revenue	58	Misclassification of instruments
821	Revenue	59	Short levy of stamp duty on lease deeds
822	Revenue	60	Short levy of stamp duty

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823	Revenue	61	Non/short levy of registration fee
824	Revenue	62	Results of Audit
825	Revenue	63	Failure of senior officials to enforce accountability and protect interest of Government
826	Power	64	Arrears of revenue
827	Health	65	Results of Audit
828	Industries	66	Results of Audit
829	Co operation	67	Non redemption of Government share capital
65h Report			
830	Town and Country	3	Outstanding recovery of Planning water sewerage charges
831	Town and Country	4	Inadequate survey leading to Planning acquisition and development of Reserved Forest Land
832	Town and Country	5	Improper disposal of sewage Planning
833	Town and Country	6	Avoidable payment of Planning interest due to delay making payment of enhanced Acquisition to land owners
834	Town and Country	7	Execution of work without Planning technical sanction/preparation of detailed estimates
835	Town and Country	8	Undue financial aid to Planning contractors
836	Town and Country	9	Occupation of shops by Planning Government departments
837	Town and Country	10	Land under unauthorised Planning possession
838	Food and Supplies	11	Additional Benches not constituted
839	Food and Supplies	12	Non constitution of Circuit Benches
840	Food and Supplies	13	Inadequate infrastructure
841	Food and Supplies	14	State/District Consumer Protection Councils not functional
842	Food and Supplies	15	Consumer club in schools scheme not implemented
843	Food and Supplies	16	Excess consumption of gunny bags
844	Rural development	17	Misappropriation of wheat under Samporna Grameen Rozgar Yojana
845	Rural development	18	Advances from former Sarpanches not recovered/adjusted
846	Agriculture	19	Inadmissible payment of special pay
847	Finance	20	Overpayment of pensionary benefits
848	Finance	21	Response of the Departments to Draft Audit paragraph
849	Family welfare	22	Lack of response to Audit findings and observations resulting in erosion of accountability

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850	General	23	Financial assistance to local bodies and Other institutions
851	General	24	Misappropriations defalcations etc
852	General	25	Write off of losses etc
853	Excise and Taxation	26	Arrears of revenue
854	Excise and Taxation	27	Arrears in assessments
855	Excise and Taxation	28	Evasion of tax
856	Excise and Taxation	29	Write off and waiver of revenue
857	Excise and Taxation	30	Result of audit
858	Excise and Taxation	31	Disposal of remand cases
859	Excise and Taxation	32	Non levy of penalty
860	Excise and Taxation	33	Delay in deciding cases in Revision
861	Excise and Taxation	34	Under assessment due to incorrect deduction from gross turnover
862	Excise and Taxation	35	Non levy of purchase tax
863	Excise and Taxation	36	Application of incorrect rate of tax
864	Excise and Taxation	37	Irregular refund of tax
865	Excise and Taxation	38	Under assessment due to non levy of surcharge
866	Excise and Taxation	39	Result of Audit
867	Excise and Taxation	40	Non recovery of penalty
868	Excise and Taxation	41	Non imposition of fine
869	Excise and Taxation	42	Loss of revenue due to re auction of vend
870	Revenue	43	Result of Audit
871	Revenue	44	Short levy of stamp duty and registration fee
872	Revenue	45	Non realisation of stamp duty
873	Revenue	46	Non levy of stamp duty on Exchange of Property
874	Revenue	47	Short levy of stamp duty due to incorrect application of rate of tax
875	Transport	48	Result of Audit
876	Transport	49	Short realisation of bid money on stage carriage permits
877	Transport	50	Non recovery of token tax in respect of stage carriage buses
878	Transport	51	Short charging of driving licence fee
879	Transport	52	Short realisation of Registration fees
880	Transport	53	Short/non levy of penalty on overloading of vehicles
881	Transport	54	Private Service Vehicles
882	Irrigation	55	Arrear position of Abiana

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883	Irriga ion	56	Arrear of water chrges
884	Irriga ion	57	Non/short levy of additional charges/ surcharge
885	Irrigation	58	Non/short imposition of penalty for un authorised supply of water to gardens
886	Agriculture	59	Arrear of revenue
887	Agriculture	60	Result of Audit
888	Agriculture	61	Non/short recovery of purchase tax and interest
889	Co operation	62	Result of Audit
890	Co operation	63	Non deposit of dividend on State share capital
891	Co operation	64	Non realisation of dividend on share capital of State Government
892	Mines and Geology	65	Arrear of revenue
893	Mines and Geology	66	Arrear of revenue
894	Mines and Geology	67	Non/short recovery of royalty and interest
895	Home	68	Arrear of revenue
896	Power	69	Arrear of revenue
897	Power	70	Outstanding inspection reports and audit observations
898	Power	71	Results of Audit
899	Public Health	72	Results of Audit
900	Finance	73	Results of Audit
901	Forest	74	Results of Audit
902	Health	75	Results of Audit
903	Food and Supplies	76	Results of Audit
67th Report			
904	Forest	3	Misappropriation losses defalcations etc
905	Forest	4	Financial management
906	Forest	5	Selection of villages
907	Fores	6	Implementation of project components/ Physical targets and achievements
908	Fores	7	Fire protection measures not taken
909	Forest	8	Community institution strengthening process/ Village Resource Management Committees
910	Forest	9	Expenditure in violation of project guidelines
911	Forest	10	Expenditure in violation of project guidelines/ Wasteful expenditure on construction of coffer dam
912	Forest	11	Expenditure on labour on construction works
913	Rural Development	12	Execution of works/Works undertaken

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914	Rural Development	13	Execution of works without technical sanctions and splitting of works
915	Rural Development	14	Wasteful expenditure on Below Poverty Line census
916	Housing	15	Financial and physical performance/ Profitability and working results
917	Housing	16	Loss of interest due to delay in transfer of funds to head office
918	Housing	17	Avoidable loss due to delay in deposit of advance tax
919	Housing	18	Non achievement of financial and physical targets of construction of houses
920	Housing	19	Construction of houses without demand survey
921	Housing	20	Utilisation of land meant for EWS houses towards LIG houses
922	Housing	21	Extra expenditure due to allotment of work at higher rates
923	Housing	22	Non recovery of compensation from contractors
924	Housing	23	Fire fighting systems remaining non functional
925	Education	24	Misappropriation losses defalcations etc / Write off of losses etc
926	Town & Country Planning	25	Estate Officer Huda Faridabad
927	PWD (B & R)	26	Misappropriation losses defalcations etc / Write off of losses etc
928	PWD (B & R)	27	Violation of contractual obligations/undue favour to contractors /avoidable expenditure/ Inadmissible payment of interest to the entrepreneur
929	PWD (B & R)	28	Analysis of outstanding balances
930	Irrigation	29	Misappropriation losses defalcations etc / Write off of losses etc
931	Irrigation	30	Extra/avoidable expenditure on land acquisition
932	Irrigation	31	Blocking of funds due to tardy implementation of Hisar Ghaggar drain project
933	Irrigation	32	Miscellaneous Public Works Advances/ Introduction
934	Irrigation	33	Analysis of outstanding balances
935	Irrigation	34	Other points of interest
936	Transport	35	Extra financial burden on State exchequer
937	Public Health	36	Idle investments/idle establishment/blocking of funds/Unfruitful expenditure incurred on electro dialysis based Desalination Plants

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938	Finance	37	Overpayment of pensionary benefits
939	Home	38	Inadmissible payment of conveyance allowance to the newly recruited constables during basic training period
940	Co operation	39	Regulatory issues and others/Injudicious payment on account of training and managerial subsidies to self help groups
941	Excise and Taxation	40	Arrears of revenue
942	Excise and Taxation	41	Arrears in assessments
943	Excise and Taxation	42	Evasion of tax
944	Excise and Taxation	43	write off and waiver of revenue
945	Excise and Taxation	44	Refunds
946	Excise and Taxation	45	Results of Audit
947	Excise and Taxation	46	Evasion of tax by unregistered dealers/Non levy of tax on contractees
948	Excise and Taxation	47	Acceptance of incomplete/invalid declaration forms
949	Excise and Taxation	48	Acceptance of incomplete/invalid declaration forms
950	Excise and Taxation	49	Non compliance of departmental instructions regarding cross verification
951	Excise and Taxation	50	Non compliance of departmental instructions regarding cross verification
952	Excise and Taxation	51	Non compliance of departmental instructions regarding cross verification
953	Excise and Taxation	52	Non compliance of departmental instructions regarding cross verification
954	Excise and Taxation	53	Inadmissible Deduction
955	Excise and Taxation	54	Non levy of interest and penalty
956	Excise and Taxation	55	Incorrect allowance of concessional rate
957	Excise and Taxation	56	Incorrect allowance of concessional rate
958	Excise and Taxation	57	Under assessment due to inadmissible deduction
959	Excise and Taxation	58	Under assessment due to application of incorrect rate of tax
960	Excise and Taxation	59	Under assessment due to application of incorrect rate of tax
961	Excise and Taxation	60	Results of Audit
962	Excise and Taxation	61	Uncollected excise revenue
963	Excise and Taxation	62	Short recovery of licence fee and interest
964	Excise and Taxation	63	Non recovery of additional licence fee for lifting of short/additional quota
965	Excise and Taxation	64	Non imposition/recovery of compounding fee

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966	Exise and Taxation	65	Non imposition/recovery of compounding fee
967	Exise and Taxation	66	Results of Audit
968	Exise and Taxation	67	Arrears of revenue
969	Exise and Taxation	68	Non short realisation of passengers tax/ Transport co operative societies
970	Exise and Taxation	69	Maxi cabs taxis and auto rickshaws
971	Exise and Taxation	70	City bus service
972	Exise and Taxation	71	Non levy of interest
973	Exise and Taxation	72	Non realisation of goods tax and additional tax
974	Exise and Taxation	73	Non registration of maxi cabs
975	Exise and Taxation	74	non disposal of challans
976	Mines and Geology	75	Non recovery of royalty and interest
977	Technical Education	76	Unauthorised retention of receipts
978	Transport	77	Results of Audit
979	Transport	78	Taxes on Motor Vehicles/Short realisation of permit and counter signature fee
980	Transport	79	Non realisation of token tax from private service vehicles
981	Transport	80	Short realisation of bid money on stage carriage permits
982	Agriculture	81	Non recovery of purchase tax and interest
983	Revenue	82	Results of Audit
984	Revenue	83	Short levy of stamp duty due to misclassific ation of deeds
985	Revenue	84	Irregular exemption of stamp duty & registr ation fee on mortgage deeds executed & registered by the agriculturists
986	Revenue	85	Miscellaneous irregularities i.e the detail of stamp papers issued by Treasury Office was not mentioned on the office copies of the instruments registered
987	Revenue	86	Evasion of stamp duty due to non execution of conveyance deeds
988	Revenue	87	Evasion of stamp duty due to non execution of conveyance deeds
989	Revenue	88	Misclassification of documents
990	Revenue	89	Short levy of stamp duty due to under valuation of properties
991	Revenue	90	Short levy of stamp duty due to under valuation of properties
992	Revenue	91	Unauthorised retention of receipts

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