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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE

(2013–2014)

(SEVENTIETH REPORT)

REPORT

ON THE

REPORTS OF THE

**Comptroller and Auditor General
of India for the year ended
(i) 31st March, 2009 (Civil)
(ii) 31st March, 2009 (Revenue Receipts)**



(Presented to the House on 4th March 2014)

**HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
2014**

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2013 2014)**

CHAIRPERSON

- 1 Prof Sampat Singh MLA

MEMBERS

- 2 Rao Yadavendra Singh MLA
- 3 Shri Rajinder Singh Joon MLA
- 4 Shri Bharat Bhushan Batra MLA
- 5 Shri Jai Tirath MLA
- 6 Shri Narender Sangwan MLA
- 7 Smt Saroj Mor MLA
- 8 Shri Prithi Singh MLA
- 9 Smt Kavita Jain MLA

SECRETARIAT

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

* Smt Saroj Mor MLA resigned from the Membership of the Committee w e f
14th November 2013

INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Seventieth Report on the Reports of the Comptroller and Auditor General of India for the year ended 31st March 2009 (Civil & Revenue Receipts)

2 The Reports of the Comptroller and Auditor General of India for the years ended 31st March 2009 (Civil & Revenue Receipts) were laid on the Table of the House on 16th March 2010

3 The Committee examined the Reports of the Comptroller and Auditor General of India for the years ended 31st March 2009 (Civil & 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 18th February 2014

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 18th February 2014

Prof SAMPAT SINGH
CHAIRPERSON

REPORT GENERAL

1 The Committee for the year 2013 2014 was nominated on 2nd May 2013 by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 26th February 2013 authorizing him to nominate the Members of the Committee on Public Accounts for the year 2013 2014

2 The Committee held 69 meetings in all at Chandigarh and other places upto 18th February 2014

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PART-I 2008-2009
(CIVIL)

HEALTH DEPARTMENT

[3] 1 1 7 Financial Management

Funds are released by the Central Government to the States through two separate channels i.e. through State Finance Department and direct to the different health societies. The funds routed through the State Finance Department were required to be released quarterly depending on the norms prescribed for various activities under these schemes based on infrastructure available in the States. The position of opening balance, funds received from GOI, expenditure incurred thereagainst and closing balance for the period 2005-09 is tabulated below.

(Rupees in crore)

Years	Opening Balance	Funds received from GOI	State share	Total	Expenditure incurred	Closing Balance
2005-06	3.52	108.50		112.02	80.92	31.10
2006-07	31.10	161.04		192.14	97.27	94.87
2007-08	94.87	151.53	24.29	270.69	112.00	158.69
2008-09	158.69	211.59	0	370.28	244.77	125.51
Total		632.66	24.29		534.96	

About 19 per cent of total available funds of Rs 660.47 crore remained unutilised during 2005-09.

The funds remained unspent as the budget was prepared by SHFWS without any input from DHFWSs and Sub-District Health Centers as these societies/centers had not prepared their annual budget. Even the districts and blocks were not informed about availability of funds for various activities well in advance for planning. The funds to the districts and blocks were allocated on receipt of sanctions from GOI as per State PIP. However, the Mission Director stated (July 2009) that at the beginning of the Mission, a number of steps were required to be taken in terms of infrastructure, manpower and capacity building; therefore, the expenditure was less during this period. The reply is not convincing as during the year 2005-06 and 2006-07, the process of decentralisation which includes planning, implementation and monitoring up to village level had not been completed.

The department in its written reply stated as under

The factual financial position for the year 2005-06 to 2008-09

(Rs in Crores)

Year	Opening Balance	Grant Received	State Share	Total	Expenditure (excluding DCPs)	Closing Balance
2005 06	5 19	35 39		40 58	11 26	17 01*
2006 07	17 01	86 40	--	103 41	25 02	77 25
2007 08	77 25	61 52	24 28	163 05	41 10	117 38
2008 09	117 38	160 32	24 80	302 50	132 78	168 63*
2009 10	169 98	175 11	24 00	369 09	271 55 (unaudited)	63 66

* Including National Disease Control Programme

* Closing balance amount shown above represents after transferring Rs 12 31 crores Rs 4 57 crores and Rs 33 34 crores during 2005 06 2007 08 and 2009 10 respectively and refund of Rs 1 14 crores Rs 1 09 crores and 0 54 crores during the year 2006 07 2008 09 and 2009 10 respectively to the GOI on completion of particular activity

Initially there have been the following main reasons of low expenditure

1 Non utilization of funds for creating infrastructure by PWD B & R Haryana well in time

2 Some Schemes could not be implemented as scheduled due to time involved in managing man power developing infrastructure and capacity building paucity of specialist doctors and paramedical staff strengthening the training infrastructure for capacity building identification and training of ASHAs It was gradual process

In order to increase the pace of expenditure the following steps have been initiated

a) The matter was placed before the Hon ble Chief Ministry Haryana cum Chairman State Health Mission to create an independent wing within the aegis of Haryana Roads and Bridges Development Corporation for Health Department

b) A number of innovative schemes such as Surgery Package Programme Free supply of medicines Fixed Indoor Charges Jhacha Bachha Scheme Cash less Indoor/outdoor Treatment and Surgery Programme Services to the BPL Families 24x7 PHCs change in recruitment of doctors through Departmental Committee and Referral Transport Services have been introduced Besides funds flow system to the field functionaries strengthened through E banking District Health Family Welfare Society Swasthya Kalyan Samities Village Level cum village Health and Sanitation Committees reconstituted and adequate financial powers delegated to them

All these above steps results an expenditure amounting to Rs 271 55 crores (136%) during 2009 10 against the expenditure of Rs 199 18 crores during the 2008 09

Ministry while preparing budget for NRHM keeps provision of 15% for over planning which is only indicative and never released to the State So overall our utilization over the year has been satisfactory

As regards budget formulation under State PIP for each year it was prepared in association with field functionaries after holding a number of meetings at District level where Civil Surgeons District Programme Officers PMOs SMOs MOs of health facilities concerned where involved in indentifying the gaps in terms of manpower infrastructures capacity building and service facilities Keeping in view the existing health indicators and goals to be achieved as per approved activities under NRHM the financial liabilities under each programme/activity were worked out in consultation with them Thereafter the provisions in the State PIP were accordingly made for them Thus they were very well aware of the tasks to be undertaken targets to be achieved and provisions of funds under various programmes/activities in State PIPs well in advance before the final approval of the State PIPs by the Govt of India for advance planning to achieve the desired results In this way the budget formulation and implementation there of Uninterrupted supply of funds was maintained

The Committee desired the department to reconcile with PAG Office and settle the matter under intimation to the Committee

[4] 1 1 8 2 Shortage of staff at CHC and PHC level

The manpower position in respect of CHCs test checked with reference to norms of Indian Public Health Standards (IPHS) is depicted in **Appendix II** An analysis of the data revealed that against the requirement of 90 doctors (including specialists) only 35 doctors were in position indicating shortage of 55 doctors (61 per cent) Similarly against the norm of 375 posts of Staff Nurses Technicians Dressers Sweepers Ward Boys etc only 186 were in position indicating shortage of 189 posts (50 per cent) Thus there was substantial shortage of doctors and other staff in CHCs test checked Audit further observed that there was no doctor or specialist available in CHC Kairu and Jhokukalan in district Bhiwani and CHC Bhattukalan in district Fatehabad during the review period

The position of manpower requirement as per IPHS men in position and shortage in respect of PHCs test checked is depicted in **Appendix III** Against the requirement of 60 doctors only 34 were in position leaving a shortage of 26 doctors (43 per cent) Similarly against the requirement of 480 staff only 150 were in position indicating shortage of 330 staff members (69 per cent)

The Mission Director stated (July 2009) that in order to avoid shortage of doctors and to reduce the time taken by Haryana Public Service Commission in selecting the doctors the State Government had evolved the departmental appointment process of doctors which has enabled to recruit 825 doctors (out of which 525 specialists) during November 2008 to May 2009

The department in its written reply stated as under

It is agreed that there was shortage at CHCs and PHCs level The NRHM was started with the objective of filling of gaps in rural health structures To fulfill the shortage

of staff mainly the doctors the State Govt has taken out the recruitment of doctors out of the purview of Haryana Public Service Commission and the doctors are now being recruited every month by the health department by web based process This plan was implemented in Nov 2008 and under this plan 1300 doctors have been recruited upto Oct 2009 out of which 725 are specialists It is a continuous process whereby monthly interviews are being held To attract doctors to Haryana Govt Services handsome hike in salaries has been sanctioned by the State Govt Besides to address the shortage of specialists at CHC (FRUs) the provision of funds has been made under PIP engage doctors on call basis for providing EmOC services @ Rs 1500/ for Gynecologist @ Rs 1200/ for Anesthetist & @ Rs 500/ for Pediatrician

Large number of medical and paramedical staff has been sanctioned for recruitment on contractual basis to fill in the gaps in the existing health facilities As per NRHM PIP 2009 10 various categories of staff had been sanctioned for the field (Annexure B) The position of staff sanctioned for PIP 2010 11 is given in (Annexure C)

The Committee observed that there is an acute shortage of Para medical staff in the Health Department which affects the health services of the common people Therefore the Committee recommends that recruitment of the Para medical staff be made as early as possible and a letter in this regard may also be sent to the Health Minister as well as the Finance Minister Haryana

[5] 2 1 Fraud/misappropriation/embezzlement/losses/over payments

2 1 1 (a) Health and Medical Education Department

- (i) Scrutiny of records (September 2008) of Civil Surgeon (CS) Jind revealed that an amount of Rs 3 88 485 was drawn (between August 2007 and March 2008) from treasury under Devi Rupak Yojana (DRY) and Janani Suraksha Yojana (JSY) for payment to the Community Health Centres (CHC) and for payment of house tax to Municipal Committee Jind Out of this an amount of Rs 1 62 185 was shown as disbursed (October 2007 and March 2008) in the cash book but there were no proper receipts to confirm these disbursements Further Rs 1 80 500 were neither disbursed nor deposited in treasury till 2 September 2008 though the amount had been drawn five to twelve months in advance Thus these amounts were misappropriated by the cashier On being pointed out during audit (03 September 2008) the CS Jind recovered the amount from the cashier and the amounts were disbursed and deposited in the treasury as detailed in *Appendix XVI* Failure of the DDO to check and attest the entries in the cash book with the actual payee receipts and non verification of cash balance with cash book at the end of the month facilitated the suspected misappropriation of Rs 3 42 685 The Director General Health Services stated (January 2009) that the departmental disciplinary action was being taken against the defaulter but the final outcome was awaited (May 2009)
- (ii) Similarly scrutiny of records (January/February 2009) of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak (PGIMS) which was upgraded as Pandit Bhagwat Dayal Sharma

University of Health Sciences Rohtak (University) vide Haryana Act 26 of 2008 dated 02 June 2008 revealed that cash was being collected by the cashier from patients against receipts in the radiology department of PGIMS/University on account of head scan whole body scan ultra sound etc As no cash book was being maintained in the radiology department the amount so collected was deposited in the cash branch of PGIMS/University for crediting the same to the Government account upto 20 July 2008 and thereafter in the bank account of the University Further scrutiny of daily receipt books and cash receipt registers as maintained by the radiology department revealed that there was a suspected misappropriation of Rs 2 58 235 wherein Rs 1 64 405 from October 2007 to 20 July 2008 and Rs 93 830 from 21 July 2008 to 16 January 2009 due to short/non accountal of receipts in daily cash receipt registers including totalling errors and carrying forward of incorrect balances Failure of the DDO to check the entries made in the cash receipt registers and to verify the totalling of the daily cash receipt registers facilitated the suspected misappropriation of Rs 2 58 235

On being pointed out during audit (February 2009) the department conducted the internal audit and worked out the misappropriated amount as Rs 2 94 955 The Financial Commissioner and Principal Secretary to Government of Haryana Health and Medical Education Department stated (July 2009) that the total misappropriated amount of Rs 2 94 955 has been recovered (May 2009) from the cashier and deposited (May 2009) in the University Bank Account The then cashier of radiology department had been placed under suspension and charge sheet was being issued However final outcome of the case was awaited (June 2009)

The department in its written reply stated as under

It is informed to you about the financial year 2008 09 report of audit para No 2 1 1 (a) of finance Department is that disciplinary action has been taken against the defaulter Sh Anil Kumar Cashier o/o Civil Surgeon Jind and a warning has been given to him not to do this type of work in future DDO Power of Dr Dhan Kumar Dy Civil Surgeon Jind has been withdrawn and a warning has been given to him not to do this type of work in future (attached photo copy) The Audit party of Accountant General Haryana has dropped the audit para No 2 1 1 (a) (Attached photo copy) The amounts of J S Y D R Y and House Tax with interest has been disbursed by Sh Anil Kumar Cashier o/o Civil Surgeon Jind As per letter No E 2 10/279 dated 26 03 2010 Civil Surgeon Jind informed that Dr Dhan Kumar Ex D D O Jind is fully fare as Sh Anil Sharma Cashier kept him in dark about the disbursing of above said amount and Mr Anil Sharma Cashier was at fault in this case

As per the above all facts I am in the opinion that this case may be dropped and field

The Committee desired the department to re-open the case and make the rules for taking strict action against such erring employees

The Committee also desired the department to re open the case and conduct an enquiry in this case and its report be submitted to the Committee accordingly

[6] 2 2 2 Unfruitful expenditure on purchase of food testing equipment

The Government of India (GOI) Ministry of Health and Family Welfare proposed (December 1999) a Capacity Building Project on Food Safety and Quality Control of Drugs in Food and Drug sectors with the World Bank assistance. The objective of the project was to ensure high standards of quality, safety and efficiency of food and drugs, enhancing capacity and capability of laboratories in the Centre and States. The Project was the first systematic and comprehensive attempt to upgrade the infrastructure of food and drug laboratories of the States and for effective implementation of Prevention of Food Adulteration Act, 1954 and Drug Act, 1940.

Scrutiny of records (July 2008) of Government Analyst, Haryana, Chandigarh, revealed that a comprehensive proposal under this project for supply of instruments/equipments for testing of food and drug samples was sent (March 2003) by the Director General, Health Services to the Financial Commissioner and Principal Secretary to Government of Haryana, Health Department for submission to GOI for acceptance. The proposal to acquire the equipments included the High Performance Thin Layer Chromatograph (HPTLC). The equipment purchased at a cost of Rs 17.90 lakh was received (September 2005) by the State Drug Laboratory, Chandigarh and was installed in March 2006. It was further noticed during audit that the equipment was lying idle and had not been used for any useful purpose since its installation. Its warranty period of two years had also expired in March 2008.

On being pointed out by audit, the Government Analyst, Haryana, while admitting the facts intimated (between July 2008 and April 2009) the following reasons for not utilising the equipment:

The equipment was demanded by the then Government Analyst without consulting other Government Analysts and technical staff.

The testing of drug samples by the instrument was not in accordance with official methods prescribed in the pharmacopoeia, i.e. Indian Pharmacopoeia (IP), British Pharmacopoeia (BP) and United States Pharmacopoeia (USP), which was the standard for testing samples in the laboratory.

Operational cost of the equipment was very high and the funds provided for this were significantly less, and

Shortage of trained staff as the existing staff was not sufficient for testing the routine drug samples received in the laboratory.

It was therefore evident that the equipment had been demanded without assessing its applicability, utility and capacity. Further, the equipment was not able to meet the standards of pharmacopoeia followed in India. The operational cost of the equipment should have been kept under consideration before finalising the purchase. Further, the laboratory also did not have sufficient staff to carry out its routine testing; therefore, it was unlikely that the laboratory would get trained staff to operate this equipment effectively.

Thus, finalising the purchase of equipment without examining its operational applicability and capacity for testing of drug samples resulted in unfruitful expenditure of Rs 17.90 lakh.

The Financial Commissioner and Principal Secretary to Government of Haryana Health Department while admitting the facts stated (August 2009) that the instrument would be shifted in some other Government institution for research and development work

The department in its written reply stated as under

1 HPTLC (High Performance Thin Layer Chromatography) was received in this laboratory under Capacity Building Project in 2005 and installed in this laboratory in 2006. The equipment was received in the Laboratory in 2005 and was installed in 2006. Additional staff (2 J S O & 1 S S O) were also required to be given under this project but were not provided.

2 Assay testing cannot be done by HPTLC as it is not prescribed in any pharmacopoeia (I P B P or U S P). Testing of Drug samples (Assay) by this instrument do not fall under official methods prescribed in the pharmacopoeia. The instrument requires full time Analyst specially on this Instrument. Existing staff is already short (only seven Analyst against the sanctioned 15 posts).

3 Cost of running the instrument is very high as expensive chemicals TLC plates etc are required. Funds given are insufficient quantity. Additional funds were demanded for running of HPTLC instruments. Every year Budget demanded is high but the lab gets very less budget.

4 It is pertinent to mention that the instrument is in working condition hence there has been no financial loss.

5 Efforts were made to shift the instrument to some other Govt. Institution for research and development work. Letters were written to following Organisations of the state Govt.

- I The Incharge Central Instrumentation Laboratory HAU Hisar (vide letter No. 288/11 5 10)
- II The Director of Research HAU Hisar (vide letter No. 289/11 5 10)
- III The VC KU KKR (vide letter No. 290/11 5 10)
- IV The VC MDU Rohtak (vide letter No. 291/11 5 10)

6 MDU Rohtak vide letter dated 21 5 2010 informed the said instrument is extremely useful to the pharmacy students & research scholars and requested to supply the same free of cost.

7 Kurukshetra University KKR vide letter dated 03 06 2010 also intimated that they shall be glad to accept the instrument free of cost.

8 Financial Commissioner & Principal Secretary to Govt. Haryana Health Department was requested vide letter No. 363 dated 24 06 2010 about the whole position and requested to grant permission to handover HPTLC equipment to any of the Universities.

9 On 19 7 2012 Government Analyst Haryana Drugs Lab Chandigarh, has informed that HPTLC equipment is handed over to Kurukshetra University Kurukshetra.

In view of above HPTLC equipment stand transferred to Kurukshetra University Kurukshetra for research & development work Hence para may be dropped

The Committee recommends that the shortage of Para medical staff be met out and its proposal for sanction of these posts be sent to the Government

The Committee further desired that an enquiry be made as to why this machine remained idle for six years and responsibility needs to be fixed under intimation to the Committee

[7] **3 5 Misappropriations losses defalcations etc**

Rule 2 33 of the Punjab Financial Rules as applicable to Haryana stipulates that every Government employee should realise that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence Further as per rule 2 34 *ibid* cases of defalcations and losses are required to be reported to the Principal Accountant General

State Government reported 219 cases of misappropriation defalcation etc involving Government money amounting to Rs 1 80 crore on which final action was pending as of June 2009 The department wise break up of pending cases and age wise analysis is given in **Appendix 3 5** and nature of these cases is given in **Appendix 3 6** The age profile of the pending cases and the number of cases pending in each category theft misappropriation loss etc is summarised in **Table 3 4**

Table 3 4 Profile of misappropriations losses defalcations etc

Age profile of pending cases			Nature of pending cases		
Range in years	Number of cases	Amount involved (Rupees in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rupees in lakh)
0 5	47	43 53	Theft	136	87 03
5 10	60	85 84	Misappropriation/ loss of material	83	92 57
10 15	23	13 73			
15 20	41	21 58			
20 25	30	8 44	Total	219	179 60
25 and above	18	6 48	Cases of losses written off during the year	Nil	Nil
Total	219	179 60	Total pending cases	219	179 60

Reasons for pendency of the cases are listed in **Table 3 5**

Table 3 5
Reasons for outstanding cases of misappropriation loss, defalcation etc

Reasons for the delays in finalisation of pending cases		Number of cases	Amount (Rupees in lakh)
(i)	Departmental action initiated but not finalised	141	84 22
(ii)	Awaiting orders for recovery or write off	60	55 70
(iii)	Pending in the courts of law	18	39 68
Total		219	179 60

Out of the total loss cases 62 *per cent* cases related to theft of Government money/stores which indicates that appropriate steps for the safety of Government property/cash etc as prescribed in the rules had not been taken by the departments. Further in respect of 64 *per cent* cases of losses departmental action had not been finalised and 27 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of the losses. It was further noticed that out of 219 cases of losses due to theft/misappropriation etc 172 cases were more than five years old of which 18 cases were more than 25 years old. The lackadaisical approach of the departments in finalisation of these cases had not only caused loss to the State exchequer but also prevented timely action against the officers/officials at fault.

The department in its written reply stated as under

As per the report of CAG for the year 2008 09 (State Finance) 7 cases of misappropriations defalcations etc have been shown following five cases were settled by the Public Accounts Committee in its meeting held on 27 01 2001 17 04 2007 29 04 2008 and 04 09 2012

- 1 Defalcations/ Anti Reservations Rs 26 000/ (EST)
- 2 Loss of Govt Rs 11 66 228 62p during anti reservations period (Sirsa)
- 3 Loss/Shortage of Store Rs 150070 11 Sh Sat Parkash Goyal Storekeeper Ambala
- 4 Theft in PHC Naultha (Panipat)
- 5 Theft of typewriter from Distt Malana Officer Panipat

Now the following Two cases are outstanding against the Health Department

- 6 Theft in CHC Ujhana (Jind) Rs 202656/
- 7 Theft of portable Generator in CHC Samalkha

Latest position in regard to these paras is as under

Theft in CHC Ujhana (Jind) Rs 202656/

In PAC meeting held on 04 09 2012 it has been desired by the committee that para shall be dropped after write off of loss of Rs 2 02 256/ process of writing off the loss for said amount is going on The case to write off this amount has been sent to Govt vide this office letter No 24/15 3 Const 11/16 dated 26 02 2013 and reminder has been issued on dated 20 05 2013 The matter is under consideration with the Government

The Committee desired the department to inform the Committee as well as or the PAG office after the amount in question written off by the Govt

HOME DEPARTMENT

[8] 1 2 7 Financial Management

1 2 7 1 The funds under the modernisation scheme were to be shared in the ratio of 60 40 during 2004 05 and 75 25 thereafter between the Central and the State Governments respectively Year wise approved plan central assistance released the amounts released by State Government and expenditure shown as incurred thereagainst are given in the table below

(Rupees in crore)

Year	Approved Plan	Central Assistance		State Releases	Total Funds available	Total Expenditure as per Finance Accounts	Total Expenditure shown as per UC
		Due	Released				
2004 05	44 25	26 55	21 22	17 70	38 92	24 78	45 44
2005 06	37 47	28 10	15 89	9 37	25 26	13 71	25 95
2006 07	22 86	17 14	19 14	5 72	24 86	29 05	22 82
2007 08	30 33	22 75	35 75	7 58	43 33	33 30	31 14
2008 09	29 33	22 00	39 77	17 77	57 54	38 65	57 54
Total	164 24	116 54	131 77	58 14	189 91	139 49	182 89

Source of data Police Department and Finance Account

Department failed to utilise about 27 per cent of funds that were released for implementation of the scheme. The reason for short utilisation given by the department was delayed release of funds to the implementing agencies/ department. Audit further observed that though the actual expenditure was Rs 139 49 crore during 2004 09 the expenditure reported to GOI was Rs 182 89 crore. Out of total expenditure of Rs 182 89 crore intimated to GOI through Utilisation Certificates (UCs) Rs 48 91 crore remained unutilised with the implementing agencies. Thus UCs submitted to GOI were incorrect to this extent. The Financial Commissioner and Principal Secretary Home Department stated (August 2009) that the funds would be utilised by the agencies for purchase of various items and construction of buildings.

The department in its written reply stated as under:-

In this regard it is submitted that the department submitted approved plans to the Government of India for the due Central Share of Rs 54 65 Crore against which Government of India has released short grant of Rs 17 54 Crore without recording any reason of short release perhaps due to shortage of funds with Government of India. It is not correct to say that the department is at fault for the short release. The Deptt and the

state Govt has made earnest efforts to get maximum release from the Govt of India under the MPF scheme. The copy of DO letter No 6940/P 5 dated 27 2 2005 DO No PS/CS/2005/192 dated 30 11 05 and No 3426/P 5 dated 12 3 2008 (are enclosed) for ready reference as perusal of the cases and efforts made by the state Govt in addition to this it is also pertinent to note that the Government of India has released excess amount of Rs 2 00 Crore during the year 2006 07 and Rs 13 75 Crore during the year 2007 08 in excess of Central share due and even then more the Annual Action Plan during the 2007 08 this is the result of the pursuance of the department for getting the maximum grant from Government of India

It is pertinent to note that during the Audit period of five year the Haryana State Police Department has released 97% of the amount due for release from the Government of India (92/94 54) i.e. the highest in the country as per data given on page 27 Audit evaluation of Modernization of police Force in India Vol 1 page 27 and the State share released is also appreciable in respect of Haryana State

The amount has been deposited with the HARTRON by the Government and the funds have been released by the Government of India to Haryana Police Housing Corp. The utilization & progress of work executed and cost thereof whereas the payment is made later on after the closing of the financial year for the works executed during the previous financial year hence the balances appear. From the figures shown against the financial year 2009 10 and 2010 11 it is clear that the amount utilized covers the balance of the previous year. Moreover most of the amount deposited with HPHC and HARTRON has been utilized.

In view of the above facts it is requested that the para may be settled please

The Committee desired the department to send a copy of Utilization Certificates which has already been sent the Government of India to the office of PAG also for its verification togetherwith the report of the utilization of funds

[9] 1 2 7 2 Records of advances not maintained

The department was placing the funds at the disposal of HARTRON for supply of various items on the basis of provisions in the annual action plans without obtaining any proforma invoice from them. Further the department was not maintaining accounts of the amounts advanced to HARTRON and material received thereagainst as evidenced from the following instance. A sum of Rs 1 51 crore was placed (March 2008) at the disposal of HARTRON for purchase of 300 computers. HARTRON supplied (October December 2008) the material the cost of which was Rs 1 40 crore including Rs 4 97 lakh on account of consultancy fee and taxes. Balance amount of Rs 0 11 crore was still lying with HARTRON. The unspent amount had neither been refunded by HARTRON nor demanded by the department (August 2009). The Financial Commissioner and Principal Secretary Home Department stated (August 2009) that the balance would be utilised for purchase of Uninterrupted Power Supply (UPSs).

Further HARTRON was charging consultancy charges at four/six per cent (plus service tax) on the total value of the material. On the other hand HARTRON was earning interest on the amounts placed at its disposal but no credit benefit was being passed on to the department. Since proper records of advances were not maintained the quantum of interest could not be worked out.

The department in its written reply stated as under

Police Deptt is depositing funds with HARTRON after obtaining proforma invoice for the items to be purchased. However HARTRON finalizes the rates after tendering process and approval by the State Level High Powered Purchased Committee headed by the Chief Minister/Finance Minister. Out of the balance amount if any the Deptt decides to purchase the additional quantity of items or if the amount is small than the same is refunded by HARTRON for depositing in Govt Treasury under receipt head. Besides proper account of advances given to HARTRON has been maintained.

HARTRON is maintaining proper account for the deposits made by the Police department as that has been declared approved source for this Deptt. Hence no interest is being given by HARTRON despite of the fact that he is earning interest on the deposited amount. (State Govt will take appropriate action in this regard).

— The Committee desired the department to ask HARTRON for refunding the balance amount still lying with HARTRON and inform to the PAG office after depositing the said amount in the treasury.

[10] 1 2 8 Construction of residential and non residential buildings

As per GOI guidelines high priority was to be given to the construction sector. The scheme laid special emphasis on construction of police station buildings and houses for police personnel closer to the Police Stations. A significant part of the scheme funds were allocated for this purpose. According to approved AAPs (2004-09) new construction works estimating to Rs 65.20 crore were approved by GOI. The audit observed that the Police Department transferred (2004-09) Rs 79.19 crore to HPHC for construction of residential and non residential buildings which also includes a sum of Rs 13.56 crore (2004-05) diverted from other components such as modernisation of home guards equipments for Government Railway Police/Commando equipments for Forensic Science Laboratory training etc without the approval of MHA. Apart from this GOI in 2007-08 transferred Rs 11.65 crore directly to HPHC for construction of building for Police Stations so as to improve the policing in the National Capital Region of Haryana.

The department in its written reply stated as under

HPHC is being made to speed up the progress of works. All works of the year 2004-05 stands completed. The construction of Admn Block in PL Ambala has been completed. The works of the year 2005-06 and 2006-07 are complete. A copy of utilization certificate submitted by MD/HPHC vide his memo No. 4445 dated 25.4.2013 is enclosed. The amount was diverted to meet the essential requirement of department for construction of Residential and Non residential building as there was acute shortage of Residential and Non residential building with the department and to boost the police official.

In view of the above it is requested that the paras may be dropped.

The Committee recommends that the matter may be clarified and sorted out with the Principal Accountant General's office under intimation to the Committee.

[11] 1 2 8 1 Delay/non completion of building works

During 2004 09 only 35 non residential buildings (out of 54 sanctioned) were completed. Construction of 18 buildings was under progress while construction of one building was not started due to non availability of site. Similarly out of 1 348 staff quarters sanctioned 681 were constructed. The delay in completion of works ranged between one to four years. The details of status of residential and non residential buildings are given below

Year of allotment of funds	Residential buildings			Non residential buildings		
	Total units	Completed	In progress	Total of buildings	Completed	In progress
2004 05	344	344	Nil	19	17	1
2005 06	289	241	48	11	10	1
2006 07	326	96	230	7	6	1
2007 08	264		264	11	2	9
2008 09	125		125	6	Nil	6
Total	1 348	681	667	54	35	18

Audit analysis of following six works sanctioned at the cost of Rs 26 57 crore during 2004 07 revealed that even after incurring expenditure of Rs 35 09 crore i.e. Rs 8 52 crore in excess of sanctioned amount the works were still incomplete (March 2009) as detailed below

(Rupees in crore)

Sr No	Year of sanction	Name of buildings	Amount allotted	Actual Expenditure
1	2004 05	Construction of Administration Block of new hospital at Ambala mess barracks and houses for ORS etc at Ambala city	1 50	3 32
2	2005 06	Construction of 10 Police Stations at various stations	2 19	3 52
3	do	Training centre of Telecommunication at Panchkula and residential quarters at various stations	9 35	11 09
4	2006-07	Construction of houses at various places	8 93	10 15
5	do	Construction of RTC Bhonds	2 10	3 11
6	do	Construction of 5 Police Stations	2 50	3 90
Total			26 57	35 09

The Superintending Engineer of HPHC stated (May 2009) that escalation in cost was due to increase in cost of building material and increase in the scope of work i.e. against the norm of covered area of 3 500 square feet for Police Station and 500 square feet for residential quarters for other ranks actual covered area was 8 000 to 10 000 square feet and 700 square feet respectively. The funds provided did not commensurate with the covered area of the buildings. The reply was not convincing as funds were provided as per norms fixed by the GOI for the nation as a whole. The scope of the work should have been kept within the norms of MHA.

Similarly against the norms of spending Rs 21.87 lakh and Rs 9.37 lakh for construction of a Police Station and a police post agreement amount with contractors for construction of Police Station ranged between Rs 47.18 lakh and Rs 51.18 lakh and for construction of a Police Post it ranged between Rs 12.85 lakh and Rs 13.40 lakh.

The Financial Commissioner and Principal Secretary Home Department stated (August 2009) that additional funds were being demanded from the State Government through the budget for excess expenditure on buildings. The fact remained that the State Government had to bear extra burden due to flouting of norms fixed by GOI for construction of buildings.

The department in its written reply stated as under

All residential and non-residential works (total 53) mentioned in Para stand already completed except one of the Police Posts i.e. at Mahindergarh for which no site was available.

As soon as the funds were allotted the tendering process was initiated and the works were allotted. The average execution period of works ranged from 1.5 to 2.5 year. However some of the works were delayed on account of huge price hike of building material in the market during the period. The progress of those works was affected as contractors faced huge financial crisis during the period. All works stands completed now.

The HPHC has taken various measures such as initiating tendering process immediately after the approval of plan adopting performance oriented tender document incorporation of escalation clause in the tender document to take care of price hike of building material in market to avoid time overrun in future. The corporation is committed to complete the future works on time.

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

All works mentioned in the para stand completed. The point wise reply of para is as under:

Sr No 1 The work has been completed with cost of Rs 4.08 crore. The state Govt has already provided additional funds amounting to Rs 2.54 crore through State budget. The main reasons for increase in cost are:

- a) Provision of pile foundation due to low bearing capacity of soil
- b) Increased covered area of buildings as per approved drawings and minimum requirements of Police Department
- c) Steep hike in prices of building material during the period

The approximate cost of construction of this project of Rs 1100/ per sft which is quite reasonable in spite of above mentioned factors

Sr No 2 As per Govt of India norms the covered area of the police station is 3500 sft. The area is not sufficient enough to accommodate minimum requirements and all facilities of a Police Station. Therefore police stations with increased areas have been constructed at various places. The total cost of construction of 10 Police Station (5 no urban 5 No rural) has come out to Rs 6.80 crores. The additional funds of Rs 3.33 crores have been provided by the State Government and further Rs 1.28 crore have been utilized from the interest earned on the funds provided under MPF scheme.

Sr No 3 & 4 Govt of India had provided funds @ of Rs 2.50 lacs for construction of a house for Ct/HC. A constable/Head Constable house cannot be constructed with the allotted funds @ Rs 2.50 Lacs. Moreover the house have been constructed with increased covered area for which Govt has also revised the norms. There was also price hike in building material during the period which contributed to escalation in total cost of construction.

The cost of construction for works at Sr 3 & 4 is Rs 14.92 crores and Rs Rs 19.65 crores respectively. The additional funds had been provided by the State Govt through its budget Rs 56.75 lacs and Rs 12.12 crore respectively and interest earned (Rs 2.58 crore) from the funds provided under MPF Scheme.

Sr No 5 The works stand completed with cost of Rs 3.11 crores. The additional funds had been provided by State Govt through its budget amounting to Rs 75 lacs & Rs 26.95 lacs for the works.

The increase in cost is due to hike in the prices of building material in the market during the period and the construction cost of the project is approximately Rs 600/ per sft. Which is quite reasonable inspite of escalation in the market.

Sr No 6 The expenditure on police stations exceeded due to following reasons.

- a) Provision of pile foundation in police station Cheeka & City Ambaladue to low bearing capacity of soil.
- b) Providing estate services such as sewerage water supply approach road and earth filling etc.

The corporation has incurred an expenditure of Rs 3.81 crore on all the five Police Station. The additional funds had been provided by the State Govt through its budget and Rs 9.14 lacs from interest earned from the MPF Scheme.

All the works mentioned in the Para stand already completed. The GOI had provided funds as per fixed norms. However site conditions varied from place to place which resulted in increase in cost. Moreover the GOI provides funds for buildings only whereas some other service i.e. boundary wall estate electrical/public health service are also required to be provided with the building increasing cost of the project. The norms also do not cater for escalation in cost and the scheme envisages 60% share of GOI and 40% from State Govt. The additional funds have been provided by the State Govt through its budget and from the interest earned from the scheme as referred above. Therefore the para may kindly be dropped.

The Committee recommends the department to conduct departmental enquiry in this matter and suitable disciplinary action may be taken against the delinquent officials if any held responsible for it and the compliance report in this regard may be submitted to the Committee accordingly

[12] 3.5 Misappropriations losses defalcations etc

Rule 2.33 of the Punjab Financial Rules as applicable to Haryana stipulates that every Government employee should realise that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further as per rule 2.34 *ibid* cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 219 cases of misappropriation defalcation etc involving Government money amounting to Rs 1.80 crore on which final action was pending as of June 2009. The department wise break up of pending cases and age wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. The age profile of the pending cases and the number of cases pending in each category theft misappropriation loss etc is summarised in Table 3.4.

Table 3.4 Profile of misappropriations losses defalcations etc

Age profile of pending cases			Nature of pending cases		
Range in years	Number of cases	Amount involved (Rupees in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rupees in lakh)
0-5	47	43.53	Theft	136	87.03
5-10	60	85.84			
10-15	23	13.73	Misappropriation/loss of material	83	92.57
15-20	41	21.58			
20-25	30	8.44	Total	219	179.60
25 and above	18	6.48	Cases of losses written off during the year	Nil	Nil
Total	219	179.60	Total pending cases	219	179.60

Reasons for pendency of the cases are listed in Table 3.5

Table 3 5 Reasons for outstanding cases of misappropriation loss defalcation etc

Reasons for the delays in finalisation of pending cases		Number of cases	Amount (Rupees in lakh)
(i)	Departmental action initiated but not finalised	141	84 22
(ii)	Awaiting orders for recovery or write off	60	55 70
(iii)	Pending in the courts of law	18	39 68
Total		219	179 60

Out of the total loss cases 62 *per cent* cases related to theft of Government money/stores which indicates that appropriate steps for the safety of Government property/cash etc as prescribed in the rules had not been taken by the departments. Further in respect of 64 *per cent* cases of losses departmental action had not been finalised and 27 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of the losses. It was further noticed that out of 219 cases of losses due to theft/misappropriation etc 172 cases were more than five years old of which 18 cases were more than 25 years old. The lackadaisical approach of the departments in finalisation of these cases had not only caused loss to the State exchequer but also prevented timely action against the officers/officials at fault.

Appendix 3 5

Department wise/duration wise break-up of the cases of misappropriation defalcation etc where final action was pending at the end of June 2009

(Figures in bracket indicate rupees in lakh)

Sr No	Name of the department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to more	Total
1	Police	1 (3 79)	—	—	—	—	—	1 (3 79)

Appendix 3 6

Department/category wise details in respect of cases of loss to Government due to theft misappropriation/loss of Government material

(Rupees in lakh)

Name of the department	Theft cases		Misappropriation/ loss of Government material		Total	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Police	—	—	1	3 79	1	3 79

The department in its written reply stated as under

In this regard it is submitted that a vehicle No HR 20F 1406 (Tata Sumo) was purchased at a cost of Rs 3 78 606 53 on 03 09 1999 This vehicle was Govt duty during Panchayat election and was burnt by public at Village Kharkara on 03 04 2005 In this connection a Case FIR No 70 dated 04 04 2005 was lodged with Police Station Barwala This vehicle has completed 1 98 725 Kms which was more than 1 80 000 Kms at required for its condemnation according to Govt policy Further no employee was responsible for the loss as the vehicle was burnt by the public during Panchayat Election duty

A case FIR No 70 dated 04 04 2005 PS Barwala has been decided by the Hon ble Court of Smt Bimlesh Tanwar ASJ Hisar vide judgment dated 15 04 2009 All the accused have been acquitted in this case

The Criminal appeal against the judgment dated 15 04 2009 passed by the Hon ble Court of Ms Bimlesh Tanwar Additional Session Judge Hisar in the Case FIR No 70 dated 04 04 2005 Under Section 147 148 188 307 337 353 395 427 435 and 149 IPC PS Barwala has been filed in the Hon ble High Court of Punjab and Haryana Chandigarh The above said case was came up for hearing on 17 03 2010 when the same was admitted to a regular hearing and is still pending in the Hon ble High Court Now no date of hearing is fixed for arguments

It is also submitted that this para was also printed in the CAG report for the year ended 2005 06 (Civil) at Paragraph No 1 7 7 and the same had already been discussed in PAC meeting held on 17 06 2008 and this para was dropped A copy of proceedings of this meeting is also enclosed

The Committee desired the department to send the case of writing off the amount to the Government and thereafter the Committee may be informed after getting the amount written off

RURAL DEVELOPMENT DEPARTMENT

[13] 137 Financial performance

Year wise release of funds by GOI and State Government in seven districts and utilisation thereof for the period 2004-09 was as under

(Rupees in crore)

Year	Opening balance	GOI Share	State Share	Miscellaneous receipts	Total funds available	Expenditure	Closing balance
2004-05	12.22	16.07	5.03	0.23	33.55	15.27	18.28
2005-06	18.28	17.56	5.85	0.02	41.71	23.21	18.50
2006-07	18.50	11.99	3.86	0.09	34.44	18.00	16.44
2007-08	16.44	28.81	5.13	0.45	50.83	22.01	28.82
2008-09	28.82	10.59	8.14	0.01	47.56	19.67	27.89
		85.02	28.01	0.80		98.16	

(Source: Quarterly reports of Directorate office)

It would be seen from above that as against availability of Rs 126.05 crore during 2004-09 the department could utilise only Rs 98.16 crore (78 per cent)

Receipt of funds in four selected districts under 5th, 6th, 7th and 8th batches of DDP and 1st to 4th batch of Haryali sanctioned during 1999-2006 along with expenditure up to 31 March 2009 was as under

(Rupees in crore)

District	Batch Number	Allocation	Grants received	Expenditure	Percentage of total expenditure to allocation
Hisar					
DDP	6 th batch	13.20	11.80	11.28	85
	7 th batch	6.00	5.96	5.24	87
	8 th batch	7.20	4.29	3.98	55
Haryali	1 st batch	6.90	3.10	3.01	44
	2 nd batch	6.90	3.08	3.83	56
	3 rd batch	7.80	3.49	1.19	15
	4 th batch	10.50	4.69	1.44	14
	Sub total	58.50	36.41	29.97	51

Bhiwani					
DDP	5 th batch	4 50	3 99	3 90	87
	6 th batch	6 60	5 87	5 41	82
	7 th batch	6 00	5 29	4 60	77
	8 th batch	8 10	3 72	3 67	45
Hariyalı	1 st batch	8 10	6 06	3 28	40
	2 ^d batch	8 10	3 59	3 56	44
	3 ^d batch	10 80	4 83	2 67	25
	4 th batch	10 80	1 62	1 29	12
	Sub total	63 00	34 97	28 38	45
Rewari					
DDP	5 th batch	3 37	3 35	3 37	100
	6 th batch	3 90	2 91	2 45	63
	7 th batch	3 00	1 75	1 66	55
	8 th batch	3 00	2 11	1 85	62
Hariyalı	1 st batch	3 00	2 23	1 88	63
	2 ^d batch	3 00	1 33	1 08	36
	3 ^d batch	3 00	1 34	1 35	45
	4 th batch	3 00	1 35	1 24	41
	Sub total	25 27	16 37	14 88	59
Fatehabad					
DDP	6 th batch	6 00	3 60	3 28	55
	7 th batch	3 30	1 98	1 80	54
	8 th batch	4 20	2 52	2 25	54
Hariyalı	1 st batch	4 20	0 65	0 65	15
	2 ^d batch	4 20	0 63	0 64	15
	3 rd batch	4 20	1 58	1 75	42
	4 th batch	4 20	0 63	0 19	5
	Sub total	30.30	11 59	10 56	35
Grand Total		177 07	99 34	83 79	47

(Source Quarterly reports of Directorate office and DRDAs)

Due to slow implementation of programme the next instalment due was not released by GOI during 2005 06 and 2006 07 in Bhiwani district and 2006 07 in Hisar district for 5th to 7th batches sanctioned under DDP. In Fatehabad district no instalment was released by GOI in 2003 04 2004 05 and 2006 07 onwards for 6th batch and

2002 03 2004 05 and 2006 07 onwards for 7th batch of DDP The implementation of projects sanctioned under *Haryali* was also slow Out of four test checked districts progress was dismal in Fatehabad district

Further as per guidelines of GOI 25 per cent of State share was to be released by State Government within 15 days from the date of release of Central share No mechanism was evolved by State Government for automatic release of State share after the receipt of Central share Test check revealed that there was inordinate delay in release of State share which ranged between 14 to 468 days as shown in **Appendix XI** this led to delay in completion of works

The Director stated (August 2009) that delay in release of State share was due to lack of budget in the concerned financial year The reply indicated that State Government did not assess the pending liabilities of State Government for making matching contribution in various centrally sponsored schemes while framing the budget proposals

The department in its written reply stated as under

In district Hisar the achievement percentage of district has been counted from the total allocation of the project where as it should have been counted against the funds received The progress of the project at GOI and State level is always reviewed against the funds received and not on allocation The batch wise achievement of the district is as under

Name of Scheme	Batch number	Allocation	Grants received	Expenditure	Percentage of total expenditure to allocation
DDP	6th batch	13 20	11 80	11 28	95 59
	7th batch	6 00	5 96	5 24	87 92
	8th batch	7 20	4 29	3 98	92 77
Haryali	1st batch	6 90	3 10	3 01	97 10
	2nd batch	6 90	3 08	3 83	124 35
	3rd batch	7 80	3 49	1 19	34 10
	4th batch	10 50	4 69	1 44	30 70
	Sub total	58 50	36 41	29 97	82 31

During the year 1999 2003 total 88 projects were sanctioned No one project has been completed Watershed projects in villages Bagla Kharbala and Parbhuwal pertain to 6th batch Similarly watershed projects in villages Birababran Daulatpur and Pali pertain to 7th batch The funds under 6th batch and 7th batch were received late from the Govt as per **Annexure C** and **D** already attached herewith Therefore GOI has granted extension for completion of 6th batch projects by March 2010 for 7th batch Dec 2010 and for 8th batch by March 2011 All the projects will be completed in time if the

funds are released by GOI in time For example the proposal for release of 7th installment under 6th batch was sent to the Govt on 20 6 2008 but the release of funds is still awaited Now the Ministry has decided to foreclose the project (i e after 31 3 2011)

In district Hisar 5th batch does not exist so far as claim in respect of 6th and 7th batch watersheds is concerned All the 7(seven) instalments have been received to the DRDA under 7th batch watersheds However claim proposal in respect of 6th batch watersheds have been submitted to the Ministry during Nov 2010 But the requisite funds have not been released by the Ministry Now the Ministry has decided to foreclose the project (i e after 31 3 2011)

In district Bhiwani Now all the 7(seven) installments under 5th to 8th batch and 1st to 4th batch under DDP Haryali watersheds have been received/released to DRDA Bhiwani 100% of funds were utilized up to 31 03 2012 & unspent balance refunded to the department

In respect of district Rewari the latest status regarding receipt of no of installments from 5th batch watersheds to Haryali IVth batch watersheds is as follows

Sr No	Name of District	1999 2K to 2003 04 5 th	2000-01 to 2004-05 6 th	2001-02 to 2005-06 7 th	2002-03 to 2006-07 8 th	2003-04 to 2007 08 Har 1 st	2004-05 to 2008-09 Har 2 nd	2005-06 to 2009 10 Har 3 rd	2006-07 to 2010 11 Har 4 th
1	Rewari	7(7)	7(7)	7(7)	7(7)	4(5)	3(5)	3(5)	3(5)

All the seven (7) installments under pre haryali watersheds have been claimed by the DRDA Rewari So far as Haryali watersheds is concerned all the five installments will be claimed as per policy before 31 12 2012

In respect of district Fatehabad the latest status regarding receipt of no of installments from 5th batch watersheds to Haryali IVth batch watersheds is as follows

Sr No	Name of District	1999 2K to 2003-04 5 th	2000 01 to 2004-05 6 th	2001 02 to 2005 06 7 th	2002 03 to 2006 07 8 th	2003 04 to 2007 08 Har 1 st	2004 05 to 2008 09 Har 2 nd	2005 06 to 2009 10 Har 3 rd	2006-07 to 2010 11 Har 4 th
1	Fatehabad		6(7)	6(7)	4(7)	1(5)	1(5)	3(5)	1(5)

DRDA Fatehabad has received 5th & 6th installments funds of 6th batch watersheds from Govt of India on 12 10 2010 The agency has been requested to submit the claim proposal for release of last and final installment by this department but the same has not been submitted by the DRDA Now the Ministry has decided to foreclose the project(i e after 31 3 2011)

DRDA Fatehabad has received 5th & 6th installments funds of 7th batch watersheds from Govt of India on 16 10 2010 The agency has been requested to submit the claim proposal for release of last and final installment by this department but the same has not been submitted by the DRDA Now the Ministry has decided to foreclose the project (i.e. after 31 3 2011)

DRDA Fatehabad has received 4th installment funds of 8th batch watersheds from Govt of India on 5 6 2007 The agency has submitted the claim proposal for release of 5th & 6th installments funds simultaneously to the Ministry on 29 01 2009 However the Ministry has not released the requisite funds to the DRDA and decided to foreclose the project (i.e. after 31 3 2011)

The Ministry has also decided to foreclose the batch 1st 2nd and IVth of Hariyali watersheds in respect of DRDA Fatehabad

District Mahendergarh has claimed/received all the installments under pre Hariyali and Hariyali watersheds and no project were foreclosed

The District Wise Latest Claim position regarding No. of installments under DDP upto 31 03 2013 is as follows

Sr No	Name of District	95 96 to 99 2000 1st	96 97 to 2000 2nd	98 99 to 2002 3rd	1999 2K to 2003 4th	2000 01 to 2004 5th	2001 02 to 2005 6th	2002 03 to 2006 7th	2003 04 to 2007 8th	2004 05 to 2008 9th	2005 06 to 2009 10th	2006 07 to 2010 11th	Total
			2 ^d						1 st	2 ^d	3 ^d	4 th	
	Installments due	7	7	7	7	7	7	7	5	5	5	5	
1	Bhiwani	18 (7)		15 (6)	18 (7)	22 (7)	20 (7)	27 (7)	27 (5)	27 (5)	36 (5)	36 (5)	246
2	Fatehabad			8 (5)		20 (6)	11 (6)	14 (4)	14 (1)	14 (1)	14 (3)	14 (1)	109
3	Hisar	31 (7)		15 (7)		44 (6)	20 (7)	24 (7)	23 (5)	23 (5)	26 (5)	35 (5)	241
4	Jhajjar	8 (7)		25 (7)	8 (7)	13 (7)	10 (7)	12 (4)	12 (3)	12 (2)	14 (3)	19 (2)	133
5	Narnaul	17 (7)		10 (7)	17 (7)	13 (7)	11 (7)	11 (7)	11 (5)	11 (5)	12 (5)	17 (5)	130
6	Rewan	15 (7)	6 (7)	6 (5)	15 (7)	13 (7)	10 (7)	10 (7)	10 (4)	10 (5)	10 (5)	10 (5)	115
7	Sirsa	18 (7)		21 (6)	18 (7)	19 (7)	18 (5)	23 (1)	21 (5)	21 (5)	28 (5)	28 (5)	215
	Total	107	6	100	76	144	100	121	118	118	140	159	1189

The figures in brackets represent the No. of installments released so far against each project

Efforts for release of State matching share could only be initiated by this Department after the receipt of the sanction letter from the Govt of India. The sanction letters are generally received between 15-30 days from the date of their issue. The funds of corresponding State share can only be released to the DRDAs concerned after obtaining the concurrence from the State Finance Department. In case of enhancement of plan ceiling, the matter is also required to be taken up with the State Planning Department. This process takes over and above the time limit fixed under the guidelines issued by the Govt of India. Now the Ministry has introduced a web page for sanction letter since 2006-07, but the same are often found downloaded by the Ministry after 10-20 days and sometimes the sanction letters are even not uploaded by the Ministry. The table given below depicts the time taken at various levels in release of funds as State share to DRDAs.

Name of District	Date of release of GOI share	Actual Date of Sanction letter of GOI	Date of Receipt of Sanction letter from Govt of India	Date submission of case to Finance Department	Date of receipt of sanction from Finance Department	Date of Release of State Share	Remarks
1	2	3	4	5	6	7	8
Hisar 6th Batch	6/9/2000	6/9/2000	19 09 2000	6 10 2000	28 11 2000	8 12 2000	
	30/10/2000	30/10/2000	14 11 2000	12 02 2001	28 02 2001	2 03 2001	Plan ceiling enhanced from Rs 125.00 lacs to 217 lacs for release of state share vide Planning Department letter no. ESA (plg)-2001/1857 dated 1 02 2001
	6/3/2001	6/3/2001	20 03 2001	26 03 01/ 27 04 01	10 04 01/ 1 06 01	11 06 2001	Case sent in F.D. on 26 03 2001 on which F.D. advised on 10 04 2001 to submit the case in the next financial year 2001-2002
	26/04/2001	26/04/2001	18/21 05 20 01	1 06 2001	19 06 2001	25 06 2001	
	19/09/2001	19/09/2001	11 10 2001	15 11 2001	28 11 2001	13 12 2001	
	10/2/2003	10/2/2003	24 02 2003	28 02 2003	7 03 2003	14 03 2003	
	26/06/2003	26/06/2003	11 07 2003	17 07 2003	11 08 2003	28 08 2003	
	28/09/2004	28/09/2004	6 10 2004	18 10 2004	25 10 2004	8 11 2004	
	23/01/2006	23/01/2006	3 02 2006	8 02 2006	16 02 2006	21 02 06/ 10 03 06	
Hisar 7th Batch	31/01/2001	31/01/2001	4 12 2001	8 05 2002	21 05 2002	29 05 2002	Being new project and non provision of budget case was sent to Planning Department on 28 01 2002. Planning Department advised by deferring the additional demand on 22 03 2002

	5/3/2003	5/3/2003	28 03 2003	28 03 2003	31 03 2003	31 03 2003	
	26/06/2003	26/06/2003	11 07 2003	17 07 2003	11 08 2003	28 08 2003	
	28/09/2004	28/09/2004	6 10 2004	18 10 2004	25 10 2004	8 11 2004	
Bhzwani 5th Batch	21/10/1999	21/10/1999	2 12 1999	23 12 1999	3 02 2000	4 02 2000	
	6/3/2000	6/3/2000		27 03 2K/ 4 05 2K	30 03 2K/ 12 05 2K	12 05 2000	Case sent in F D on 27 03 2000 on which F D advised on 30 03 2000 to submit the case in the next financial year 2000-2001
	5/3/2001	5/3/2001		4 09 2001	20 09 2001	10 10 2001	Due to non receipt of sanction letter from Govt. of India
	23/01/2002	23/01/2002	15 02 2002	22 02 2002	28 02 2002	5 03 2002	
	10/2/2003	10/2/2003	24 02 2003	28 02 2003	7 03 2003	14 03 2003	
	26/06/2003	26/06/2003	11 07 2003	17 07 2003	11 08 2003	28 08 2003	
	25/10/2007	25/10/2007	6 11 2007	16 11 2007	18 12 2007	2 01 2008	
	6 09 2000	6 09 2000	19 09 2000	6 10 2000	28 11 2000	8 12 2000	
Bhzwani 6th Batch	30/10/2000	30/10/2000	14 11 2000	12 02 2001	28 02 2001	2 03 2001	Plan ceiling enhanced from Rs 125 00 lacs to 217 lacs for release of state share vide Planning Department letter no ESA (plg)-2001/1857 dated 1 02 2001
	6/3/2001	6/3/2001	20 03 2001	26 03 01/ 27 04 01	10 04 01/ 1 06 01	11 06 2001	Case sent in F D on 26 03 2001 on which F D advised on 10 04 2001 to submit the case in the next financial year 2001 2002
	26/04/2001	26/04/2001	18/21 05 20 01	1 06 2001	19 06 2001	25 06 2001	
	19/09/2001	19/09/2001	11 10 2001	15 11 2001	28 11 2001	13 12 2001	
	2/2/2002	2/2/2002	7 03 2002	8 05 2002	21 05 2002	29 05 2002	Being new project and non provision of budget case was sent to Planning Department on 28 01 2002 Planning Department advised by deferring the additional demand on 22 03 2002
	26/09/2002	26/09/2002	11 10 2002	24 10 2002	19 02 2003	24 02 2003	
	13/10/2003	13/10/2003	28 10 2003	13 11 2003	21 11 2003	10 12 2003	
	29/11/2004	29/11/2004	14 02 2005	30 03 2005	31 03 2005	31 03 2005	

	20/12/2007	20/12/2007	4 01 2008	15 01 2008	5 02 2008	15 02 2008	
Bhrawani 7th Batch	31/10/2001	31/10/2001	4 12 2001	8 05 2002	21 05 2002	29 05 2002	Being new project and non provision of budget case was sent to Planning Department on 28 01 2002 Planning Department advised by deferring the additional demand on 22 03 2002
	18/02/2003	18/02/2003	24 02 2003	10 03 2003	17 03 2003	21 03 2003	
	3/11/2003	3/11/2003	24 1 2003	4 12 2003	10 12 2003	18 12 2003	
	7/6/2004	7/6/2004	6 07 2004	12 07 2004	16 07 2004	4 08 2004	
	5/3/2008	5/3/2008	27 03 2008	28 03 08/ 5 05 08	31 03 08/ 13 05 08	19 05 2008	

As per the position explained above it is submitted that there is no intentionally delay in the release of State share by State Govt. If there is any delay in release of state share it is only due to late receipt of sanction letters from Govt. of India or due to official procedure or due to shortage of funds in the concerned financial year.

The Committee desired the department to submit the districtwise complete status report for the period from 1999 to 31st March 2003 to the Committee about the works completed, amount received and spent/ remained unspent.

The Committee also desired the department to conduct enquiry about the different D R D A s who were responsible for delay in this case and its enquiry report be submitted to the Committee.

[14] 1 3 8 Programme management

Physical performance

The DDP projects are sanctioned by GOI every year after taking into consideration DDP coverage in each State, performance of the ongoing projects and capacity to absorb new projects. During the period 1999-2000 (5th batch of DDP) to 2006-07 (4th batch of Haryali) 597 watershed projects were sanctioned under DDP and Haryali scheme to treat an area of 3.03 lakh hectares in the test checked districts. DRDAs were expected to formulate Annual Action Plans so as to treat the targeted area of 500 hectare per watershed over a period of five years from the date of sanction. The targets vis a vis achievements of 5th, 6th, 7th and 8th batches of DDP and 1st to 4th batch of Haryali sanctioned during 1999-2006 in test checked districts as of 31 March 2009 are given in **Appendix XII**. Analysis of the data in the **Appendix** revealed that physical progress did not commensurate with the Annual Action Plans. Further, 3.03 lakh hectares of wasteland area targeted for treatment was far more than the total wasteland area of 36,000 hectares available for treatment in these districts as shown in the statistical abstract for the year 1999-2000. This indicates that area under assured irrigation was also included in the areas targeted under the programme.

Further, two watershed projects (6th and 7th batch) at an estimated cost of Rs 60 lakh were sanctioned for developing 2,000 acres of land belonging to seed farm of Haryana Agricultural University, Hisar. Out of these two watersheds, in Bir Babrain

watershed (sanctioned under 7th batch) though a pond was already existing in the area digging of another pond was sanctioned in the vicinity of existing pond and an expenditure of Rs 11 64 lakh was incurred upto 2005 Though Rs 2 01 lakh was lying unutilised further grants were released and cumulative balance of Rs 9 75 lakh was lying unutilised as of March 2009 No work was carried out thereafter In addition to above honorarium of Rs 1 200 per month was being paid to the Secretary of the WC regularly for maintenance of cash book though work was lying abandoned for the last three years Thus basic objective of developing wastelands and alleviating poverty could not be achieved due to deficiencies in planning and co ordination at grass root level for this watershed

The department in its written reply stated as under

In respect of Hisar district the total treatment area includes the degraded and uneven land The degraded and uneven land was taken for treatment Due to this treatment the productivity of the farmers per hectare increased In the project area the priority was given for treatment of waste land Latest position in respect of physical progress under DDP districts shown in the Para is as follows

(up to 3/2011)

District	Batch Number	Number of Projects	Target area (Private & (Public)	Achievement	Percentage Achievement
			(in hectares)		
Hisar					
DDP	6 ^h	44	22 213 00	20 971 00	94
	7 th	20	10 098 00	9 514 00	94
	8 th	24	12 000 00	8 138 00	68
Hanyali	1 ^t	23	11 500 00	7 527 00	65
	2 nd	23	11 500 00	4 788 00	42
	3 ^d	26	13 000 00	5109 00	39
	4 th	35	17 500 00	6 338 00	36
Total		195	79 811 00	62385 00	78
Rewari					
DDP	5 th	15	7 578 83	7 554 00	100
	6 th	13	6 503 032	4 091 00	63
	7 th	10	5 048 17	3 704 05	73
	8 th	10	5 000 00	2 790 05	56
Hanyali	1 ^t	10	5 000 00	3 847 00	77
	2 nd	10	5 000 00	2 253 00	45
	3 ^d	10	5 000 00	3 437 00	69
	4 th	10	5 000 00	3 055 00	61
Total		88	44 130 32	30731 10	70

Bhiwani					
DDP	5 th	18	9 721 00	7 699 00	79
	6 th	22	11 908 00	10 504 00	88
	7 ^h	20	10 959 00	10 402 00	95
	8 th	27	13 500 00	9 430 00	70
Haryali	1 st	27	13 500 00	14 882 00	110
	2 nd	27	13 500 00	10 390 00	77
	3 rd	36	18 000 00	17 294 00	96
	4 th	36	18 000 00	5 949 00	33
Total		213	1 09 088 00	86550 00	79
Fatehabad					
DDP	6 th	20	10 690	5 775 59	55
	7 th	11	5 906 00	3 206 00	54
	8 ^h	14	7 000 00	4 986 14	71
Haryali	1 st	14	7 000 00	1 282 00	18
	2 nd	14	7 000 00	1 220 00	17
	3 ^d	14	7 000 00	3 305 00	47
	4 th	14	7 000 00	7 03 00	10
Total		101	51 596 00	20477 73	40
Grand Total		697	30 2625 32	200143 83	66

In district Hisar selection of the watershed project in the villages was considered on the report of Prof & Head Ram Dhan Singh Seed Farm Ch Charan Singh Haryana Agricultural University Hisar A copy of report is attached at **annexure L** The Land of HAU falls within the jurisdiction of village Bir Babran and Bir Dhandoor The land of HAU was undulated & waste land As provided in Para no 15 (f) the common land may also be considered 50 ha Land of Bir Babran and Bir Dhandoor villagers were also considered for treatment It is also mentioned here that watershed committee of village Bir Babran and Bir Dhandoor was duly formed and works which were to be carried out on HAU/private land Copies of Action Plans are attached at **annexure q** The Action Plans were approved by Governing Body in the action plan

Watershed Bir Babran was started in the year 2001 2002 In which Percolation Tank was excavated with cost of Rs 1163700/ in the two parts in L type as per layout plan submitted by RDC seed farm HAU Hisar which is attached at **Annexure R** The catchments area of the water tank is 625 acre approximately Size of the water tank is given as under

Part	Length	Width	Depth
1st	850	235	9
2nd	300	190	8 3

15208 man days were generated In the year 2001 water table of that area was 35 to 40 feet After excavation of this percolation tank water table is now up lifted from 15 to 18 feet Due to up liftment of the water table the waste land were also decreased When the plantation is done then the water will be supplied from this percolation tank Before this water tank there was scare city of the drinking water After digging of percolation tank there is no problem regarding drinking water through Hand Pump or Tube well etc Keeping in view the above justification this percolation tank is in very use full in this waste land area Photo of excavated pond is attached herewith

The explanation for making payment of honorarium @ Rs 1200 per month to Secretary paid for abandoned watershed was called by ADC Hisar vide their letter dated 18/08/2009 from Director RDS Seed Farm HAU Hisar Director RDS Seed Farm HAU Hisar vide his Memo No RDS/09/2101 dated 12/08/2009 submitted their justification for making payment to Secretary watershed that the work was lying abandoned not the project There were no instructions on the subject only a ceiling of Rs 1.20 lacs was imposed on the payment of honorarium to Secretary

The Committee desired the department to submit the districtwise complete status report for the period from 1999 to 31st March 2003 to the Committee about the works completed amount received and spent/ remained unspent

The Committee also desired the department to conduct enquiry about the different DRDA's who were responsible for delay in this case and its enquiry report be submitted to the Committee

[15] 1381 Abnormal delay in completion of projects

The programme guidelines envisaged that projects were to be implemented over a period of five years from the date of sanction Between 1999 and 2003 441 watershed projects were sanctioned by GOI in the State Out of these only 118 (27 per cent) projects had been completed as detailed below

Name	Number of projects sanctioned during					Number of completed projects
	1999-00 5 th batch	2000-01 6 th batch	2001-02 7 th batch	2002-03 8 th batch	Total projects	
Bhiwani	18	22	20	27	87	Nil
Hisar	Nil	44	20	24	88	20
Fatehabad	Nil	20	11	14	45	Nil
Jhajjar	8	13	10	12	43	31
Sirsa	18	19	18	23	78	Nil
Mahendragarh	17	13	11	11	52	52
Rewari	15	13	10	10	48	15
Total	76	144	100	121	441	118

(Source Quarterly Reports of Directorate office)

Apart from this due to delay in implementation of projects 50 watersheds of 4th batch sanctioned under DDP were closed as GOI refused to give further extension Owing to this central assistance to the tune of Rs 1.68 crore against allocation of

Rs 12.01 crore could not be availed of hence full benefits of the projects could not be derived

Further 535 watershed projects were sanctioned under *Haryali* in the test checked districts during 2004-06. First batch sanctioned under *Haryali* was due for completion by June 2008 but none of the 74 projects sanctioned in first batch in test checked districts were completed. Physical progress of these projects ranged between 18 and 56 per cent (refer **Appendix XII**)

Programme guidelines provided that eighty per cent of project funds would be released to WCs in seven instalments in five years from the date of sanction of project. DRDAs were required to prepare action plans for the project period as a whole while submitting proposal to GOI. It was observed that while submitting proposals to GOI areas of watersheds were not identified as per scheme guidelines. Process of identification of areas for formation of WCs was started only after the receipt of first instalment of funds from GOI with the result that the projects were started after the delay of 243 to 748 days in watersheds test checked as shown in **Appendix XIII**. These cumulative delays resulted in slackness in the implementation of the projects on time.

The ADC Rewari stated (August 2009) that selection of watershed was to be done after the receipt of funds from GOI. The reply was not convincing because as per para 40 of Project guidelines locations of Watershed Development Projects were to be identified at the time of initial sanction of the projects.

The department in its written reply stated as under

Due to court case in **district** Bhiwani no funds during the year 2005-06 and 2006-07 were received. Hence projects could not be completed within project period. Now Govt. of India Department of Land Resources, New Delhi has granted extension of DDP Projects upto 31-03-2011 in respect of Preharyali watersheds and upto 31-12-2012 in respect of Haryali watersheds. The projects have been completed and completion report alongwith necessary certificates have been submitted to the Ministry.

District Hisar has received total 88 projects during the period i.e. 1999-2003. 44 projects have been completed and 44 projects have been foreclosed. Watershed Projects in villages Bagla, Kharbala and Prabhuwal pertain to 6th batch. Similarly watershed projects in villages Birbabran, Daulatpur and Pali pertained to 7th batch. The funds under 6th batch and 7th batch were received late from the Govt. as per **Annexure E and F** attached herewith. Therefore GOI has granted extension for pre-haryali project for completion by March 2011. However the district wise position is given at the end of the reply of said para.

In district Jhajjar 5th, 6th and 7th batch watersheds have been completed so far as 8th batch watershed completion is concerned it is submitted that the case for claim of 5th and 6th installments funds simultaneously was sent to Govt. vide letter dated 10-12-2010. However the Ministry has not released the funds and decided to foreclose the project.

Mahendergarh Between 1999 to 2003 52 Watershed projects (DDP 5th batch 17 projects, DDP 6th batch 13 projects, DDP 7th batch 11 projects and DDP 8th batch 11 projects) were sanctioned by Government of India in this district. All the projects had been completed.

The completion report of water sheds is as under

Since inception of the programme watershed dev Projects were taken up under DDP 1st and 4th phase have been closed. The another watershed dev Projects of the 6th & 7th phase are near closing i.e. 30.06.2011. Further it is also submitted that the requisite funds i.e. approval outlay under Hariyal 1st to 3rd phase have been received and likely to be utilized up to 30.09.2011. The delay in implementation the watershed dev Programmes/projects within the stipulated period had been due to the following reasons

- 1 Indifference among the members of user groups to contribute User share timely
- 2 Indifference among the members to finalize the approved works for their implementation
- 3 Legal complications and confusions among the User's group
- 4 Non submission of the statement of financial accounts timely

Now all the 52 watershed projects have been completed

Fatehabad No watershed of 6th, 7th and 8th batches was completed as process of identification of areas & formation of watershed committees was started after receipt of first installment

However the district wise latest position in respect of completed projects is as follows

Name	Number of projects sanctioned during					Number of completed projects
	1999-00 5 th batch	2000-01 6 th batch	2001-02 7 th batch	2002-03 8 th batch	Total projects	
Bhiwani	18	22	20	27	87	87
Hisar	Nil	44	20	24	88	44
Fatehabad	Nil	20	11	14	45	Nil
Jhajjar	8	13	10	12	43	31
Sirsa	18	19	18	23	78	37
Mahendragarh	17	13	11	11	52	52
Rewari	15	13	10	10	48	48
Total	76	144	100	121	441	299

Desert Development Programme is a need based programme. Due to the reasons full benefits of Central assistance was not derived.

The latest position regarding completion of 535 Hariyal watersheds sanctioned during 2003-04 to 2006-07 is as follows

Name	Number of projects sanctioned during					Number of completed projects
	2003 04 1st batch	2004 05 2nd batch	2005 06 3rd batch	2006 07 4 th batch	Total projects	
Bhiwani	27	27	36	36	126	126
Hisar	23	23	26	35	107	107
Fatehabad	14	14	14	14	56	0
Jhajjar	12	12	14	19	57	0
Sirsa	21	21	28	28	98	98
Mahendragarh	11	11	12	17	51	51
Rewari	10	10	10	10	40	30
Total	118	118	140	159	535	412

The process of identification of areas formation of WCs in Hisar district was started immediately after the sanction of previous batch was received for example when the sanction of 6th batch was received the process for identification of watershed for 7th batch was started

In district Bhiwani the action for selection/ identification of watershed areas is identified on the receipt of 1st installment. The identification of the area takes a long time. On the basis of PRA exercises preparation of action plan takes place 8 to 10 months time and the funds for execution were to be released after the approval of action plan from the State Govt. It is worthwhile to mention here that only 7 watershed projects were sanctioned earlier i.e. on 23 10 2000 and 15 watershed projects were sanctioned on 06 03 2001. Dudi Wala Kishanpura and Matani II were not selected against 7 watershed projects. Copy of sanction order to GOI dated 23 10 2000 and dated 06 03 2001 **enclosed**. Hence there is no delay in the start of watershed.

In district Rewari there was no delay in constituting the watershed committees for implementing the process. Watershed committees were constituted just after the sanction of the project but just after the constitution of the WCs there were started infightings between Panchayats and WCs and it took a very long time in resolving problems. However the funds were released and smooth working was started.

The Committee desired the department to submit the districtwise complete status report for the period from 1999 to 31st March 2003 to the Committee about the works completed, amount received and spent/ remained unspent.

The Committee also desired the department to conduct enquiry about the different D R D A's who were responsible for delay in this case and its enquiry report be submitted to the Committee.

[16] 1 3 8 3 Role of Self Help Groups in implementing DDP objectives

One of the objectives of the programme was to bring improvement in socio economic conditions of the poor and disadvantaged sections of the people inhabiting these areas and to alleviate poverty.

In order to help villagers who are directly or indirectly dependent on the watershed area to undertake income generating activities project guidelines envisage constitution of Self Help Groups (SHGs) with the help of Watershed Development Team. A revolving fund was to be operated with seed money not exceeding Rupees one lakh for vocational development of each watershed to undertake income generating activities. The members of SHGs were to be provided seed money not exceeding Rs 10 000. This seed money was to be recovered from the members of SHGs in six monthly instalments which could be re invested to the same or other SHGs. The SHGs were however not functioning in any test checked districts as discussed below.

In Hisar district SHGs were constituted in 8 out of 64 watersheds. However all these 8 SHGs were defunct as the unutilised funds amounting to Rs 3.30 lakh advanced to the members of SHG were not returned till date (July 2009) though as per scheme guidelines this money was to be refunded within six months. The SHGs were not constituted in Rewari and Fatehabad districts.

In Bhiwani district SHG was constituted only in watershed Kohad selected under 4th batch of the scheme. In this watershed Rs 0.80 lakh was released to eight SHGs. The Agriculture Development Officer Bhiwani instead of issuing account payee cheque in the name of Self Help Groups issued cheque for Rs 50 000 in the personal name of group leader of SHG which was drawn by him and the amount was neither paid to the members of the SHG nor deposited in revolving fund. Out of remaining Rs 30 000 only Rs 2 700 had been recovered. After this incidence no Self Help Group was constituted in Bhiwani district. The ADC Bhiwani stated (August 2009) that the case of recovery was under trial in the Civil Court Bhiwani.

Therefore the objective of uplifting disadvantaged sections of the society dependent on watershed area through this component could not be achieved.

The ADCs Hisar, Rewari and Fatehabad stated (August 2009) that people were not interested in forming SHGs under the programme as formation of SHGs was more beneficial under *Swaranjayanti Gramin Swarozgar Yojana* (SGSY). The reply was not convincing as the department should have motivated the people to form SHGs under DDP to cover more beneficiaries.

The department in its written reply stated as under

In district Sirsa the members of the Users group were educated time and again about the concept of SHG but they were always found indifferent taking plea that it is difficult to maintain the accounts of SHG i.e. loaning and recovery etc. The landless SHGs were also found to be indifferent to be member of SHG under Watershed Dev Programme taking plea that they will like to prefer member of SHG formed under SGSY where the economic benefits are good comparative watershed sites.

In Hisar district 29 self help groups were formed by the watershed committees. Later on these groups were taken over under SGSY out of these 9 groups become defunct and non functional. Remaining 20 passed the 1st and 2nd grading. The loan has been got provided to them from banks and subsidy has also been provided out of SGSY. The detail report is attached as **Annexure H**.

As per audit report the figure of the outstanding amount was to the tune of Rs 3 20 lacs in the place of Rs 3 30 lacs. The total outstanding amount to the tune of Rs 3 20 lacs against SHGs has been recovered. The proof of recovery is attached.

In district Bhiwani Watershed development teams for all watershed projects formed. There is a provision of Self Help Groups under SGSY scheme hence where in addition to revolving fund subsidy worth Rs 1 25 lac is also available and people are not interested to form SHG under SGSY scheme. SHG could not be formed under this scheme.

It is correct that in village Kohar 8 numbers of SHGs were formed. Sh Kartar Singh Sindhu was found responsible for issue of wrong cheque in personal name and disciplinary action has already been taken by the Department. Now DRDA Bhiwani has provided a copy of letter No 178 dated 16 2 2010 wherein it has been mentioned that Shri Kartar Singh was exonerated by Judicial Magistrate Bhiwani vide their order dated 10 12 2009. The FIR was also lodged against Sh Suresh Kumar President Watershed Association Kohar and the case was under trial in the Civil court Bhiwani and Honble court by giving the benefit of doubt to the accused and acquitted the charged frame against them.

Due to least interest shown by villagers in participating for the SHGs. No SHGs have been formed in district Fatehabad.

In district Rewari now ASCO has been nominated as PIA and he is directed to provide assistance to SHGs where ever possible.

The Committee desired the department to make all out efforts to recover the amount from the erring officer who issued cheque in the favour of a person instead of the group's name in Bhiwani district.

[17] 1 3 9 Execution of works

Activities being undertaken under DDP broadly fall under three components viz water resource land levelling and afforestation. Component wise expenditure of watersheds selected for physical verification (except two watersheds of Hisar district records of which was partially available) is given in **Appendix XIV**. Physical verification of assets of 18 watersheds and analysis of data relating to 166 watershed projects since their inception to March 2009 revealed following deficiencies.

1 3 9 1 Water resource activities

Water resource activities carried out under the programme aimed at equitable distribution of water resources and strengthening of water conveyance system by renovation and augmentation of available water resources desiltation of tanks and raising of sub soil water table by development of small water harvesting structures such as percolation tanks check dams etc.

Purchase and distribution of HDPE pipes

In test checked districts out of total expenditure of Rs 27 87 crore incurred up to March 2009 Rs 10 75 crore was incurred on purchase of HDPE pipes under this component.

In Fatehabad district 97 per cent of the total expenditure was incurred on distribution of RCC and HDPE pipes as tabulated below

Number of watersheds of 6 th and 7 th batch	Number of watersheds of which data was compiled	Expenditure on RCC pipes	Expenditure on HDPE pipes	Total expenditure on pipes	Total expenditure incurred up to March 2009	Percentage expenditure incurred on pipes to total spending
		(Rupees in crore)				
31	26	1 39	1 96	3 35	3 44	97

Audit observed that no rate contract was finalised at Directorate level for the purchase of HDPE pipes to be distributed to the beneficiaries. These pipes were purchased by WCs of Hisar and Rewari districts from the source and at rates approved by the High Power Purchase Committee of Agriculture Department. It was further observed that rates approved by Agriculture Department were to facilitate farmers to avail loans from banks under the loan schemes. These rates were higher than the prevailing market rates. The ADC Bhiwani had purchased water pipes with identical specifications at the rate of Rs 284 per six metre pipe on the basis of quotations against the rate of Rs 585 to Rs 700 per pipe of the same size approved by High Power Purchase Committee of Agriculture department. These pipes were purchased in the bulk quantity hence department should have followed the proper procedure for procurement of pipes by inviting tenders for getting competitive rates.

Further these pipes were to be used as underground pipe lines to make optimum use of available water/water source WCs however instead of using these pipes for laying underground pipelines the same were distributed to the farmers free of cost in cultivated areas. During physical verification of selected watersheds beneficiaries of watersheds Roopgarh Dudiwala Kishanpura of Bhiwani district stated that due to adverse climatic conditions and sub standard material of pipes majority of the pipes were damaged and some of the pipes were stolen as these pipes were stacked in open.

It was further observed that quality of underground pipes was not assessed while finalising the purchase of pipes which were to be used for carrying water from tubewells. Pipes worth Rs 36 40 lakh were purchased in 6th and 7th batches in Hisar district for distribution in areas where water was saline hence not fit for irrigation purposes as detailed below

Name of watershed	EC value of underground water	Expenditure on pipes (Rupees in lakh)
Kalirawan	14 630	4 56
Durjanpur	9 680	8 00
Khokha	8 580	12 23
Matani	7 000	4 02
Dhani Hunat	7 000	7 59
Total expenditure		36 40

The ADC Hisar stated (August 2009) that HDPE pipes in these watersheds were used by user groups after taking the water from adjoining areas where suitable water was available. The reply was not based on facts as these pipes were distributed amongst the farmers on the basis of their land holdings without keeping in view the distance from where the water was to be carried.

During physical verification beneficiaries of watershed Matani and Dhani Hunat of Bhiwani district where HDPE pipes worth Rs 11.61 lakh were distributed stated that area being *barani* (rainfed) majority of the tubewells had gone dry and ground water in the area was saline and brackish. As such HDPE pipes provided for water supply system were of no use to them.

Similarly ground water in Fatehabad district was highly saline as per report of Central Ground Water Board. As such HDPE pipes purchased at a cost of Rs 1.96 crore as discussed in paragraph 1.3.9.1 were of no use to the local farmers as the pipes were to be used predominantly to carry water from tubewells. Chairman WC Rattangarh intimated (May 2009) that HDPE pipes worth Rs 1.74 lakh were lying with the Committee as farmers were not interested in taking them since they were of no use to the local farmers.

Therefore expenditure of Rs 10.75 crore under this component became infructuous as this expenditure neither resulted in creation of any infrastructure in these areas nor its proper use could be ensured by DRDAs.

Further following irregularities were also noticed in Hisar district

Sr No	Name of watershed	Cost of pipes (Rupees in lakh)	Remarks
1	Pabra	2.59	Ex Secretary WC had sold about 250 pipes costing Rs 2.59 lakh purchased out of DDP funds. This was accepted by Chairman WC and intimated (October 2005) to BDPO Uklana ADC and DC Hisar. No action had been initiated against the ex secretary of WC.
2	Daulatpur	1.25	Audit observed that pipes worth Rs 1.25 lakh were purchased by new Committee from an unapproved source at the rate of Rs 2,857 per pipe whereas approved rate was Rs 1,030 per pipe. This had caused a loss of Rs 0.80 lakh.
3	Khokha	0.33	Twenty one pipes worth Rs 0.33 lakh were shown as distributed to Gram Panchayat by ex Chairman WC. New Chairman reported that no such pipes were available with Gram Panchayat.

The ADC Hisar in his reply stated (August 2009) that inquiry in these cases had been initiated by concerned BDPOs and report would be sent to the State Government after completion of inquiry

Expenditure on water channels

An expenditure of Rs 4 94 crore was incurred on water channels up to March 2009 in 166 watersheds of the test checked districts further works completed at a cost of Rs 49 31 lakh were physically verified by audit in selected watersheds

It was observed that source of water was not selected after proper planning and ensuring/assessing availability of water while linking minors with village ponds In Bhiwani district Nagla minor (Bhiwani district) was in a damaged condition without water however a sum of Rs 4 40 lakh³² was spent for laying pipe lines under Dudiwala Krishanpura watershed project for carrying water from this damaged minor to a nearby pond Since the minor was without water objective of supplying water to the pond could not be achieved thus rendering the entire expenditure unfruitful

The ADC Bhiwani stated (May 2009) that there was scarcity of water in the district The reply was not convincing as the pipe lines were laid without ensuring the availability of water in the minor (the source)

Similarly under watershed Chawa Bhakli Nahar block of Rewari district a pond was developed (2005 06) at a cost of Rs 12 43 lakh In addition a channel was also constructed (2006 07) at a cost of Rs 3 71 lakh to connect the pond with a near by distributary During physical verification by audit it was noticed that the channel had choked due to expansion of road and was in damaged condition The pond was without water rendering the entire expenditure of Rs 16 14 lakh as unfruitful

Impact of water resource activities

Activities were undertaken under this component of the scheme for increasing irrigated area by distribution of pipes and linking minors with village ponds However this activity could not make any significant impact in increasing the irrigated areas in the said districts as depicted in the table below

District	Net irrigated area (in thousand hectares)														
	2002-03			2003-04			2004-05			2005-06			2006-07		
	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total
Rewari	2	108	110	—	101	101	2	108	110	2	107	109	2	94	96
Mahendragarh	2	119	121	2	119	121	2	119	121	2	32	34	8	77	85
Bhiwani	156	109	265	159	124	283	169	118	287	148	132	280	144	139	283
Hisar	238	22	260	208	9	217	218	9	227	218	9	227	218	23	241
Fatehabad	140	76	216	140	76	216	145	60	205	68	144	212	72	141	213
Sirsa	264	58	322	264	58	322	263	72	335	265	73	338	234	104	338
Total	802	492	1,294	773	487	1,260	799	486	1,285	703	497	1,200	678	578	1,256

(Source: Statistical abstract published by Government of Haryana)

It would be seen from the above table that the area under irrigation decreased from 1 294 thousand hectares to 1 256 thousand hectare during 2002 07 in these districts. The position was worst particularly in Rewari Mahendragarh and Hisar districts.

The department in its written reply stated as under

DRDA Fatehabad has replied that HDPE pipes distributed by watershed committee to the farmers for irrigation of fields on their demand. However the department has not satisfied with the reply. An enquiry in this matter needs is being conducted.

In district Hisar HDPE pipes were purchased by the watershed committees at the rate approved by the High Power Committee of the State which is superior than the district level purchase committee. So the tenders were not invited. However in view of the audit observations the tenders were invited through news papers and also have been finalized for the district. Hence the compliance has been made.

In district Rewari the HDPE pipes of ISI specification have been purchased from the firm whose rates were approved by high power committee. These pipes were provided to the groups of small and marginal farmers only. These are being utilized properly and maintained by them. Evaluation at any time may be done.

In district Bhiwani Tenders were called and lowest rates were approved. Hence there is no procedural lapse. Copy attached. HDPE pipes were distributed among the farmers for availing the benefit of sprinkler set system. The underground pipeline is not viable in sandy area of Bhiwani district. In Bhiwani district mostly area is undulation. So it is not possible the laying of underground pipeline. As per needs of the farmers the pipes were distributed.

In district Hisar HDPE pipes were distributed to the user groups for irrigation purpose because these pipes were more useful for farmers where there were no water channels and existing of undulated land. Due to HDPE pipes irrigation of these user groups noted doubled because these pipes were used being sprinkle sets. If these pipes were installed in the underground then irrigation could be done in only limited area. Moreover Consultant Sh. Kaler Retd. PCCF Punjab appreciated this work during his evaluation of 6th and 7th batch watershed project which is attached at Annexure K. However ratio in each component will be maintained in future. The provision of implementation of water conventional system like use of HDPE pipes in village Kalirawan Durjanpur and Khokha was approved by the Gram Sabha and watershed committee in the action plan. The PIAs has reported that HDPE pipes in above mentioned watersheds projects were used by the user groups after taking the water from the adjoining spot where the water was suitable for agriculture purpose.

DRDA Bhiwani has admitted that it is correct that pipes were purchased without accessing the quality of underground water. It is true that EC value of underground water at Matani and Dhani Hunat as per requirement but these pipes were used for the tube well installed near canal/ minor where quality of underground water was fit for agriculture purposes.

The underground RCC & HDPE pipes were given to user groups of farmers on their demands in district Fatehabad. This was done to renovate augmentation of water resources upgrading the existing common property assets and structure of the watershed to obtain optimum and sustained benefit from previous public instruments. This was done to meet the local demand as well as to achieve the objective of DDP.

BDPO Uklana district Hisar vide his letter No SPL 1 dated 7 10 2010 informed that enquiry regarding sale of 250 pipes by ex secretary Pabra watershed has been completed. The notices have been given by him. FIR has been lodged. The latest position in this case has been called for by this department and the same is awaited. Recovery from Daulatpur has been affected.

BDPO Hisar I have informed that enquiry regarding sale of 21 pipes costing Rs 33000/- has been completed. The notices have been given by him. FIR has been lodged. The latest position in this case has been called for by this department and the same is awaited.

In district Bhiwani there was a great need and requirement of a channel in village Dudi wala Kishanpura. The channel was constructed on the demand of village community and resolution was passed by gram sabha which is a major body to decide the activity of watershed projects. The villagers were confident they will get prepared the minor by irrigation department and the supply of water will be regular. Now the minor was got repaired. Photos are attached.

In district Rewari Under Watershed Chawwa Bhakli Nahar block of district Rewari a pond was developed in 2005 06 and was linked to distributory. The channel was in damaged condition at the time of construction for expansion of road temporarily. The construction of the road is completed and the channel has been repaired and made perennial. The purpose for which pond was dug and linked with distributory is served. Hence expenditure incurred on distributory is not unfruitful.

Irrigated area during 2002 03 was 265000 hect in Bhiwani district which was increased to 283000 hect. Hence there is no decrease of irrigated area.

Due to distribution of HDPE pipes in Hisar district and repair of existing water channel the irrigation area and yield of the user group increased up to double. There was a significant impact of the programme in increasing the sowing area. A report from DDA Hisar has been attached at **annexure 'M'**.

In district Sirsa under watershed development approach rain fed areas areas suffering from mobile sand dunes and the areas declared command by the irrigation department but at site there was no irrigation due to the reason being that either the channels provided were katcha or the areas were situated at the tail of the canal and water channels were taken. The scheme i.e construction of channels laying down of underground pipelines were taken up under water resources development in the areas mentioned as above to ensure protective irrigation for obtaining optimum yield. Further it is submitted that the reasons in decrease of canal irrigated area in this district may be due to the acquisition of irrigated and to construct of the following canals.

- 1 Const of Rangoi Nala Haryana border to village Madho singhana Length 60 km
- 2 Const of Canal Jhorar Nali (Ottu Head) to Banwala Length of 30 km
- 3 Const of Canal Ottu head to Jamal Length of 20 km
- 4 Const of Canal Ottu head to Gudia Khera Length of 15 km
- 5 Const of Kasaba Minor Length of 10 km

The Committee desired the department to lodge FIR against the delinquent officials who were involved in the purchase of HDPE pipes and thereafter spot inspection be got conducted from a State Level Nodal Agency and its report be submitted to the Committee within two months

The Committee also desired the department to conduct enquiry with regard to impact of water resource activities in the districts of Rewari Mahendergarh Hisar Bhiwani Fatehabad and Sirsa and its report be submitted to the Committee accordingly

[18] 1 3 10 Other topics of interest

1 3 10 1 Diversion of funds

Programme guidelines also envisaged treatment of drainage line with a combination of vegetative and engineering structures in watershed areas. In Rewari district cumulative expenditure of Rs 46.25 lakh was incurred during August 2000 and March 2009 on sewer nullahs for draining waste water on the village streets which was contrary to the programme guidelines as constructions of sewer nullahs had no relation with drainage line treatment. Thus the objective of the scheme remained unachieved.

The ADC Rewari stated (August 2009) that concerned WCs had been instructed not to take up such activities in future.

The department in its written reply stated as under

In District Rewari no sewer nullah was constructed under WDP. The treatment drainage has been taken inadvertently. In fact roof water which used to go waste prior to construction of channel has been chanelized to pond. The diversion channel activity is permitted in watershed development.

The Committee desired the department to submit the complete record to the PAG Office for its verification and settle the matter under intimation to the Committee.

[19] 1 3 10 2 Maintenance of record

Cash book, ledger and muster rolls are basic records which are required to be maintained so as to ensure proper utilisation of funds. It was however noticed that the ledgers were not maintained properly and cash books were not being closed regularly. In watersheds of Daulatpur Prabhuwala and Pabra of Uklana block it was observed that previous records along with unspent cash balance had not been handed over to the new Chairmen. No record was produced by watershed Sisar 1 in Hansi II block of Hisar district. In watershed Bagla of Adampur block receipts and payments were entered on the same side of cash book as a result of which accuracy of transactions could not be verified by audit.

The ADC Hisar stated (August 2009) that instructions had been issued to all PIAs to maintain the cashbooks and ledgers properly.

In watershed Roshankhera of Hansi II block of Hisar district blank muster rolls with signatures of workers were kept by the Secretary of the watershed. The muster rolls were got signed from workers in advance without making any payment to them. The

chances of mis use of muster roll to misappropriate the funds could not be ruled out Similarly a payment of Rs 8 075 was made to workers without obtaining their signatures on muster rolls for the watershed work

The department in its written reply stated as under

Instructions were issued to all the PIAs in District Hisar by ADC cum CEO to maintain the cash book Ledger Muster roll etc All the PIAs have reported that the watershed record has been corrected as per directions of the audit Regarding non handling over of old records of Daulatpur Parbhuwala and Pabra the PIA has reported that the old committees have been handed over the record along with unspent balances to the new committees

Proper record like Cash Book Ledger Master Roll Billing and Receipt has been maintained at the level of Water Shed Committee as well as at the level of PIA & District level properly in Sirsa district

The record of watersheds at each level is being maintained properly in Rewari district

In respect of Roshankhera watershed project of Hansi II Block district Hisar the needful has been done by the PIA and watershed committee after proper verification

The Committee desired that the department should conduct inquiry into this matter and responsibility needs to be fixed and its report be sent to the Committee accordingly

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EDUCATION DEPARTMENT

[20] 2 1 Fraud/misappropriation/embezzlement/losses/over payments

2 1 1 (b) Suspected embezzlement

Scrutiny of records (May 2008) of Block Education Officer (BEO) Jatusana (Rewari) revealed that an amount of Rs 22 685 on account of undisbursed incentive money was returned (between May 2006 and April 2008) by centre in charges/school heads to the BEO's office. The amount was neither taken in the cash book nor deposited in treasury. Thus the amount of Rs 22 685 was misappropriated. On being pointed out in audit the BEO Jatusana intimated (February 2009) that Rs 22 685 have been recovered and deposited in treasury on 15 December 2008. However no departmental action had been initiated against the defaulter.

Thus due to failure of the DDOs in exercising the checks as prescribed under Financial Rules facilitated the suspected misappropriation of Rs 6 60 325. The entire amount has been recovered from the defaulters as stated above. Further departmental action to fix the responsibility of the defaulting officials/officers was awaited.

All the above points were demi officially referred to the Financial Commissioners and Principal Secretaries to Government of Haryana of the Departments concerned in November 2008 and March 2009. Reply to sub para (a) (i) and (b) had not been received (August 2009).

The department in its written reply stated as under

Block Education Officer Jatusana Rewari has intimated in his letter No A 1/13/780 dated 18 05 2013 that 22 685/- has been deposited in treasury vide Challan No 34 on 15 12 2008 (Copy enclosed).

Sh Ved Pal Daulta BEO Sh Heera Mani BEO & Sh Phool Singh Dhaka BEO and Assistant Sh Parkash Chand and Assistant Sh Rama Nand have been retired from service and Smt Santosh Tanwar the then BEO is now working as Deputy Director SCERT Gurgaon. Disciplinary action against Smt Santosh Tanwar BEO has been approved and the same is being initiated.

The Committee desired that the responsibility of such officers be fixed who failed to take action against the defaulting officers in time and thereafter take departmental action against them after fixing responsibility and its report be sent to the Committee accordingly.

[21] 2 1 3 Loss due to non utilisation of Central grant

The Expanded Operation Blackboard (OBB) scheme modified (June 1993) by Government of India (GOI) to cover upper primary schools was aimed to provide teaching learning equipment i.e. text books teacher guides maps education charts children books reference books blackboard chalk duster furniture mats play material etc. Each school under the scheme was required to receive Rs 50 000 for its implementation. As the scheme envisaged community participation Rs 10 000 were to be

contributed by the *Gram Panchayat* (GP) and the balance Rs 40 000 by GOI. The GOI Ministry of Human Resources Development (Department of Education) sanctioned a grant of Rs 4 60 crore on 26 March 1999 for implementing the scheme in 1 150 upper primary schools. As the funds were released at the fag end of the financial year, the GOI extended (April 2001) the period of utilisation of unspent balances upto 30 September 2001 failing which the unutilised amount was to be refunded.

Scrutiny of records (May 2002-January 2005) of nine District Education Officers (DEOs) and relevant information collected (January/February 2009) from all the DEOs revealed that the Director, Secondary Education, Haryana (Directorate) released (September 2001) Rs 4 60 crore to 19 DEOs for purchase of teaching learning equipment for 1 150 schools. As per instructions of Directorate (11 March 2002) these funds were to be utilised by 31 March 2002. An analysis of utilisation of funds by the DEOs revealed the following:

Only five DEOs were able to utilise completely the amount of Rs 1 28 crore released for 321 schools although matching contribution was not received from 126 GPs.

Out of the total central grant of Rs 1 48 crore released to six DEOs for 370 schools, only Rs 0 72 crore were spent although matching contribution from 49 GPs was not received. Matching grant of Rs 0 30 lakh also remained unspent.

In the remaining eight districts, the DEOs had received central grant of Rs 1 84 crore for 459 schools but did not utilise the grant at all although the matching grant of Rs 24 70 lakh was received from the GPs for 247 schools.

Five DEOs spent central grant of Rs 70 72 lakh on 175 schools even though the matching contribution had not been received from the concerned GPs.

Thus, the central grant of Rs 2 60 crore, apart from GPs' contribution of Rs 0 25 crore, remained unutilised (January 2009) for more than eight years. Out of central grant of Rs 2 60 crore, Rs 2 12 crore were kept in saving bank account and Rs 0 48 crore in current account. The department earned interest of Rs 0 49 crore on the amount in saving account; however, interest (Rs 19 20 lakh) was not earned on Rs 48 lakh kept in current bank account.

The Commissioner and Director, General Secondary Education, stated (December 2008) that the funds could not be utilised due to non-receipt of share from GPs and GOI had been requested to extend the period of utilisation upto 31 March 2009. The GOI, however, refused (May 2009) to grant the extension and directed the State Government to refund the unutilised funds of the scheme with interest.

Thus, State Government failed to utilise the GOI grant of Rs 2 60 crore provided (September 2001) for implementation of Expanded Operation Blackboard Scheme in schools for more than eight years and also suffered a loss of interest of Rs 19 20 lakh due to parking of funds in the current bank accounts.

The matter was demi officially reported to Financial Commissioner and Principal Secretary to Government of Haryana Education Department in March 2009 reply had not been received (August 2009)

The department in its written reply stated as under

The Govt of India had released an amount of Rs 4 60 Crore to the state Govt under the Operation Black Board scheme vide letter no F 9 13/94 OB dated 26 3 1999 A view of the guidelines content in Govt of India U O No F1 57/92 OB dated 11 6 1993 teaching equipment etc were to be provided in upper primary schools Under this scheme a total some of Rs 50 000/ were to be spent which was inclusive of were 10 000/ provided by the Gram Panchayat (GP) and were provided by the 40 000/ provided by the Govt of India Due to delay to receipt of sanction from the Govt of India the validity to spend the said amount was got extended from the Govt of India time and again The Govt of India had extended validity to spend the amount by 30 9 2001 vide there letter no F 9 13/94 OB dated 4 9 2001 The amount of Rs 4 60 crore was sent to all the District Education Officers vide this directorate letter no 7/1 1999NPE (2) dated 28 9 2001 with the stipulation that the teaching and learning equipments will be purchased as per the norms by committee under the chairmanship of District Education Officer an accordance with guidelines content in the govt of India U O No F 1 57/92 OB dated 11 6 1993 as per the rules

Due to shortage of time for spending this said amount released by the Govt of India the Govt of India was requested to extend the validity to spent this amount for another six month vide this directorate letter no 7/1 1999 NPE (2) dated 9 11 2001 The validity to spent the unspent amount was extended up to 31 3 2002 vide Govt of India letter no F 1 12/2001 OB dated 29 1 2001

- The untried amount of Rs 1 28 crore has been spent by the District Education Officer Fardabad Jind Rewari Sonapat and Y Nagar in 321 Govt Middle Schools on an amount of 6442 with interest have been refunded to Govt of India by the DEO Jind
- A sum of Rs 1 48 crore has been released under the Operation black Board scheme to the District Education Officer AMbala Bhiwani Gurgaon Narnaul Panchkula and Rohtak out of which Rs 0 77 crore have been spent in 370 Schools Out of Rs 14 30 Lac received as matching grant from Gram Panchayats a sum of Rs 13 41 Lac was spent and the District Education Officers were asked vide this Directorate letter no 7/1 99 NPE (2) dated 29 6 2009 to refund the reaming unspent amount of Rs 1 02 Lac along with interest to the gram panchayat concerned
- A sum of Rs 1 84 crore was released for 459 schools under the operation black board scheme to the District Education Officers Fatehabad Hissar Jhajjar Kaithal Karnal Krukshetra Panipat and Sirsa An amount of Rs 23 60 Lac was received from 236 Gram Panchayat as matching grant and the District Education Officer were asked to refund the unspent amount along with inte est to the Gram panchayat concerned as per decision of the State Govt and the amount received from the Govt of India has been sent to the Govt of India Ministry of Human Resource Development New Delhi by

demand draft vide this Directorate letter no 7/1 99 NPE (2) dated 29 7 2009 with reference to the Govt of India letter no F 9 13/94 OB EE 15 dated 1 5 2009

- The District Education Officers Bhiwani (Rs 22 22 Lac) Faridabad (Rs 12 40 Lac) Jind (Rs 19 20 Lac) Rewari (Rs 2 80 Lac) and Yamunanagar (Rs 16 00 Lac) spent Rs 72 62 Lac out of the central grant on 181 Schools even though the matching contribution of Rs 10 000/ per school had not been received from the concerned Gram Panchayats

According to the information received from the District Education Officers an amount of Rs 2 54 60 866 plus interest Rs 54 81 492/ total Rs 3 09 48 800/ and matching contribution Rs 24 48 264/ plus interest Rs 4 41 655/ total Rs 28 89 919/ was unspent at district level. The Govt of India was requested to extend validity to spend this amount upto 31 3 2009 vide this Directorate letter No 7/1 99 NPE (2) dated 6 7 2008 and reminder dated 11 12 2008 but the Govt of India vide letter No F 9 13/94 OB EE 15 dated 1 5 2009 asked to refund the unspent amount alongwith interest by demand draft drawn in favour of the Pay 7 Account Officer Department of School Education & Literacy Ministry of Human Resource Development New Delhi in compliance whereof the State Govt decided to refund the unspent amount with interest to the Govt of India and the Gram Panchayats. Thereafter the District Education Officers have been asked to refund the matching contribution received from the Gram Panchayats alongwith interest to the Gram Panchayats vide this Directorate letter No 7/1 99 NPE (2) dated 29 6 2009 and a sum of Rs 3 09 48 800/ alongwith interest has been sent to the Govt of India by way of 19 demand drafts vide this Directorate letter No 7/1 99 NPE (2) dated 29 7 2009. It is pertinent to mention here that Department has been making efforts to spend the amount received from the Govt of India under the operation Black Board Scheme.

The Committee desired the department to fix responsibility of those officers who were responsible for the loss occurred to the state due to non utilization of the Central Grant. The Committee wants to know whether any inquiry was conducted by the department in this matter if not the reasons thereof

The Committee also desired to conduct inquiry in this matter and its report be submitted to the committee accordingly

[22] 2 1 4 Loss due to non availing of full Central assistance

In order to overcome the problem of affordable and safe accommodation for working women Government of India Ministry of Human Resource Development Department of Women and Child Development (GOI) introduced (April 2001) a scheme to provide assistance by construction/expansion of hostel buildings for 100 inmates for working women with a day care centre in cities smaller towns and rural areas. The GOI was to provide 75 per cent of the cost of the building as grants in aid out of which 90 per cent was to be paid in three equal instalments after receipt of utilisation certificate of previous instalments and the balance 10 per cent was to be released on the receipt of the completion certificate and audited expenditure. The building was to be constructed strictly in accordance with the plan approved by GOI. No change in the plan was to be made without the prior approval of GOI. The work was to be completed within 24 months from the date of receipt of first instalment of grants in aid.

A proposal for construction of a working women hostel for only 48 inmates submitted (May 2002) to GOI by Maharshi Dayanand University Rohtak (MDU) was approved in October 2004 for a total estimated cost of Rs 45 70 lakh with a condition that no escalation would be allowed. In the meantime the Vice Chancellor (VC) desired (November 2004) that hostel be constructed for the capacity of 72 inmates. Though VC MDU decided (December 2004) to process and submit the revised estimated cost to GOI for release of grant but the revised proposal was not submitted to GOI. Central assistance of Rs 34 28 lakh was sanctioned (May 2005) and two instalments amounting to Rs 20 57 lakh were received upto May 2007.

Scrutiny of records (November-December 2008) of the Registrar MDU revealed that the work Construction of Working Women Hostel with Day Care Centre for Children was allotted (January 2006) to a contractor at an approximate cost of Rs 44 lakh with a completion time of 10 months. After commencement of the construction work for two storey hostel building the revised rough cost estimate for construction of third floor was prepared and administrative approval of Rs 88 83 lakh (October 2006) was accorded. This was further enhanced to Rs 94 97 lakh in April 2007. But the revised building plan and estimates were not submitted to GOI for approval. The work was completed (June 2007) after incurring an expenditure of Rs 1 12 crore.

The above chronology of events depicted that the decision to add an extra floor to the building was taken after one month of GOI's approval of the proposal in October 2004 and much before the sanction and release of central assistance. The preparation and approval of revised cost estimate took almost two years. Due to this lack of planning and slackness MDU suffered a loss of Rs 49 88 lakh as it failed to avail the central assistance on the total cost of hostel building. Had MDU prepared the estimate for the complete building at the first instance itself or prepared the same as per revised cost immediately this loss could have been avoided. Besides even the balance amount of Rs 13 71 lakh from the approved estimates (Rs 34 28 lakh minus Rs 20 57 lakh) had not been received from GOI (May 2009).

On being pointed out by audit (December 2008) the Finance Officer of MDU while admitting the facts stated (May and August 2009) that the GOI had been requested (December 2008) to release the amount of Rs 63 59 lakh including Rs 13 71 lakh. Reply was not in consonance with the terms and conditions of GOI as the changes in the building plan had been made without consulting or obtaining prior approval of GOI who had approved the proposal with the condition that no cost escalation would be allowed in future (October 2004).

Thus due to lack of planning and slackness on the part of MDU in submitting the revised plans/estimates MDU suffered a loss of Rs 49 88 lakh as it failed to avail central assistance of Rs 49 88 lakh.

The matter was demt officially reported to Financial Commissioner and Principal Secretary to Government of Haryana Education Department in March 2009. Reply had not been received (August 2009).

The department in its written reply stated as under

It is submitted that a proposal for Construction of a Working Women Hostel in MDU Rohtak for only 48 inmates was submitted to Govt. of India in May 2002 for a total

estimated cost of Rs 51.02 lac. Initially the proposal was approved for two stories for which Central assistance of Rs 34.28 lac sanctioned as per estimated cost of Rs 45.70 lac which was sanctioned in May 2005. The University received two installments amounting to Rs 20.57 lac upto May 2007. Accordingly to earlier sanction there is only Rs 13.71 lac balance with the Central Govt. In this regard the University has requested vide Finance Officer MDU Rohtak office letter no FO/B 1/2010/319 dated 14.01.2010 to release the grant (Photo copy placed at Annexure I)

The AG (Audit) has prepared the Audit Para where in it has been mentioned that the University suffered a loss of Rs 49.88 lac for non availing of Central assistance as the work was enhanced from Rs 45.70 lac to Rs 88.83 lac without perusal the office record properly. The Audit has pointed out the loss of Rs 49.88 lac taking in to the consideration of expenditure amount of Rs 112.21 lac upto 3rd floor (Rs 112.21 lac x 75% = Rs 84.16 lac – Rs 34.28 lac (already approved) = Rs 49.88 lac

It is pointed out here that that the rest of amount i.e. Rs 88.83 lac – Rs 34.28 lac = Rs 54.55 lac will be met out from University budget which was not noticed by the Audit. The work was enhance for construction upto 3rd storey instead of two stories as per orders of the Vice chancellor for construction of 3rd storey in Working Women Hostel which was approved by the Building Committee in its meeting held on 21.09.2006

Accordingly the vice Chancellor has approved the administratively from Rs 51.02 lac to Rs 88.83 lac. The photo copy of Minutes of Building Committee and approval of Vice Chancellor is placed at Annexure II

It is clearly mentioned here that the University earlier received grant from Govt. of India amounting to Rs 20.57 lac which have been fully utilized for the purpose and University has not suffered any loss in this regard as the extra expenditure has been incurred from its own resources for construction of 3rd story instead of two stories. Hence it is requested this audit para may be dropped because no loss has been incurred

After going through the written reply of the department the Committee observed that the department failed to get the financial assistance from the Government of India due to late submission of Utilization Certificates and suffered extra financial burden due to late finalization of revised estimates

The Committee desired that lack of planning and slackness in submitting revised estimates needs to be proved and responsibility needs to be fixed

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IRRIGATION DEPARTMENT

[23] 2 1 5 Parking of funds outside the Government account

As per Punjab Financial Rules/Punjab Subsidiary Treasury Rules as applicable to Haryana the funds for the acquisition of land required for Public Works Department (PWD) are to be deposited with the concerned District Revenue Officer cum Land Acquisition Officer (DRO cum LAO) PWD (Irrigation Branch). The funds received by the DRO cum LAO for the acquisition of land are to be deposited in treasuries by operating a Revenue Deposit (RD) account for each project. Payments regarding land compensation to the land owners are to be made by drawing funds from the concerned RD account. Financial Rules further provides that no money should be drawn from the treasury unless it is required for immediate disbursement.

Scrutiny of records and information collected (October November 2008 and June 2009) from 15 Divisional Officers (Irrigation and Water Supply & Sanitation Branches) and two DRO cum LAOs (Ambala and Rohtak) revealed that an amount of Rs 182.94 crore was deposited (between May 2006 and March 2009) by the Divisional Officers with the concerned DRO cum LAOs through bank drafts/cheques for acquisition of land required for the projects to be executed by the department. The DRO cum LAO Ambala and Rohtak deposited this amount with various public sector banks by opening eight accounts (three interest bearing and five non interest bearing) instead of opening project wise RD accounts in the treasuries. In addition to this the DRO cum LAO Rohtak withdrew (between November 2006 and February 2007) an amount of Rs 22.43 crore from the RD accounts in the treasury and deposited the same in the current/saving bank accounts. An amount of Rs 43.50 crore was still available (23.28 July 2009) with the concerned banks.

It was further noticed that significant balances were available in the said banks as the amounts so drawn were not immediately required for payment towards land compensations and hence the same remained outside the Government account during May 2006 to March 2009. This also resulted in loss of interest to the tune of Rs 4.47 crore (worked out at the prevailing Treasury Bills interest rate ranging between 6.11 per cent and 9.06 per cent after deducting interest earned in saving bank accounts) as per details given in **Appendix XVII**.

On being pointed out during Audit (December 2008) DRO cum LAO Ambala stated (February 2009) that the amounts were kept in the saving bank account in view of the difficulties faced in maintaining the RD accounts in the treasury. The DRO cum LAO Rohtak stated (February 2009) that in order to avoid delay due to shortage of staff in making payment of land compensation to the land owners the bank accounts were opened. The reply was not in consonance with codal provisions as operation of such bank accounts for land compensation payments was contrary to provisions of treasury rules. Further the shortage of staff was no excuse for deviation from the prescribed procedure.

Thus keeping the huge amount outside Government account in contravention of codal provisions resulted in loss of interest of Rs 4 47 crore

The matter was demerit officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana Irrigation Department in March 2009 reply had not been received (August 2009)

The department in its written reply stated as under

It is submitted that on receipt of LOC for land payment the amount was deposited with LAO on account of payment of land acquired by Govt for public purpose. The funds received by the DRO cum LAO for acquisition of land are to be deposited in treasuries by opening revenue deposit account for each project. Any payments to the land owners are to be made by drawing funds from the concerned RD account. A huge amount was deposited with Divisional Revenue Officer (DRO) cum LAO for acquisition of land required for the project to be executed by the Department.

The DRO cum LAOs deposited this amount with various public sector banks by opening interest bearing account & non interest bearing accounts instead of opening RD account in the treasuries.

A meeting in this regard was taken by FC&PS (Irr) on 01 08 2011 at Delhi and it was decided to write letter to the concerned Deputy Commissioners for calling explanation of DRO cum LAOs for not keeping the money in treasury account. The reply received from LAO Rohtak & Ambala is attached at Annexure I & II respectively. It has been reported by LAO Rohtak that due to availability of less staff the amount is kept in the bank account as it takes double time in preparing refund voucher than to make payment through cheque. The land owners also have to make several rounds to the Treasury Office if the payment is made by refund voucher. LAO Ambala has reported that difficulty is faced in maintaining the RD account as per balances available in the treasury and there were differences in the figures of both the offices.

However now the instructions have been issued to all the Superintending Engineers to deposit the land acquisition funds in the RD account of the treasury as per the codal provisions (Executive Engineer/PAC letter No 810 39/3PAC dated 19 04 2011 Annexure III). Hence this Para may kindly be dropped.

The Committee desired the department to take action in those cases where significant funds were kept outside the Government Accounts for the last so many years in contravention of Financial Rules/ Treasury Rules and responsibility of the erring officers be fixed accordingly under intimation to the Committee

[24] 3.5 Misappropriations losses defalcations etc

Rule 2 33 of the Punjab Financial Rules as applicable to Haryana stipulates that every Government employee should realise that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further as per rule 2 34 *ibid* cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 219 cases of misappropriation defalcation etc involving Government money amounting to Rs 1 80 crore on which final action was pending as of June 2009. The department wise break up of pending cases and age wise analysis is given in **Appendix 3 5** and nature of these cases is given in **Appendix 3 6**. The age profile of the pending cases and the number of cases pending in each category theft misappropriation loss etc is summarised in **Table 3 4**.

Table 3 4 Profile of misappropriations, losses defalcations etc

Age profile of pending cases			Nature of pending cases		
Range in years	Number of cases	Amount involved (Rupees in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rupees in lakh)
0 5	47	43 53	Theft	136	87 03
5 10	60	85 84	Misappropriation/ loss of material	83	92 57
10 15	23	13 73			
15 20	41	21 58			
20 25	30	8 44	Total	219	179 60
25 and above	18	6 48	Cases of losses written off during the year	Nil	Nil
Total	219	179 60	Total pending cases	219	179 60

Reasons for pendency of the cases are listed in **Table 3 5**

Table 3 5 Reasons for outstanding cases of misappropriation loss defalcation etc

Reasons for the delays in finalisation of pending cases		Number of cases	Amount (Rupees in lakh)
(i)	Departmental action initiated but not finalised	141	84 22
(ii)	Awaiting orders for recovery or write off	60	55 70
(iii)	Pending in the courts of law	18	39 68
Total		219	179 60

Out of the total loss cases 62 per cent cases related to theft of Government money/stores which indicates that appropriate steps for the safety of Government property/cash etc as prescribed in the rules had not been taken by the departments. Further in respect of 64 per cent cases of losses departmental action had not been finalised and 27 per cent cases were outstanding simply for want of orders of the competent authority for recovery or write off of the losses. It was further noticed that out of 219 cases of losses due to theft/misappropriation etc 172 cases were more than five years old of which 18 cases were more than 25 years old. The lackadaisical approach of the departments in finalisation of these cases had not only caused loss to the State exchequer but also prevented timely action against the officers/officials at fault.

The department in its written reply stated as under

A total No of 100 cases amounting to Rs 36 50 lacs were pending as on 31 03 2009 Out of these final action on 55 No cases amounting to Rs 25 45 lakh has been taken by the Government and 45 paras amounting to Rs 11 345 lakh are pending Action is also being taken to clear the balance items Hence this para may kindly be dropped please

The committee desired that the department should make constant efforts to accelerate the pace of recovery and the progress be intimated to the Committee in its Quarterly Progress Reports

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ADMINISTRATION OF JUSTICE DEPARTMENT

[25] 2 2 1 Infructuous expenditure on empanelment of advocates

Empanelment and engagement of standing counsels for State without assessing work resulted in infructuous expenditure of Rs 55 56 lakh on payment of retention fee

In order to defend/plead the cases on behalf of Haryana Government in the Supreme Court of India Delhi High Court District Courts Central Administrative Tribunal National Commission and other courts located at Delhi the Financial Commissioner and Principal Secretary to Government of Haryana Department of Administration and Justice empanels advocates such as Senior Additional Advocate General Additional Advocate General Deputy Advocate General Assistant Advocate General Standing Counsels Additional Standing Counsels and Advocates on Record on terms and conditions prescribed by the State Government. The authority to allocate cases in various courts at Delhi to law officers/advocates from amongst the panel of advocates approved and circulated by the State Government has been vested (August 2007) with the concerned Administrative Secretary/Head of Departments in consultation with the office of the Advocate General of Haryana. Earlier two advocates amongst the Standing Counsels were nominated and authorised to allocate cases among the counsels. Cases relating to Special Leave Petitions/review/reference/ miscellaneous petitions to be filed in Supreme Court of India are required to be entrusted to the Standing Counsel/Additional Standing Counsel/Empanelled Advocates approved by the Government of Haryana.

In addition to professional fee prescribed (May 2002 and March 2004) by Haryana Government for attending to the cases of the State in various courts at Delhi the Senior Additional Advocate General/Additional Advocate General were also paid retainerhip of Rs 52 000 and Rs 50 000 respectively per month. Further Deputy Advocate General and Assistant Advocate General were also engaged on contract basis in the pay scale of Rs 18 400 500 22 400 and Rs 13 500 375 17 250 respectively and Standing Counsels/Additional Standing Counsels/Advocates on record were paid monthly fixed amount of Rs 9 000.

Scrutiny of records (February 2009) of Additional Director of Prosecution Haryana Legal Cell Haryana Bhawan New Delhi revealed that 57 to 73 advocates were empanelled during the years 2005 09 to plead the cases in various courts at Delhi on behalf of Haryana Government. Of these 26 advocates were not engaged to file any case in any court at Delhi however contractual/retention fee of Rs 55 56 lakh was paid to them during the years 2005 09. This depicted that there was no proper monitoring by the department on regular basis. It was also observed that out of these 26 advocates 18 were paid retention fee for a period ranging between 2 to 4 years without assigning any work. It was also observed by audit that neither any criteria had been prescribed for determining the eligibility of advocates for empanelment nor any guidelines were issued for allocation of cases to the advocates so as to ensure equal distribution of work with the payment to the empanelled advocates on case to case basis.

On being pointed out during audit Additional Director of Prosecution Haryana Legal Cell Haryana Bhawan New Delhi while admitting the facts stated (February 2009 and April 2009) that responsibility for distribution of cases among the empanelled advocates was entrusted to two nominated advocates up to August 2007 and thereafter with concerned Administrative Secretaries of the departments. However the Government has now delegated (July 2009) the powers to the Additional Director of Prosecution for allocation of cases amongst the counsels and at present no advocate is without work

Thus empanelment/engagement of standing counsels without assessing the volume of work resulted in infructuous expenditure of Rs 55.56 lakh on payment of retention fee by the department

The matter was demerit officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana Administration of Justice Department in May 2009 reply had not been received (August 2009)

The department in its written reply stated as under

It is submitted that retainer ship fee/ contractual fee is being paid to the Standing Counsels by the Haryana Legal Cell as per terms and condition fixed by the Government but the power to allocate the cases to the counsels is not with the Haryana Legal Cell Haryana Bhawan New Delhi rather the same has been either with the Standing Counsels or with the department concerned. The power of appointment of Standing Counsels and Additional Standing Counsels also rest with the Government and their appointments are made from time to time. The rates of fee of the panel advocates for conducting cases of Haryana Government in Supreme Court of India Delhi High Court subordinate court CAT and other tribunal has been prescribed by the Government vide letter No 21/2/91 5JJ(I) dated 24.05.2002

The power to allocate the cases does not lie with the Haryana Legal Cell rather the same is with the competent authority. The detail of instructions vide which the powers to allocate the cases have been given as under

- (1) Letter No 21/8/2004 5JJ(I) dated 23.11.2004 vide which Advocate General Haryana Chandigarh or Standing Counsels were given the powers to allocate the cases
- (2) Letter No 21/2/2005 5JJ(I) dated 17.03.2005 vide which Sh. Ajay Siwach and Sh. Manjeet Singh Standing Counsels was given the power to allocate the cases
- (3) Letter No 21/2/2007 5JJ(I) dated 30.08.2007 vide which it has been decided that henceforth the concerned Administrative Secretary/Head of Department may take a decision to engage the law officer/advocate from the latest panel of advocates approved and circulated by the State Government copy of which is available with the Legal Cell Haryana Bhawan at the time of taking decision for filing the case in the court at Delhi in consultation with the office of Advocate General Haryana Chandigarh
- (4) Letter No 21/2/2007 5JJ(I) dated 12.03.2008 vide which it has been decided that Advocate General Haryana will be overall incharge of the lawyers dealing with cases pending in various courts at Delhi

As per Financial Commissioner and Principal Secretary to Government Haryana Administration of Justice Department letter No 21/2/2005 5JJ(I) dated 17 03 2005 it was decided that Advocate General Haryana Chandigarh or Sh Ajay Siwach and Sh Manjeet Singh the then Standing Counsels were authorized to distribute cases among the counsels Sh Ajay Siwach on 27 04 2007 Sh Manjeet Singh was only Standing Counsel who got the power to allocate the cases The Financial Commissioner and Principal Secretary to Government Haryana Administration of Justice Department vide letter No 21/2/2005 5JJ(I) dated 31 10 2005 authorized Sh Rajiv Gaur Additional Standing Counsel to allocate/distribute the work to the Counsels with regard to criminal cases So in this way these two advocates have more cases than others

After that a new notification was issued by Financial Commissioner and Principal Secretary to Government Haryana Administration of Justice Department vide letter No 21/2/2007 5JJ(I) dated 30 08 2007 wherein it was decided that the concerned Administrative Secretary/Head of Department may take a decision to engage the law officer/Advocate from the latest panel of Advocate at the time of taking decision for filing the case in the Court at Delhi in consultation with the officer of Advocate General Haryana

Further as per letter dated 12 03 2008 the Advocate General Haryana is the overall incharge of the lawyers dealing with cases pending in various courts at Delhi

On receipt of audit objection from Accountant General Haryana vide letter No OAD 2/C/AP/20085 09/1085 87 dated 25 02 2009 through Government letter No 21/1/2009 5JJ(I) dated 24 03 2009 the detailed reply was sent to Accountant General Haryana and to the Government as well vide letter No BA 09/6501 dated 04 05 2009 Further vide letter No BA 09/8080 dated 04 06 2009 the Government was requested that the Administrative Department and Head of Department may be directed to engage Counsels in Supreme Court or any courts at Delhi in consultation with Haryana Legal Cell so that the proper distribution of work may be done among the counsels

After taking into consideration the department proposal Govt vide letter No 21/2/2007 5JJ(I) dated 10 07 2009 decided that the concerned Administrative Secretary/Head of Department may take a decision to engage the Law Officer/ Advocate from the latest panel of Advocates at the time of filing the reply/case in the Supreme Court of India and others courts or Tribunals stated at Delhi in consultation with the office of Additional Director prosecution Haryana Legal Cell Haryana Bhawan New Delhi instead the office of Advocate General Haryana

The Accountant General (Audit) Haryana was also intimated about this decision of Govt vide this department letter No BA/09/13444 dated 21 08 2009

Now as per para 15 1 Haryana State Litigation Policy 2010 it has been provided that Advocate General shall also be responsible for defence of cases at National level The litigation at the national level shall be directly under the control and monitoring of the Advocate General The Legal Cell at Delhi looking after the litigation in Hon ble Supreme Court and Other Statutory Authorities shall function under the guidance and Administrative control of the Advocate General The assignment of the cases in the Supreme Court/ Other authorities to Standing Counsels shall be done by the Advocate General in consultation with Secretary of the concerned department In important cases

where senior private counsels have to be engaged the terms and conditions of engagements shall be as settled by A G office

In view of the position explained above it is clear that there is no irregularity on the part of this department regarding empanelment of Standing Counsels and allocation of cases to the Counsels and therefore the para 2 2 1 regarding to empanelment and engagement of Standing Counsels may be dropped

It has come into the notice that the work distribution amongst the AAGs and DAGs etc working in the Advocate General s office is not proper Some one has less work and others are over burdended which is not justified Hence the Committee recommends the Advocate General Office to fix any criteria with regard to its work distribution so that every one may perform equal work and the departments of Haryana may get proper benefit in vetting or drafting their legal cases

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PUBLIC WORKS (BUILDING AND ROADS) DEPARTMENT

[26] 2 3 2 Extra expenditure due to non allotment of work

Due to failure on the part of the department in processing and finalising the tender of first contractor within validity period the department had to incur an extra expenditure of Rs 64 17 lakh

The Financial Commissioner and Principal Secretary to Government of Haryana Public Works Department (PWD) Buildings and Roads Branch (B&R) administratively approved (January 2006) the work Improvement by widening from Km 0 to 5 30 and widening and strengthening from Km 5 30 to 12 30 of Garhi Bawani Khera Road in Hisar/Bhiwani District for Rs 3 65 crore under NABARD scheme Detailed notice inviting tender amounting to Rs 2 40 crore was approved (February 2006) by the Engineer in Chief (EIC) Haryana PWD (B&R) Tenders for the work were invited (17 February 2006) by the Superintending Engineer Bhiwani Circle PWD (B&R) Bhiwani (SE) and only one bid from a contractor was received on 13 March 2006 with the bid price of Rs 2 81 crore and completion time of nine months The validity period of the bid was 90 days from the date of receipt of tenders

Scrutiny of records (May 2007) of the Executive Engineer Provincial Division PWD (B&R) Bhiwani revealed that the bid was sent to EIC on 28 April 2006 for approval The bid was not approved by the EIC and tender case was returned to SE on 9 November 2006 with the direction to get the validity period of the tender extended and in case the agency did not agree the tender should be re invited The agency refused (December 2006) to extend the validity period of the offer and the department re invited the tender (January 2007) the work was allotted (July 2007) to another agency/contractor for Rs 3 72 crore with a completion time limit of nine months The work was completed (November 2008) after incurring expenditure of Rs 3 59 crore Thus on retendering the work was allotted at higher rates than those offered by the first contractor in March 2006 which resulted in extra expenditure of Rs 64 17 lakh as per details given in **Appendix XVIII**

On being pointed out by audit the EIC while confirming the facts stated (July 2008 and June 2009) that when the tender case of M/s Neeraj Builders was under process in his office the case file got misplaced and was found in October 2006 after expiry of validity period As such the tender could not be approved The EIC further stated (July 2009) that inquiry is being conducted for fixing the responsibility for loss of tender case file However the final outcome was awaited

Thus due to failure on the part of the department in timely processing the case and non allotment of work to the first contractor within validity period the department had to incur an extra expenditure of Rs 64 17 lakh

The matter was demt officially reported to Financial Commissioner and Principal Secretary to Government of Haryana Public Works Department Buildings and Roads Branch in April 2009 reply had not been received (August 2009)

The department in its written reply stated as under

In this connection it is submitted that the contents of the Para are admitted and it is correct that the said work was administratively approved vide memo No 9/149/05 03 B&R (W) dated 01st January 2006 for the Rs 3 65 crore under NABARD Scheme from Financial Commissioner & Principal Secretary to Government Haryana PWD B&R Chandigarh. The DNIT approved by the Engineer in Chief Haryana PWD B&R Branch Chandigarh Memo No 14 NAB 2005/61 Nabard Cell dated 06th February 2006 amounting to Rs 240 42 lacs. Tender for the work were invited by Superintending Engineer Bhiwani Circle PWD B&R Bhiwani on 17th February 2006. The only one tender from M/S Neeraj Buildings was received on 17th February 2006 which was submitted to Head Office for approved vide S E Bhiwani Circle PWD B&R Branch Bhiwani letter NO 1023 dated 28 04 2006 which was received back from Head Office vide his memo No 14/NABARD/05/784 NABARD dated 09 11 2006 with the direction that validity of tender may be got extended from the agency the case agency does not agree the tender be re invited. Accordingly the agency was persuaded to extend the validity of period but agency did not agree to extend the validity of tender their undertaking dated 20 12 2006.

Hence fresh tender was invited on 15 03 2007. As a result only two tender was received from Sh Ishwar Singh Contractor & M/S Neeraj Builders. It is correct that rates quoted by Sh Ishwar Singh who quoted the lowest rates in his tender were 32 72% higher side of the previous tender and 22 33% excess over the prevailing rates and premium. The contractor did not reduce his rates vide his undertaking dated 03 04 2007 but later on further persuasion the contractor reduced his rates vide his undertaking dated 24 05 2007 as a result excess over the previously received tender on 23 03 2006 comes out @ 28 30 above and 18 26 excess over to the prevailing rates and premium.

The tender case alongwith comparative statement on dated 24 05 2007 was sent to Head office vide SE Bhiwani letter No 1541 dated 24 05 2007. However the rates have not been approved by the Head office and has asked SE office vide his letter No 14 NABARD 05 dated 13 06 2007 to get the rates reduced @ 6 5% on quoted rates from Sh Ishwar Singh Contractor by further negotiation and the work has been allotted vide SE Bhiwani memo No 5667 68 dated 25 07 2007. As per allotment of 6 5% rebate shall be deducted from the bill.

The rates on re tender were generally high due to rising cost of inflation and erosion of value of repress the Department has taken all the measure to get the rates reduced from the lowest tenders.

So far as the issue regarding misplacing of tender is concerned in this case the defaulters have been identified and explanations of 2 nos officer/ officials and charge sheet against one official under Rule 7 has been framed and is being served. Para may kindly be dropped please.

After hearing the departmental representatives the Committee desired that the department should sought explanation from the XEN as well as the Chief Engineer involved in this case as they are the part and parcel of the office and action taken against the officer/ official in this regard be intimated to the Committee within three months.

INDUSTRIES AND COMMERCE DEPARTMENT

[27] 2 4 1 Blockage of funds

Sanctioning the project without ensuring the availability of land resulted in blockage of Rs 2 66 crore, besides the objective of export growth could not be achieved

With a view to optimise the utilisation of resources and to achieve the objectives for export promotion the Government of India (GOI) Ministry of Commerce and Industry Department of Commerce approved (March 2002) the scheme for extending assistance to States for Developing Export Infrastructure and other Allied Activities (ASIDE) The land for the ASIDE projects was to be provided by the State Government As per guidelines 80 per cent of the funds (State Component) were required to be earmarked for allocation to the States on the basis of the approved criteria and were to be utilised for approved purposes The balance 20 per cent (Central Component) and amount equivalent to un utilised portion of the funds allocated to the States in the previous year(s) if any were to be retained at the central level for the specified purposes

Scrutiny of records (March 2009) of the Director of Industries and Commerce Haryana (Directorate) revealed that a proposal for setting up an Export Exhibit Centre at Panipat under the ASIDE scheme by Tourism Department was approved (January 2005) at an estimated cost of Rs 2 96 crore by the State Level Export Promotion Committee (SLEPC) The land for the proposed project was to be obtained from Haryana Urban Development Authority (HUDA) The Directorate released Rs 2 66 crore to the Tourism Department out of ASIDE funds released to State Government by GOI without ensuring the availability of land which was a mandatory requirement for the approval of the project under the scheme The project could not be implemented by the Tourism Department due to non allotment of land by HUDA as the Chairman of HUDA the Chief Minister felt (March 2008) that there was no justification for involving Tourism Department in the process and instructed that the proposed project be handed over to the Industries Department The Industries Department could independently apply to HUDA for allotment of land and utilise the services of Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) to develop the facilities Consequently SLEPC decided (December 2008) that the funds be allowed to be spent by another implementing agency i.e. HSIIDC as a new project for which HUDA would provide a plot measuring more than one acre at Panipat Accordingly the Tourism Department refunded (January 2009) Rs 2 66 crore to the Directorate These funds were further released (February 2009) to HSIIDC Since the matter regarding allotment of plot at Panipat by HUDA was still pending (May 2009) the amount remained with the HSIIDC and no expenditure was incurred Meanwhile the Directorate forwarded (January/July 2007) utilisation certificate for Rs 2 66 crore to GOI

Thus sanctioning the project without ensuring the availability of land which was a mandatory requirement of the programme resulted in blockade of funds to the tune of Rs 2 66 crore Besides the objective of export growth could also not be achieved

On being pointed out in audit the Directorate stated (April/June 2009) that the Tourism Department was preferred as 12 shops for Export Exhibit Centre two Eating

Zones Kitchen and Public Toilets were to be provided for the visitors. Utilisation certificates were sent to GOI as the nodal agency had already released the funds to the implementing agency. The reply did not explain as to why the availability of land was not ensured prior to sanction of the project. Further, merely release of funds did not constitute expenditure as the funds were not actually utilised but the department on its own sent an incorrect utilisation certificate to GOI.

The matter was demerit officially referred to Financial Commissioner and Principal Secretary to Government of Haryana Industries and Commerce Department in May 2009. Reply had not been received (August 2009).

The department in its written reply stated as under

Funds under the ASIDE scheme are received from the Government of India which are allocated for various export promotion linked projects with the approval of the state Level Export Promotion Committee (SLEPC). One of the projects sanctioned under the ASIDE Scheme against the Central Assistance during 2004-05, the SLEPC approved the project of establishment of an Export Exhibit Centre at Panipat in its meeting held on 11-01-2005. The said project was to be executed/implemented by the Tourism Department.

It is correct that land for the said project was not available at the time of its approval as the same was to be got allotted from HUDA by the implementing agency. However, it may be clarified that procurement of land was to be made after approval of the project and not beforehand. It was expected that Tourism Department would be able to implement the project. However, it was observed during the review of the status of approved projects in the SLEPC meeting held on 02-12-2008 that the implementing agency could not take up the Project even on expiry of three years of sanction of the project as they failed to get the land allotted from HUDA. It was decided to ask the Tourism Department to refund the amount of Central Assistance immediately and the amount of Rs. 2.66 crore was received back from the Tourism Department on 14-01-2009.

It was further decided to treat the said amount as a saving for the current year and the HSIIDC was asked to take up the project as a new project during the following year. Accordingly, the said amount of Rs. 2.66 crore was released to the HSIIDC on 11-02-2009 as the land was not immediately available with HSIIDC. It was decided in the SLEPC meeting held on 09-11-2010 to recover the amount of Rs. 2.66 crore from HSIIDC to enable the Nodal department to allocate the said amount for other projects and the same was received back on 22-12-2010. Accordingly, this amount was allocated for other projects with the approval of SLEPC.

As the HSIICE submitted a revised project after ascertaining availability of land from HUDA, funds amounting to Rs. 3.64 crore were released to HSIIDC on 16-11-2012 for implementation of the above project.

It may be mentioned here that a piece of land measuring 1.3 acre had already been allotted by HUDA vide letter No. 37239/46 dated 14-09-2010 for implementation of the project and the possession thereof was taken by the HSIIDC on 01-07-2011. Zoning plan was provided by HUDA to the Corporation on 13-03-2012 and the Corporation initiated the process of implementation of the project. HSIIDC appointed an architect for

preparing the conceptual plans. The designs of the Export Exhibit Centre were shared with the leading exports from Panipat through a consultative process. Having finalized the concept plans and architectural details, the HSIIDC prepared the preliminary estimates amounting to Rs. 30.29 crore for the project and is in the process of inviting tenders for award of the project.

As regards the submission of UC, it is submitted that consolidated Utilisation Certificate pertaining to the Central Assistance for the year 2004-2005 was sent to the Govt. of India as the funds stood released to the project implementing Agencies after approval of the SLEPC.

It is also added that the Department has been apprising the A.G. (Audit) Haryana regarding the latest position from time to time. The 1st reference was sent vide letter No. Exp./ASIDE/Centre Assistance/ 6373 A dated 10.04.2009, thereafter vide Memo No. 10176 A dated 08.06.2009, 10486 A dated 15.06.2009 and the lastly vide memo No. 10660 A dated 16.06.2009.

It may also be mentioned here that the state of Haryana has been recognized as an outstanding performer in utilisation of ASIDE Funds for three years in succession and has been also to get Special Incentive Assistance on this account. This is only project where delays occurred in execution of the project for the reasons explained above. In view of the explanation given above, the Committee is requested to kindly drop the para.

After hearing the departmental representatives, the Committee desired that the matter may be clarified and sorted out with the P.A.G. Office by submitting the detailed information in writing in this regard.

REVENUE AND DISASTER MANAGEMENT DEPARTMENT

[28] 2 5 1 2 *Non refund of un utilised balances of CRF*

The unspent balances in the CRF at the end of financial year were required to be refunded to FCR. Scrutiny of records revealed that the unspent balances amounting to Rs 6.24 crore was lying with the District Revenue Officers (DROs), Sub Divisional Officers Civil (SDOs) and City Magistrate (CTM) as detailed in **Appendix XX** which was not refunded to the FCR. In addition to this, the interest earned (Rs 13.75 lakh) by four districts on the funds available in the bank accounts was required to be refunded to the CRF but the same has not been refunded so far (June 2009). Information from Deputy Commissioners (DC) of Gurgaon, Jhajjar and Sirsa is awaited (July 2009). The FCR stated (July 2009) that directions have been issued (August 2008) to all the DCs that the interest earned on the unspent balances should be refunded to CRF. But the unspent balances were still lying with the disbursing officers.

The department in its written reply stated as under

The amount shown as unutilized balances of CRF not refunded as pointed out in the para has since been deposited by the concerned Deputy Commissioners as confirmed by them. No amount of unutilized balances are now lying with the Deputy Commissioners/ Departments as pointed out in the para.

The Committee desired that the responsibility of the erring officers/ officials be fixed and the action taken against the responsible officers/ officials be intimated to the Committee within a period of four months.

[29] 2 5 1 3 *Payment of gratuitous relief on contradictory reports*

As per guidelines, the farmers whose crops were damaged due to *Chauva & Sem* i.e. water logging were not entitled for gratuitous relief under CRF. However, scrutiny of records revealed that the FCR sanctioned (July 2008) Rs 2.66 crore to DC Bhiwani for distribution as gratuitous relief to the farmers whose standing crops were damaged due to *Chauva & Sem*. Scrutiny of records (January 2009) revealed that these funds were sanctioned and released on contradictory reports of DC Bhiwani. Firstly, it was stated (April 2007) that the damage was due to water logging i.e. *Chauva & Sem* which occurred every year. But after one year, it was stated (March 2008) that land was already affected due to *Chauva & Sem* and could not bear the excess rain water. It was also mentioned therein that no damage occurred during the previous years. This was also contradictory to earlier reports. In spite of variance reports, the State Government after 15 months sanctioned Rs 2.66 crore (July 2008) for distribution to the farmers in violation of scheme guidelines. The FCR stated (March 2009) that DC Bhiwani had intimated (March 2008) that the crop was destroyed due to heavy rains in winter season on *Chauva and Sem* land and there was no destruction of crops in the previous years. This reply of DC Bhiwani is contradictory to its earlier reply (April 2007) in which it was stated that due to *Chauva and Sem* crop was destroyed every year. Moreover, the funds were released without getting certification from special *girdawari*.

The department in its written reply stated as under

In this context it is informed that during winter 2007 excessive rainfall had affected the earth by Chauva and Sem and due to this fact this land could not bear the excessive water and resultantly the standing crops in these areas were affected. In addition to this the Deputy Commissioner Bhiwani vide his previous letter dated 12.12.2007 had informed that in the previous year there had been no kharaba as per record. It clearly shows that what so ever losses have occurred those have occurred due to excessive rains. It would not be out of place to mention here that there is no binding in sanctioning relief to the farmers due to floods and consequently due to Chauva and Sem.

The Committee desired that the Special Secretary (Revenue) should sought explanation from the erring officer/ official who submitted the wrong report in this regard

The Committee also desired the department to conduct enquiry in this case and inform the Committee about the action taken against the delinquent officer/ official

[30] 2.5.1.4 Fraud in distribution and double payment of CRF

Scrutiny of records (February 2009) of DC Mewat revealed that the payment from CRF amounting to Rs 5.86 lakh was made (March/April 2007) to the farmers of village and Tehsil Tauru who have no land as per land revenue records. Cases of double payment on the same land to four farmers were observed. This resulted in fraudulent payment of Rs 6.75 lakh including double payment of Rs 89,500 made in respect of four cases. On being pointed out by audit the DC Mewat intimated (June 2009) to FCR that FIR had been lodged (April 2009) against the concerned patwar. The FCR stated (July 2009) that outcome was awaited.

The department in its written reply stated as under

As per information received from Deputy Commissioner Mewat an FIR No 74 dated 1.4.2009 was registered u/s 409/420/467/468/471 against Sh. Suresh Kumar Patwar in Police Station Tauru (Nuh) as the amount of relief was released on the wrong reporting of the Patwar. The amount of Rs 4,81,875/- has already been paid to the Patwar against whom the said FIR was lodged expired on 31.1.2010. Steps have been taken to fix the responsibility of the official for non recovery of the balance amount of loss as pointed out by the audit. The matter is under active persuasion with the Deputy Commissioner Mewat and the outcome shall be made known as soon as the matter is finalized.

The Committee desired the department to send the proposal of writing off the remaining amount to the Government and thereafter the Committee as well as A.G. Office may be informed after getting the amount written off

The Committee further desired the department to fix the responsibility of the erring officer for not realizing the balance amount and also to inform the Committee about the action taken against the officer held responsible in this regard

PART-II 2008-2009
REVENUE RECEIPTS

EXCISE AND TAXATION DEPARTMENT

[31] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 2 366 78 crore of which Rs 606 22 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 2009	Amount outstanding for more than 5 years as on 31 March 2009	Remarks
1	2	3	4	5
1	Taxes on sales trade etc	1 955 87	417 20	Recovery of Rs 491 46 crore were stayed by the High Court and other judicial authorities Rs 23 11 crore was stayed due to the order of the Government Rupees 34 97 crore were held up due to the dealers becoming insolvent Rs 17 82 crore were proposed to be written off Rs 34 67 crore were held up due to rectification review and appeal Recovery of Rs 212 52 crore was outstanding due to cases pending with the official liquidator/Board of Industrial and Financial Reconstruction (BIFR) Balance amount of Rs 1 141 32 crore was at different stages of action
2	State excise	46 61	21 29	Recovery of Rs 4 63 crore were stayed by the High Court and other judicial authorities Rupees 29 45 lakh was likely to be written off Recovery of Rs 1 10 crore was outstanding due to cases pending with the official liquidator/BIFR Recovery of Rs 2 74 crore was being made in instalments Rs 1 24 crore and Rs 3 95 crore were due to inter state and inter district arrears Balance amount of Rs 32 66 crore was at different stage of action
3	Taxes on goods and passengers	58 08	26 71	Recovery of Rs 2 33 crore were stayed by the High court judicial and departmental authorities Balance amount of Rs 55 75 crore was at different stages of action
	Tax on entry of goods into local areas (Local Area Development Tax)	158 64	63 46	Recovery of Rs 69 02 crore were stayed by the High Court judicial and departmental authorities Recovery of Rs 4 47 lakh was outstanding due to cases pending with the liquidator/BIFR Recovery of Rs 74 75 lakh was being made in instalments Balance amount of Rs 88 83 crore was at different stages of action
	Receipts under entertainment duty and show tax	0 99	0 81	Recovery of Rs 16 56 lakh had and Other judicial authorities Rupees 1 26 lakh were likely to be written off Balance amount of Rs 80 82 lakh was at the different stages of action

Of these sales tax arrears of Rs 1 955 87 crore contributed 83 *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 2008-09 in respect of other departments was not furnished (August 2009) despite being requested (March 2009).

The department in its written reply stated as under

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 1 955 87 crore Rs 703 41 crore stands recovered up to 31 12 2013 leaving a balance of Rs 1 252 46 crore. The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	385 60
2	Under Liquidation	137 63
3	Interstate arrear	55 70
4	Inter Distt Arrear	12 45
5	For writing off	91 84
6	Property attached	76 87
7	Under installment	18 77
8	Net recoverable	473 60
	Total	1252 46

Excise

The para is based on information supplied by the department to the A G (Audit) Haryana. Out of total arrear in revenue of Rs 46 61 crore Rs 10 94 crore stands recovered up to 31 12 2013 leaving a balance of Rs 35 67 crore. The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	3 53
2	Interstate arrear	1 56
3	Inter Distt Arrear	2 72
4	For writing off	1 02
5	Property attached	26 64
6	Net recoverable	0 20
	Total	35 67

Passenger and Goods Tax

Out of total arrear in revenue of Rs 58 08 crore Rs 25 47 crore stands recovered up to 31 12 2013 leaving a balance of Rs 32 61 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under stay	0 08
2	Interstate Distt	0 01
3	Net recoverable	32 52
	Total	32 61

LADT

Out of total arrear in revenue of Rs 158 64 crore Rs 0 17 crore stands recovered up to 31 12 2013 leaving a balance of Rs 158 47 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	143 34
2	Net recoverable	15 13
	Total	158 47

Entertainment Duty

Out of total arrear in revenue of Rs 0 99 crore Rs 0 69 crore stands recovered up to 31 12 2013 leaving a balance of Rs 0 30 crore The breakup of balance arrear are given below

		(Amount in Crores)
1	Under Stay	0 17
2	Writing off	0 01
3	Net recoverable	0 12
	Total	0 30

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

The Committee also desired that the amount which is not recoverable at all be get written off from the Finance Department and the decision taken in this regard be intimated to the Committee accordingly

[32] 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 2004 05 to 2008 09 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

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	Percent age of col 6 to col 5
1	2	3	4	5	6	7	8
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
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
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
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
2008 09	ST	2 22 875	1 83 153	4 06 028	1 64 132	2 41 896	40
	PGT	1 099	1 105	2 204	633	1 571	29

The above table shows that pending cases in respect of ST at the beginning of 2004 05 were 2 05 930 which increased to 2 41 896 at the end of 2008 09 i.e. 17 per cent. The percentage of ST cases finalised to total cases during the years 2004 05 to 2008 09 ranged between 39 and 48 per cent. Sixty per cent of total cases (4 06 028) were pending assessment (2 41 896 cases) as on 31 March 2009. Pending cases in respect of PGT increased from 1 312 at the beginning of 2004 05 to 1 571 (20 per cent) at the end of 2008 09. The percentage of PGT cases finalised to total cases during the years 2004 05 to 2008 09 ranged between 21 and 82 per cent. Seventy one per cent of total cases (2 204) were pending assessment (1 571 cases) as on 31 March 2009.

The department in its written reply stated as under

In the CAG Report for the year 2008 09 there were 243467 (241896 ST + 1571 PGT) cases shown pending for assessment. Out of which 242897 cases (241684 ST + 1213 PGT) have been disposed off upto 31 12 2013 leaving a balance of 570 cases (212 ST + 358 PGT). Efforts are being made to get the balance cases cleared as soon as possible.

The Committee desired the department to make all out efforts to settle the balance cases as early as possible under intimation to the Committee.

[33] 19 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 2008-09 are mentioned below

(Rupees in crore)

Sr No	Heads of revenue	Cases pending as on 31 March 2008	Cases detected during the year 2008-09	Total (3+4)	Number of which investigations and additional including raised	Cases in assessments / completed demand including penalty etc	Number of cases pending finalisation as on 31 March 2009
					Number of cases	Amount of demand	
1	Taxes on sales trade etc	59	1 338	1 397	1 301	138 39	96
2	State excise	149	2 359	2 508	2 229	78 49	279
3	Taxes on goods and passengers	622	8 363	8 985	8 350	6 80	635

The department in its written reply stated as under

Sales Tax

Out of 96 cases 89 cases have been disposed off by creating an additional demand of Rs 109 78 lacs out of which an amount of Rs 38 71 lacs stand recovered leaving a balance of Rs 71 07 lacs Remaining 7 cases are still under process All concerned DETC s have been directed to dispose off these cases at the earliest

Excise

Out of 279 cases 95 cases have been disposed off by creating additional demand of Rs 7 30 lacs and out of which an amount of Rs 3 06 lacs stand recovered leaving a balance of Rs 4 24 lacs Remaining 184 cases are still under process and the concerned DETC s have been directed to dispose off these cases at the earliest

PGT

Out of 635 cases 461 cases have been disposed off by creating additional demand of Rs 48 82 lacs and the same stands recovered Remaining 174 cases are still under process and the concerned DETC s have been directed to dispose off these cases at the earliest

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

The Committee also desired that the amount which is not recoverable at all 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 the department to constitute an officers Committee of the department including officers of AG office and Finance Department to review such cases in which recovery is not possible and what procedure should be adopted to write off such amount so that recovery of figure may not pile up

[34] 1 10 Write off and waiver of revenue

During the year 2008 09 demands for Rs 16 07 crore in 267 cases and Rs 29 95 lakh in 21 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	123	802 57	6	9 81
2	Defaulters no longer alive	17	111 20	7	8 12
3	Defaulters not having any property	88	424 19	8	12 02
4	Defaulters adjudged insolvent	4	2 09	Nil	Nil
5	Other reasons	35	26 09	Nil	Nil
Total		267	1 607 14	21	29 95

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 Laterly an amount of Rs 2 59 Crore **(Two crore fifty nine lacs only)** involving 3 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

[35] 1 11 Refunds

The number of refund cases pending at the beginning of the year 2008 09 claims received during the year refunds allowed during the year and cases pending at the close of the year 2008 09 as reported by the Excise and Taxation Power and Urban development departments are mentioned below

(Rupees in crore)

Particulars of claims	Sales tax		State excise		Taxes and duties on electricity		Urban Development	
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
Opening balance	301	31 84	47	0 20	Nil	Nil	Nil	Nil
Received	2 621	911 51	353	4 56	2	0 03	150	800 00
Refunds	2 586	883 70	383	4 59	2	0 03	7	222 18
Closing balance	336	59 65	17	0 17	Nil	Nil	143	577 82

Refund of Rs 1 110 50 crore had been made to 2 978 claimants during the year 2008 09 by the departments

The department in its written reply stated as under

Sales Tax

Out of 336 cases 335 have been disposed off by allowing refund of Rs 58 58 crore leaving only 1 case of M/s Kafila Forge Pvt Ltd Sonapat is pending (A Y 2000 01) involving an amount of Rs 1 07 lacs Efforts are being made to finalise the balance case as early as possible

Excise

Out of 17 cases 12 have been disposed off by allowing refund of Rs 0 12 crore leaving only 5 cases in balance involving an amount of Rs 0 05 crore Efforts are being made to finalise the balance cases as early as possible

The Committee desired the department to finalise the remaining one case of Sales Tax within the stipulated period of one month and its final outcome be intimated to the Committee accordingly

The Committee also desired the department to make all out efforts to recover the balance amount in the remaining five cases of State Excise under intimation to the Committee

[36] 2 1 Results of audit

Test check of the records relating to assessments and refunds of sales tax/value added tax (VAT) in Excise and Taxation Department conducted during the year 2008 09 revealed irregularities in assessment levy and collection of tax involving Rs 208 32 crore in 863 cases which broadly fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
1	Recovery of sales tax/VAT in arrears (A review)	1	38 23
2	Underassessment of turnover under Central Sales Tax Act (CST Act)	117	48 67
3	Application of incorrect rates of tax	112	25 97
4	Non levy of penalty	37	19 92
5	Incorrect computation of turnover	36	10 76
6	Non levy of interest	44	2 69
7	Other irregularities	516	62 08
Total		863	208 32

During the year 2008 09 the department accepted underassessments of turnover under CST Act application of incorrect rates of tax non levy of penalty/interest incorrect computation of turnover etc of Rs 8 48 crore involved in 106 cases of which 67 cases involving Rs 7 14 crore had been pointed out during 2008 09 and the remaining in the earlier years The department recovered Rs 81 07 lakh in 61 cases during the year 2008 09 of which 39 cases involving Rs 52 33 lakh related to the year 2008 09 and the balance to the earlier years

A review of **Recovery of sales tax/VAT in arrears** involving Rs 38 23 crore and a few illustrative audit observations involving Rs 5 48 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under

Out of total 862 cases involving an amount of Rs 170 10 crore have been reviewed with the following results

Number of cases	Amount pointed out by Audit (Rs in crore)	Result of Review
99	8 96	Settled with demand
322	17 74	Settled without demand
441	143 40	Cases as under review
862	170 10	

As regards the remaining one case involving an amount of Rs 38 23 crore as per S No 1 of the table reply is given in succeeding para 2 2 8 1 to 2 2 18

The Committee desired the department to review the remaining 441 cases at the earliest and its compliance report be sent to the Committee as well as to the A G Office upto 30th June 2014 accordingly

[37] 2 2 8 1 Disposal of attached property

Test check of the records of three³ offices of DETC revealed that warrants of attachment of property were issued in respect of six dealers for the recovery of arrears amounting to Rs 3 84 crore between February 1994 and March 2005 Out of these five cases were sent to the ETC for according sanction for sale/disposal of properties between May 2003 and January 2008 who accorded sanction in three cases (except two cases one each Jagadhari and Jhajar) between July 2003 and December 2004 Thus there was delay on the part of DETC which ranged between 13 and 181 months as detailed below

Name of DETC	Number of cases	Date of attachment of property	Date of cases sent to ETC	Delay on the part of DETC to send cases to ETC (months)	Amount of dues (Rupees in lakh)
Jagadhar	3	February 1994 to October 2002	September 2004 to May 2007 (one case not sent)	22 to 181	63 53
Jhajar	2	February 1999 to March 2005	May 2003 to January 2008	33 to 50	241 99
Kaithal	1	June 2003	August 2004	13	78 35
Total	6				383 87

Absence of provision of fixation of time limit regarding attachment and disposal of attached property and lack of effective follow up action resulted in accumulation of arrears of Rs 3 84 crore

During the exit conference the department admitted the facts and stated that the matter would be pursued with the Government

The department in its written reply stated as under

1 M/s Parkash Rice & General Mill Sadhaura Jagadhri RC No 7637 AY 1988 89 1992 93 to 1994 95 1996 97 and 1997 98

In this case it is intimated that in reply to audit para of M/s Parkash Rice & General Mill Sadhaura holding RC No 7637 it is intimated that the firm stand closed and an arrear of Rs 1576395/ under HGST Act and Rs 18059/ under the CST Act 1956 is outstanding against the firm. Since the firm stand closed and immovable property of the said firm has been attached by the DETC (ST) Cum Asstt Collector 1st Grade Jagadhri vide order dated 30 09 2002. This attachment order was effective upto 31 12 05 which was further revalidated vide order dated 25 09 2010. It is pertinent to mention here that Deputy Commissioner cum Collector Jagadhri is requested to intimate the present status and market value of the property attached pertaining to one partner Shri Hari Krishan S/o Ved Parkash of said defaulter firm vide letter dated 10 09 10 so that further action can be taken in the matter which is still awaited. The Revenue Department has supplied Nakal Jama Bandi for the year 2006 07 in which it is mentioned that the above said land is mortgaged which SBI Patiala Industrial Area Yamuna Nagar for Rs 2000000/. The Branch Manager State Bank of Patiala Industrial Area Yamuna Nagar was requested to intimate the latest position whether the property has been auctioned or not which is still awaited. In addition of this an amount of Rs 742820/ on account of Income Tax is also entered in the Nakal Jama Bandi. There were three partners namely 1) Smt Neeraj Gupta w/o Shri Arun Gupta 2) Smt Meenakshi w/o Shri Vipin Kumar 3) Shri Hari Krishan s/o Shri Ved Parkash. As per information received from municipal committee Sadhaura there is no immovable property in the name of partners no 1 and 2. However shop no 97 which belong to partner Shri Hari Krishan has been attached. In addition to this proceedings for recovery were initiated against the special surety Shri Brij Bhushan Prop of M/s Luxmi Metal Works Bilaspur to recover the said arrear. The surety filed Civil Suit in the court of Civil Judge (Junior Division) Jagadhri which is pending. The case was fixed for hearing on 10 09 2010 which was adjourned for 2009 10 before the Civil Judge (Junior Division) Jagadhri and then before Additional District Judge Jagadhri wherein the case was decided in favour of department. Upon this the dealer had filed petition in Hon ble Court which was fixed for hearing on 24 10 2013 and the same has been adjourned for 13 05 2014. Letter has been written to Assets recovery cell of State Bank of Patiala vide no 5056 dated 05 12 2013 but no reply has been received. Letter has also been written to Naib Tehsildar Sadhaura vide no 5161 dated 18 12 2013 followed by personal visit by Taxation Inspector to know about the ownership status of the Land.

Further proceeding will be taken up after the decision of Hon ble Punjab and Haryana High Court Chandigarh

The Committee desired that the department should pursue the case pending in the Hon ble Punjab & Haryana High Court Chandigarh vigorously and

action to recover the amount from the partners and the sureties be taken accordingly under intimation to the Committee

2 M/s Ashoka Bridge Enterprises Jagadhri AY 1988 89

In this case it is intimated that the M/s Ashoka Bridge was a partnership concern having three partners i.e. Sh Ravi Jethi S/o Sh Ishwar Dass Jethi Smt Shakuntala Devi W/o Sh Ishwar Dass Jethi and Sh Raj Kumar S/o Sh Ishwar Dass Jethi. The additional demand was created by imposing tax and penalties on account of non production of declarations in form S T 15. Recovery proceedings under the land revenue act were initiated against the dealer firm Sh Ravi Jethi, one of the partners of the firm was arrested and kept in revenue lockup for 40 days. House owned by Smt Shakuntala Devi, the second partner of the firm, was attached by the DETC (ST) Jagadhri vide attachment orders dated 19 05 1995. In response to the duly served attachment orders the counsel of Smt Shakuntala Devi submitted a written reply in which it was pleaded that Smt Shakuntala Devi had retired from the firm since March 1988 and application for amendment to this effect along with copy of retirement deed was already submitted in this office on 09 05 1990. The application and copy of retirement deed are available on the file which confirms the facts. Therefore the attached property could not be auctioned at that time. Sh Raj Kumar S/o Sh Ishwar Dass Jethi, the third partner of the firm had also retired in 1988 as per retirement deed furnished. Sh Vishwa Nath, the first surety, had expired on 13 07 88 and the second surety had committed suicide. No property was found existing in the name of these sureties. Hence recovery could not be affected from the sureties. Based on information collected from the market, the enquiry agency reported that Smt Shakuntala Devi, one of the retired partners, has expired and the residential house owned by her has been transferred to her son i.e. Sh Ravi Jethi, another partner. Efforts have been made to locate the property and find out the real ownership of the same. Letters were written to the Executive Officer, Municipal Committee Jagadhri vide letter No 1280 dated 07 06 2007 and the Tehsildar Jagadhri vide Letters No 2003 dated 29 08 2007 regarding ownership of house No 849, Buria Gate Jagadhri. Another letter vide No 2002 dated 29 08 2007 was written to the Executive Officer, Municipal Committee Jagadhri. In response to the letters written to the Executive Officer, Municipal Committee Jagadhri, the Secretary, Municipal Committee Jagadhri vide letter No 2622 dated 11 09 2007 has mentioned the ownership of house No C 3/849 in the name of Smt Sashi Bala D/o Inder Nath Vinod Kumar Rajinder Kumar Ajay Sharma Aman Sharma S/o Sh Joginder Nath as per their record. Again a letter has been written to the Tehsildar Jagadhri for determining the ownership of house No 849, Buria Gate Jagadhri vide letter No 2438 dated 19 10 2007. The Tehsildar Jagadhri vide letter No 1854 dated 15 09 2008 has intimated that the information about the ownership of house No 849 may be obtained from Municipal Council Jagadhri as the said house falls in that area. Another reminder was written to the Executive Officer, Municipal Committee Jagadhri on dated 08 01 2009 for verification of ownership of the above said house including all its units whatsoever. Another second reminder has been written to the Executive Officer, Municipal Committee Jagadhri vide letter no 108/T I W 10 dated 16 01 2012 requesting him to intimate the verification of the ownership of the above said house including all its units whatsoever. Further proceedings will be taken up in due course of time. Again a letter has been written to the Executive Officer, Municipal Committee Jagadhri regarding the ownership of house no C 3/849, Buria Gate Jagadhri.

as per address given by the dealer while applying for Registration Certificate As soon as the reply receives further action will be taken accordingly

The Committee desired that the department should make sincere and vigorous efforts to recover the amount from the partners and sureties of the firm under intimation to the Committee

3 M/s Singla & Co , Samadh Street Jagadhri RC No 17228/10881 AY 1988 89 & 1989 90

In reply to the audit objection it is intimated that the In reply to the audit objection it is intimated that the cases were decided for the Assessment year 1988 89 1989 90 were assessed ex parte and demand was created on account of Non production of declaration forms ST 15A An additional demand of Rs 3481141/ under HGST Act 40247/ under CST Act was created TDN and copy of orders were served by substituted service on 12 01 1993 and 28 05 1993 although one of the partner Shri Satish Kumar expired in a road accident in the year 1991 92 as reported by the then Taxation Inspector Notice was issued for recovery to Smt Samlesh Rani wife of Shri Suresh Kumar partner of the firm who refused to receive the notice and after that a notice was sent through registered post on 14 10 1993 and the same was received back undelivered with remarks refused on dated 23 10 1993 During the course of recovery proceedings the arrears were declared under the Punjab Land Revenue Act 1887 and hence summons were issued on 10 11 1993 Though summons were issued yet they could not be executed due to refusal by the partner Smt Samlesh Kumari Enquiries regarding immovable property was conducted Proceedings for attachment of House No 1048/822 were initiated but the same could not be completed because as per information received from Secretary Municipal Committee Jagadhri said that the house was not in the name of the partners As per assessment record of Municipal Committee Jagadhri the above property was in the name of Shri Bhagwat Parshad S/o Shri Mohan Lal who is the father in law of Smt Samlesh Rani partner of the firm Further arrest warrant against the above partner can not be executed upon the above partner because of restrictions under the Punjab Land Revenue Act 1887 Subsequently action for recovery against the sureties were initiated by summing in which one the surety Shri Mahesh Chand is not traceable Whereas an another surety has been issued fresh summon Further details of the property of the surety has also been taken from Municipal Committee Jagadhri but there is no property in the name of the surety Further several letters were written Secretary Municipal Committee Jagadhri for confirmation of the ownership of the property and reminders were issued on 24 08 04 17 12 04 07 11 06 23 05 07 26 06 09 15 08 09 20 04 10 18 08 10 Taxation Inspector of the circle collected the information from Municipal Committee Jagadhri on dated 27 08 10 and reported that as per Municipal Committee Jagadhri record the above said property i e house no 822 is entered in the name of the followings

- | | | |
|---|---|---------|
| 1 | Sanjay Singla S/o Shri Suresh Singla Jagadhri | ½ share |
| 2 | Parveen Singla S/o Shri Suresh Singla | ½ share |

(The above property was owned by the father of the surety i e Shri Suresh Kumar who is the husband of one of the partner i e Smt Samlesh Rani)

Further primary investigation by the Taxation Inspector concerned reveal that a property might exist in the name of the second Shri Mahesh Chand enquires are still going on in this direction and a letter to the Secretary Municipal Committee Jagadhri has also been written in this regard. Summons to the other surety in whose name no property has been found have been issued and if the surety amount is not recovered after execution of summons arrest warrants are proposed to be executed upon him. Last summon issued to the surety for 09/02/2012.

Further T.I. reported that summons could not be served as Surety Shri Suresh Kumar was not available and the second surety Shri Mahesh Chand who was absconding for long was known to have shifted to Delhi as information gathered from market and his location/ address have been traced out and as such notice for recovery of surety amount (i.e. Rs. 10000/- in present case under HGST Act 1973) have been issued to the surety Shri Mahesh Chand for 12/11/2013. The notice for recovery has been issued to Shri Suresh Kumar another surety of the firm for 09/12/2013.

Therefore as per the above facts it is intimated that

- 1 Attachment of property could not be made due to non existence of property in the name of partners
- 2 Now latest position in this case is that both the sureties have been located and notices for recovery have been issued to both of them one for 12/11/2013 and other one for 09/12/2013. Surety amount shall be recovered soon and shall be intimated to you.

The Committee desired that the department should make all out constant efforts to recover the amount from the partners and sureties of the firm under intimation to the Committee

4 M/s Sunlight Food Ltd Bahadurgarh AY 1997-98 to 1998-99

The dealer was manufacturer of Atta, Maida and Suji. Assessment of the said firm was framed ex parte for the year 1997-98 on 30/07/2004 and 1998-99 on 31/08/2004 and an additional demand of Rs. 1,50,08,759 was created. The claim of consignment sale during both the year was disallowed and treated as Inter State Sale which was assessed to tax @ 8% instead of @3% assessable on I.S. Sales of Wheat flour. However the assessee vide his application dated 05/06/2006 has requested for rectifying the assessment order dated 30/07/2004 for the year 1997-98 and 1998-99 on the ground that the rate of tax is levied @ 8% instead of 3% on wheat flour in this order. The application for rectification was rejected on 19/06/2006. The dealer filed an appeal before the appellate authority Rohtak which was also rejected vide order dated 17/10/2006. Firm is a Ltd. Co. and stands closed. Directors of the company are residing in Delhi. Both the sureties pertain to Distt. Rohtak. Therefore recovery certificate was sent to Dy. Excise & Taxation Commissioner Rohtak who has informed that one surety has been expired in 2006 and the property of the other surety has been sold by the liquidator. The arrear of the company was declared under Land Revenue Act 1887 on 15/03/2005 and warrant of attachment was issued to attach the property vide order dated 21/03/2005 and the same were sent to the Tehsildar Bahadurgarh on 24/03/2005 to execute the warrant. Number of reminders have been sent. On enquiry it has been noticed that the entry in revenue record regarding attachment of property has not been made yet by the Tehsildar.

Taxation Inspector contacted to Halka Patwari on 08/09/2010 and Patwari has disclosed that mutation of the some part of land has not been done in favour of the company Patwari has suggested that two warrant of attachment be sent to the Tehsildar to attach the property Now two fresh warrant of attachment has been issued to attach the property

The Committee desired that the department should initiate the proceedings of the attachment of the property and thereafter should make all out efforts to recover the due amount from the Directors and the sureties of the company under intimation to the Committee

5 M/s Bee Cee Steel Rolling Mill Bahadurgarh AY 1983 84 to 1987 88

In this case it is intimated that an additional demand of Rs 1 30 237/ under the HGST Act 1973 and Rs 90 60 680/ under the CST Act 1956 was created for the assessment year 1983 84 to 1987 88 The registration certificate of the firm was cancelled on 29/01/1988 for want of fresh surety bond required on account of change of constitution A sum of Rs 3 00 000/ stands recovered from the firm The partner of the firm resides in Delhi The recovery certificate was issued to Collector Delhi vide memo No 587/91 dated 04/02/1991 Intimation for the undergoing recovery proceedings was sent to Tehsildar Bahadurgarh vide letter 352/TI dated 15/04/1987 under the Land Revenue Act for not to transfer the property registered in the name of M/s Bee Cee Steel Rolling Mills Bahadurgarh However the dealer sold some share of the said property Balance property in the name of firm IK 19M was attached by Collector cum Dy Excise & Taxation Commissioner Jhajar vide order dated 18/02/1990 the land is composite in Khewat No 68 Khatta No 110 Kila No 30/3/2 Khatta 4 Kanal 2 Marla of 6/41 Bakdar 12 Marla Khewat 2607 Khata No 432 Kila No 30/8/2/1 13/1/2 18/1/2 Rakba 8 Kanal 15 Marla of 27/175 Bahadurgarh 1 kanal 7 marla Total share of land in both the khewats is 1 kanal 19 marla Demarcation of the land has been done Demarcated land is under illegal possession of M/s Relaxo Footwear Bahadurgarh When department tries to release the land from the illegal possession of M/s Relaxo Footwear Bahadurgarh They obtained stay order from the Civil Judge Bahadurgarh and Department has filed appeal in the Court of Additional Judge Sh Jasbir Kundu at Jhajar against the intertion order

The Committee desired that as and when the Court of Additional Judge Jhajar decides the case it may be informed to the Committee and thereafter action to recover the amount from the partners and sureties of the firm be taken accordingly under intimation to the Committee

6 M/s Shree Anand Rice Mill Kaithal RC No KTL 1873 AY 1995 96 to 1999 2000

In this case it is intimated that the notice in form ST 25 was issued and served upon the dealer for finalization the assessment according to procedure for assessment and thereafter so many reminders also issued but due to closure of business the dealer did not framed up for assessment hence ex parte assessment was framed

The property held by the unit was auctioned by the OBC in the light of decision taken by DEBT recovery Tribunal The property was purchased by M/s Shree Ram Ji Rice Land Kaithal Notice was also issued to recover the arrear from purchasing dealer but after considering the reply and facts by the purchasing dealer the then Dy ETC cum

AA has filed the proceeding by way of quoting some court judgement that the purchasing dealer is not bound to pay the arrear. After this the other property of the partner was traced and property attached on 4.06.2003. The attached property could not be sold due to non availability of any bidder and property was reattached u/s 72. The efforts have been initiated to auction the attached property. The Tehsildar and municipalities office are asked to provide the copy of registry of attached properties and the survey is being done to assess the market value of these properties.

The notice was sent to recover the amount from surety but one of the sureties has expired as per report placed on record by Taxation Peon and other surety has left the district and is not traceable.

Efforts are being made to recover the arrears by auctioning the attached properties.

No excess amount declared for assessment year 1998-99.

The Committee desired that the department should assess the market value of these properties from the experts and all out efforts should be made to recover the arrears by auctioning the attached properties under intimation to the Committee.

[38] 2.2.8.2 Issue of recovery certificates

Test check of the records of seven⁴ offices of DETC revealed that the AAs finalised the assessments in respect of 14 dealers for the assessment years (AYs) between 1994-95 and 2003-04 and raised additional demands of Rs. 4.26 crore between January 2001 and June 2007. Since these dealers failed to deposit the tax within time specified/extended period of the issue of TDNs, the AAs had declared the recovery of dues to be recovered as arrears of land revenue. The AAs were required to initiate recovery proceedings and apply to DETC of the district for issuing RRC to the Collector/DC concerned within or outside the State.

In respect of seven dealers (additional demands of Rs. 3.24 crore created between January 2001 and February 2005) three DETCs had issued RRCs after the lapse of period ranging from nine to 54 months.

In respect of seven dealers (additional demands of Rs. 1.02 crore created between March 2001 and June 2007) five DETCs had not issued RRCs even after the lapse of period ranging from 15 to 60 months.

Non fixation of a time limit for initiating the recovery proceedings led to laxity in pursuing the outstanding Government dues. In the absence of any time limit specified for issue of RRCs under the Acts/Rules/executive instructions, the AAs took very long period to initiate and finalise recovery proceedings, due to which the arrears remained unrealised resulting in blockage of revenue of Rs. 4.26 crore due to the Government.

After the case was pointed out, the department stated that no time limit could be prescribed for issue of RRC as it took time to enquire about the whereabouts of the defaulting dealer and immovable property owned by him. However, during the exit conference, the department admitted the facts and stated that the matter would be pursued with the Government.

The department in its written reply stated as under

1 M/s Sohan Lal Rakesh Kumar Fatehabad RC No 27638 AY 1994 95

The RC of the firm already stands cancelled w e f 20 11 1984 The FIR No 155 dated 11 03 97 u/s 420 467 468 469 471/120B of IPC was lodged in the Police Station at Fatehabad Recovery certificate was sent to the Dy Excise & Taxation Commissioner Sirsa vide this office memo no 542/STA dated 03 08 2004 In response to letter No 542/STA dated 03 08 2004 E T O Sirsa informed the DETC Fatehabad vide his office memo No 1925/TI(SKV) dated 29 09 04 that Shri Krishan Lal S/o Sh Suraj Mal is not residing at present at Village Jamal It has been told by villagers that he is running his STD and watch shop at Bhattu Kalan Near Bus Stand Notices were issued to the dealer and both the sureties The arrear has already been declared as Land Revenue under the Punjab Land Revenue Act 1887 The summons have been issued to the dealer and to both the sureties The sureties have deposited an amount of Rs 30000 under the CST Act 1956 from 07 09 2004 to 03 03 2005 as part payment and Rs 1485/ under the HGST Act 1973 on 25 03 2008

A letter has been written to the Tehsildar Sirsa for details of moveable / immoveable property if any with a request not to allow the sale / transfer of that property vide this office memo no 364 1074 1602/TI(ASK) dated 18 03 08 28 08 08 and 22 12 08 The Tehsildar Sirsa has informed to this office that Sh Krishan kuamr S/o Sh Suraj mal S/o Sh Ganga jal has ownership of land 10 kanal 17 Marle which is situated at V P O Jamal Teh & Distt Sirsa vide office Endst No 1438/DRA dated 10 09 2009 Thereafter a letter has been issued to the Collector Cum D E T C (ST) Sirsa and requested to started the proceedings for recovery of arrears from the defaulter under the provision of law vide office memo no 129/TI(SR) dated 22 01 2010 and last memo no 852/TI SC dt 16 6 11 A letter has been written to the Tehsildar Bhattu for details of moveable /immoveable property with a request not to allow the sale/transfer of the property if any in the name of defaulter vide this office memo no 357/TI(ASK) dt 18 03 08 However Tehsildar Bhattu has informed to this office vide his office letter No 30/Reader dated 12 04 2008 that as per the revenue record there is no property in the name of Sh Krishan Kumar Prop of the firm Summons was issued to the dealer on 28 10 2004 and 12 02 2008 In reply to Notices/Summons the dealer has submitted a written reply that since the case is pending in the civil court at Fatehabad recovery proceedings may be kept pending till the decision of the Hon ble court The Hon ble Court has decided the case At present the case is pending in the Hon ble Session Court at Fatehabad A fresh recovery notice hass been issued to the dealer and also directed to deposited the amount of additional demand into Govt Treasry on or before 10 3 08 5 1 09 30 9 09 10 2 10 2 6 11 through this office notice dt 3 3 08 19 12 08 18 7 09 25 1 10 10 6 11 which were duly served upon Sh Krishan Kumar prop of the firm on 6 3 08 21 9 09 2 2 10 and 15 6 11 but the dealer has not deposited any amount of said arrears uptill now

The Committee desired the department to pursue the case pending in the Hon ble Session Court at Fatehabad vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

2 M/s Bharat Rice Mill Bhagoia Palwal AY 1995 96 to 1998 99 RC No 1313698

Ay	<u>1995 96</u>	<u>1995 96</u>	<u>1996 97</u>	<u>1996 97</u>
	31 01 01	Penalty	28 03 01	Penalty
	<u>1997 98</u>	<u>1997 98</u>	<u>1998 99</u>	<u>1999 2000</u>
	22 02 02	Penalty	17 06 02	11 10 05
	<u>2000 01</u>	<u>2001 02</u>	<u>2002 03</u>	<u>2002 03</u>
	21 11 05	30 11 06	30 11 06	14 06 02

The belief facts of the case are that the dealer has applied for exemption but due to some reason exemption could not be granted to the suit. The dealer has not paid vat tax due to the facts mentioned above.

Amount of the tax due

H G S T

CST

3426809 00

2290759 00

Summon were issued to sureties and Rs 50000/ on 28 02 2005 has been recovered from a surety. Another surety Sh Bhagat Sarup has expired. The partner of this firm are permanent resident of V P O Mulana (Ambala). Recovery certificate was sent to Dy E T C cum Collector 1st grade Ambala vide No 4205 dt 31 03 2004. As per record there were two partners of the firm. Tehsildar Mulana Distt Ambala was requested that the partners of the firm here agriculture land in their name and the property named by those partners may not be transferred in the name of any of their person sale deed or other procedure vide letter no 169 dt 29 12 2005. Dy E T C Ambala has stated that the financial position of the dealer is not sound and he is not in a position to pay the amount. An amount of Rs 2823260/ under H G S T and 450367/ under CST is recoverable from the dealer.

Rs 3926809/ under H G S T Act and Rs 2290759/ under CST Act out of this Rs 100000/ has been recovered from the two sureties of the firm. The partners of the firm resides at Distt Ambala. Recovery certificate has sent to D E T C cum Collector 1st grade Ambala. Tehsildar Ambala has also been requested to attach the property of defaulting partners. Reminders are being sent on regular basis.

The Committee desired that the department should initiate the proceedings of attachment of the property of defaulting partners and thereafter should make all out efforts to recover the due amount from the partners of the firm under intimation to the Committee.

3 M/s Maha Laxmi Rice Mill, Hodal Palwal AY 1996 97 to 2000 01

In this case it is intimated that the demand for the year 1996 97 and 2000 01 became due on 29 05 2002 and thereafter the recovery proceedings were initiated against the dealer. The dealer closed his business and were not traceable in Palwal. Hence a recovery certificate was issued to the Collector Bharatpur Rajasthan as the partners of the firm residing in village and P O Jureha in Rajasthan vide this office memo no 4207/T I (LSP dated 31 03 2004). The last reminder issued vide this office memo no 705/T I /SCD dated 01 09 2010. The recovery proceedings against the surety

were also initiated One surety Sh Suresh Chand Prop M/s Aggrawal Coal Depot Hodal has been expired and the legal heir of the firm has been issued to the notice to deposit the surety amount The second surety has closed down his business and the proceedings are in progress to recover the surety amount

The Committee desired that the department should make vigorous efforts for knowing the details of the property of the dealer so that the amount can be recovered after its attachment

The department should also make all out efforts to recover the due amount from the sureties under intimation to the Committee

4 M/s Reinz Talbros Ltd Faridabad (W) AY 1997 98 to 2000 01

The dealer is a trade in compressed asbestos Fibre Sheet The Dy Excise & Taxation Commissioner (I) Faridabad disallowed the claim of RD sale of compressed asbestos fibre sheet and thus created the demand The copies of orders were sent to the dealer by the Dy Excise & Taxation Commissioner(I) as well as by the AA No response till today has been received as the firm has since been closed

As the firm has closed down its business and whereabouts of the dealer are not known efforts were made to trace the directors of the firm from the addresses available on record Summons to both of the directors were sent by Regd Post vide No 2181-82 dated 10 11 2005 In response to summons reply was received on 05 12 2005 from son of the one director that his father had expired on 04 10 1993 and the second summons was received back There after summons were issued on 19 10 2006 to Managing Director as well as to both the sureties but no response was received So recovery certificate was issued to Collector Delhi vide No 112/TI(AM) dated 31 3 2006 but no response was received A reminder was issued to the Collector Delhi vide No 3258/TI(AM) dated 26 10 2006 but no recovery has been received from Collector Delhi uptill today An amount of Rs 50 000/ has been recovered from one of the surety Sh Prem Talwar of M/s Talwal Automotived Components Ltd vide draft dated 02 07 2007 as per the website of the Ministry of Corporate Affairs (MCA) The company had gone into liquidation status shown as liquidated

There is no delay in issue of recovery certificate except for the time taken in the procedure of recovery

The Committee desired that the department should take some active/ effective steps to recover the outstanding amount from the Managing Director and the surety under intimation to the Committee

5 M/s Setia Industries Panipat, AY 1994 95 to 1998-99

Parawise reply to the audit is as under-

- 1 A demand notice for Rs 2377129/ was sent by post to Sh Ashok Setia who is now running firm M/s Cool Waves at Plot No 444 Indl Area Phast II Chandigarh as the proprietor has left Panipat and residing at Chandigarh Again a summon was served upon the proprietor of the firm on 21 10 2005

In the meantime case was remanded back by Jt ETC (A) Rohtak vide order dated 10 2 2006 and accordingly notice for recovery of balance arrear of Rs 86708/ under the HGST Act and Rs 62096/ under the CST Act for the assessment year 99 2000 to 2001 02 decided on dated 4 5 2005 and 16 12 2005 and was sent to Proprietor again at Chandigarh on dated 30 10 2006 Afterward a Recovery Certificate of Rs 148804/ for the arrear of assessment years 1999 2000 to 2001 02 was sent on dated 4 7 2007 and subsequent many reminders were sent lastly on 21 08 2013 to Collector Chandigarh for recovery

- 2 As regards the non inclusion of whole arrears it is clarified that the Jt ETC (A) Rohtak has remanded the case vide orders dated 10 2 2006 so the amount of arrear was deleted and remand case is pending till date due to non cooperation of the dealer In view of the above facts thus only arrears of Rs 86708/ under HGST Act and Rs 62096/ under the CST Act for the year 99 2000 to 2001 02 is outstanding
- 3 As regards the recovery of arrears efforts are being made through the Collector cum Deputy Commissioner Chandigarh By sending recovery certificates and the last reminder was sent on 21 08 2013

The Committee desired that the department should take some active/ effective steps to recover the outstanding amount from the Proprietor of the firm under intimation to the Committee

6 M/s Singla Woollen Pvt Ltd Panipat AY 1996 97 to 2000 01

- 1 It is intimated that the proceedings to assess the cases mentioned in the audit memos were initiated well in time and cases were decided within stipulated period as prescribed under the Law
- 2 In reply to para No 2 regarding recovery of arrears from the dealer it is intimated that the firm is lying closed at Panipat and no movable/immovable assets have been found to be owned by the above said dealer Thereafter enquiry were initiated regarding whereabouts of partners which resulted that the dealer is residing at Sangroor(Punjab) Accordingly Recovery Certificate under the Revenue Recovery Act stands issued to Sangroor (Punjab)
- 3 In reply to para 3 regarding levy of Interest and penalty it is intimated that keeping in view the excessiveness of demand on account of tax levy of interest & penalty were kept in abeyance till recovery of tax dues
- 4 In reply to para 4 reply given in Para 2 is reiterated
- 5 The Recovery Certificate issued to Collector Sangroor has been received back vide No 1803/DRA dt 6 9 07 with the remarks that the dealer is not residing at given address Thus the notices issued to sureties on 17 12 2013 and the assured amount will be recovered shortly Sincere efforts are being made to locate the present whereabouts of the dealer to effect the recovery of tax due

The Committee desired that the department should make sincere and vigorous efforts to locate the present whereabouts of the dealer to effect the recovery of tax due under intimation to the Committee

7 M/s Siya Ram Dairy Pvt Ltd Panipat AY 1996 97 and 1997 98

- 1 In reply to para No 1 it is intimated that Siya Ram Dairy (P) Ltd was a Private Ltd concern wherein directors were taking care of the concern Hence recovery from legal heirs is not possible So far as recovery from sureties is concerned Proceeding are under process and sternous efforts are being made whereas out of 2 surties 1 surety firms M/s Dhanpat New Mandi Karnal RC – Kar IV 22152/ has been cancelled w e f 31 3 2000 as reported by Taxation Commissioner (ST) karnal and Recovery can not be made from the surety Whereas efforts are being made to recover the amount under Land Revenue Act from 2nd surety Sh Ramesh Chand s/o Sh Daya Ram Prop M/s Dehati Building Material Novelty road Karnal
- 2 Service of Tax Demand notice effected late due to the closure of the business
- 3 Proceedings to assess the cases of the company started well in time and completed withn the stipulated period as per law Hence there is no delay in framing Assessment
- 4 It is intimated that after 30 8 2006 reminder letter dated 22 1 2009 19 5 2009 and latest reminder on 17 9 2010 15 03 2011 and 20 06 2013 have been issued to the Collector karnal to recover the arrear from sureties Office of the HFC have also been requested to give the details of property of the company In reply to HFC has intimated that it has recovered amount by public auction of the Land Building and Material of the company
- 5 As mentioned above efforts are being made to recover the amount from sureties which is working/residing at Karnal District

Keeping in view the above observation the para may please be dropped

The Committee desired that the department should take some suitable steps to recover the amount from the directors and sureties of the firm under intimation to the Committee

8 M/s R K Traders /Sikka Sonapat RC No 9769 AY 2001 02 to 2002 03

In this case it is submitted that efforts were made to recover the arrears from the defaulter by tracing him out But the dealer could not traced out Since the dealer has mentioned his address of Delhi now recovery certificate has been issued to the collector Delhi vide this office no 1/1 A dated 05 07 2013

The Committee desired that the department should make sincere and vigorous efforts to locate the present whereabouts of the dealer to recover the arrears from the defaulting dealer under intimation to the Committee

9 M/s Popular Abrasive Murthal Sonapat Holding RC No SON/IV/6913 AY 1994 95 to 2000 01

The dealer firm was granted an exemption from payment of tax for the period from 29 10 1994 to 28 10 2001 vide E C No 95 under rule 28A of the Haryana General Sales Tax Rules 1975. The Deputy Excise & Taxation Commissioner Sonapat vide his order dated 17 03 2004 ordered that the firm is liable to make full payment of tax benefit availed along with interest. As a result Assessing Authority created an additional demand of Rs 6 24 486/- under HGST Rules 1975 and Rs 15 91 033/- under CST Act 1956 for the year from 1994 95 to 2000 01. The said arrear was declared an arrears under the Punjab Land Revenue Act by the Excise & Taxation Officer when the arrear could not be recovered under normal course. The property of the said firm was attached by the department under Punjab Land Revenue Act but the same property was mortgaged to the Punjab National Bank Sonapat which was auctioned by the bank. The department is in correspondence with Punjab National Bank for its claim in the recovered auction money along with the efforts for recovery of outstanding arrears from the sureties of the firm. Simultaneously a recovery certificate is issued to the Collector/Deputy Commissioner Nazafgarh Sub Division New Delhi vide recovery certificate no 266 dated 27 08 2010.

The Committee desired that the department should make correspondence with the Punjab National Bank for its claim in the recovered auction money from the attached property of the firm

The department should make vigorous efforts to recover the outstanding arrears from the sureties of the firm under intimation to the Committee

10 M/s U K Electricals Faridabad(W) AY 1998 99

In this case it is intimated that the ex parte assessment was framed by the then Assessing Authority vide orders dated 25 09 2003 for non filing of returns. Both the sureties in this case namely M/s Super Tech Wires Pvt Ltd Faridabad and Kamal Traders NTT Faridabad had closed down their business and are not traceable. Sh Vikash Rastogi Proprietor of the firm was found residing at Flat No 12 Mandakani Enclave Alaknanda New Delhi. Accordingly a recovery certificate was sent to Collector Delhi vide No 2053 TI RKD dated 27 7 2006. Thereafter repeated reminders were issued from time to time. Last reminder was issued to Collector South District New Delhi vide No 1849 dated 20 08 2010.

The Committee desired that the department should take some suitable steps to recover the amount from the Proprietor and sureties of the firm under intimation to the Committee

[39] 2 2 9 1 Non recovery of inter district and inter state arrears due to lack of co ordination between the departmental officers and revenue authorities

Test check of the records of 11 offices of DETC revealed that the AAs finalised the assessments for the AYs between 1988 89 and 2004 05 and created additional demands of Rs 19 96 crore between March 1993 and March 2008. Enquiries revealed that all the dealers had closed down and shifted their business and their properties (including residential) outside the State. DETC had sent RRCs to the DCs of the concerned States between September 2001 and July 2008. Out of Rs 19 96 crore

DETCs had furnished incorrect address or insufficient details of defaulters in three cases involving Rs 3 69 crore. The arrears of Rs 19 96 crore remained uncollected due to (i) lack of co ordination of departmental authorities with DCs of other States (ii) improper/non response from the DCs of other States and (iii) furnishing of incorrect/insufficient details of defaulters to the DCs of other States

During the exit conference the department stated that DETCs had been directed to look after their arrears even if RRCs sent to other States. It would be their responsibility to pursue these cases to recover the arrears.

The department in its written reply stated as under

1 M/s Ajit Singh Surjeet Singh Fatehabad TIN No 06631404411 AY 2003 04

Arrear was received from the O/o Addl ETC (Enf) Rohtak. Vide memo No 137/7 7 05 Copy of assessment order alongwith VAT N 4 was served by way of substitute service by pasting the assessment order on the last known place of business premises of the defaulter. Notices were also issued to the sureties. The sureties have deposited Rs 50 000/- on account of the surety bond. The arrear of Rs 41 60 Lac has been declared as Land Revenue under the Punjab Land Revenue Act 1887. Summons were issued and served upon the defaulter by way of substitute services i.e. by pasting the summons on the last known place of business premises of the defaulter. It was learnt by DETC Fatehabad that 180 bags of Sarson weighing 154 Qtl is lying in the Haryana Ware Housing Corp Rewari in the name of Ajit Singh Prop of M/s Ajit Singh Surjeet Singh Fatehabad TIN 06631404411. Recovery certificate No 1/CST/2006 07 vide this office memo no 115 dated 05 05 2006 was sent to the DETC cum Collector Rewari with a request for attachment of the 180 bags of Sarson. In reference of this office memo no 1606/TI(ASK) dated 22 12 2008 The ETO Rewari has informed to this office that 9 Bags of Sarson weighing 154 Qtls owned by M/s Ajit Singh Surjit Singh Fatehabad are lying in HWC Rewari. As per the address mentioned in the RC portion of the firm Recovery Certificate No 1/CST/06 07 vide this office memo No 1175 dated 14 3 06 has also been sent to the Addl Commissioner (Recovery) Sales Tax Deptt Bikaner Bhawan New Delhi. In response to which the Addl Commissioner (Recovery) Delhi has made direction to the Deputy Commissioner (North) Sham Nath Marg New Delhi for recovery of arrears vide his office letter No F1 (2)/RECY/CST/99 00/1643 Dated 22 03 2006. Thereafter many reminders have been sent vide this office Memo No 131 403 1093 1618/TI/ASK dated 31 1 08 25 03 2008 28 08 2008 & 22 12 2008 but no reply has been received from the concerned department so far. Last reminder were sent to the Dy Commissioner (North 5 Sham Nath Marg New Delhi) vide this office memo no 614/88/TI (SST) / (SR) dated 15 07 2009 22 01 2010 and last memo no 762/TI SC dt 8 6 11 but no reply has been received from the concerned department uptill now.

2 M/s Shree Durga Enterprises Bhattu Fatehabad U/R RC unregistered dealer AY 2004 05

Arrear was received from the O/o Addl ETC (Enf) Rohtak. Vide her office memo No 138/7 7 05 The copy of assessment order alongwith VAT N 4 has been served by substitute service i.e. by way of pasting the assessment order on the last known place of business premises of the defaulter. The RC of the firm has already cancelled w.e.f 31 03 2004 by the then Assessing Authority vide his order dated 2 07 2004. Since the

Prop of the firm has given his home address in the RC portion at Delhi Therefore Recovery Certificate No 1197/TI/SST dated 23 3 06 was sent to the Addl Commissioner (Recovery) Sales Tax Deptt Bikari Kar Bhawan New Delhi After this many reminders have been sent to the Dy Commissioner (North 5 Sham Nath Marg New Delhi) vide this office memo No 138 457 1095 1615/TI/ASK dt 31 1 08 31 03 08 28 08 08 22 12 08 but no reply has been received from the Dy Commissioner New Delhi so far Last reminder were sent to the the Dy Commissioner (North) 5 Sham Nath Marg New Delhi vide this office memo no 612/85/TI(SST) (SR) dated 15 07 2009 and 22 01 2010 And last memo no 760/TI SC dt 8 6 11 but no reply has been received from the said department uptillnow A letter has been written to the Tehsildar Bhattu for details of moveable/immoveable properties if any in the name or the defaulter with a request not to allow the sale/transfer of the property if any in the name of the Proprietor of the firm vide this office Memo No 161 354/TI/ASK dt 4 02 08 and 18 03 08 The Tehsildar Bhattu has informed this office vide his office memo No 29/Reader dated 22 04 08 that there is no moveable/immoveable property in the name of the defaulter Notices have also been issued to the sureties The sureties of the firm have deposited Rs 50000/ on account of surety bonds on 18 1 2006

3 M s Lord Krishana Oil Factory Bhodia Khera Fatehabad RC No 22391 AY 1990 91 and 1991 92

The RC of the firm already stands Cancelled w e f 30 06 1992 by the then Assessing Authority vide his order dated 01 12 1993 The FIR No 155 dated 11 03 97 u/s 420 467 468 469 471 & 120 B of IPC was lodged at Police Station Fatehabad The department has field an appeal before The Hon ble Court of Session Judge at Fatehabad against the judgment dated 2 02 09 passed by the court of Smt Narinder Kaur in the criminal case no 594 1 of 1999 titled as Stated Vs Anil etc arising out of FIR No 155 dated 11 03 1997 vide which the Ld trial court has acquitted the respondents from the charges framed against them The arrears have been declared as land Revenue under the Punjab Land Revenue Act 1887 Recovery Certificate No 1/2002 2003 vide this office Memo No 96/TI/JSR dated 30 01 03 was sent to Dy Commissioner South District M B Road Saket New Delhi Thereafter a number of reminders have been sent to the Dy Commissioner South District M B Road Saket New Delhi vide this office memo No 781 1064 137 402 dated 09 11 2005 12 12 2006 31 01 2008 & 25 03 2008 The Dy Commissioner New Delhi has informed this office that address given in RC does not fall in sub division (Houz Khas) Distt South New Delhi Recovery certificate no 97/TI (JSR) dt 30 01 03 has also been sent to the Addl Commissioner Recovery Trade & Taxes Dept Bikari Kar Bhawan 1P Estate New Delhi A reminder was also issued to the Addl Commissioner (Recovery) Trade & Tax Department Bikari Kar Bhawan 1P Estate New Delhi vide this memo No 402/TI(ASK) dated 25 03 08 but no reply has been received from the concerned department so far Last reminder were sent to the Addl Commissioner Recovery Trade & Taxes Dept Bikari Kar Bhawan 1P Estate New Delhi vide this office memo no 617 108/756TI(SST)/SR (SC) dated 15 07 2009 & dt 20 01 10 8 6 11

4 M/s Friends Chemicals Bhiwani RC No 4905 A Y 1991 92 to 1994 95

The dealer was availing exemption under rule 28 A of the HGST Rules 1975 holding exemption certificate No 11 dated 18 02 1993 The assessment of cases for the

period from 1991 92 to 1994 95 were framed by the Assessing Authority well in time. However the dealer closed down its business and failed to maintain the average level of production therefore violated the conditions laid down under rule 28 A of the HGST Rules. Accordingly the DETC vide orders dated 04 08 2007 directed to make the exempted tax with interest. Consequently the Assessing Authority quantified the tax and interest as under

Year	Tax	Interest	Total
1991 92	230571	486294	716865
1992 93	614220	1185445	1799665
1993 94	308087	539115	847202
1994 95	674742	1059345	1734087
Total	1827620	3270199	5097819

As such the additional demand were created on account of violation of conditions prescribed under rule 28 A of the HGST Act Rules and there is no negligence on part of the officers. After closing the unit the dealer left the district. The land building plant & machinery were auctioned by the HFC for recovery of the loan. Recovery proceeding have been initiated against the sureties.

On enquiry it came to notice that Sh. Amar Chand Singal Proprietor of the firm is residing at Delhi in H No 6 Road/Block No 55 Punjabi Bagh New Delhi. Therefore Recovery Certificate was sent to Collector Delhi State Sahkari Bank Bhawan Nagla Delhi 41 vide memo No 1679/ TI (ISB) dated 10 01 2006. Thereafter the reminders were issued to the Collector Delhi on 30 11 06, 12 06 2007, 12 01 2008, 22 01 2009, 04 06 2009, 30 11 2009, 17 12 2009, 23 04 2010 & last reminder was issued on 18 08 2010 but no result has been yield so far.

5 M/s Maharashtra Antibiotic Pharma, 100 the Mall, Ambala Cantt RC No 25655 AY 1997 98 1998 99 Audit & 1999 2000 Audit

The brief facts of the case are that RC No 25685 was granted to M/s Maharashtra Antibiotice Pharma. The firm was a Govt of India undertaking with validity and liability w e f 15 12 1987. The firm had been functioning normally. However after the year 2000 the firm suffered heavy losses and finally it was closed down without any intimation to the Assessing Authority. The assessments on the date of closure for the year 1998 99 to 1999 2000 were pending. The AA immediately collected the information of sales and purchases by the firm during the year assessment in respect of which were pending. On the basis of data availabale with him he decided the cases for the year 1998 99 and 1999 2000 on 07 01 2002 creating an additional demand as under

A Year	ST	CST
1998 99 =	690118 00	98815 00
1999 2000	350774 00	2099 00
In addition interest was also levied in the above said years as well as in the year 1997 98 as under		

1997 98	20047 00	101165 00
1998 99	653649 00	--
1999 2000	318398 00	--
Total	2032936 00	202079 00
In view of the above facts it is submitted for the information of the audit		
1) That there is no delay in finalization of assessments		
2) That efforts have been made to effect the recovery but due to closure of the firm much success could not be achieved in this regard		

That the sureties in this case had been contacted and one of the sureties has since expired the other surety produced one of the employees of the firm who in his statement recorded by the AA intimated the latest address of the firm The arrear was declared due under the Land Revenue Act and Recovery Certificate was issued to the Collector Nagpur for the Recovery of the arrear from the Corporate office of the firm vide Recovery certificate No 3936 TI/N K dated 1 12 06 The Collector had referred the case to the Recovery Authorities (The Tehsildar Hingna District Nagpur) for recovery Regular reminders are being issued to the said authority but no response has been received The RC of the firm stands cancelled w e f 31 3 2003 Last reminder for the recovery of arrear has been issued on 07 09 2010 21 10 2010 03 08 2011 11 11 2011 02 01 2012 22 03 2012 21 05 2012 01 08 2012 29 08 2012 31 10 2012 29 01 2013 08 03 2013 31 05 2013 09 10 2013 and 12 11 2013

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the concerned dealers/proprietors/ sureties of the firms under intimation to the Committee

6 M/s Misha Exports NGM, Ambala City RC No 32653 AY 1996 97 to 1998 99

In this case it is intimated that an arrear of Rs 5212316/ had been created in this case for the year 1996 97 1997 98 1998 99 by levying purchase tax on the paddy The export was conducted under section 5(3) of 1956 and the dealer had gone in Appeal against the order upto the Supreme Court and the hon'ble Supreme Court had rejected the plea of the dealer in the year 2003 However an amount of Rs 500000/ was recovered from the dealer through its Head office at Amritsar and further an amount of Rs 50000/ had been recovered from one of the sureties The other surety had since expired leaving no property movable/immovable property in his name as such no recovery could be effected from the second surety In the mean time arrear was declared due under the Land Revenue Act and recovery certificate was sent to Collector Amritsar for recovery of balance arrear of Rs 4662316/ After long correspondence with the Collector Amritsar it is being conveyed by him that the firm M/s Misha Exports on Tarantaran Road Amritsar has since closed down and the defaulter is not available on the address given in the Recovery Certificate

However after receipt of the intimation from the Collector Amritsar the Taxation Inspector at Ambala has been directed to visit Amritsar to find the address of the defaulter Further a reference has been made to the Collector/Municipal Commissioner

Ambala for issue of no property certificate in the name of the defaulter So that the case of non recovery of the arrear could be made out for writing off the arrear

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

7 M/s Berry Sons Pvt Ltd Faridabad (E) TIN No 06571200356 AY 2000 01 to 2002 03

M/s Berrysons (India) Pvt Ltd was a Private Limited firm and was engaged in manufacturing of auto vehicle parts and engineering goods The firm stands closed since long The assessment for the assessment year 2000 01 2001 02 and 2002 03 were framed in the presence of Sh Dharambir Advocate of the Company Following year wise demand was created

A Y	Date of Order	Amount of Arrears		Total
		HGST	CST	
2000 01/ Intt	8/2/2004	79710	53920	133630
2000 01	8/2/2005	63403	122018	185421
2001 02/ Intt	8/2/2005	63858	553648	617506
2001 02	7/29/2005	0	1603347	1603347
2002 03/ Intt	8/2/2004	128251	301656	429907
TOTAL		335222	2634589	2969811

The demand was created on account of short payment of voluntary tax and on account of non production of C Forms The above arrears were declared as arrears recoverable under the Land Revenue Act No property exists in the name of the firm in the State of Haryana The director of the firm Sh Ashwini Berry is now residing at at Delhi at K 78 Hauz Khas Enclave New Delhi 110007 Recovery Certificate No 106/W 2/Dated 03 05 06 was sent to Collector South District Abdul Hamid Marg Saket New Delhi vide Memo No 410/W 2 dated 03 05 06 Thereafter reminders were issued on 04 07 06 22 12 08 10 05 10 Last reminder along with photo copy of recovery certificate and reminders was sent on 19 07 2013 through regd A D

The two sureties namely

- 1 Sh Ashwini Kumar Proprietor M/s Pre Ash Industries Plot No 2 Tilpat Road Faridabad RC No 1206931
- 2 Sh Ashish Berry Proprietor M/s A K Traders & Engineers Plot No 2 Tilpat Road Faridabad

Have closed down their business and are now residing at Delhi

Notices were issued to the sureties at their Delhi address No amount has been recovered so far

The Committee desired that the department should take some suitable steps to recover the amount from the directors and sureties of the firm under intimation to the Committee

8 M/s Radhika Enterprises Faridabad (E) RC No 1212973 AY 2000 01 to 2001 02

In reply to audit objection it is submitted that M/s Radhika Enterprises bearing TIN 1212973 was a proprietorship firm. The firm stands closed. The cases pertaining to Assessment Year 2000 01 and 2001 02 have been assessed ex parte on the basis of record available on the file and on the basis of information available regarding suppression of sales made by the firm. The assessment for the assessment year 2001 02 was framed exparte 31 07 2006 creating an additional demand of Rs 11138692/ including the tax and penalty under the HGST Act and Rs 995/ under the CST Act. The assessment for the year A Y 2002 03 was framed on 17 03 2008 creating an additional demand of Rs 1080864/ under the HGST Act including the tax and penalty.

These arrears were declared as the arrear recoverable under the Land Revenue Act. The proprietor of the firm Sh Bhairon Singh is now residing at village Sultana District Jhunjunu Rajasthan. Recovery Certificate No 108 dated 13 11 2006 vide office memo No 1118 to 1119/TI/W 2 dated 13 11 2006 and 115 dated 08 09 2010 was sent vide letter no 1774 dated 08 09 2010 to the Collector District Jhunjunwala District Rajasthan for effecting the recovery. Therefore reminders were issued several times. No property is in the name of Sh Bhairon Singh Proprietor of the firm in Faridabad.

The SDM Chidawa District Jhunjunu Rajasthan vide letter no 1239 dated 01 08 2011 has returned the recovery certificate back to the Dy Excise & Taxation Commissioner Faridabad (East) and was informed that Sh Bhairon Singh S/o Sh Jagat Singh Proprietor of M/s Radhika Enterprises owns 0 37 Hectares of Land in Vill Sultana The Chidawa District Jhunjunu. After following the due procedure the land was set for auction for many times but none made a bid for the auction. The assets of 0 37 Hectare are all that Sh Jagat Singh owns. Thereafter the SDM Chidawa has exhausted all means of recovery and returned the recovery certificate in original. The surety Sh Prakash Nagar Prop of M/s Pankaj Enterprises is not traceable but the second surety Sh Sushil Gupta Prop of M/s Ambika Steel has been traced out. Notice and summons have been issued to him. Again summons were issued 20 06 2012 for 02 07 2012. Sh Sushil Gupta prop of M/s Ambika Steel has submitted a photocopy of the written reply dated 27 09 2010 that he has withdrawn his surety on 30 03 2000. In the present circumstances recovery cannot be effected in the normal course of action. The case is now being prepared for writing off.

The Committee recommends that if the recovery is not possible then the department should send the proposal for writing off the amount to the Govt under intimation to the Committee.

9 M/s A P S Stamping Pvt Ltd 16/5 Mathura Road Faridabad (E) RC No 1200586 AY 1993 94 to 1999 2000

It is intimated that the M/s A P S Stamping was a Private Ltd Firm. The firm stands closed and RC was cancelled with effect from 19 09 2000. The Assessment for the year 1993 94 1994 95 1996 97 1997 98 and 1998 99 were framed in the presence of Sh C S Tanwar Accountant of the Company. Following year wise demand created

A Y	Date of order	Amount of arrears		Total
		HGST	CST	
1993 94	12 04 98	121290	8466	129756
1994 95	01 12 97	86352	0	86352
1996 97	(DETC Revision)	124073	0	124073
1997 98	28 03 03	115017	236746	351763
1998 99	29 08 2003	388339	1024114	1412453

The demand under HGST Act was on account of short payments of Vol Tax and under CST Act on account of non production of C forms Sureties are not traceable Sh Sunil Sarin Director of the firm is residing at C 7 Maharani Bagh New Delhi Recovery Certificate No 80/dt 21 08 2002 and No 33/dt 12 03 2004 was sent to collector New Delhi and after that reminders dated 28 11 2003 08 03 2004 27 1 2005 05 10 2005 21 12 2005 13 03 2006 16 01 2009 18 09 2009 25 03 2010 and last reminder dated 08 09 2010 alongwith copies of recovery certificates has been sent Recovery has not been effected till date

10 M/s Toshiba Industries India Fardabad (E) RC No 1202551, AY 1988 89 to 1999 2000

This was a proprietorship firm The dealer was engaged in trading of Iron and Steel The additional demand amounting to Rs 13979520/ under the CST Act the Assessment year 1988 89 and Rs 66655/ under the HGST Act and Rs 1828835/ under the CST Act for the A Y 1999 2000 was created on account of Tax levied on suppression of sales made by the dealer Out of the total demand of Rs 15808355/ recovery of Rs 5386535/ was made leaving the balance amount to Rs 10488478/ The firm stands closed the proprietor Sh Ravi Gupta is now residing at Delhi Notices to sureties have been issued Recovery certificate No 101/TI/ (W 2) dated 22 09 2004 was sent to Collector Delhi vide this office memo no 1586/22 09 2004 Further reminders were issued on 28 04 2006 vide memo no 310 dated 28 04 2006 and no 06 07 07 (vide memo no 459 dated 06 07 07) and on 07 05 2010 (vide memo no 780 dated 07 05 2010) Last reminder was issued on 19 07 2013

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the concerned directors/proprietors/ sureties of the firm etc under intimation to the Committee

11 M/s Gupta Trading Co Azimgarh Cheeka Kaithal RC No 6473 AY 2002 03 and 2003 04

- 1 The audit party has raised audit objections for not taking penal action u/s 48 of HGST Act 1973 and u/s 38 of HVAT Act 2003 as stated in the assessment orders 02 03 and 03 04 The audit para is admitted and penal action has been taken is as under

- (i) In the assessment year 02 03 a penalty of Rs 80000/ was imposed by the A A Kaithal u/s 48 of HGST Act 1973 (40000 X 2 times) vide D No 156a/02 03/dated 13 08 09
- (ii) In the assessment year 03 04 a penalty of Rs 46 80 000/ was imposed by the A A Kaithal u/s 38 of VAT Act 2003 (1560000 x 3 times) vide D No 156 b/03 04 dated 13 08 09
- 2 The arrear has already been declared under Land Revenue Act
- 3 The dealer had left the Azeemgarh The proprietor was residing at Samana Recovery certificate in this regard has been sent to the collector Patiala No response received Recovery proceedings have been initiated against the sureties Summons have been issued to the surety to recover the arrears
- 4 A Revised Recovery Certificate for Rs 63 60 000/ has now been sent to Collector Patiala (PB) vide this Office Memo no 620 dt 13 07 2010 and reminder issued on 16/09/10

12 M/s Mohit Trading Co Kaithal R C No 3677 A/Y 1994 95/ 07 04 1998

In this case it is stated that the DETC Cum Assessing Authority created demand for Rs 9 59 624/ vide orders dated 07 04 1998 ST 28 issued on 24 04 1998 The arrear was declared as an Arrear under the Land Revenue Act on 09 03 1999 The dealer left the State and was residing at Delhi Recovery certificate was sent to the Collector Delhi on 27 09 2001 Reminders of recovery certificate were sent to the Collector Delhi on 18 03 2002 and 20 07 2005 Reply of Collector Delhi is still awaited

- 1 The arrear has already been declared as arrears recoverable under Land Revenue Act vide order dated 19 03 1999
- 2 Reminders dated 18 03 2002 dated 20 07 2005 sent to Collector Delhi Reply in the matter is still awaited
- 3 No recovery could be made till now Efforts now are being made to recover the amount from one of sureties because one surety Sh Subhash Chand partner M/s Rangı Ram Pardeep Kumar Kaithal has already been retired from the firm and whereabouts of Sh Subhash Chand are not known The department is hopeful that recovery will be initiated from lnd surety i e M/s Niranjan Dass Subhash Chand Kaithal

13 M/s Satish Oil General Mill Kaithal RC No 3583 A Y 1992 93 to 1997 98

The notice in form ST 25 was issued and served upon the dealer for finalizing the assessment case according to procedure for assessment and thereafter so many reminders also issued but due to closure of business the dealer did not turned up for assessment Hence ex parte has been made

Sureties given by the dealer are of his own other firm i e one surety namely Sanjay Kumar is partner of Gupta Trading Co second by the name of Sh Rakesh Kumar who was partner of M/s Surya agro industries both the sureties are the sons of proprietor of M/s Satish Oil & Gen Mill Kaithal The whole of the business activity held by whole the family members had been closed and they left this district without intimating the

department On enquiry it has come to the notice that the family is residing in Delhi on this believe a recovery certificate was sent to Dy Commissioner Centre Room No 146 Tees Hazari Court New Delhi vide this office memo No 946 dated 27 12 05 & after that two reminders have also been sent on 02 01 07 The collector Delhi intimated that no person is residing on the address mentioned in the Recovery Certificate The Efforts are being made to trace the address of the proprietor The proprietor had no property in this district

His relatives are being contacted to trace out his latest residential address and contents of his property available in the Kaithal All out efforts are being made to recover the arrear

14 M/s Deepak Industries Kaithal RC No 3068 A Y 95 96 to 98 99

The notice in form ST 25 was served upon the dealer for finalization of the assessment according to the processer for assessment and thereafter so many reminders were also issued but due to closure of business the dealer did not turn up for assessment and hence ex party assessment had been made

Sureties given by the dealer are of his sister concerns One surety is of M/s Deepak Oil Industries in which his wife i.e. Mrs Kamlesh Garg was partner and another surety was of the nomenclature M/s Chaitanya Rice & Gen Mills in which his sons Sh Anand Parkash was a partner After closure of business all the members of his family along with the dealer himself left the Kaithal and now is residing in Delhi as per enquiry The latest residential address was got traced and Recovery Certificate to the Deputy Commissioner recovery sales tax department Bikaner Bhawan New Delhi has been sent vide memo no 965 dated 27 12 2005 After that two reminder to the Collector Delhi were sent but no result till date is conveyed

The dealer has not any Properties in the district against which arrears could be recovered

His relatives are being contacted to trace out his latest residential address and the contents of his properties available in the Kaithal All out efforts are being made to recover the arrears

15 M/s Cephem Lab Ltd Kundli Sonapat RC 994 AY 1995 96 & 1997 98

It is intimated that the assessment of the dealer was framed vide order dated 30 06 2009 for assessment year

Year	Sales Tax	CST
1995 96	776 00	459196 00
1997 98		387958 00

The demand pertains to non furnishing of declarations under CST Act The directors of the company were

- 1 Sh Kirti Shah S/o Sh N L Shah C/o Atul Drug Agency 98 Mansarovar Building 3rd Floor Mumbai 2
- 2 Sh D C Pruthi R/o M 255 Greater Kailash II New Delhi

The recovery certificate were sent to Collector Mumbai vide memo No 2111 dated 19 06 2007 and Collector New Delhi vide memo No 2110 dated 19 06 2007 One of the sureties of the dealer is M/s Cepham Organics which is itself a defaulter and a recovery certificate have already been issued for its arrear The 2nd Surety of the dealer is M/s Cabon India Ltd Plot No 2 HSIDC Gurgaon The recovery certificate was issued to Collector cum Dy Excise & Taxation Commissioner Gurgaon vide memo No 6662 dated 5 5 2006 Thereafter the reminders were issued vide memo No 2496 dated 02 08 2008 2495 dated 02 08 2008 5347 dated 02 06 2009 5346 dated 02 06 2009 5348 dated 02 06 2009 and 5349 02 06 2009 Last reminder were sent under registered covers vide No 352 353 dated 06 09 2010 and on 04 07 2013

16 M/s Viacom Electronics (P) Ltd Sonapat RC No 7897 AY 1997 98 to 2001 02

It is intimated that the assessments of the dealer were framed and demands created as under

1997 98 to 2002 03	58 97 883/	17 42 252/
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The demand was created mainly due to non receipt of declarations under Central Act rejection of sales and non payment of tax due

The Directors of the company were as under

- 1 Sh Kabir J Mool Chandani Zenith Building Race course Road Mumbai 34
- 2 Sh Sanjay Chimnani Sukh Nagar N S Palekar Marg Mumbai

The sureties in this case M/s Barron International Ltd and M/s TCL Baron Ltd are also closed firms/companies and are also defaulters

So after the issue of various notices and summons vide No 2492 dt 12 10 2001 2943 dt 12 10 2001 986 dt 4 7 2002 987 dt 4 7 2002 4374 dt 8 2 2002 4643 dt 14 5 2003 & 988 dt 4 7 2002 to the dealer to the last known address no recovery could be effected Ultimately Recovery Certificate was issued to the Collector Mumbai vide Memo No 2765 dt 07 01 2005 After this a number of reminders issued vide No 3888 dt 31 5 2005 2502 dt 02 08 2007 5357 dt 02 06 2009 and last reminder issued under Registered Cover vide No 348/TI(W 2) dt 06 09 2010 and on 04 07 2013 via registered A D

17 M/s Jain Trading Co Murthal, Sonapat RC No 9116 AY 2000 01 & 2001 02

Firm stands closed Assessment for the year 2000 01 & 2001 02 were framed on exparte basis vide order dated 25 07 2005 A demand of Rs 6474/ under HGST Act and Rs 16 20 849/ under CST Act were created The outstanding arrears were declared to be arrears recoverable under Punjab Land Revenue Act 1887 vide order dated 29 11 2005 the sureties M/s Sun Rice Limited Murthal has closed down business and the other surety Sh Vijay Kumar Prop M/s Prem Chand Ram Niwas Sonapat could not be traced Hence the recovery could not be made from surety The prop of the firm was residing at the following address

- 1 Sh Ram Roop Garg S/o sh Ram Kumar Garg resident of Flat No B 2 Sunder Apartments Sector 14 Rohini New Delhi

Therefore Recovery Certificate No 5368 dated 30 11 2005 was issued to the Collector Delhi Thereafter several reminders dated 22 02 2006 09 05 2006 10 07 2006 22 08 2006 18 12 2006 22 01 2007 30 08 2007 11 01 2008 13 06 2008 31 10 2008 23 01 2009 30 11 2009 27 04 2010 16 07 2010 07 09 2010 19 10 2010 21 03 2011 08 07 2011 02 11 2011 and 04 07 2013 issued to the Collector Delhi

18 M/s Jag Damba Industries Murthal Sonapat RC No 6055 AY 1996 97 & 1997 98

It is intimated that the firm stand closed Assessment for the year 1996 97 was framed vide order dated 27 03 2002 and additional demand to the tune of Rs 35 21 438/ was created and assessment for the year 1997 98 was framed vide order dated 22 10 2002 and additional demand to the tune of Rs 2 60 474/ was created The outstanding arrears were declared to be arrears recoverable under Punjab Land Revenue Act 1887 vide order dated 03 06 2002 for the assessment 1996 97 and on 10 12 2009 for the assessment year 1997 98 The sureties of Sh Nathu Ram Proprietor of M/s Pawan Industries Rohtak Road Sonapat and Sh Naresh Kumar Prop M/s Prem Raj Vinay Kumar Rohtak Road Sonapat have closed down their business and are residing outside the State of Haryana Whereabouts of the sureties could not be traced even after stern efforts Hence recovery could not be effected from the sureties All the partners of the firm are residing in Delhi at the following address

- 1 Sh Parmod Kumar S/o Sh Hari Parsad R/o CU 169 Pitampura Delhi 110034
- 2 Sh Krishan Chand Tayal S/o Sh Chandan Lal R/o CU 169 Pitampura Delhi 10034

Hence Recovery Certificate No 26 dated 4 6 2004 was issued to the Collector Delhi Thereafter several reminders dated 09 08 2004 20 10 2004 19 03 2005 18 07 2005 22 09 2005 07 12 2005 22 06 2006 09 05 2006 10 07 2006 17 08 2006 18 12 2006 22 01 2007 07 06 2007 30 08 2007 29 01 2008 06 05 2008 31 10 2008 23 04 2009 15 09 2009 30 11 2009 27 04 2010 16 07 2010 06 09 2010 and 04 07 2013 issued to the Collector Delhi

19 K J International (Export Division) Karnal RC No 22134 AY 1990 91 to 1998 99

In reply to objections of the audit it is submitted that

- 1 Assessment proceedings in each case were started well in time Notices were issued for finalisation of assessment cases which could not be served upon the dealer due to closure of business The dealer was not traceable Efforts were made for proper service of notice of assessment but all in vain Ultimately the cases were decided Ex parte Hence the delay in finalisation of cases was circumstantial
- 2 Recovery Certificate was sent to the Collector Tis Hazari Delhi which was received back as un delivered It was again sent to the Collector Delhi at the same address for trying the same for delivery but the same was received back as un delivered Efforts were made to trace out the proper address of the Collector but the same could not be traced out

- 3 The HUDA was requested to intimate this office regarding the ownership of House No 809 Sector 13 Urban Estate Karnal and in the meantime not to allow sale/transfer of said house if any share of this house is in the name of Sh Naresh Arora S/O Sh Janki Dass Arora. No intimation was received from the HUDA. Efforts were made to recover the amount of arrears from partners and sureties. Ultimately warrant of arrest was issued to Sh Naresh Arora surety of the firm for 20.12.2007. In response to this he deposited Rs 100000/- and requested that the property in the name of the Company was under litigation with Bank 4 A. The land measuring 25 K 16 M was attached for recovery of arrears. Intimation of attachment was sent to Tehsildar Karnal for Kurki of the land and necessary entries in this regard in his record but the same was received back in original with the remarks that the Kurki of the attached land has already been made in favour of the Banks against their outstanding dues. The dealer has now deposited the remaining amount of surety bond of Rs 60.20 lacs thus total recovered Rs 70 lacs.

20 M/s Angle Roller Flour Mill (P) Ltd Panchkula TIN No 06802501533 AY 2002 03 to 2004 05

It is intimated that after declaring Inter State Arrear recovery certificate had already been issued to collector (U T) Chandigarh vide memo no 1417/DTI dt 29.05.08 and reminders vide memo no 1470/TI(SR) dt 17.06.09. Now a fresh reminder has also been issued vide memo no 2257 dt 10.09.10.

Last reminder issued on 22.09.2013 vide letter No 1969 TI/LDC. Nothing has been recovered so far.

21 M/s Dunlop India Ltd PNB House Nehru Ground Faridabad (W) RC No 1300098 AY 1995 96 to 1998 99

Since the firm has closed at Faridabad Copy of the orders was served through Regd Post for 1995 96 and 1996 97 on 14.11.2003 and for 1997 98 & 1998 99 on 9.6.2004. In lieu of security the dealer has furnished bank Guarantee of Rs 5 Lakh which was expired on 16.4.1998.

The firm is running at 57 B Mirja Galib Street Kolkata. Recovery Certificate was sent to the District Magistrate South 24 Parganas Alipore Kolkata vide memo No 1355 dated 30.7.2004. Reminders are being sent regularly. Last reminder was sent vide Memo No 1846 dated 20.8.2010. Letter has been written to concerned bank to encash the bank Guarantee vide memo No 1890 dated 23.8.2010.

Afterwards a letter and recovery certificate was sent to the company on 30.8.2010. After receiving the letter by the company on new address the Accounts Officer Mr T D Dutta has contacted telephonically in this regard. He intimated to the deptt that he has not received the assessment order till date. Copy of order has also been sent by regd post and made a commitment to contact personally within 15 days and the recovery matter may be sorted out.

22 M/s Vikrant Scientific Works Pvt Ltd Jhajar E 23 Industrial Area RC 18571 AY 1997 98 to 2001 02

It is intimated that the assessment of the firm was framed ex parte and an additional demand of Rs 22 57 597/ was created The firm is a Pvt Ltd Company Firm stand closed Business premises of the firm was on rent The Director of the firm is stated to be residing and doing business in Distt Solan (H P) Hence recovery certificate was sent to Deputy Collector Solan (H P) vide memo No 940 dated 26 05 2005 for recovery of arrear on a/c of additional demand created by AETO cum Assessing Authority Bahadurgarh Number of reminders were sent to Deputy Collector Solan Last reminder was sent on 02 08 2010 In response of the Recovery Certificate Assistant Collector Solan has intimated vide letter No 23128 dated 25 08 2010 that there is no such person/firm at the address given in the RC Out of both the sureties one firm has been closed and notice to another surety M/s Diamond Potteries Pvt Ltd has been issued on 10 09 2010 to deposit the surety amount

23 Osho Home Appliances E 23 Old Ind Area Bahadurgarh Jhajjar RC No 21042 AY 1997 98 to 2001 02

It is intimated that the assessment of the firm was framed ex parte and an additional demand of Rs 34 42 374/ was created Firm stand closed Business premises of the firm was on rent The Proprietor of the firm is stated to be residing and doing business in Distt Solan (H P) Hence recovery certificate was sent to Deputy Collector Solan (H P) vide memo No 941 dated 26 05 2005 for recovery of arrear on a/c of additional demand created by AETO cum Assessing Authority Bahadurgarh Number of reminders were sent to Deputy Collector 1 4Solan Last reminder was sent on 02 08 2010 In response of the Recovery Certificate Assistant Collector Solan has intimated vide letter No 23128 dated 25 08 2010 that there is no such person/firm at the address given in the RC Out of both the sureties one firm has been closed and notice to another surety M/s Diamond Potteries Pvt Ltd has been issued on 10 09 2010 to deposit the surety amount

24 M/s Dara Chemicals India Ltd , Bahadurgarh RC No 1314 AY 1997 98 to 1998 99 1999 2000 to 2002 03

It is intimated that an additional demand of Rs 7 62 806/ was created by framing the assessment for the year 1997 98 to 2002 03 This firm is a Ltd Company and had its head office at Delhi and Director of the company also reside at Delhi Recovery Certificate was sent to Collector Delhi vide memo No 220/TI (MPM) dated 12 02 2004 and no of reminders have been sent and last reminder was sent on 10 09 2010 Further sureties of the firm pertains to Distt Fatehabad and Sirsa RC in the both of the distt were sent to recover the amount from the sureties vide memo No 218 219 dated 12 02 2004 In response to this Dy Excise & Taxation Commissioner Fatehabad has informed that M/s G B Traders surety of the firm has been cancelled w e f 30 09 2000 Reminders to the Dy Excise & Taxation Commissioner Sirsa have been sent and last reminder sent on 10 09 2010 further Dy Excise & Taxation Commissioner Sirsa has been contacted telephonically to recover the amount from the surety

25 M/s International Lubes Pvt Ltd Bahadurgarh, RC No 19291 AY 1994 95 to 1998 99

It is intimated that an additional demand of Rs 5858223/ was created by framing assessment for the year 1994 95 to 1999 2000 ex parte The firm is a Pvt Ltd Company

and lying closed since long. Head Office of the company was at Delhi and Directors of the Company were also residing in Delhi. Hence recovery certificate was sent to Collector Delhi vide memo No. 913 dated 10.05.2006. No. of reminders have been sent and last reminder is sent on 13.09.2010. Land and building has been auctioned by HFC Dealer. filed an appeal before the JETC(A) Rohtak and the same was dismissed in default vide JETC's order dated 13.12.2004. Further the dealer filed an appeal before the Tribunal against the order of the JETC(A) Rohtak and the same was also rejected by the Tribunal vide order dated 13.05.2005. One of the surety M/s Suraj Mec Brick Pvt. Ltd. is lying closed. Summons to another surety M/s Powerlink Oil Refinery has been issued on 13.09.2010 for 23.09.2010.

The Committee desired that the department should make all out constant efforts to recover the outstanding amount from the concerned directors/dealers/proprietors/partners/ sureties of the firms/companies etc. under intimation to the Committee.

[40] 2.2.9.2 Non recovery of inter district and inter state arrears due to lack of co ordination between the departmental officers and revenue authorities

Test check of the records of eight offices of DETC revealed that RRCs for collection of Rs. 12.68 crore pertaining to 15 defaulters were sent to the Collectors of the concerned districts within the State between January 2003 and July 2008 where the properties of the defaulters were situated. But even after a lapse of nine to 75 months arrears of Rs. 12.68 crore remained uncollected either due to lack of response from the departmental officers in other districts or due to lack of concerted efforts and co ordination among the officers of the department.

During the exit conference the department stated that in respect of inter district arrears the Collector cum DETC of the concerned district would pursue the matter regarding recovery of arrears in the case where the defaulter had shifted to other districts within the State. However the DETCs were being directed to take extra care in such cases and to have a cross co ordination with the revenue authorities.

The department in its written reply stated as under

1 M/s D R Flour Mills, Bhattu Fatehabad TIN No. 06051403663 AY 2003-04

The R.C. of the firm already stands cancelled w.e.f. 30.06.2005 by the then Assessing Authority vide his order dated 23.01.2006. Notices have been issued to the defaulter. Notices have also been issued to both the sureties who have deposited surety amount of Rs. 50000/- on 20.6.2007. The balance arrears have been declared as Land Revenue under the Punjab Land Revenue Act 1887 and summons have been issued to the defaulter. The summons have been sent to the defaulter through registered post vide this office letter no. 362 dated 30.07.07 at home address of the Prop. at Sirsa which have been returned undelivered. A letter has been written to the Tehsildar Bhattu for details of moveable/ immovable property if any with a request not to allow the sale/ transfer of moveable/immovable properties of the defaulter vide this office letter No. 458/908/73-355707/709/TI/MMS/ASK/SST dt. 22.08.07. 30.11.07. 18.01.08. 18.03.08. 8.05.09. The Tehsildar Bhattu has informed to this office vide his office No. 32/Reader 22.04.2008 that Smt. Bimbla Devi is the owner of the 3 Marla Land situated at Bhattu. The same Property is under litigation and the case is pending with the civil court at Fatehabad. In reference of this office letter no. 709/TI(SST) dated 5.08.2009 the

Tehsildar Bhattu has informed to this office that business premises of the firm Smt Bimla Devi W/o Sh Om parkash has sold to Sh Jagat Pal etc vide Intkal No 2322 Bai Nama Register No 845 dated 4 08 2005 and thereafter the same land has been sold to Sh Bajrang Anand S/o Sh Khushi Ram S/o Sh Laxman against Intakal no 2846 Bai Registry No 1043 dated 27 07 07 by Sh Jagat Pal etc Again a letter has been written to the E O M C Fatehabad for details of moveable/immoveable property if any vide this office memo No 908 72 367 1085 694/829 dated 30 11 2007 18 01 2008 18 03 2008 28 08 2008 & 8 05 2009 16 6 11 but no reply has been received from the concerned department so far A letter has been written to The Tehsildar Sirsa for details of property of Nikhil Departmental Store Geeta Bhawan Wali Gali Hisaria Bazar Parsuram Chowk Sirsa vide this office memo no 366 1084 dated 18 03 2008 and 28 08 2008 The Tehsildar Sirsa has informed this office vide his office Letter No 1654/OK dated 16 09 2008 that the said property mentioned in the letter is situated in the Lal Dora which have not been entered in the revenue record Hence a letter has been written to the M C Sirsa for details of the property vide this office memo no 1087 dated 28 08 2008 In response to which E O M C Sirsa has informed vide his office Letter No 3117 dated 19 09 2008 that there is no property in the name of the prop as per the revenue record Managers of Banks i.e P N B S B I have been asked for details of amount lying in current account of the firms The Managers of all banks have informed this office that there is no balance in the current account of the firm Recovery Certificate No II/VAT/2007 08 vide this office No 913/TI/MMS dated 4 11 07 have been sent to the D E T C cum Collector Sirsa and subsequent reminders have also been sent to the D E T C cum Collector Sirsa vide this office Memo No 157 396 1083 1593/TI/ASK dt 4 02 08 25 03 08 28 08 08 & 19 12 08 but no reply has been received from the DETC Sirsa so far Last reminder was sent to the D E T C (ST) Sirsa vide this office memo no 618/821TI(SST)(SC) dated 15 07 2009 16 6 11

2 M/s Arawali Alloys Ltd Ratera Bhiwani, RC No 5468 AY 1997 98 to 1999 2000

The dealer was availing exemption under rule 28 A of the HGST Rules 1975 during the period from 30 03 1993 to 29 03 2002 subject to monetary ceiling of Rs 21663000/ The assessment cases for the period 1997 98 to 1999 2000 were framed by the Assessing Authority well in time However the dealer closed down its business and failed to maintain the average level of production therefore violated the conditions laid down under rule 28 A of the HGST Rules 1975 Accordingly the Dy E T C vide orders dated 07 11 2002 directed to make the exempted tax with interest Consequently the Assessing Authority quantified the tax and interest as under

Year	Tax		Interest		Penalty		Total	
	HGST	CST	HGST	CST	HGST	CST	HGST	CST
1997 98	105060	0	123999	0	3000	0	232059	0
1998 99	390039	1317	358705	1610	3000	200	751744	3127
1999 00	61815	0	51603	0	1000	0	114418	0
Total	556914	1317	534307	1610	7000	200	1098221	3127

As such the additional demand were created on account of violation of conditions prescribed under rule 28 A of the HGST Act Rules and there is no negligence on the part of the officers After closing the unit the dealer left the Ratera (Bhiwani) The sureties of the dealer were its sister concern The land building plant & machinery were auctioned by the HFC for recovery of the loan Recovery proceeding have been initiated against the sureties

On enquiry it came to notice that the Directors of the Company and Sureties are residing at Hisar Therefore Recovery Certificate was sent to Collector cum Dy Excise & Taxation Commissioner Hisar vide memo No 1219/ TI (BBM) dated 13 09 2004 The correspondence with the Collector cum D E T C Hisar are continue for recovery of Arrear but no result has been yield so far

3 M/s Ekta Plastic Pvt Ltd Vill Ratera Bhiwani RC No 6057 A Y 1996 97 to 1999 2000

The dealer was availing exemption under rule 28 A of the HGST Rules 1975 during the period from 05 05 1995 to 04 05 2004 subject to monitory ceiling of Rs 20387000/ The assessment cases for the period from 1996 97 to 1999 00 were framed by the Assessing Authority well in time However the dealer closed down its business consequently the Eligibility Certificate was withdrawn by the HLSC in the 85th Meeting held on 15 09 2003 and accordingly the DETC vide orders dated 08 01 2004 directed to make the payment of exempted tax alongwith interest The Assessing Authority has quantified the tax and interest as under

Year	Tax		Interest	Total
	HGST	CST		
1996 97	1147416	2130683	0	3278099
1997 98	1057852	2606634	0	3664486
1998 99	2922026	9964408	0	12886434
1999 00	823928	278172	666803	1768903
Total	5951222	14979897	666803	21597922

As such the additional demand were created on account of violation of conditions prescribed under rule 28 A of the HGST Act Rules and there is no negligence on part of the officers After closing the unit the dealer left the Ratera (Bhiwani) In this case the sureties are of his sister concern The land building plant & machinery were auctioned by the HFC for recovery of the loan Recovery proceeding have been initiated against the sureties

On enquiry it came to notice that the Directors of the Company and Sureties are residing at Hisar Therefore Recovery Certificate was sent to Collector cum Dy Excise & Taxation Commissioner Hisar vide this office memo No 1218/ TI (BBM) dated 13 09 2004 The correspondence with the Collector cum D E T C Hisar are continue for recovery of Arrear by issuing reminders on 22 12 2005 20 03 2006 08 06 2007 08 08 2007 06 12 2007 18 09 2009 & memo no 2216/TI(Ward 4) dated 09 09 2010

The sureties have filed a case in the Hon ble Punjab & Haryana High Court Chandigarh. The Hon ble High Court has held that the sureties were not liable surety for subsequent year.

4 M/s Sunil Oil Co 128 DLF Faridabad (E) TIN No 1202474 AY 1992 93 to 1997 98 & 2000 01

In reply to audit objection it is submitted that the firm was a proprietorship firm. The dealer was engaged in trading of used oil. The firm stands closed since long. The assessment for the assessment year 1992 93 to 1997 98 and 2000 01 was framed ex parte. The additional demand Rs 5 78 001/- was created on account of disallowance RD sales of used oil made by the dealer.

The above arrears were declared as an arrear to be recovered under the Land Revenue Act. Proprietor of the firm Sh. Relu Ram Poonia was a resident of Letani Mor Village Prabhawala District Hissar. Recovery Certificate No. 82 dated 26 09 02 and again 90 dated 17 10 2003 were sent to Collector Cum Dy. Excise & Taxation Commissioner Hissar vide office memo No. 5043/W 2 dated 26 09 02. Reminders were issued on 20 07 2007, 23 12 2008, 10 05 2010. Last reminder was sent on 19 10 2011 along with photocopy of Recovery Certificate and reminders through Sh. Subhash Chander Taxation Inspector on 10 09 2010. The case was discussed with Dy. Excise & Taxation Commissioner Hissar on telephone and he was requested to pursue the recovery at the earliest. Latest reminder issued on 19 07 2013.

The two sureties namely

- 1 Sh. Naveen Kumar Gupta Proprietor M/s Naveen Oil Company 16/6 Mathura Road Faridabad RC No. 1204004
- 2 Sh. B. S. Chaudhry Partner M/s Motoren Industries Plot No. 223 Sec 24 Faridabad RC No. 1303179 have been issued notices for recovery of arrears upto the extent of their sureties.

5 M/s R K Enterprises Faridabad (E) RC No 1211923 AY 1997 98 to 1999 2000

In reply to audit objection it is stated that M/s R K Enterprises bearing R C No. 1211923 was a proprietorship firm. Cases pertaining to year 1997 98, 1998 99 and 1999 00 have been assessed Ex parte on the basis of the record available on the file by the then Assessing Authority. These arrears were declared as the arrears recoverable under the Land Revenue Act. The proprietor of the firm is not traceable despite best efforts. Two sureties namely

- 1 Sh. Satish Kumar Proprietor of M/s Saraswati Udyog Village Fatehpur Chandella R C No. 1311424
- 2 Sh. Manjeet Singh Proprietor of M/s Jaswant Electric Works 157/6 Jail Road Gurgaon RC 1908880

Out of the above two sureties 1st surety i.e. Sh. Satish Kumar could not be traced inspite all efforts report placed on the file. The second surety was residing at Gurgaon. Recovery Certificate bearing No. 99 dated 13 08 2004 was sent to DETC Gurgaon for necessary recovery of surety amount of Rs. 30000/- under the HGST Act and Rs. 30000/-

under CST Act 1956 Rs 30000/ under HGST Act 1973 has been recovered by the Dy Excise & Taxation Commissioner Gurgaon (West) whereas Rs 30000/ under CST Act is still pending

It is further intimated that the firm has been closed down w e f 31 12 2001 and has applied for cancellation vide application dated 14 01 2002

6 M/s Hanuman Trading Co Village Igrah Jind RC No 0682208859 AY 1999 2000 to 2006 07

It is intiated that the firm stand closed since a long time and in spite of availability of the dealer he refused to take notice and Co operate the department after that he left Jind Hence it is not possible to assess the case at the proper time

On the latter stage the prop of the firm was assessed as ex parte

Notice has been issued on the address of the firm vide memo no 1267/T I (BKO) dated 04 08 2010 and as well as another letter issued vide memo no 1268/T I (BKO) dated 04 08 2010 at the address of the prop Residence i e Sh Surat Singh S/o Sh Munshi Ram VPO Bass Tehsil Hansi But prop has not responded Letter has been issued to the Tehsildar Hansi vide memo no 1269/T I (BKO) dated 04 08 2010 and D E T C (ST) Hissar vide letter no 1623/T I (ASK) dated 10 09 2010 Tehsildar Narnaunad and Hansi vide letter no 1626/T I (ASK) dated 10 09 2010 and two sureties vide letter no 1624 25/T I (ASK) dated 10 09 2010 Now reminder issued to the Tehsildar Hansi has been again sent for intimating immoveable/moveable properties in the name of prop

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the concerned directors/dealers/proprietors/ sureties of the firm under intimation to the Committee

7 M/s Hindustan Tin Manufacturing Co Vill Kishanpura Jind RC-JND6021 AY 1999 2000 & 2001 02

In this case it is intimated that the recovery proceedings have been started after audit The dealer has been shifted to H No 2276 Sector 13 Urban Estate Karnal The recovery certificate Under Sub-Section 3 (1) of the Revenue Recovery Act 1890 sent to The Collector cum Dy Excise & Taxation Commissioner (ST) Karnal vide this office letter no 872/T I /ASK dated 10 04 2006 with registered post Many reminders have been sent to the Dy Excise & Taxation Commissioner (ST) Karnal but last reminder for recovery has been sent vide this office letter no SPL 1/T I (ASK) dated 03 09 2010 Now the dealer has filed civil suit in Civil Court Karnal Hence the case is pending in Civil Court Karnal

The Committee desired that the department should pursue the case pending in Civil Court Karnal vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

8 M/s Shakshi Sales Bahadurgarh RC No 20170 AY 1995 96 to 1997 98

It is intimated that the additional demand of Rs 17 89 500/ was created in the assessment case for the years 1995 96 and 1996 97 vide order dated 30 10 2002

30 06 2003 and penalty order dated 30 06 2003 The arrears being not recoverable in normal course were declared as arrears under the Punjab Land Revenue Act on 01 05 2003 and 23 10 2003 Partners of the firm were residing at Delhi The firm was functioning on the rented premises Therefore recovery certificate were sent to collector cum S D M Rohini on 23 10 2003 and fresh recovery certificate for Rs 17 89 500/ was sent on dated 23 10 2007 The sureties belong to District Kaithal and Bhiwani Therefore recovery certificate were sent to the Collector Cum D E T C Kaithal and Bhiwani on dated 23 08 2004 Thereafter reminders have been sent to the Collector Cum S D M Delhi on dated 23 10 2007 04 01 2008 26 11 2008 02 06 2009 and 02 09 2009 Latest reminders have been sent to DETC Bhiwani and Kaithal and Collector Delhi vide memo No 1039 1040 and 1041 dated 28 09 2010 Now Taxation Inspector has been directed to personally visit the office of Collector Cum S D M Delhi to facilitate the recovery Efforts are also being made to contact the partners of the firm

The Committee desired that the department should take some active/effective steps to recover the amount from the partners and sureties of the firm under intimation to the Committee

9 M/s Gopal Rice Trading Co Dhand Kaithal RC No 3631 AY 2000 01 to 2002 03

Copy of order and TDN could not be served upon the dealer as the firm stands closed The arrears has been declared as arrears recoverable under the Land Revenue Act vide A A order dated 31 12 2008 and simultaneously notices to both the sureties were issued and served upon Sh Om Parkash on 06 01 2009 Notice to Baseser Dass was not served as he shifted to Delhi Recovery certificate was sent to DETC Kurukshetra vide letter no 418/T I (W 3) dated 05 03 2009 Efforts are being made to recover the amount Letter to Tehsildar Kurukshetra and Dhand were written vide memo no 1165 66/T I W 3 dated 10 07 2009 seeking information about immovable property held in the name of proprietor Subsequently a notice dated 26 05 2010 was issued to both the sureties to deposit the balance surety amount on or before 06 06 2010 The surety submitted by the dealer all Rs 250000/ under the HGST Act and Rs 200000/ under the CST Act The sureties have deposited Rs 250000/ under the HGST Act and efforts are being made to recover the surety amount payable under the CST Act Letters have been sent to banks for information regarding the bank account details of sureties

The arrears pointed out by the Audit Party not including into the arrear list have already been included

9 (A) M/s Gopal Rice Trading Co Dhand Kaithal RC No 3631 AY 1997 98 to 1999 2000

Copy of order and TDN could not be served upon the dealer as the firm stands closed The arrears has been declared as arrears recoverable under the Land Revenue Act vide Assessing Authority order dated 31 12 2008 and simultaneously notices to both the sureties were issued and served upon Sh Om Parkash on 06 01 2009 Notice

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the concerned dealers as well as sureties of the firm under intimation to the Committee

10 M/s Chahal Bhatia Co Vill Narai Kaithal RC 3178 AY 1999 2000 & 2002 03

In reply to audit memo it is stated that arrear of Rs 5 22 348/ was outstanding against the dealer on 30 06 2003 Arrear was declared as recoverable under Land Revenue Act on 30 06 2003 On 16 10 2003 the assessing authority attached 7 00 000/ bricks lying at the kiln The bricks could not be auctioned as the dealer promised to make the payment soon but after some time he backed out of his promise Summons were again issued to the dealer on 26 07 2007 After that the dealer had left Kaithal and is now residing at Sonipat

The demand of Rs 173012/ has also been declared as recoverable under the Land Revenue Act and recovery certificate for this amount is also sent to Dy ETC Sonipat Further through efforts of Dy ETC Sonapat an amount of Rs 50000/ are got deposited The Dealer was known to have property in Jind Therefore recovery certificate is also sent to Dy ETC Jind The dealer has filed an appeal before the Jt ETC (A) at Ambala and the same is pending before him and fixed for 22 09 10 fresh reminder dated 15 09 10 have also sent to DETC Sonapat and Jind

The Committee desired that the department should pursue the case of appeal pending before the Jt ETC (A) at Ambala vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

11 M/s Jai Durga Spinning Mills G T Road Karnal RC KAR IV 27318 AY 1996 97 to 2002 03

Latest Position

The brief facts of the case is that the firm was availing exemption u/r 28 A of the Haryana General Sales Tax Act 1973 Due to financial crises and losses closed on 24 06 2002 and exemption certificate cancelled on 08 04 03 The details of arrears as under

Sr No	Year	HGST	CST ST		Exemption CST
1	96 97	54370	9000		25301
2	97 98	12314	145000		63108
3	98 99		45000		108927
4	99 2K	7088	40500		279017
5	2K 01	56796	48000	44930	693805
6	01 02				51526
7	02 03	5432			—
	Total	132000	287500	44930	1221684

In this case partners of the firm are as under

- 1 Sh Yash Pal Garg
- 2 Shri Arun Manik

Shri Arun Manik residential of Karnal district is not available although his warrant of arrest has been issued

Shri Yash Pal Garg is defacto partner in the firm M/s Radhy Radhy Marbles Patiala Road Cheeka residing in district Kaithal Inter distt arrears has been moved to district Kaithal & reminders are being issued time to time but no response has been received so far

So far land of the premises is concerned is in the name of wife of Shri Yash Pal Garg and the same could not be attached

Partly payments is being made from one of the surety Shri Prem Parkash under HGST Act but at present he is admitted at Jaipur Golden Hospital Delhi due to lever problem However wife of Sh Prem Parkash is being contacted time to time and reminders are being issued to D E T C Kaithal to recover the amount

12 M/s Solvex Oil & Extraction, Karnal, RC 26998 AY 1995 96 to 2000 01

The dealer was granted exemption from payment of tax which was withdrawn by D E T C during Jan 2002 due to closure of business Rs 40 000/ has already been recovered from the dealer during March 2001 to Sept 2001 The arrear was declared as land Revenue Act in Dec 2003 The recovery certificate was sent to D E T C Panipat as surety were running businesses at Panipat But in June 2007 D E T C Panipat intimated that the concerned person has not given any surety in favour of the said firm The D E T C Karnal supplied photocopies of resolution of Board of Directors of concerned firm which stood surety in favour of firm and required to get the amount recovered from surety but till date no reply has been received from D E T C Panipat Partner of other surety has informed that the defaulter is running business at Baltana District S A S Nagar Mohali(PB) and residing at Panchkula

The recovery certificate had been sent to Collector District S A S Nagar Mohali vide R C No 4616 dated 20 11 2008 and vide letter no 2963dt 9 8 2010 in reply of which from the Collector S A S Nagar vide letter no 12 dated 21 1 2011 has intimated that the said person is not running business at the given address hence recovery is not possible against the recovery certificate Also recovery certificate has been sent to D E T C Panchkula vide R C No 4617 dated 20 11 2008 and vide letter no 2962 dated 9 8 2010 and subsequently letter no 3565 dt 4 1 2012 for recovery of arrears from the defaulters which are residing there but the reply is still awaited

13 M/s Divine Spinners (P) Ltd Vill Chidone Gohana Sonapat RC 7100 EC No 151 AY 1995 96 to 1999 2000

The firm was granted exemption from payment of Sales Tax under Rule 28A of Haryana General Sales Tax Rules 1975 for the period 28 10 1995 to 27 10 2004 The Dy Excise & Taxation Commissioner Sonapat vide letter dated 15 09 2002 cancelled the Exemption Certificate of the unit due to discontinuation of the business for a period beyond six months

The dealer went in appeal before Joint Excise & Taxation Commissioner (Appeal) Rohtak who upheld the order of the DETC Sonapat. The HLSC has also withdrawn the Eligibility Certificate issued to the unit in its meeting held on 13/14 11 2002 from the date it was issued. The Assessing Authority vide his order dated 02 05 2003 levied the tax and interest and created an additional demand for the period from 1995 96 to 1997 98 under HGST Act Rs 4182122/ and under Central Sales Tax Act Rs 1887776/. The copy of assessment order and TDN served upon the Director Sh Prem Bhatia on 29 05 2003. The letter was sent to Sh R S Bhatia Director under registered post No 756/TI SKM dated 14 06 2004 for payment of outstanding arrear. Similarly assessment for the year 1998 99 and 1999 2000 was framed on 19 12 2005 and 31 01 2006 and additional demand under HGST Act for the 1998 99 was created Rs 668889/ and for 1999 2000 Rs 860074/ and under CST Act for year 1998 99 Rs 587546/ and 1999 2000 Rs 621864/.

The property of the firm has been taken over by HFC on dated 12 12 2001 and the property has been auctioned on 18 01 2006. Tehsildar Gohana was requested to supply details of property owned by dealer who has reported that there is no property of this firm at Gohana. The dealer and five sureties are residing at Panipat and Recovery Certificate No 1193/TI (MSG) dated 19 03 2007 has been sent to the Collector cum DETC (ST) Panipat which depicts the complete address of all the five sureties and name of their firm with surety amount to initiate the recovery. Thereafter various reminder sent to collector cum DETC (ST) Panipat on 28 05 2009, 28 01 2010, 31 03 2010, 31 05 2010, 2 07 2010, 16 07 2010 and a reminder has been sent through Regd A D Post to Collector Cum DETC (ST) Panipat on 30 09 2010 vide memo no 2001. The collector cum DETC Panipat vide his letter No 1877/TI dated 29 09 2010 has intimated that recovery proceeding have been initiated to recover the amount from surety and result will be intimated in due course thereafter reminders have been sent on 19 10 2010, 10 11 2010, 14 12 2010, 21 01 2011 and 18 03 2011. The latest reminder in this regard has been sent to Collector Cum DETC (ST) Panipat on dated 03 01 2013.

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the concerned dealers/ partners/directors/ sureties of the firms under intimation to the Committee

[41] 2 2 10 Absence of provisions under HVAT Act to entertain appeals only on pre payment of additional demands in dispute

Under the HGST Act no appeal shall be entertained unless it is filed within 60 days from the date of the order appealed against and the appellate authority is satisfied that the amount of tax assessed, penalty and interest, if any, recoverable from the person has been paid. It is further provided that the said authority, if satisfied that the person is unable to pay the whole amount of tax assessed or the penalty imposed/interest due, he may, if the amount of tax and interest admitted by the appellant to be due has been paid, entertain the appeal and may stay the recovery of the balance amount subject to furnishing of a bank guarantee/adequate security to the satisfaction of the appellate authority. In this way the dealer preferring appeal could be forced to make payment of additional demands in dispute and the department could recover arrears of tax to a large extent before the appeals could be entertained. But there is no such condition under the HVAT Act to force the payment of additional demand by the appellant before entertaining

any appeal by the appellate authority In the absence of such condition in the HVAT Act to entertain appeal only on payment of additional demand in dispute recovery of arrears remain blocked till the appeal is decided or stay is vacated

Test check of the records of seven offices of DETC revealed that assessments of 20 dealers for the AYs between 2003 04 and 2006 07 were finalised and additional demands of Rs 10 84 crore were raised between November 2005 and December 2007 All the dealers preferred appeals before the appellate authorities within the prescribed period and were dismissed/rejected by JETCs (Appeals) between November 2006 and February 2009 In the absence of any condition of pre payment of additional demand in dispute before entertaining the appeal by the appellate authority the department could not recover the additional demands of Rs 10 84 crore

During the exit conference the department stated that the proposal for inserting a suitable amendment in the HVAT Act for pre payment of additional demand on the lines of a similar provision under the HGST Act was sent to the Government for approval which was not acceded to by the Government However an amendment was made in Section 33 of HVAT Act in March 2009 where the appellate authority shall ensure before entertaining the appeal that the appellant had furnished a bank guarantee or adequate security to the satisfaction of the AA in the manner as may be prescribed for the amount in the dispute

The department in its written reply stated as under

1 M/s Mahabir Parshad Rajat Kumar Fatehabad TIN No 062821403285 AY 2004 05

In this regard it is submitted that the assessing authority himself has pointed out in the assessment order it self that penal action u/s 31 of HVAT Act will be taken separately thus it is not an ignored point However the penalty proceedings have been initiated and will be finalized with in the period prescribed under the law

In view of above facts objection may be dropped The Honble Haryana Tax Tribunal Chandigarh has remanded the case in STA No 366 of 2007 08 vide office Memo No SST/4404 dated 10 12 2011

The Committee desired that the department should finalize the penalty proceedings within the period prescribed under the law under intimation to the Committee

2 M/s Dushyant Kumar Abhishek Kumar Fatehabad TIN No 06891403977 AY 2003 04 to 2004 05

The RC of the firm already stands cancelled w e f 31 03 2004 by the then Assessing Authority Arrear received from the office of Addl ETC (Enf) Haryana Chandigarh (H Q) at Rohtak The dealer preferred an appeal before the Jt ETC(A) Rohtak who has dismissed the appeal on 24 11 06 Further the dealer has preferred an appeal against the order of the 1st Appellate Authority before the Honble Haryana Tax Tribunal Chandigarh Notices for recovery were issued to the dealer and both the sureties The arrears have been declared as Land Revenue under the Punjab Land Revenue Act 1887 The summons have been issued to the dealer and both the sureties The summons were served by way of substitute service by pasting on the last known

place of business of the firm The summon have been sent through registered post vide this office letter No 81 dated 18 01 2008 at home address of the defaulter at V P O Jodhka (Sirsa) which has returned undelivered A letter has been written to the Tehsildar Sirsa for details of moveable/immovable properties if any in the name of Sh Dushyant Kumar with a request not to allow the sale/transfer of the moveable/immovable properties of the Prop vide this office memo no 94 365 1066 & 1608/TI(ASK) dated 22 01 08 18 03 2008 28 08 2008 & 22 12 2008 The Tehsildar Sirsa has informed to this office vide his office letter no 1229/1229/2043/ N T/OK dated 29 01 2009 2 09 09 that Sh Dushyant Kumat S/o Sh Megh Raj Giri is owner of the agriculture Land 8 Kanal 14 Marla which is situated at V P O Jodhka(Sirsa) and also informed this office that the said property has been entered in Jamabandi as per Rapat No 2528/1 dated 16 01 2009 A letter has been written to The Collector Cum D E T C (ST) Sirsa and requested to started the recovery proceedings against the defaulter under the provision of law vide office Memo no 100/TI(SR) dated 22 01 10 and last memo No 833 TI SC dt 16 6 11 A letter has been written to the Manager of Banks for details of amounts lying in current account of the firms The Manager of SBOP Fatehabad has informed this office that there is a balance of Rs 2665/ in current account of the firm The Manager P N B Narnoul has informed this office that account no CD 2273 does not exist in their branch A letter has been written to the SBOP Narnoul for details of the amount in current account of the firm vide this office memo No 407/TI (ASK) dated 25 03 2008 The Manager of the bank has informed this office that the above bank account has been closed on 03 05 2004 Recovery Certificate No IV/VAT/ CST/2007 08 vide this office memo No 158/TI/ASK dated 4 02 08 has been sent to the D E T C Cum collector Sirsa and subsequent reminders have also been sent to the DETC Sirsa vide this office memo No 397 1067 & 1604 /TI(ASK) dt 25 03 08 28 08 2008 & 22 12 2008 but no reply has been received from the DETC Sirsa so far Last reminder was sent to the D E T C (ST) Sirsa vide this office memo no 627/TI(SST) dated 16 07 2009 Available record of moveable/immovable property from the Tehsildar Sirsa a letter has been written to the Collector Cum D E T C (ST) Sirsa and requested to started the recovery proceeding against the defaulter under the provision of law vide office memo no 100/TI(SR) 22 01 2010 and last memo No 833/TI SC dated 16 6 11

The Committee desired that the department should make all out constant efforts to recover the outstanding arrears from the concerned proprietors as well as sureties under intimation to the Committee

3 M/s Soni Oil Mill Bhiwani TIN No 06121107047 AY 2003 04

In this case it is intimated that the dealer has filled an appeal before the Ld Haryana Tax Tribunal at Chandigarh The Ld Tribunal remanded the case to the Assessing Authority for deciding the same in accordance with law as laid down by the Hon ble High Court vide order dated 28th Feb 2012 The remand case is pending with the Assessing Authority Ch Dadri

4 M/s Shakshi Enterprises Ambala City AY 2005 06

In this case it is intimated that the Assessing Authority himself assessed the case to the best of judgement on ex parte basis and input tax claim was disallowed The Audit Party had mentioned in the Para that additional demand of Rs 41 44 448/ was not shown in the arrear list for the month of March 2008 This additional demand was duly

shown in the Monthly Arrear Statement for the month of March 2008 (Photocopy of arrear list and M 1 statement for month of March 2008 was already given to the Audit Party while reviewing the case at Ambala City on 30 01 2009)

The appeal of the dealer was rejected by the Joint ETC(A) Ambala in appeal no AMB 78/VAT/07 08 on 17 04 2008 and now the dealer has filed appeal before the Sales Tax Tribunal Haryana and at present appeal is pending before the Tax Tribunal Haryana

The case is remanded back to the First Appellate Authority by the Hon ble Haryana Tax Tribunal Chandigarh vide orders dated 26 03 2012 Now the Appellate Authority Ambala vide his order dated 15 01 2013 remanded back the case to the AA for disposal Since the Proprietor of the firm stand expired and efforts are made to effect substituted service as the business premises has been closed since long Case is fixed for 26 11 2013

The Committee desired that the department should pursue the remand case pending with the Assessing Authority and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

5 M/s Shri Gopal Enterprises Ambala City, TIN No 064111040297 AY 2005 06 & 2006 07

In this case it is intimated that the assessment proceedings during the year 2005 2006 & 2006 2007 were initiated well in time i.e 03 07 2007 & 24 08 2007 by issuance of Statutory Notice in form VAT N 2 for 13 07 2007 and 04 09 2007 respectively As the dealer was indulging in ingenuine purchases and sales as verified from the respective districts The case for the year 2005 2006 was decided on 02 08 2007 and additional demand of Rs 26 88 591/ was created in which amount of tax is involved Rs 18 15 072/ and interest of Rs 8 73 519/ During the year 2006 2007 assessment case was decided on 26 09 2007 and additional demand of Rs 68 98 538/ was created in which tax of Rs 54 18 209/ and interest worth Rs 14 76 329/ and penalty u/s 40 of Rs 4 000/ In both the cases input tax credit claimed on purchases made from within the State against tax invoice was disallowed being the ingenuine purchases Thus there is no delay on the part of department in deciding the cases

The dealer preferred an appeal against the said orders before the Joint Excise & Taxation Commissioner (Appeal) Ambala who in Appeal No AMB 58/VAT/2007 2008 dated 17 04 2008 rejected the appeals

Being aggrieved with the orders of the Jt ETC(Appeal) Ambala the dealer preferred an appeal before the Haryana Tax Tribunal Chandigarh The appeals are still pending before the Haryana Tax Tribunal

The firm stands closed down and Registration Certificate has already been cancelled by the Deputy Excise & Taxation Commissioner Ambala vide his order dated 13 08 2007 and proprietor of the firm is not traceable at present No further action is required to be taken by the department at this stage

The Committee desired that the department should pursue the appeal case pending before the Hon ble Haryana Tax Tribunal, Chandigarh vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

6 M/s Conests Marketing (P) Ltd Jagadhri, TIN No 06581608963 AY 2003 04

The Assessment was framed ex parte for the A Y 2003 04 as the where about of the dealer were not known as such claim of input tax credit was not allowed to the dealer at the time of assessment Out of total arrear of Rs 1956449/ an amount of Rs 1 00 000/ has been recovered from both the sureties The surety preferred an appeal against the assessment order which was rejected by the Appellate Authority (JETC Ambala) vide its order dated 25 9 2008 Correspondence is being made with the Municipal Committee Ambala City for giving information with regard to property in the name of the dealer if any Latest position in this regard shall be intimated at the earliest

The Committee desired that the department should enquire about the property in the name of the dealer from the Municipal Committee Ambala City and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

7 M/s Rohit Enterprises Jagadhri TIN No 06581608963 AY 2003 04

Detail of arrear A/Year/Date	VAT	CST
2003 04/31 10 2006	1018834	Nil
2004 05/14 03 2008	1043872	nil

In this case it is intimated that the Assessment case of the above mention firm for the year 2003 04 and 2004 05 have been remanded back to the Assessing Authority vide order of the Haryana Tax Tribunal dated 14 01 10 and 28 08 09 respectively

The notice was issued for disposal of remand case for the year 2003 04 and 2004 05 for 29 09 2010 Last notice for disposal of remand cases for the above years was issued for 08 02 2013 which was served upon the wife of the Prop Nobody turned up The dealer was issued a notice for 16 12 2013 for the disposal of remand case The dealer has also informed that they have filed an appeal before the Hon ble Haryana Tax Tribunal The appeal is still pending The case was fixed for hearing on 25 04 2013 and after that no date was fixed by the HTT Chandigarh The case is fixed for hearing before the Hon ble Haryana Tax Tribunal Chandigarh on 31 01 2014

8 M/s Subham Products, Rehal Gran Street Jagadhri AY 2003 04

It is intimated that in this case of M/s Shubham Products Jagadhri R C No 14071

A/ Year/ Date	VAT	CST
2003 04/31 10 06	643902	nil
2004 05/18 03 08	1357671	nil

Assessment case of the above mention firm for the year 2003 04 and 2004 05 have been remanded back to the Assessing Authority vide order of the Haryana Tax Tribunal dated 30 10 09 and 22 06 09 respectively

The notice was issued for disposal of remand case for the year 2003 04 and 2004 05 for 29 09 2010. Last notice for disposal of remand cases for the above years was issued for 08 02 2013 which was only served upon Smt. Raj Rani on 07 02 2013. Nobody turned up. The dealer was issued a notice for 16 12 2013 for the disposal of remand case. The dealer has also informed that they have filed an appeal before the Hon'ble Haryana Tax Tribunal. The appeal is still pending. The case was fixed for hearing on 25 04 2013 and after that no date was fixed by the HTT Chandigarh.

The Committee desired that the department should pursue the appeal case pending before the Hon'ble Haryana Tax Tribunal Chandigarh vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee.

9 M/s Shyam Refractories DLF Fardabad (E), TIN No 06201213994 AY 2003 04

In reply to audit objection it is stated that the original assessment was framed vide Assessing Authority order dated 12 03 2007 creating an additional demand of Rs 1372543 00 under the HVAT Act 2003. The demand created was due to disallowance of input tax on purchases worth Rs 31999660 00 @ 4%. Against this order the dealer preferred an appeal before the Jt. ETC (A) Fardabad which was rejected vide order dated 05 05 2008. The Jt. ETC (A) upheld that the Assessing Authority was right in disallowing the input tax pertaining to dubious dealers. The objection is that the appeal was entertained without depositing the tax whereas this additional demand was not the admitted tax. It was created only after disallowing the input tax. The dealer has preferred an appeal before the Hon'ble Tax Tribunal Haryana. The case is fixed before the Hon'ble Haryana Tax Tribunal.

10 M/s RVS Petro Chemical Ltd Bahadurgarh AY 2003 04 and 2004 05

It is intimated that the additional demand of Rs 1543496/- and Rs 4163134/- was created vide Assessing authority order dated 27 12 2006. The dealer filed appeal against these orders before the Jt. ETC (appeal). The Jt. ETC (Appeal) entertained the appeal without pre-deposit the additional demand as per provision of Haryana VAT Act. However, the appeal was rejected vide order dated 06 02 2009. The dealer has challenged the appeal order before the Hon'ble Sales Tax Tribunal Haryana. The decision of the Tribunal is still awaited. The provision of the hearing appeal without pre-deposit is statutory provision made by the Govt. to give natural justice and cannot be challenged. However, these provisions have now been made in the Act vide amendment dated 20 03 2009. Thus, no action is required by the department at present.

The Committee desired that the department should pursue the appeal case pending before the Hon'ble Haryana Sales Tax Tribunal Chandigarh vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee.

11 M/s Baba Metal Faridabad(W) TIN No 06361322934 AY 2004 05

In this case, it is intimated that firm closed. The case was decided by the then Assessing Authority's order dated 04 12 2006 creating an additional demand of

Rs 23 85 875/ under HVAT Act The TDN & Challan were sent to Delhi address vide this office letter dated 23 03 2007 The dealer has filed an appeal against this order The Appellate Authority has rejected the appeal vide his order dated 09 10 2007 Notice and summons were issued The Proprietor of the firm is residing at Delhi The R C No 117 dated 21 07 2008 and last reminder issued vide this office letter no 2237/TI/W 6 dated 31 07 2013 Bank Guarantee of Rs 1 00 000/ submitted at the time of grant of R C which stands encashed

12 M/s Khandewal Metal (P) Ltd Faridabad (W) AY 2004 05

In this case it is intimated that the assessment case for the year 2004 05 was decided by the then Assessing Authority's order dated 04 12 2006 creating an additional demand of Rs 48 73 390/ under HVAT Act The TDN & Challan were sent to Delhi address vide this office letter dated 23 03 2007 The dealer has filed an appeal against the order The Appellate Authority has rejected the appeal vide his order dated 24 10 2007 conveyed vide Endst No 1295/Reader Dated 05 05 2008 The amount was declared as an arrear of Land Revenue Act 1890 & summons were issued for 28 03 2008 to the dealer to make the payment but could not be served and the same was pasted at the last known place of business because the firm stand closed The Directors of the Company Sh Manish Khandelwal S/o Late Sh Suresh Chand and Sh Prabhat Gupta S/o Sh Ved Parkash Gupta are residing at Delhi The recovery certificate NO 116 dated 21 07 2008 sent to Delhi addresses vide this office letter no 1572/TI dated 21 07 2008 and last reminder was issued vide this office letter no 2240/TI/W 6 dated 31 07 2013 Bank Guarantee of Rs 1 00 000/ submitted at the time of grant of R C which stands encashed

The Committee desired that the department should make all out constant efforts to recover the outstanding arrears of additional demands from the concerned proprietors/ directors/sureties of the firm/company under intimation to the Committee

13 M/s Builwell Engineers & Contractors Faridabad (W), TIN No 06611319044 AY 2003 04 & 2004 05

The dealer filed review petition before the Sales Tax Tribunal HR vide No 5 6 of 2011 against STA No 194 195 of 2008 09 The review application allowed by the Tribunal HR vide order dt 5 8 10 and case fixed for hearing on merits Final reply will be submitted after the decision by Tribunal

The Committee desired that the department should pursue the case of review petition filed before the Sales Tax Tribunal HR vigorously and thereafter action to recover the amount from the dealer be taken accordingly under intimation to the Committee

14 M/s S D Precision (P) Ltd Faridabad (W) AY 2003 04

In this case it is intimated that the assessment was framed by the Assessing Authority by rejecting the input of the dealer The proceedings were initiated against the dealer under the Land Revenue Act 1887 by issuing summons to the dealer on 16 07 2007 The dealer has deposited Rs 1 50 000/ The dealer went in appeal before

the Jt ETC (A) who rejected the appeal vide order dated 19 09 2007 received in this office on 07 04 2008. The dealer again went in appeal before Ld Sales Tax Tribunal in appeal no 189/2008 2009. The case is remanded by the Ld Sales Tax Tribunal vide his order dated 21 12 2011 received in this office on 19 01 2012. The remand case of the dealer was decided vide order dated 13 09 2013 and created additional demand amounting to Rs 4 82 045/. The copy of order has been served upon the dealer on 30 10 2013. The recovery proceedings will be initiated after due date in case the dealer failed to deposit the additional demand. The para may kindly be dropped.

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding amount of additional demands from the dealer under intimation to the Committee.

[42] 2.2.11 Absence of provision regarding allowances of instalments in payment of arrears due

The HGST/HVAT Act is silent on the number of instalments which can be fixed for the recovery of dues from the defaulting dealer in case the dealer requests for making payment in instalments. As per instructions issued under the Punjab General Sales Tax Act by ETC in December 1971 if any dealer requests for instalments his request should not be granted straight away but his past history should be examined and if he is a habitual extension seeker he should be discouraged as far as possible and if his circumstances are such that he is really not in a position to make the payment of tax due in lump sum he should be allowed to make payment of dues in instalments against adequate security to the satisfaction of the AA or bank guarantee failing which the recovery proceedings under the PLR Act shall be started against the defaulting dealer.

Test check of records of five offices of DETC revealed that the AAs finalised the assessments of six dealers for the AYs between 1992 93 and 2001 02 (including an inspection case of February 2004) and created additional demands of Rs 1 37 crore between March 1998 and September 2005. TDNs were issued against these dealers but they had not paid the dues and requested for making payment of arrears in instalments. DETCs did not obtain adequate security or bank guarantees in five out of six cases and in the case of Kaithal dealer surety of Rs 6 lakh against arrears of Rs 6 33 lakh was given by a dealer. Orders for payment of dues in instalments were passed by DETCs between February 2001 and January 2008 directing the dealers to pay monthly instalments ranging between Rs 5 000 and Rs 15 000 which would take considerable period ranging from 64 to 1 237 months to clear the demand of tax only. Besides interest would also accrue on the outstanding balance of above dues which would also take considerable time to be recovered in instalments. In the absence of any provisions prescribing maximum number of instalments DETCs had given undue benefit to the dealers due to fixation of unrealistic instalments. Three dealers paid instalments of Rs 8 34 lakh out of Rs 54 11 lakh between February 2001 and January 2008 and stopped paying instalments after February 2007 and January 2008. The department recovered Rs 11 66 lakh and balance amount of Rs 1 25 crore was recoverable as of March 2008. A few illustrative cases are mentioned below.

Name of DETC	Period and date of assessment(s) (between)	Amount of tax (Rupees in lakh)	Date of order	Monthly Instalment/ number of instalment	Nature of observation
Karnal	2000 01 and 2001 02 (September 1995)	61 87	June 2007	<u>Rs 5,000</u> 1 237	Recovered Rs 1 47 lakh in 30 (out of 1 237) instalments upto October 2008
Kaithal	1994 95 to 1997 98 (December 2001 and November 2002)	21 56	April 2001	Rs 8 000 (Rs 10 000 proposed by the dealer) 431	The dealer closed down business and registration certificate was cancelled in September 1998. The dealer made payments of Rs 3 lakh in 38 (out of 431) instalments upto February 2007 and did not make payment thereafter
	1995 96 to 1999 2000 (March 1998 and October 2001)	6 33 (out of 7 17)	January 2007	<u>Rs 10,000</u> 64	The dealer paid Rs 1 10 lakh in 11 (out of 64) instalments upto January 2008 and stopped making payment. Thereafter the department had not initiated action to recover the dues from the defaulting dealer/surety
Jind	1992 93 and 1993 94 (March 2000)	February 2001	<u>Rs 8,000</u> 317		The dealer deposited Rs 4 24 lakh in 53 (out of 317) instalments upto January 2008 and filed case in civil court in February 2008 against cancellation of instalment due to non payment of instalment regularly

During the exit conference the department admitted the facts and agreed to streamline the process of recovery

The department in its written reply stated as under

1 M/s Kapil Muni Oil Mill Dhanauri (Jind) AY 1992 93 to 1993 94 (Remand Case)

It is intimated that the amount created by the assessing authority worth Rs 3034845/. The amount under installment the dealer is paying Rs 8000/ per month regularly and the dealer deposited installment upto 30 10 2013. Balance amount of Rs 15 26 629/ as on 31 10 2013

The Committee advised the department to review the case and should increase the amount of installments reasonably to such a extent that it may be recovered in stipulated period under intimation to the Committee

2 M/s Ganga Rice Traders, Kaithal, TIN No 06872104292 AY 1994 95 to 1999 2000

- The dealer had left the Cheeka whereabouts are not known effort are being made to locate the new address of the dealer

- 2 An amount of Rs 437381/ has been recovered out of total demand of Rs 716891 the balance amount of Rs 279500/ is still due against the firm Summons issued to the sureties to deposit the balance amount Efforts are Made to recover the amount

The Committee desired that the department should verify this case thoroughly and thereafter send the Action Taken Report all the orders passed in this case and Examination Report to the Committee for its consideration within a stipulated period of three months

3 M/s Anmol Agro India Kaithal RC No 3977 AY 1994 95 to 1997 98

It is intimated that the assessment proceeding in this case were immediately started by the Assessing Authority by issuing notice inform ST25 for 23 07 1998 however the dealer has closed down its business and his whereabouts were not known The assessing authority has issued final notice which was also served by way of pasting at his last known business premises The case was decided exparte on 14 01 2002 This resulted the delay of the case beyond control Since the dealer left Kaithal and his whereabouts are not known recovery proceeding were initiated against his relatives and sureties

An amount of Rs 3 25 000/ has already been recovered from the sureties for the year 1994 95 & Rs 2 50 000/ recovered for the year 1997 98 upto 31 05 2009 as per detailed given below

Amount	Dated
Rs 50 000/	21 01 2009
Rs 50 000/	19 02 2009
Rs 50 000/	20 03 2009
Rs 50 000/	20 04 2009
Rs 50 000/	21 05 2009
Rs 50 000/	22 06 2009

Sureties have paid Rs 3 00 000/ upto 30 06 2009 i.e full amount of sureties given Now a summon has been issued to the prop of the firm on 08 09 2010 but could not be served due to non availability of the dealer Efforts are being made to recover the balance amount from the dealer after ascertaining his whereabouts

The Committee desired that the department should make all out efforts to locate the whereabouts of the dealer as well as its new address

The department should also make sincere and vigorous efforts to recover the outstanding amount from the dealer under intimation to the Committee

4 M/s Rajat Oxide and Chemicals Ambala Cantt RC No 31852 AY 2003 04 (Inspection case 253 A)

In this case it is intimated that the brief facts of the case are that exemption under rule 28A was granted to the M/s Rajat Oxide and Chemical Ambala Cantt for the period from 26 5 1997 to 25 5 2006 for Rs 1517283/ However during the currency of the Exemption period the dealer closed down his business due to heavy losses Accordingly case was referred to LLSC Ambala for withdrawal of Eligibility Certificate issued in his favour The LLSC in its meeting held on 31 03 2003 withdrew Eligibility

Certificate and accordingly the DETC Ambala vide his order dated 28 02 2003 withdrew the exemption certificate. Resultantly the exemption enjoyed by the firm was assessed as tax due against the dealer which worked out to Rs 1010855/. Thereafter necessary action for recovery of arrears of Rs 1010855/ under both the acts were initiated and keeping in view the facts that the dealer had already disposed off all his assets including machinery etc one of the partners was on his assurance, allowed to deposite the arrears in instalments. Although there is no provision for recovery of arrear in instalments.

Yet in view of the circumstances of the case and the financial position of the partner the recovery was started in instalments in the year 2006. The recovery is being effected @ 10000/ per month for the last four years and an amount of Rs 430000/ has since been recovered and balance Rs 580885/ shall be recovered in due course of time.

The arrears are in respect of exemption withdrawal case and not in the inspection case as pointed out by the Audit.

The Committee desired that the department should make all out constant efforts to recover the balance amount from the partner of the dealer in due course of time under intimation to the Committee.

5 M/s Om Food Hansi Road Karnal RC No 29420, AY 2000 01 2001 02

In reply to objections of the audit it is submitted that

- 1 Assessment proceedings in both the cases were started. During the course of assessment proceedings the verification of purchases and sales were got verified and found that the transaction of sales / purchases shown by the dealer in lists were bogus. The verification of purchases and sales took too much time hence the assessment took a long time which was circumstantial. There is no delay in service of TDNs as the assessment was finalised on 01 09 2005 and the TDN were served on 14 10 2005.
- 2 Copies of Assessment order alongwith TDNs are attached as desired.
- 3 Proceedings under the Land Revenue Act were initiated. Efforts were made to locate the property owned by the dealer but nothing found in the name of the dealer. No recovery certificate was sent to Panipat Authority as the dealer was residing at Karnal and arrested for recovery of arrears.
- 4 Sh. Mangat Ram Prop. Was arrested and kept in revenue lockup for 10 days w.e.f. 13 06 2007 and released after depositing Rs 20000/ by his wife and further deposited Rs 83000/. Full amount of Rs 100000/ stands also recovered from sureties. Total of Rs 203000/ stands recovered uptill now.
- 5 The dealer is doing a petty business.

The Committee desired that the department should verify this case thoroughly and thereafter send the Action taken Report, all the orders passed in this case and Examination Report to the Committee for its consideration within a stipulated period of three months.

[43] 2 2 13 Disposal of appeal cases by JETCs

The JETC (Appeals) at the range level is the first appellate authority who hears appeals against orders passed by the AAs raising the demand and issue any orders for recovery of the disputed demands. However as per instructions issued by the ETC in

March 1984 under HGST Act it is to be ensured that the appeal cases in which revenue of more than Rs 5 000 is involved and stay of recovery of disputed demands have been granted are decided within three months of the grant of stay

The information collected from JETCs Fandabad and Rohtak in respect of five offices of DETC revealed that JETCs (Appeals) had granted stay of recovery of dues amounting to Rs 152 40 crore in 457 cases during the period between April 2003 and December 2007 JETCs (Appeals) had neither decided nor vacated stay orders in these cases till 31 March 2008 Thus collection of revenue of Rs 152 40 crore remained locked due to stay orders granted in 457 cases by the JETCs (Appeals) Out of these cases recovery of Rs 91 77 crore (60 *per cent*) was locked up in appeals in 138 cases for more than one to four years

During the exit conference the department stated that as per ETC instructions (March 1984) appeal cases were to be decided within three months of grant of stay by JETCs but no time limit had been prescribed in the Act However the Appellant Authority was being advised to decide the cases involving stay within a time frame of six months

The department in its written reply stated as under

Joint Excise & Taxation Commissioner Fandabad (336 Cases)

A scrutiny of these cases revealed that only 60 cases involving stay matter of 17 19 crore revenue are pending Brief summary is as under

	Faridabad (East)	Faridabad (West)
1 Stay matter not involved (As there is no power granted to the first Appellate Authority under the Haryana Value Added Tax Act 2003 to grant stay in appeal cases)	46	206
2 Appeal Cases decided after 31 03 2008	11	13
3 Pending cases	30 (2 51 Crore)	30 (14 68 Crore)

The position is crystal clear that in 252 cases (pertaining to HVAT Act period) out of total 336 cases (shown in audit para) no stay orders have been passed due to lack of power to grant stay There remains no room to presume that revenue is / was blocked due to grant of stay orders by the Jt Excise & Taxation Commissioner(Appeals) Fandabad

As far as 60 cases involving stay matter of 17 19 crore revenue and late disposal of 24 cases if any are concerned it is pertinent to mention here that no complete and blanket stay has been granted in any case After considering the financial position of the appellant dealer and provisions of Section 39 of the HGST Act either stay granted was against security or the dealer was ordered to pay additional demand in lump sum or in installments Equating the disputed additional demand with revenue which is admitted and paid by the dealers is not proper

It is not possible to decide appeal cases where stay has been granted within three months Instructions purported to be issued in this regard were issued in March 1984 when number of appeal cases were small and litigations for the sake of litigation was almost non existent Nowadays every other appeal is filed for the sake of litigation

and to gain time There is no way a dealer can be stopped from misusing the legal process which he uses to the hilt Keeping in view the huge pendency it is not possible to divert all the energy and time only to the cases where stay has been granted Stay is granted only in the cases where either the company is closed or is chronically sick and running in losses Fardabad Industrial Complex which was set up in late fifties and early sixties has a large number of closed and sick units The legal issues are very complex and in a majority of cases the issues involved remain pending before various Courts However these type of cases will be attended more promptly in future

The offices of the Appellate Authorities cannot be treated just like administrative offices where decisions are made without involving other parties The job of the Appellate Authorities is quite different Their job starts when a dealer aggrieved by the order of the taxing authorities files appeal before the Appellate Authority In about half of the cases chances are that the demand is illegal which cannot be sustained In about one fourth of the cases the dealer is determined to misuse the legal process by dilly dallying tactics Sometimes documentary evidences and human witnesses are also required to reach a conclusion the production of which is not always in the control of the Appellate Authorities The Appellate Authority the appellant (mostly through counsels) the departmental representatives (Taxation Inspector and ADA or DDA as the case may be) documentary evidences and witnesses all are required to be present simultaneously to reach a decision In some cases the legal issues involved remain pending before the higher courts and the cases cannot be decided In some cases arguments and counter arguments keep on coming and it takes time to settle the issues Sometimes it happens that a case comes up after two months and the appellant or the advocate is unable to appear due to unavoidable reasons and the case is advanced by two more months Sometimes cases are adjourned due to non availability of record evidence or report of compliance of interim orders In a number of cases the interim orders on applications for entertainment of hearing of appeal without payment of demand are appealed against before the Hon ble Haryana Tax Tribunal or Hon ble Punjab & Haryana High Court or the Hon ble Supreme Court of India In complicated cases in addition to the arguments and counter arguments the Appellate Authority has to search and find out true legal position after consulting law books commentaries and judgments by various courts Sometimes judgments of the Hon ble Haryana Tax Tribunal which are normally binding on the Appellate Authorities are produced by the appellants which may have been passed due to lack of representation by the department misrepresentation of facts by the appellant or wrong interpretation of law It becomes necessary to neutralize the judgment and differ with due respect The delay in such cases is more beneficial to the State Revenue than passing the orders in haste In some cases it has been observed that the Assessing Authority do not go deep into details of facts or legal points and technical studies are also required to be done by the Appellate Authorities These are the reasons for delay in disposal of cases

It must be acknowledged that the Audit Para has made the Appellate Authorities more conscious of their duties regarding disposal of appeal cases in time though they have been doing their best

In view of the above mentioned facts and circumstances the para may be dropped

The Committee desired that the department should give directions to JETCs and Appellant Authority for disposing of the appeal cases within time frame of three months and the cases involving stay within time frame of six months on priority basis under intimation to the Committee

[44] 2 2 14 Non declaration of arrears under Punjab Land Revenue Act

Under Section 34 of HGST Act and Section 26 of HVAT Act the amount of tax interest and penalty which remains unpaid after the due date shall be recoverable as arrears of land revenue under the PLR Act

Test check of records of eight offices of DETC revealed that AAs finalised the assessments in respect of 13 dealers for the AYs 1991 92 to 2005 06 between January 2000 and March 2008 and raised additional demand of Rs 5 15 crore Since these dealers failed to deposit the tax within the specified period/extended period of the issue of TDNs the AAs were required to declare the recovery of dues as arrears of land revenue under the Act *ibid* but the same had not been declared till March 2009 Non declaration of arrears under the PLR Act resulted in non realisation of accumulated arrears of Rs 5 15 crore

During the exit conference the department stated that there was acute shortage of AAs which affects the efficiency The department admitted the facts and assured to pursue these cases vigorously

The department in its written reply stated as under

1 M/s Micron Chemical Ltd Sonapat RC No 7315 AY 1996 97 to 1999 2000

It is intimated that firm stands closed Ex parte assessment framed vide order dated 17 06 2004 due to non co operation of the dealer and created an additional demand of Rs 38 65 lacs under HGST Act and CST Act So many letter issued to the Tehsildar Ganaur for obtaining detail of property On 5 11 2007 the Tehsildar Ganaur has intimated vide his office letter No 393 dated 04 11 2007 that no property is available in the revenue record in the name of M/s Micron Chemicals GT Road Panchi Gujran The outstanding arrears were declared to be arrears recoverable under Punjab Land Revenue Act 1887 vide order dated 18 12 2008 Rs 30 000/ recovered from the surety Sh Vinod Kumar Prop of M/s Khubi Ram Khusi Ram Anaj Mandi Sonapat The other surety Sh Sandeep Gupta Prop M/s Haryana Medical & General Store is doing business at Bahadurgarh hence letter issued to the surety for recovery of surety amount Last reminder issued on 9 9 2010 through registered post All the directors of the firm are residing at Delhi at the following address

- 1 Sh Naresh Bansal S/o Sh O P Bansal R/o A 8 Jeewan Niketan New Delhi 41
- 2 Sh Ashwini Chandra Singhal S/o D K Kochar 7/243 Sunder Vihar New Delhi 41
- 3 Sh Girish Chandra Singhal S/o Sh R B Singhal R/o A 4/24 Paschim Vihar New Delhi 41
- 4 Sh Om Parkash Garg S/o Sh Chand Mal Garg 404 Varun Apartments Rohini Delhi 85

Hence Recovery Certificate No 9618 dated 22 07 2010 has been issued to the Collector Delhi Reminder issued on 07 09 2010

2 M/s Purar Textiles Ltd Sonapat RC 6152 AY 1991 92 to 1999 2000 exemption 1997 98 to 1999 2000

In this case it is intimated that the additional demand has been created as a result of withdrawals of exemption certificates vide DETC Sonapat orders Dt 16 03 2004 TDN were issued by post on 05 08 2004 at the address at Delhi as one of the director Sh Rajendra Singla was residing of 302 Virendra Enclave 92/4 Krishna Nagar Safderjang New Delhi and the firm at chidana was lying closed since long The TDN & the copy of Assessment order were returned by Regd Post of DETC(ST) Sonapat by Sh Ravinder Singla director vide letter dt 12 08 2004 stating therein that he has no connection in the company since 15 05 1997 Firm is lying closed since long The other director Sh Anil Kumar Singla residing at 173/3 Thapar Nagar Merutt The arrear has been declared as arrear under Pb Land Revenue Act 1887 on 07 09 2010 and Recovery Certificate No 2016/TI (RSB) has been sent to the Collector Cum Distt Magistrate Merut (UP) on 21 01 2011 An amount of Rs 60000/- has been recovered from the sureties and further efforts are being made to recover the balance arrears

3 M/s Sh Narain Metal Products Devi Bhawan Bazar Jagadhri TIN No 06761613714 AY 2003 04 2004 05 & 2005 06

In this case it is intimated that in reply of M/s Narian Metal Products Jagadhri R C No 13174 It is submitted that following addl demand were created to the audit para in respect of the firm

Details of Arrears

A/ Year/ Date	VAT	CST
2003 04/31 10 06	1018834	nil
2004 05/14 03 08	1043872	nil
2005 06/14 03 08	2445623	nil

The above mentioned demands were created against the dealer on account of rejection of Input tax claim R C of the dealer has been cancelled w e f 10 07 07 vide order of Ld D E T C Jagadhri order dated 17 07 07 for indulging in dubious activities Smt Shalu Maggla W/o Shri Rajesh Mangla was Prop of the firm There is no liquid asset in the name of the firm and name of the Prop of Smt Shalu Mangla Ownership of the business premises C/ 2-195 Devi Bhawan Bazar Jagadhri as per record of the Municipal Committee Jagadhri vide letter no 41 dated 02 01 09 is not in the name of Smt Shalu Mangla Smt Shalu Mangla Prop of the firm is not available in the Jagadhri Hence notice of recovery was served upon Shri Bal Kishan Father in law on the Prop Arrear of the dealer has been declared as an arrear recoverable under Land Revenue Act 1887 vide order of the A C 1st Class dated 20 01 09 Being a lady Prop arrest warrant can't be executed Copy of summon issued to the dealer But the same was not served to the dealer since the dealer Smt Shalu Mangla Prop not present at her residence and went out of station On later a copy of summon issued and served to Shri Balkrishnan Father in law Prop of the firm on the behalf of the Prop Further more it has been come to the notice that one surety Shri Vikas Bansal Expired few years back Another surety firm M/s Raj General Store Khere Baxar Jagadhri closed since long time

and R C of the firm cancelled w e f 31 03 2003 Shri Ramesh Chand second surety Prop of the firm M/s Raj General store is doing no work Efforts are made to deposit the surety amount of Rs 25000/ from the second surety and notice served to the dealer in this regard Now summon have been issued to the Prop of the firm and the surety Shri Ramesh Chand Prop M/s Raj General Store Jagadhri

The Committee desired that the department should make all out constant efforts to recover the balance arrears of additional demands from the directors/sureties of the firms under intimation to the Committee

4 M/s Shree Krishana Industries Khurana Road Kaithal RC No 4262 A Y 2001 02 & 2002 03

- 1 The Firm was closed and nobody turned up in response to notices served Finally the ex parte assessment had to be made
- 2 A number of notices for recovery was issued Whereabouts of the partners is not known The arrear has been declared under land Revenue Act on 21 05 2009
- 3 Letter has been written to Tehsildar Kaithal for detail of property if any Further notice to surety is served and details of bank accounts are being called from the banks

The arrear against the firm stands and efforts as explained above are being made to recover amount

The Committee desired that the department should make all out constant efforts to recover the balance arrears of additional demands from the partners and sureties of the firm under intimation to the Committee

5 M/s Nitka Cement Ltd Jaspur (Panchkula) RC No 29587 AY 1998 99 to 2000 01 & 2001 02

Additional demands for the assessment year 1998 99 to 2001 02 were created against the company as under

Assessment year	HGST	CST	Total
1998 99	496910 00	271336 00	768242 00
1999 2000	136811 00	136896 00	273707 00
2000 01	466488 00	77850 00	544338 00
2001 02	3960 00	141839 00	145799 00

The dealer company has closed down its business and the various notices were issued to deposit the demand but all efforts remained unfruitful Now the arrears have been declared as an arrears recoverable under the Punjab Land Revenue Act 1887 Notices to the dealer company have been issued at administrative office and registered office at Chandigarh Further recovery certificate has been sent to the Collector Cum Deputy Commissioner Chandigarh for recovery of Arrears A letter is also written to Tehsildar of the concerned area for enquiring about of the properties owned by the defaulter company

The Committee desired that the department should make all out constant efforts to recover the balance arrears of additional demands from the dealer and sureties of the company under intimation to the Committee

6 M/s Reliance Forge Faridabad (W) RC No 1310455 AY 2002 03 to 2003 04

In response to the audit objection it is submitted as under

- 1 The demand notice for the year 2002 03 & 2003 04 alongwith copy of order were served upon the dealer on 15 12 2007 & 30 03 2007 respectively
- 2 The dealer preferred an appeal against the assessment order 2002 03 before the Jt ETC(A) Faridabad and the Appellate Authority ordered that the appeals are entertained subject to limitation of time and with the condition the appellant shall furnish security for the entire amount of additional demand under both the Acts The dealer furnished surety bonds in time
- 3 The arrears for the assessment years 2002 03 & 2003 04 were declared as an arrear under Punjab Land Revenue Act 1887 vide assessing authority order dated 17 01 2008 and summon issued to the dealer for 29 01 2008 Additional demand for the assessment year 2003 04 of Rs 355363/ under the H G S T Act and Rs 209686/ under the CST Act were recovered
- 4 The case for the assessment year 2002 03 was decided exparte and tax were levied on full rate on the gross turnover reflected in the returns submitted by the dealer At the time of assessment penal action under section 25(5) & 47 was pending and action was to taken separately After words notice inform ST 27 was served upon the dealer After that the case was remanded by the Jt ETC(A) Faridabad The remand case is under process if any interest becomes leviable the same will be charged
- 5 The remand case is under process Final reply will be given after the decision of remand case

The Committee desired that the department should pursue the remand case vigorously and its final outcome be intimated to the Committee accordingly and thereafter action to recover the interest which becomes leviable towards dealer be taken accordingly under intimation to the Committee

7 M/s Anlani Traders Faridabad (W) RC No 1320082 AY 2002-03

Point wise reply to the audit objection is as under

- 1 The proprietor of the firm is residing at Firozabad (U P) Whereabouts of the dealer in Faridabad are not available Process under Inter State recovery have been started Summon have also been issued to both the Sureties
- 2 R C of the firm stands cancelled w e f 1 04 2003
- 3 The arrear have been declared as an arrear under the Punjab Land Revenue Act 1887 and recovery certificate issued vide No 114 dated 31 8

2006 to Collector Firozabad also reminder issued to Collector Firozabad (UP) vide No 2298/TI(SKS) dt 17 09 10

- 4 No response has been received from the concerned authority till today Again reminder is given to the concerned authority for recovery of arrear
- 5 Recovery effected from the proprietor of the firm will be intimated in the due course

Notice has been sent to both the sureties to deposit the amount of Rs 23116/ under HGST Act and 50000/ under GST Act

The Committee desired that the department should make all out constant efforts to recover the balance arrears from the proprietor and sureties of the firm under intimation to the Committee

8 M/s Jyoti Oil Industries Pvt Ltd Sonapat, RC No 6294 AY 1997 98 to 2000 01

It is intimated that the audit has raised objection that the arrears of this firm have not been declared under the Punjab Land Revenue Act 1887 But the same have been declared by the Dy Excise & Taxation Commissioner cum Collector Sonapat on 13 06 2008 and property of the dealer was attached for effecting recovery of the arrears Since Malba of this firm was auctioned by the Estate Officer HUDA Sonapat a letter was written to him vide memo No 5862/VKS dated 17 09 2009 to deposit the amount received from the auction to this department as huge arrears are outstanding against the firm At the same time a letter No 5877/VKS dated 17 09 2009 was written to the Land Acquisition Officer Rohtak in which he was requested to remit the money payable to the firm on account of acquisition of land/property of the firm to the account of the department Further Sh V K Shastri Excise & Taxation Officer Sonapat has personally visited and contacted the Estate Officer HUDA Sonapat on 09 09 2010 regarding recovery of arrears from this firm and he has assured to consider the claim of the department Hence all efforts are being made to recover the arrears under the Punjab Land Revenue Act 1887

9 M/s Abzony Safety Glass Ltd Panchkula RC No 2897 AY 1999 2000 to 2001 02

In this case it is intimated that the abzony safety glass stopped filling returns in the year 2002 03 and no tax was deposited An inspection of premises led to inspection of tax and penalty to the tune of Rs 3247566/ for the year 2002 03 Rs 165944/ was imposed after assessment of year 2001 02 Total additional demand created of Rs 4513510/ The property of dealer (attached land) was got attached from the sub register Cum Naib Tehsildar Baṛwala vide this office memo no 557/T I (S R) dated 03 03 2008 The HSIIDC is also claiming mortgage of their attached land as the firm had secured 665 lacs as loan from them Efforts are on to recover these arrears Letter have been written to HSIIDC and Tehsildar

10 M/s Luxmi Steel Faridabad (E) TIN No 1202474 AY 1994 95 to 1999 2000

M/s Laxmi Steel was a proprietorship firm The firm was engaged in trading of iron and steel The firm stands closed since long The assessment for the years 1994 95 to 1999 00 was framed ex parte disallowing the rebate u/r 24(A) of the HGST Rules and

due to non submission of declaration/C Forms Out of the total demand of Rs 60 84 009/ an amount of Rs 1436595 00 has been recovered leaving the balance of Rs 5940314 00 The above arrear has been declared as an arrear under the Land Revenue Act vide Asstt Collector 1st Grade Cum Excise & Taxation Officer on 31 08 10 The proprietor of the firm Sh Ravi Gupta is now residing in Delhi at B 13 Gulmohar Park New Delhi New Recovery Certificate No 114 dated 08 09 10 has been sent to Collector Defence Colony Mehrauli Badarpur Road New Delhi vide this office memo No 1380 dated 07 08 2013 through Regd A D

The two sureties namely

- 1 Sh Puroshottam Lal Gupta Proprietor of M/s Metal Trading Co B 271 Nehru Ground Fandabad RC No 1207663
- 2 Sh Sunil Kumar Proprietor M/s Bhagwati Steel B 264 Nehru Ground RC No 1308374 (Closed)

have been issued notices One surety Sh Sunil Kumar has closed down his business and is not traceable Efforts are being made to recover the amount to the extent of the surety from Sh Puroshottam Lal Gupta

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the dealers/proprietors/sureties of the firm under intimation to the Committee

[45] 2.2.15 Failure to initiate follow up action for recovery of arrears within the district

On declaration of arrears under PLR Act summons are issued to the defaulter and if the defaulter does not appear within 10 days a writ of demands is to be issued by revenue officer on or after the day following than in which an arrear of land revenue accrues Further several steps viz issue of arrest warrant and detention issue of distress warrants and attachment of property of the defaulter are to be taken by the DETC for recovery of dues

Test check of records of four offices of DETC revealed that AA declared arrears of Rs 3 38 crore as arrears of land revenue in six cases under their jurisdiction between January 2004 and November 2007 Out of six cases the AAs had not even issued writ of demand in two cases involving arrears of Rs 1 81 crore In the remaining four cases the AAs issued summons between August 2005 and November 2007 but no follow up action was taken to recover the arrears As a result these proceedings continue to linger on for long period thereby jeopardising the recoveries of Rs 3 38 crore

During the exit conference the department stated that there was acute shortage of AAs which affects the efficiency The department admitted the facts and assured to pursue these cases vigorously

The department in its written reply stated as under

1 M/s Shiva Potteries Village Damoli Ambala Cantt RC No 2122 EC Case

In this case it is intimated that the brief facts of the case are that the defaulter was issued Exemption Certificate under section 13 read with rule 28A of the HGST Act 1973 (since repeal) The exemption which was granted for an amount of

Rs 1 25 58 441/ for the period from 18 11 97 to 17 11 04 for manufacture of crockery items. However the dealer never applied for renewal of Exemption Certificate after 30 06 01. In spite of issuance of notices no body appeared for renewal and on the report of the process server that the firm stand closed since long. Necessary action for withdrawal of exemption was initiated by the DETC by issuance a notices. However no body appeared in response to the notices and DETC decided the case ex parte and order for recovery of the exemption amount of Rs 19 63 900/ alongwith interest thereon. In view of the decision of the DETC the case was referred to Lower Level Screening Committee for withdrawal of Eligibility Certificate and in addition interest of Rs 24 08 054/ was levied.

As the defaulter was not traceable action was initiated against the surety. In reply to which one of the surety stated that although he has withdrawn the surety since 30 9 98 he will contact the partner of the firm for recovery purpose. However he has failed to produce the partner. Thereafter summons had been issued on the other sureties who had ensured to find out the defaulter. He has now conveyed the address of the defaulter. Accordingly notice had been issued on the address of the defaulter for 05 10 10 and simultaneously the Taxation Inspector is also directed to locate the property of the defaulter so as to effect the recovery of the arrear by attaching the property. Further Recovery Certificates sent to the Collector cum Deputy Excise & Taxation Commissioner (ST) Jagadhari vide Memo No 1715/TI(W 5) dated 22 06 11 and a fresh letter was sent vide No 74 dated 14 02 12 and again Reminder issued vide Office Letter No 531/E 1 dated 12 02 13 and latest reminder issued vide this Office Letter No 178 dated 28 07 13.

The Committee desired that the department should make all out constant efforts to recover the balance arrears from the partners and sureties of the firm under intimation to the Committee

2 M/s Acron Plywood (P) Ltd Vill Bangar Kharkhoda Sonapat AY 1995 96 to 2003 04

In this case it is intimated that the firm was Proprietorship concern and was an exempted unit vide exemption certificate No 133 for the period from 05/02/1996 to 04/02/2005 for the total quantum of Rs 10468000/ under rule 28 A of HGST Rules 1973. Due to closure of firm exemption benefit of the firm was withdrawn of Rs 313344/ under HGST Act/HVAT Act 2003 and Rs 5121602/ under CST Act for the years 1995 96 to 2003 04. Prop was resident of Delhi and after closure shifted to somewhere in Assam. Demand was declared as arrear of Land Revenue Act 1887 vide Asstt Collector Cum ETO orders dated 24 08 2006. Subsequently summons was also issued to all the sureties concerned. Efforts are being made to recover the amount. As per local enquiries conducted dealer has no immovable/movable property in Sonapat. HFC has not recovered full amount of its outstanding loan by selling off the plot on which firm was situated. Details from HFC is yet awaited.

The Committee desired that the department should make all out constant efforts to recover the balance arrears from the propnitors and sureties of the firm under intimation to the Committee

3 M/s Intek Paper Industries Yamuna Nagar RC No 06381610520 AY 1998 99 to 2003 04

In reply to audit observation it is submitted that the The unit was granted eligibility certificate by the L L S C for a period from 01 10 97 to 30 09 06 for total exemption of 21 82 Lacs Subsequently the dealer applied for grant of exemption certificate Since the dealer failed to furnish adequate security the application for grant exemption certificate was rejected by the Dy Excise & Taxation Commissioner (ST) on 22 03 2004 Subsequently the dealer filed an appeal before the Jt ETC (Appeals) and the same was also rejected vide order dated 02 08 2004 The dealer never attended the assessment proceedings and all the case were decided exparte by the Assessing Authority creating an Additional Demand of Rs 1149540 under HGST Act and 73333 under CST Act 1956 for the year from 1988 89 to 2003 04 which was the reason for delay in finalization of the assessment

There were two partners of the firm namely

- 1 Shri Arun Kumar S/o Shri Bhanu Partap Singh R/o 8 Kalindi colony Yamuna Nagar
- 2 Shri Narinder Kumar S/o Shri Kartar Singh R/o VPO Amadalpur

Firm has since closed and R C has already been cancelled w e f 31 12 2007 Notice for recovery of arrears was issued to the partners of the firm Arrears were declared as arrears recoverable under Land Revenue Act on 04 08 2005 and summons were issued to the partners

Notices to the sureties were also issued for recovery Letter was written to General Manager HSIDC Yamuna Nagar to intimate the ownership of Plot No 27 Indl Area Yamuna Nagar on 16 04 2010 further local inquiry conducted by the Taxation Inspector revealed that business premises of the firm have been seized by the Bank Authorizes So information in this regard were sought from the Branch Manger Corporation Bank Yamuna Nagar whi vide letter 08 09 2010 intimated that the property of the firm has been disposed off and regarding the claim for outstanding arrear the bank further mentioned that sale proceeds were not enough to satisfy the loan amount Further letter was written to Tehsildar Jagadhri vide dated 09 09 2010 to intimate about the any other property of the partners followed by reminder on 28 09 2010 Notices were issued for 20 09 2010 and notices to sureties were also issued for 20 09 2010 But the same couldn't be served due to non availability to the concerned persons Date of the notices was further extended to 15 10 2010 which could not be served Letter was again written Tehsildar Yamuna Nagar on 08 04 2011 followed by reminder on 24 05 2011 and 04 01 2012 The dealer has furnished surety of Rs 25000/ from two persons at the time of grant of Registration Certificate Notices were issued to the sureties which could not be served Summons have been issued to partner of the firm for 11 12 2013 and to sureties for 17 12 2013 but summon was served on one partner only and another partner was not available Fresh summon has been issued to another partner for 31 01 2014

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears from the partners and the sureties of the firm under intimation to the Committee

4 M/s Aman Enterprises Cheeka Kaithal RC No 0658210516 AY 2004 05

The assessment case for the year 2004 05 was decided by the Assessing Authority by creating an additional demand of Rs 523494/ under the HVAT Act and for

Rs 1095894/ under the CST Act on 30 06 2006 due to amount of tax charged in VAT invoices have not been deposited in Government Treasuries and without C F and H forms

A notice regarding recovery of arrear proceeding has been initiated on 4 03 2009 to recover the amount for 18 03 2009 dated on 27 03 10 summon was issued to the firm under the land revenue Act

The owner of the firm refused to receive the summon and stated that his case is pending before the Civil Court/ Sales Tax Tribunal Haryana as reported by the processor server Notice have been issued to both the sureties but not served upon the sureties due to closure of business Now the case is pending in Haryana Sales Tax Tribunal and the similar other cases like this are also pending in the Haryana Sales Tax Tribunal and Hon ble High Court Chandigarh

The Committee desired that the department should pursue the case pending in Haryana Sales Tax Tribunal vigorously and thereafter action to recover the amount of additional demands from the owner and sureties of the firm be taken accordingly under intimation to the Committee

[46] 2 2 16 Disposal of immovable property during the currency of recovery of arrears

Under the HGST Act where during the pendency of any proceedings under this Act any person liable to pay any tax/other dues creates a charge on or transfers any immovable property belonging to him in favour of any other person with intention to defrauding any tax or other dues any such charge or transfer shall be void as against any claim in respect of any tax or other dues payable by such person as a result of the completion of the said proceedings

Test check of the records of five offices of DETC revealed that the AAs finalised the assessments of 11 dealers for the AYs between 1987 88 and 2002 03 and created additional demands of Rs 7 55 crore between June 1995 and July 2006 All the dealers had closed down their business and had sold/disposed off their assets land and properties or plant and machinery between 1999 2000 and 2005 06 i.e during the pendency of recovery proceedings In two cases involving Rs 31 08 lakh the revenue authorities allowed the transfer of the properties despite prior intimation to them for not allowing such transfers In the case of one dealer of Karnal the AA finalised the assessments for the AYs 1996 97 to 1999 2000 between September 2001 and February 2003 and requested the Tehsildar Karnal in November 2007 for not allowing the dealer to transfer of property though the dealer had already disposed off the property during the year 2005 06 The AAs had not taken any action to get the disposal of immovable/movable properties declared null and void under the Act Failure on the part of AAs to raise demands in time and to initiate action under the Act resulted in accumulation of arrears to the extent of Rs 7 55 crore

During the exit conference the department stated that normally a dealer cannot dispose off his immovable property during currency of recovery of arrears but some dealers had managed to dispose off their assets clandestinely and in such cases the AAs came to know about the sale only after it had been completed by the dealers However the recovery proceeding in each case continued The facts remains that failure on the

part of AA to raise demands in time and to initiate action under the Act led to accumulation of arrears

The department in its written reply stated as under

1 M/s Shree Ram Krishana Chemical Karnal RC No 27402 AY 1997 98 to 2002 03

In reply to objections of the audit it is submitted that

- 1 Assessment proceedings in each case were started well in time Notices were issued for finalisation of assessment cases which could not be served upon the dealer due to closure of business The dealer was not traceable Efforts were made for proper service of notice of assessment but all in vain Ultimately the cases were decided Ex parte Hence the delay in finalisation of cases was circumstantial
- 2 Recovery proceedings were initiated for recovery of arrears Demands were created on account of cancellation of E C The dealer filed appeal against the assessment orders as well as cancellation of E C Efforts were made to trace out the property of the firm as it was found in the name of the firm letter was written to the Tehsildar Karnal for attachment of the property but facts were ignored by the Tehsildar and the said land of piece was transferred to another person Letter was written to Deputy Commissioner Karnal for cancellation of the sale deed and action against the official of Tehsil Office Matter is pending till today Further the appeal of the unit is also pending before the HLSC till today No further date has been received in this office
- 3 No date has been received in the office of the said case
- 4 Notices/Summons were served upon the dealer/Sureties who have made request that their case is pending before HLSC Hence no recovery be made till decision of the HLSC
- 5 Case is pending in HLSC

The Committee desired the department as well as PAG office to send the full detail of the case alongwith the facts to the Committee within a period of fifteen days for its consideration

2 M/s Sunny Electronics Pvt Ltd Karnal RC No 25185 AY 1993 94 to 1996 97

In this case it is intimated that the cases were decided Ex parte and demands of Rs 5 77 lacs were created Recovery proceedings were initiated for recovery of arrears Unit was closed The dealer was not traceable The sureties of the firm were contacted for recovery of arrears who were allowed instalments @ Rs 750/ P M vide order dated 18 08 2000 for payment of arrears on request which were discontinued after payment of Rs 39750/ The plot No 74 HSIDC where the dealer was running the business was sold by H F C in public auction to M/s Sudershan Overseas on 20 07 1998 and subsequently transferred by HSIDC in their name as intimated vide letter No 2106 dated 16 02 2005 i e prior to creation of additional demands for the year 1994 95 to 1996 97 Again efforts were made and recovery of Rs 87500/ has been made thus total recovery effected worth Rs 127250/ No whereabouts of the dealer are known despite best efforts by the department

This is a generalized reply given by the department that the whereabouts of the dealers were not available? Whether the department has categorically examined each case? Whether any mechanism was evolved in the department for making available the whereabouts of the defaulters enabling the department to issue the recovery certificates in time

The Committee desired that the department should make all out constant efforts to recover the outstanding amount from the dealer under intimation to the Committee

3 M/s Kundan Rice Mill Tarori RC No 20164 AY 1996 97 to 1997 98 & 1999 2000

It is intimated that due to closure of the business the dealer could not be contacted hence the delay The arrear have already been declared recoverable under the Punjab Land Revenue Act 1887 and a house owned by the proprietor of the business has been attached vide memo No 3372/w 1 dt 08 08 08 The business of sureties also stand closed Letter no 544 dt 02 08 10 and subsequent reminder no 3324 dt 09 09 10 have been sent to ETC Office Panchkula for the permission of sale of attached property

4 M/s R S Cotton Mill Julana Jind RC No 7044, AY 1994 95 to 1996 97
1994 95

In reply of para for the assessment year 1994 95 is revised by Revisional Authority vide his order dated 25 02 2003 is as under

Exemption certificate for total amount of Rs 13 38 Lacs with validity of exemption certificate from 01 12 94 to 30 11 03

Benefit availed upto 31 03 95	148990/
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R D sale disallowed by the Revisional Authority

Vide his order dated 25 02 03 and tax assessed @ 4%	<u>7,57,637/</u>
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Total Tax assessed for the year 94 95	906627/
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Notional Tax liability	1338000/
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Less Tax for the year 94 95	<u>906627/</u>
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Balance as on 01 04 95	431373/
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Hence Rs 757637/ demand created by the revisional authority & adjusted in Notional Tax Liability

1995 96

In reply of para for the assessment year 1994 95 is revised by Revisional Authority vide his order dated 25 02 2003 is as under

Notional Tax liability as on 01 04 95	431373/
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Less Benefit availed during the year	<u>481284/</u>
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Due as on 01 04 96	49911/
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Hence Rs 431373/ adjusted by the revisional authority in notional tax liability and Rs 49911/ is recoverable

1996 97

In reply to para for year 1996 97 is revised by the Revisional Authority on 25 02 2003 and created additional demand Rs 459772/ which is recoverable The firm stand closed since long The prop of the firm is not available Tehsildar Julana written for verification of property and replied that no moveable/immovable property in the name of the firm/dealer

- 1 Firm stand closed since long & the dealer is not traceable
- 2 Notice issued to the surties which could not be served due to that both the surties closed down his business & not traceable As per report of Tehsildar Julana received by this office that not immovable/movable property exist in the name of prop /firm
- 3 Efforts are being to trace out the prop of the firm

The Committee desired that the department should make all out constant efforts to recover the balance arrears from the proprietor and sureties of the firm under intimation to the Committee

5 M/s Vocerne Overseas Pvt Ltd Kundli Sonapat, RC No 8403 AY 1999 2000 to 2001 02

In this case it is submitted that the firm was granted exemption vide exemption certificate No 234 for the period from 16 09 1999 to 15 09 2006 for the total quantum of Rs 9358169/ under Rule 28 A of Haryana General Sales Tax Rules 1975 Dy Excise & Taxation Commissioner Sonapat cancelled the Exemption Certificate as eligibility certificate was withdrawn by LLSC vide order dated 25 07 2003 due to discontinuation and close down its business

As directed by Dy Excise & Taxation Commissioner the Assessing Authority vide orders dated 28 05 2004 created the demand of tax benefit availed during exemption period alongwith interest of Rs 295087/ under Haryana General Sales Tax Act 1975 and Rs 351506/ under Central Sales Tax Act 1956 The then Assessing Authority vide letter dated 07 09 2004 requested to Tehsildar (Revenue) Sonapat & G M HSIDC Sonapat for details of immovable properties owned by the firm and vide letter dated 22 09 2004 requested to DGM (Estate) HSIDC Panchkula for not to transfer of property in the name of the firm if any The G M HSIDC Sonapat vide letter dated 06 12 2004 intimated to this office that the proprietor of the firm has already executed a registered sale deed on dated 09 05 2003 in favour of transferee and the physical possession is also with the transferee Dealer filed appeal against the order of Assessing Authority before Jt ETC (Appeal) Rohtak and the Appellate Authority vide order dated 29 11 2004 stayed the recovery proceedings which is still effective Appeal is still pending before the Appellate Authority On 24 10 2007 summons were issued to the dealer by mistake in reply to which he has taken shelter of stay by Appellate Authority Case is still pending before Jt EtE(Appeal) Rohtak

The Committee desired that the department should pursue the case pending before Jt ETC (Appeal) Rohtak vigorously and thereafter action to

recover the outstanding amount from the proprietor of the firm be taken accordingly under intimation to the Committee

6 M/s Paras Poly Films (P) Ltd Libaspur Sonapat RC No 7769 AY 1996 97 to 2002 03

In this case it is intimated that the firm was granted exemption for the period from 29 03 1997 to 28 03 2004 vide exemption certificate No 201 under rule 28 A of Haryana General Sales Tax Rules 1973 for a total quantum of Rs 14036926/ Dealer disposed off property in the year 2002 in pursuance of an agreement in Delhi regarding property of firm in Sonapat Exemption Certificate was cancelled by Dy Excise & Taxation Commissioner vide order dated 26 04 2006 due to discountinuation of business for more than 6 months and disposal of its property Exemption availed was recalled with interest vide Assessing Authority order dated 27 07 2006 Assessment year 2001 02 and 2002 03 were also framed as ex parte in January 2006 Later Jt ETC(Appeal) Rohtak vide order dated 14 11 2006 remanded the case to Dy Excise & Taxation Commissioner Sonapat for fresh decision Now Dy Excise & Taxation Commissioner Sonapat vide order dated 30 10 2009 has again cancelled the exemption certificate and demand of Rs 1966994/ under Haryana General Sales Tax Act 1973 and Rs 10106527/ under CST Act 1956 total arrear 12073521/ has been created afresh vide Assessing Authority orders dated 09 06 2010 Therefore it is pleaded that the dealer had sold off his property before the occurring of arrears i.e. arrears accrued due to disposal of property

7 M/s Shiv Oil Factory Bhodia Khera RC No 22348 AY 1987 88 1990 91 to 1992 93

The RC of the firm already stands cancelled w.e.f. 30 06 1992 by the then Assessing Authority vide his order dated 01 12 1993 The FIR No 155 Dated 11 03 97 u/s 420 467 468 469 471 & 120 B of IPC was lodged at Police Station Fatehabad The department has filed an appeal before The Hon ble Court of Session Judge at Fatehabad against the judgment dated 2 02 09 passed by the court of Smt Narinder Kaur in the criminal case no 635 1 of 1999 titled as State Vs Anil etc arising out of FIR No 155 dated 11 03 1997 vide which the Ld trial court has acquitted the respondents from the charges framed against them Arrears have already been declared as Land Revenue under the Punjab Land Revenue Act 1887 Summons was issued to the dealer The service of summons has been affected by way of substitute service by pasting on the last known place of business of the defaulter The dealer has left Fatehabad The dealer has preferred an appeal before the Hon ble Haryana Tax Tribunal Chandigarh who has granted the stay vide his order dated 02 04 1996 with the directions to submit surety bond but the dealer has not complied with the directions of the Tribunal The appeal has been dismissed by the Hon ble Haryana Tax Tribunal Chandigarh for non compliance of its directions As per local inquiry from reliable sources Sh Moti Lal S/o Sh Om Parkash Proprietor of the firm is residing at X 65 Bodh Vihar Qutub Road Delhi Hence Recovery Certificate No 2/2002 2003 vide Memo No 97/TI/JSR dated 30 01 03 was sent to the Deputy Commissioner South District MB Road Saket New Delhi Reminders were also sent to the Deputy Commissioner New Delhi vide this office memo No 782 1063 & 134 dt 09 11 06 12 12 06 & 31 01 08 who informed this office vide his office letter No 625/ dated 15 02 08 that address given in RC does not fall in sub division (Houz Khas) Distt South New Delhi Therefore a fresh recovery certificate No 97/TI(JSR) dt 30 01 03 has again been sent to the Addl Commissioner Recovery

Trade & Taxes Dept Bikan Kar Bhawan 1 P Estate New Delhi vide this office memo no 401/TI(ASK) dt 25 03 08 but no information for recovery of arrears has been received from the concerned department so far Last reminder was sent to the Addl Commissioner Recovery Trade & Taxes Dept Bikan Kar Bhawan 1 P Estate New Delhi vide this office memo no 616 107/TI(SST)/SR dt 15 07 2009 & 22 01 10 and last memo no 757/TI SC dt 8 6 11

The Committee desired that the department should make sincere and vigorous efforts to recover the outstanding arrears of additional demands from the dealer and the sureties of the firms under intimation to the Committee

8 M/s Bhagwati Wool Tax (P) Ltd Panipat RC No 5580 A AY 2003 04

Parawise reply of audit para is as under

- 1 Last Summons were issued to the dealer as well as sureties on 21 11 2013 Dealer filed a writ petition before Punjab & Haryana High court (CWP No 26775 of 2013) on 04 12 2013 challenging the process of recovery The case is fixed for 18 02 2013 and Hon ble High Court stayed the recovery till then
- 2 It is submitted that arrear of interest of Rs 2164702/ was also declared as arrear under the Land Revenue Act on 11 11 2013 and accordingly summons were issued to the dealer as well as sureties on 21 11 2013
- 3 The unit was closed down its business on 10/2003
- 4 Reply given in para no 1 is reiterated
- 5 Reply given in para no 1 is reiterated
- 6 There is no delay in the assessment of the case as the exemption was called back for non maintaining the production level and subsequently closing and subsequently closing down of the business by dealer

In view of the above position explained above para may be dropped as the action will be taken on finalization of the cases by the Tribunal

The Committee desired that the department should pursue the case pending before the Hon ble Punjab & Haryana High Court vigorously and thereafter the action to recover the outstanding amount from the dealer and the sureties be taken accordingly under intimation to the Committee

9 M/s Attarr Spinning Pvt Ltd Panipat RC No 6206 A AY 2003 04

- 1 Date of closure No date of closure submitted by the dealer to this office Moreover the dealer failed to submit the returns in the year 2001 02 onwards
- 2 Efforts made to recover the arrear of Rs 8032859/ are Copies of order up to assessment year 2000 2001 were sent to the dealer to their last known address but the same were returned by the postal department stating that the location was found locked despite best efforts made by them Moreover the counsel of the firm obtained the certified copies of the order of

exemption with drawl on 06 11 2007 passed by the Dy Excise & Taxation Commissioner Panipat dated 15 03 2004 and preferred appeal before the Jt ETC (A) Rohtak who dismissed the appeal vide order dated 01 02 2010 Though recovery certificate was sent to Collector New Delhi on 04 07 2007 14 10 2007 28 09 2009 13 09 2010 and 21 10 2010 as the Directors are residing at New Delhi but no recovery has been effected till date Last reminder sent vide no 2059/W 8 dated 21 10 2010

- 3 Reason for non raising the demand Dealer voluntary failed to file the returns in assessment year 2001 02 which were examined by this office after a span of 1 5 to 2 years as per legal time frame In this case also return perused in March 2004 when it came to know by this department through this record (as dealer voluntary not disclosed) and the same time Dy Excise & Taxation Commissioner Panipat had withdraw the exemption vide order dated 15 03 2004 and in this span dealer has sold the plant and machinery without informing this office Regarding the issue that had the demand raised earlier demand could have been recovered it is submitted that the department took action timely within the time frame as discussed above that returns were examined after a gap of 1 5 to 2 year later
- 4 Reasons for declaring the arrear as recoverable under the Land Revenue Act so late are follow The unit closed without intimation to this office and Directors of the company left Panipat without and intimation therefore order was not served directly The assessment order were sent to last know address of the Directors/who are residing at Delhi but the same were returned back to this office being those premises were found locked by the postal department Secondly the arrear was declared as arrear of Land Revenue Act on dated 30 10 2006 which is duly in time frame Hence no question of late declaring the arrear as recoverable under Land Revenue Act

The Committee desired that the department should take some active/effective steps to recover the amount of arrears from the director and the sureties of the company under intimation to the Committee

10 M/s Do Bhai Spinning Mill, Panipat, RC No 7269 A, AY 2003 04

Steps taken to recover the arrear from the (i) Director of the Co

- 1 (a) Sh Satish Kumar S/o Sh Tej Bhan Stood Director from 15 1 1995 to 1 3 1995 only i.e for a very short time Arrears declared as recoverable under Land Revenue Act 1887 by issuing summons for calling upon the director
- (b) Whereas second director Sh Raj Kumar has died on 25 1 2010 due to fire broke out at his business
- (c) Third director Mrs Veena Gangwani W/o Late Sh Raj Kumar director in the company w e f 1 3 1995 is living in miserable condition along with her children due to loss of her husband and their whole business Though efforts are going on to recover the arrears from her

II Sureties An amount of Rs 14 98 lac as surety was furnished by six persons for which efforts have been made by issuing summons for calling upon them to deposit the arrears

III Legal Heir As per record from 15 1 1995 to 14 1 2002 i e whole exemption period Sh Raj Kumar was one of the Director and his wife replaced other director Sh Satish Kumar w e f 1 3 1995 but on 25 1 2010 Sh Raj Kumar died in fire broken out in his business premises His minor children are school going No legal heir except his wife who is living in a small house along with her children Therefore recovery from minor legal heir is a vague term

2 In reply to para 2 non initiating the matter under the Punjab Land Revenue Act 1887 since long including attaching property it is submitted that the Dy Excise & Taxation Commissioner(ST) Panipat vide his order dated 11 2 2004 had called back the benefit of exemption and created the arrear of Rs 1736130/ After that the dealer preferred an appeal before the Jt ETC (A) Rohtak who dismissed the appeal vide order dated 21 4 2005 Afterward continuous efforts are being made by issuing notices to the directors duly received by Sh Raj Kumar one of the director but the recovery could not be made in normal course Afterward arrear was declared as arrear due under the Punjab Land Revenue Act 1887 and various notices/summons issued to the sureties also Efforts are still continuing to recover the arrears

3 Regarding levy of interest it is submitted that the same has been levied to the tune of Rs 4260953/ vide order dated 3 9 2010

4 The latest position of the case is follows

Out of the director Sh Raj Kumar had died on 25 1 2010 and other director is his wife who also in a shocked position due to loss of her husband and their entire business due to fire broken out of their business premises Summons issued to the sureties for 28 11 2013

The Committee desired that the department should make all out constant efforts to recover the arrears from the directors and the sureties of the company under intimation to the Committee

[47] 2 4 3 Underassessment of tax due to allowing of excess benefit of deferment

Under Section 61 (2) (d) (iii) of the HVAT Act an industrial unit availing the benefit of deferment of payment of tax whether by change over under the provisions of the Act or otherwise may in lieu of making payment of the deferred tax after five years pay half 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 Further Section 14 (6) of the HVAT Act inter alia lays down that if a dealer fails to make payment of tax he shall be liable to pay in addition to the tax payable by him simple interest at one and a half *per cent* per month if the payment is made within ninety days and at three *per cent* per month if the default continues beyond ninety days for the whole period from the last date specified for the payment of tax to the date he makes the payment

During test check of the assessment records of the office of ETO Bahadurgarh in July 2007 it was noticed that a dealer availing the benefit of capital subsidy of Rs 8 58 crore for the period 5 February 2003 to 4 February 2008 had opted to pay 50 per cent of the tax in lieu of deferment of payment of tax under the HVAT Act/Rules. The assessee had made sale of goods valued as Rs 59 18 crore involving tax of Rs 2 44 crore during the year 2003 04. After adjusting ITC of Rs 62 30 lakh paid on purchase of goods (Rs 15 58 crore) the balance tax payable was Rs 1 81 crore. The dealer was entitled to exemption of 50 per cent of deferred tax amounting to Rs 87 lakh. The AA while finalising the assessment in November 2006 allowed 50 per cent of total tax liability i.e. Rs 1 22 crore instead of admissible amount of Rs 87 lakh. This resulted in excess deferment of tax of Rs 34 81 lakh. Additionally interest amounting to Rs 34 41 lakh was also leviable on default in tax demand of Rs 31 lakh for the period from November 2003 to November 2006.

After the case was pointed out in July 2007 the DETC Jhajar admitted the audit observation and stated in December 2008 that the JETC (Range) cum RA Gurgaon had created additional demand of Rs 16 59 lakh (Tax Rs 6 81 lakh interest Rs 9 78 lakh) under HVAT Act in March 2008 and did not raise demand of tax under CST Act though he had calculated additional tax demand of Rs 24 23 lakh and interest of Rs 35 87 lakh under CST Act in the annexure attached with the revision order. The case was referred to the ETC in January 2009 for re-examination for taking suitable action in the matter. Further progress has not been received (August 2009).

The matter was pointed out to the ETC Excise and Taxation Department in September 2007 and January 2009 and reported to the Government in March 2009. Their reply has not been received (August 2009).

The department in its written reply stated as under

M/s Surya Roshini Ltd Bahadurgarh Jhajar RC No 256 AY 2003 04

It is intimated that the assessment order dated 27 11 2006 has been revised by the Jt ETC Cum Revisional Authority Gurgaon vide order dated 31 03 2008. In this order additional demand of Rs 16 58 580/ (Rs 680771/ on account of short calculation of tax and Rs 9 77 809/ being interest) has been created under HVAT Act 2003 and similarly an additional demand of Rs 60 09 784/ (Rs 24 23 232/ on account of short calculation of tax and Rs 35 86 551/ being interest) has been created under the CST Act. The dealer filed an appeal before the Hon'ble Tax Tribunal Haryana Chandigarh. The appeal was rejected. The arrear pertain to LADT Act which has been declared ultra vires by the Hon'ble Punjab & Haryana High Court. S L P is pending in the Supreme Court.

The Committee desired that the department should pursue the SLP case pending before the Hon'ble Supreme Court vigorously and thereafter action to recover the outstanding amount of additional demand alongwith interest from the dealer be taken accordingly under intimation to the Committee

[48] 2 4 6 Incorrect allowing of input tax credit

2 4 6 1 Under Section 8(1) of 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. As per direction issued by the JETC (Range) Faridabad in March

2008 claim of input tax in respect of purchases made from dealer A was admissible at nil during AY 2004 05

During test check of the assessment records of the office of DETC (ST) Jind in July 2008 it was noticed that a dealer purchased cold rolled (CR)/hot rolled (HR) coils valued as Rs 1 09 crore from dealer A of Faridabad during the year 2004 05 and claimed ITC of Rs 4 34 lakh. The AA while finalising the assessment in March 2008 allowed ITC of Rs 4 34 lakh despite the specific direction of JETC (Range) Faridabad issued on 11 March 2008 for allowing ITC at nil of purchases made from dealer A. Failure on the part of AA to take action as per direction of JETC (Range) resulted in non raising of demand and incorrect allowing of ITC of Rs 4 34 lakh.

After the case was pointed out in July 2008 the AA stated in August 2008 that ITC was allowed on the basis of tax invoice/VAT C 4 and necessary verification of purchases from the dealer pointed out by audit would be sought. The facts remain that the AA did not comply with the direction of the JETC (Range) of March 2008 before finalising the assessment. Further report has not been received (August 2009).

The department in its written reply stated as under

M/s Singhal Strips Ltd Ismila Rohtak TIN 06482820645

In this case it is intimated that the assessment case file of the dealer was sent to the Dy Excise and Taxation Commissioner (Ins) cum Revisional Authority Rohtak for taking suo moto action vide this office memo No 2794/TI (Exemp) dated 13 03 2009. An additional demand of Rs 18 66 878/ has been created by the Revisional Authority vide his order dated 17 02 2010. The dealer further preferred appeal before the Hon ble Haryana Tax Tribunal against the orders of the Revisional Authority Rohtak. The decision of Hon ble Tribunal is still awaited.

The Committee desired that the department should pursue the appeal case preferred before the Hon ble Haryana Tax Tribunal against the orders of the Revisional Authority Rohtak vigorously and thereafter action to recover the arrear of additional demands from the dealer be taken accordingly under intimation to the Committee

[49] 2 5 2 Underassessment of tax due to inadmissible deduction from gross turnover

Under section 2 (ze) (ii) of the HVAT Act the transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract where such transfer is for cash deferred payment or other valuable consideration and such transfer shall be deemed to be a sale of those goods by the person making the transfer. Further section 14 (6) of the Act inter alia lays down that if a dealer fails to make payment of tax he shall be liable to pay in addition to the tax payable by him simple interest at one and a half *per cent* per month if the payment is made within ninety days and at three *per cent* per month if the default continues beyond ninety days for the whole period from the last date specified for the payment of tax to the date he makes the payment.

2 5 2 1 During test check of the assessment records of the office of DETC(ST) Panipat in September 2008 it was noticed that the dealer company (contractor) was

engaged in building construction and did not opt for lump sum payment of tax. The contractee supplied material valued at Rs 1.55 crore to the contractor for use in the execution of works and the cost was recovered from contractor through works bills. The dealer had not claimed any ITC. The AA while finalising the assessments of the dealer in December 2007 and March 2008 omitted to levy tax on deemed sale of material valued as Rs 1.55 crore and allowed other miscellaneous deduction of Rs 48.24 lakh from the gross turnover. This resulted in underassessment of tax of Rs 21.89 lakh due to inadmissible allowing of deduction.

After the cases were pointed out in September 2008, the ETO Panipat stated in October 2008 that the material supplied by the contractee was transferred to him by the contractor in the execution of works contract by theory accretion. The reply of the ETO is not in consonance with the provisions of HVAT Act as tax was leviable at every successive stage and deemed sale was also taxable in the hands of the contractor. Further reply has not been received (August 2009).

The department in its written reply stated as under

M/s Raj Kishan & Co Panipat TIN No 06232604327 AY 2004-05

In reply to audit objection it is stated that in the cases of works contractors, the material transferred and consumed in the execution of works contract is only leviable to tax and not otherwise. The various expenses like securities, labour charges and water charges are permissible for deductions being not material transferred in the execution of the contract. The deduction of briks was given only after verifying the fact that the same were purchased from BKO's who have opted for lump sum payment of tax under Rule 47 of the Haryana Value Added Tax Act 2003. As per provisions of Haryana VAT Act, no tax can be levied on the sale of goods on which lump sum tax has been paid.

As regards the version of audit regarding wrong deduction of material supplied by contractee to contractor, it is intimated that only charge has been conferred by the contractee to the contractor for the purposes of execution of works contract; no consideration has been given or accepted by the parties without which the terms sale can not be completed. Since the nature of transferred of goods is out of the purview of the sale, the deduction was rightly allowed by the assessing authority. If it is assumed that the material supplied by the contractee to the contractor amounts to sale, the such sale cannot be held the sales in the hands of contractor in the present case; rather the such transactions/turnover (if any) would be purchases in the hands of the contractor and for which it would be entitled to get the credit of Input tax on such deemed purchases in such a circumstances but the contractor has not availed/allowed input tax credit. This view is also supported by the judgement of Hon'ble High Court of Punjab & Haryana in case of M/s Lajpar Rai Chanana V/s State of Haryana cited as (2011) 38 PHT 390 (P & H).

In view of the above said position, audit para may be dropped.

The Committee desired that the facts of this case may be got verified and reconciled with the A G Office under intimation to the Committee

[50] 4.1 Results of audit

Test check of the records of the offices of DETC (Excise) relating to State excise conducted in audit during the year 2008-09 revealed non/short recovery of excise duty, license fees and penalty etc. amounting to Rs 5.59 crore in 384 cases which fall under

the following categories

(Rupees in crore)			
Sr No	Category	Number of cases	Amount
Excise and Taxation Department (State Excise)			
1	Non/late deposit of license fees and loss of interest	212	4 45
2	Non recovery of penalty on illicit liquor	87	0 84
3	Non imposition of penalty	65	0 15
4	Miscellaneous irregularities	20	0 15
Total		384	5 59

During the year 2008 09 the department accepted underassessments and other deficiencies of Rs 1 20 crore involved in 98 cases of which 27 cases involving Rs 45 66 lakh had been pointed out during 2008 09 and the remaining in earlier years The department recovered Rs 8 84 lakh in 25 cases during the year 2008 09 of which one case involving Rs 25 000 related to the year 2008 09 and balance to the earlier years

A few illustrative audit observations involving Rs 2 35 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under

All the 384 cases involving an amount of Rs 5 59 crore have been reviewed with the following results

- 1 88 cases involving an amount of Rs 0 69 crore have been settled with demand
- 2 25 cases involving an amount of Rs 0 44 crore have been settled without demand
- 3 271 cases involving an amount of Rs 4 46 crore are still under process/consideration of the Audit

The Committee desired the department to review all the pending 271 cases upto 30th June 2014 and its detailed Report be sent to the PAG office for its verification under intimation to the Committee

[51] 4 3 1 Non realisation of differential license fee

Under the HLL Rules 1970 read with the State excise policy for the year 2006 07 and 2007 08 every successful allottee of retail licensed liquor outlet shall be required to deposit a security equal to 20 *per cent* of the annual license fee of the licensed outlet out of which five *per cent* of the license fee has to be deposited on the day of draw of lot five *per cent* within seven days of the allotment/draw of lot on or before 31 March of the year whichever is earlier and remaining 10 *per cent* by 7th April of the respective year A person to whom a liquor outlet has been allotted shall pay by the 15th of every month the remaining 80 *per cent* in eight instalments equal to 10 *per cent* of the total annual license fee upto the month of November of the respective year In case the allottee refuses to

accept the license or 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. The DETC (Excise) 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 four¹ offices of DETC (Excise) between May 2007 and April 2008 it was noticed that 12 retail outlets were auctioned during March 2006 and May 2007 for Rs 1 62 crore and Rs 1 11 crore for the year 2006 07 and 2007 08. Out of 12 successful bidders five bidders did not deposit the security amount and the remaining seven licensees failed to pay the monthly instalments of license fee in full by the due date. Of the total license fee of Rs 2 73 crore the allottees deposited security amounting to Rs 40 21 lakh and monthly instalments amounting to Rs 34 79 lakh. Thus the allottees did not deposit the balance amount of Rs 1 98 crore. The department cancelled their retail liquor outlets between June 2006 and August 2007 and forfeited the entire amount of security. These retail liquor outlets were reaucted between August 2006 and September 2007 for the remaining period for Rs 97 35 lakh at the risk and cost of original licensees. However the department did not initiate any action to recover the differential amount of license fee of Rs 1 01 crore from the original allottees. This resulted in non realisation of Government revenue of Rs 1 01 crore.

After the cases were pointed out between May 2007 and April 2008 DETC (Excise) Sirsa stated in January and May 2009 that license fee amounting to Rs 25 000 had been recovered in one case and efforts were being made to recover the balance amount of Rs 39 75 lakh from the original four allottees and issued recovery certificate for Rs 3 lakh to DETC Hisar in one case. DETC (Excise) Kurukshetra Karnal and Fardabad stated between August 2008 and January 2009 that efforts were being made to recover the differential amount of Rs 60 70 lakh from the original eight allottees. A report on recovery has not been received (August 2009).

The matter was pointed out to the ETC Excise and Taxation Department in July 2007 and July 2008 and reported to the Government in March 2009 their reply has not been received (August 2009).

The department in its written reply stated as under

In this para an amount of Rs 100 70 lakh was pointed out by Account General (Audit) Haryana and out of which 2 40 lakh has been recovered leaving a balance of Rs 98 30 lakh. The concerned Dy Excise & Taxation Commissioner s have been directed to make the recovery at the earliest.

The Committee desired that the department should make sincere and vigorous efforts to recover the balance amount of Rs 98 30 lac from the original allottees under intimation to the Committee

[52] 4 3 2 1 Short recovery of license fee and interest

During test check of the records of the offices of DETC (Excise) Kaithal Karnal and Sonpat between May 2007 and August 2008 it was noticed that retail liquor outlets for the sale of CL/IMFL were allotted to 19 licensees for Rs 5 11 crore for the year 2006 07 and 2007 08.

The licensees failed to pay the monthly instalments of license fee for the period between August 2006 and November 2007 in full by the prescribed dates. Against Rs 5.11 crore, the licensees had paid only Rs 4.59 crore. The DETCs (Excise) however did not initiate any action to cease/seal the vendors for non-deposit of monthly instalments and to levy interest for belated payments of license fee. This resulted in non/short recovery of license fee of Rs 52.48 lakh besides interest³ of Rs 16.92 lakh.

After the cases were pointed out between May 2007 and August 2008, DETC (Excise) Sonapat stated in November 2008 and February 2009 that license fee of Rs 4.64 lakh and interest of Rs 76.150 had been recovered between September 2007 and January 2009. DETC (Excise) Kaithal stated in April 2008 that efforts were being made to recover the license fee. DETC (Excise) Karnal stated in August 2008 that action would be taken to recover the license fee as per provisions of the Rules. A report on recovery and final reply has not been received (August 2009).

The department in its written reply stated as under

In this case an amount of Rs 69.40 lakh was pointed out by Accountant General (Audit) Haryana and out of which an amount of Rs 7.01 lakh have been recovered leaving a balance of Rs 62.39 lakh. The concerned Dy. Excise & Taxation Commissioners have been directed to make the recovery at the earliest.

The Committee desired that the department should make all out constant efforts to recover the balance amount of license fee of Rs 62.39 lac from the concerned licensees involved in this case under intimation to the Committee

[53] 4.3.2.2 Short recovery of license fee and interest

During test check of the records of the offices of DETC (Excise) Kaithal and Panipat for the years 2006-07 and 2007-08 in October 2007 and April 2008, it was noticed that 56 licensees failed to pay monthly instalments of license fee amounting to Rs 5.07 crore for the period between April 2006 and November 2007 by the prescribed dates. The DETCs (Excise) however did not levy interest for belated payment of the license fee ranging between 15 to 184 days. This resulted in short recovery of interest of Rs 11.89 lakh.

After the cases were pointed out in October 2007 and April 2008, DETCs (Excise) Kaithal and Panipat stated between February 2008 and March 2009 that an amount of Rs 28.071 had been recovered in one case in July 2008 and efforts were being made to recover the balance amount. A report on recovery has not been received (August 2009).

The matter was pointed out to the ETC Excise and Taxation Department between July 2007 and October 2008 and reported to the Government in March and April 2009. Their reply has not been received (August 2009).

The department in its written reply stated as under

In this case an amount of Rs 11.89 lakh was pointed out by Accountant General (Audit) Haryana and out of this amount Rs 3.19 lakh has been recovered leaving a balance of Rs 8.70 lakh. The concerned Dy. Excise & Taxation Commissioners have been directed to make the recovery at the earliest.

The Committee desired that the department should make all out constant efforts to recover the balance amount of license fee of Rs 8 70 lac from the concerned licensees involved in this case under intimation to the Committee

[54] 4 3 3 Non recovery of penalty

Under Section 61 and 61 A of the Punjab Excise Act 1914 as applicable to Haryana penalty not less than Rs 50 and 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 along with 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 after deducting the expenditure incurred on it shall be adjusted towards payment of penalty and the excess amount if any shall be refunded to the owner. The unrecovered amount of penalty if any shall be recoverable as arrears of land revenue.

During test check of records of the offices of DETC (Excise) Fatehabad and Kurukshetra between August 2006 and May 2008 it was noticed that in 48 cases 15 171 bottles of illicit country liquor were detained between April 2005 and October 2007 and penalty of Rs 30 60 lakh was imposed. The department had confiscated six vehicles in these cases. Neither the defaulters paid the penalty nor the department initiated any action to recover the amount either by auctioning the confiscated vehicles or by recovery through revenue recovery certificate as arrears of land revenue even after the lapse of 17 to 47 months. This resulted in non recovery of penalty of Rs 30 60 lakh.

After the cases were pointed out in August 2006 and May 2008 DETC (Excise) Fatehabad and Kurukshetra stated between December 2008 and January 2009 that an amount of Rs 2 90 lakh had been recovered in 19 cases (including auction money of two vehicles amounting to Rs 2 60 lakh) between May 2007 and September 2008 and efforts were being made to recover the balance amount of Rs 27 70 lakh. Further progress of recovery has not been received (August 2009).

The department in its written reply stated as under

In this case an amount of Rs 30 60 lacs was pointed out by Accountant General (Audit) Haryana and out of this amount of Rs 3 27 lacs has been recovered leaving a balance of Rs 27 33 lacs. The concerned Dy Excise & Taxation Commissioner s have been Directed to make the recovery at the earliest.

The Committee desired that the department should make sincere and vigorous efforts to recover the balance amount of penalty amounting to Rs 27 33 lac from the defaulters under intimation to the Committee

[55] 5 1 Results of audit

Test check of the records in the offices of Transport Excise and Taxation Agriculture and Power departments relating to revenue received from taxes on vehicles taxes on goods and passengers and other tax receipts during the year 2008 09 revealed non/short recovery of tax fees and penalty etc amounting to Rs 5 18 crore in 5 738 cases which fall under the following categories

(Rupees in crore)

Sl No	Category	Number of cases	Amount
A Excise and Taxation Department (Taxes on goods and passengers)			
1	Non recovery of passengers tax from bus owners of co operative societies/educational institutions	713	1 58
2	Non recovery of goods tax	693	0 36
	Total	1 406	1 94
B Other Tax Receipts (entertainment duty and show tax)			
	Other tax receipts	6	0 002
	Grand total	1412	1 96

During the year 2008 09 the departments accepted underassessments and other deficiencies of Rs 2 17 crore involved in 1 860 cases of which 1 852 cases involving Rs 2 13 crore had been pointed out during the year 2008 09 and the remaining in earlier years. The departments recovered Rs 16 36 lakh in 99 cases during the year 2008 09 of which 91 cases involving Rs 12 73 lakh related to the year 2008 09 and balance to the earlier years.

A few illustrative audit observations highlighting irregularities involving financial effect of Rs 1 61 crore are mentioned in the succeeding paragraphs.

The department in its written reply stated as under

PGT

All the 1406 cases involving an amount of Rs 1 94 crore have been reviewed with the following results:

- 1 630 cases involving an amount of Rs 1 07 crore have been settled with demand
- 2 776 cases involving an amount of Rs 0 87 crore are still under process/consideration of the Audit

The Committee recommends that if the recovery is not possible then the department should send the proposal for writing-off the amount to the Government and send its information to the Committee after the amount is written off.

Entertainment

All the 6 cases involving an amount of Rs 2 45 lacs have been reviewed with the following results:

- 1 5 cases involving an amount of Rs 2 10 lacs have been settled with demand
- 2 1 case involving an amount of Rs 0 35 lacs are still under process/consideration of the Audit

The Committee desired that the department should reconcile one case involving an amount of Rs 0 35 lac with the A G Office under intimation to the Committee.

[56] 5 3 1 1 Educational institutions

The owner of the bus of an educational institution may in lieu of 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 Further as per notification dated 18 October 2007 (applicable from 1 March 2007) the Government prescribed lump sum tax in respect of private schools owning educational institutional buses on the basis of monthly bus charges per seat exceeding Rs 100 but not exceeding Rs 200 at the rate of Rs 20 and exceeding Rs 200 at the rate of Rs 40 per seat per month for nine months in a year

During test check of records of four¹ offices of DETC between November 2007 and October 2008 it was noticed that the owners of 492 educational institution buses granted permits for plying buses either did not deposit the monthly passengers tax or deposited it short during the period between April 2007 and March 2008 The department however did not raise the demand to realise tax from the defaulting bus owners This resulted in non/short realisation of passenger tax of Rs 59 38 lakh Additionally a maximum penalty of Rs 24 60 lakh was also recoverable

After the cases were pointed out between November 2007 and October 2008 DETCs Bhiwani Kaithal and Narnaul intimated between September 2008 and March 2009 that an amount of Rs 18 480 had been recovered in respect of four buses of Kaithal between April and November 2008 and efforts were being made to recover the balance amount DETC Rewari stated in September 2008 that notices would be issued to recover the tax from the defaulting institutions Further report on recovery has not been received (August 2009)

The department in its written reply stated as under

In reply to this para it is submitted that out of the 492 cases pointed out by Accountant General (Audit) out of which 165 cases have been decided and an amount of Rs 21 97 lacs has been recovered leaving a balance of 327 cases which will be decided very shortly

The Committee desired that the department should make sincere and vigorous efforts to recover the balance amount from the remaining 327 cases from the defaulting bus owners under intimation to the Committee

[57] 5 3 1 2 Transport co operative societies

The permit holder 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 rate of Rs 16 000 for 52/54 seater and Rs 10 000 for 30/32 seater buses 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 With effect from March 2007 the Government revised the passenger tax to Rs 12 000 for 52/54 seater and Rs 6 000 for 30/32 seater buses and in case their routes extended upto 24 kilometers at the rate of Rs 16 000 for 52/54 seater and Rs 10 000 for 30/32 seater buses

During test check of records of six² offices of DETC in October and November 2008 it was noticed that 29 transport co operative societies³ either did not deposit the

monthly passengers tax or deposited it short during 2007 08. The department however did not raise the demand to realise tax from the defaulting societies. This resulted in non/short realisation of tax of Rs 29.06 lakh. Additionally maximum penalty of Rs 1.45 lakh was also recoverable.

After the cases were pointed out in October and November 2008, DETCs Faridabad (West), Jhajjar and Jind stated between November 2008 and March 2009 that a sum of Rs 1.78 lakh had been recovered in two cases of Faridabad (West) in December 2008 and January 2009 and efforts were being made to recover the balance amount. DETC Faridabad (East) and Bhiwani stated between March and June 2009 that efforts were being made to recover the amount. DETC Panipat stated between January and May 2009 that notices had been issued to recover the dues from the defaulting vehicle owners. A report on recovery and final reply has not been received (August 2009).

The department in its written reply stated as under

In reply to this para it is submitted that out of the 29 cases pointed out by Accountant General (Audit), out of which 11 cases have been decided and an amount of Rs 17.36 lacs has been recovered, leaving a balance of 18 cases which will be decided very shortly.

The Committee desired that the department should make sincere and vigorous efforts to recover the balance amount in the remaining 18 cases from the defaulting vehicle owners of transport co-operative societies under intimation to the Committee.

[58] 5.3.1.3 City bus operators

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.

During test check of the records of the offices of DETC Faridabad (East) and Gurgaon for the year 2007 08 in April and October 2008, it was noticed that 26 private bus operators who were granted permits for plying buses in city areas did not deposit the monthly passengers tax for different periods between April 2007 and March 2008. 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 10.33 lakh. Additionally maximum penalty of Rs 1.30 lakh was also leviable.

After the cases were pointed out in April and October 2008, DETCs Faridabad (East) and Gurgaon stated between November 2008 and April 2009 that tax amounting to Rs 2.56 lakh had been recovered between April 2008 and February 2009 and efforts were being made to recover the balance amount of Rs 7.77 lakh. A report on action taken to levy penalty and the recovery of balance amount has not been received (August 2009).

The matter was pointed out to the ETC Excise and Taxation Department between February 2008 and March 2009 and reported to the Government in March and April 2009. Their reply has not been received (August 2009).

The department in its written reply stated as under

In reply to this para it is submitted that out of the 26 cases pointed out by Accountant General (Audit) out of which 12 cases have been decided and an amount of Rs 6 34 lacs has been recovered leaving a balance of 14 cases which will be decided very shortly

The Committee desired that the department should make sincere and vigorous efforts to recover the balance amount of passengers tax as well as penalty leviable from defaulting private bus owners in the remaining 14 cases under intimation to the Committee

REVENUE DEPARTMENT

[59] 3.1 Results of audit

Test check of the records of various registration offices during the year 2008-09 revealed non/short levy of stamp duty (SD) and registration fee amounting to Rs. 6.52 crore in 1,290 cases which fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
A Revenue Department			
1	Non/short recovery of stamp duty due to undervaluation of immovable property	922	4.51
2	Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds	53	0.53
3	Short recovery of stamp duty due to misclassification of instruments	31	0.28
4	Short recovery of stamp duty due to non charging of residential rates on purchase of land by builders	1	0.14
5	Irregular exemption of stamp duty on mortgage deeds	13	0.03
6	Miscellaneous irregularities	137	1.01
Total		1,157	6.50
B Land Revenue			
7	Miscellaneous irregularities	133	0.02
Total		133	0.02
Grand total		1,290	6.52

During the year 2008-09 the department accepted underassessments and other deficiencies of Rs. 1.90 crore involved in 310 cases of which 304 cases involving Rs. 1.89 crore had been pointed out during 2008-09 and the remaining in the earlier years. The department recovered Rs. 1.49 lakh in seven cases during the year 2008-09 of which one case involving Rs. 16,543 related to the year 2008-09 and the balance to the earlier years.

After the issue of draft paragraph the department further recovered Rs 1 43 lakh in one case

A few illustrative audit observations involving Rs 74 56 lakh are mentioned in the succeeding paragraphs

The department in its written reply stated as under

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D O letter No 4575 STR 3 2013/9558 78 dated 19 07 2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine They have also been impressed upon to hold special campaigns to dispose of Court cases and to affect recovery in Revenue as well as in public interest

The Committee wants to know the number of Tehsildars charged sheeted under rule 7 & 8 separately and punished out of 22 Tehsildars found guilty in the report of the Inquiry Officer

The Committee desired the department to start timely schedule system for disposing off the revenue cases pending for a long time and the recovery process be also expedited The progress report be sent to the Committee accordingly

[60] 3 3 1 Evasion of stamp duty due to undervaluation of immovable property

Under Section 27 and 64 of the IS Act as applicable to Haryana consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amounts of duty with which it is chargeable should be fully or truly set forth therein The IS Act further provides that any person who with intent to defraud the Government executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth is punishable with a fine which may extend to Rs 5 000 per instrument

During test check of the records of six registering offices between July and November 2008 it was noticed that ten conveyance deeds were registered between April 2007 and May 2008 on account of sale of immovable properties The total value of properties set forth in all these conveyance deeds was Rs 1 97 crore Cross verification by audit of these deeds with the agreements executed between the concerned parties between March 2007 and February 2008 and recorded with the various document writers revealed that the total sale value of the agreements worked out to Rs 3 95 crore Thus the conveyance deeds were got executed and registered at a consideration less than that agreed upon between the affected parties Undervaluation of immovable properties in conveyance deeds resulted in evasion of stamp duty of Rs 10 41 lakh Additionally penalty not exceeding Rs 50 000 for undervaluation made with intent to defraud the Government was also leviable

After the cases were pointed out between July and November 2008 the Joint Sub Registrar (JSR) Jakhai and Sub Registrars (SRs) Safidon and Samalkha stated between November 2008 and January 2009 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 of the registering authorities does not explain why these cases had

been referred to the Collector since there was no need to refer the cases to the Collector for decision as the value of the property had already been agreed upon between the affected parties. The JSR Alewa and SR Palwal stated between July 2008 and January 2009 that progress of recovery would be intimated after taking necessary action as per provisions of the IS Act. The JSR Pillukhera stated in April 2009 that Rs 16 543 had been recovered in October 2008. Further report has not been received (August 2009).

After the matter was reported to the Government in February 2009, the Government stated in May 2009 that in such cases jurisdiction lies with the Collector under section 47 A of the Act to decide the stamp duty so chargeable in quasi-judicial capacity. The concerned SRs/JSRs and Courts of Collectors would require time to verify the facts and decide the cases as per provisions of the stamp law procedure.

The department in its written reply stated as under

The latest position of para is as under

		No of cases	Amount (in lacs)
1	Amount Recovered by the department	1	1 65
2	Amount dropped by Collectors		
3	Amount dropped by A G		
4	Pending in various courts of Collectors u/s 47 A	2	5 58
5	Balance cases/ Amount for recovery	7	3 18
	Total	10	10 41

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D O letter No 4575 STR 3 2013/9558 78 dated 19 07 2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in Revenue as well as in public interest.

The Committee desired the department to make strenuous efforts to recover the balance amount under intimation to the Committee

The Committee also desired that the cases pending in the various courts be pursued for early settlement and its final outcome be intimated to the Committee accordingly

[61] 3 3 2 Evasion 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 transactions recorded therein. In case possession of the property is handed over after receipt of full amount of consideration, the instrument becomes a conveyance deed and stamp duty becomes leviable under the IS Act.

During test check of the records of five offices of registering authorities for the year 2007-08 between June and September 2008 it was noticed that eight instruments conveying possession and transfer of property valued as Rs 162 crore to the vendees were executed between May 2007 and March 2008. 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 stamp duty of Rs 9.87 lakh was leviable. However the registering authorities misclassified these documents and registered the deeds as agreements to sell charging stamp duty of Rs 440 which was incorrect. This resulted in evasion of stamp duty of Rs 9.87 lakh.

After the cases were pointed out between June and September 2008 the SRs Ambala City, Hisar and Sonha stated between June and September 2008 that progress of recovery would be intimated after taking necessary action as per provisions of the IS Act. The JSR Ambala Cantonment and SR Farukhnagar stated in September and October 2008 that the cases had been sent (September and October 2008) to the Collector under section 47-A of the Act for decision. Further report has not been received (August 2009).

The matter was reported to the Government in February 2009; their reply has not been received (August 2009).

The department in its written reply stated as under

The latest position of para is as under

		No of cases	Amount (in lacs)
1	Amount Recovered by the department	2	2.02
2	Amount dropped by Collectors		
3	Amount dropped by A G		
4	Recovery already mentioned in CAG		
5	Pending in various courts of Collectors u/s 47-A	3	5.50
6	Balance cases/ Amount for recovery	3	2.35
	Total	8	9.87

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D.O. letter No. 4575 STR 3 2013/9558-78 dated 19.07.2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in Revenue as well as in public interest.

The Committee desired the department to make strenuous efforts to recover the balance amount under intimation to the Committee

The Committee also desired that the cases pending in the various courts be pursued to their logical conclusion and its final outcome be intimated to the Committee accordingly

[62] 3 4 1 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 the Government issued instructions in November 2000 to all registering authorities in the State to the effect that land sold within municipal limits with an area less than 1 000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1 000 square yards be valued at the rate fixed for the residential property of that locality for the purpose of levying stamp duty

During test check of the records of 15 offices of SR for the year 2007 08 between April and October 2008 it was noticed that 50 sale deeds of plots in municipal limits with an area less than 1 000 square yards and in case where purchasers were more than one and the share of each purchaser was less than 1 000 square yards were registered between April 2007 and January 2008. The deeds were liable to be assessed for Rs 9 22 crore based on the rates fixed for residential areas and stamp duty of Rs 67 06 lakh was chargeable. However the registering authorities assessed the deeds for Rs 2 94 crore based on the rates fixed for agricultural land and levied stamp duty of Rs 22 86 lakh. This resulted in short levy of stamp duty of Rs 44 20 lakh.

After the cases were pointed out between April and October 2008 seven SRs stated between September 2008 and March 2009 that the cases had been sent to the Collector under Section 47 A of the Act for decision. SR Palwal stated in July 2008 that the cases would be sent to the Collector for decision.

Further report and reply from the remaining SRs has not been received (August 2009).

After the matter was reported to the Government in February 2009 the Government stated in May 2009 that these cases had been sent to the concerned Collectors under Section 47 of the Act for decision.

The department in its written reply stated as under

The latest position of para is as under

		No of cases	Amount (in lacs)
1	Amount Recovered by the department	2	1 60
2	Amount dropped by Collectors	2	0 84
3	Amount dropped by A G	2	2 21
4	Pending in various courts of Collectors u/s 47 A	13	9 91
5	Balance cases/ Amount for recovery	31	29 64
	Total	50	44 20

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D O letter No 4575 STR 3 2013/9558 78 dated 19 07 2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in Revenue as well as in public interest.

The Committee desired the department to make strenuous efforts to recover the balance amount under intimation to the Committee

The Committee also desired that the cases pending in the various courts be pursued to their logical conclusion and its final outcome be intimated to the Committee accordingly

[63] 3 4 2 Exemption of stamp duty on collusive decrees

Under Section 17 of the Indian Registration Act 1908 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 Financial Commissioner Revenue (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 1 A of the IS Act. The SRs were asked to carefully examine each document so as to ensure that there is no deliberate attempt for evasion of stamp duty and the same is properly stamped under the Act.

During test check of the records of three offices of SRs between May and August 2008 for the year 2007 08 it was noticed that six compromise decrees which were not bonafide were registered between June 2007 and February 2008 without charging stamp duty on total consideration of Rs 1 31 crore. These parties obtained collusive decrees to evade stamp duty. The SRs did not comply with the instructions of the FCR issued in September 1996 and allowed exemptions from payment of stamp duty without confirming the facts that property mutated was executed between blood relations. This resulted in irregular exemption of stamp duty of Rs 7 78 lakh.

After the cases were pointed out between May and August 2008 the SRs Gharaunda and Kamal stated between October and December 2008 that all the cases of deficiency of Rs 5 92 lakh had been referred to the Collector under Section 47 of the IS Act for decision. SR Narnaund stated in August 2009 that the Collector decided these four cases in December 2008 for levy of stamp duty of Rs 1 86 lakh and efforts were being made to recover the deficient amount of stamp duty. Further report on recovery/progress has not been received (August 2009).

The matter was reported to the Government in March 2009 their reply has not been received (August 2009).

The department in its written reply stated as under

The latest position of this para is as under

		No of cases	Amount (in lacs)
1	Amount Recovered by the department		
2	Amount dropped by Collectors		
3	Amount dropped by A G		
4	Pending in various courts of Collectors u/s 47 A		
5	Balance cases/ Amount for recovery	6	7 78
	Total	6	7 78

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D O letter No 4575 STR 3 2013/9558 78 dated 19 07 2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine. They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in Revenue as well as in public interest.

The Committee desired the department to make strenuous efforts to recover the balance amount under intimation to the Committee

The Committee also desired that the cases pending in the various courts be pursued to their logical conclusion and its final outcome be intimated to the Committee accordingly

[64] 3 4 3 Irregular exemption of stamp duty

By a notification issued on 11 August 1995 the Government remitted stamp duty in respect of the sale deeds executed by the farmers whose land is acquired by the Government of Haryana for public purposes and who purchase agriculture land in the State within one year of the amount of compensation received by them for the acquired land. Thus the remittance is allowed for the purchase of agriculture land only and the purchase of residential land is liable to stamp duty as per rules.

During test check of the records of the office of SR Panchkula for the year 2007 08 in July 2008 it was noticed that the farmers whose land was acquired by the Government for public purposes purchased two residential plots valued as Rs 38 31 lakh and got registered two sale deeds. The registering authority allowed exemption of stamp duty of Rs 2 30 lakh under aforesaid notification though stamp duty was leviable since they had purchased residential plots from the amount of compensation received. Thus irregular exemption of stamp duty resulted in loss of revenue to Government to the extent of Rs 2 30 lakh.

After the cases were pointed out in July 2008 the SR Panchkula admitted the facts and stated in January 2009 that notices of recovery had been issued to the concerned parties. Progress of recovery has not been received (August 2009).

After the matter was reported to the Government in February 2009 the Government stated in April 2009 that the department was pursuing the cases vigorously Notices for recovery had been issued to the parties concerned

The department in its written reply stated as under

The latest psosion of this apra is as under

		No of cases	Amount (in lacs)
1	Amount Recovered by the department	1	0 44
2	Amount dropped by Collectors		
3	Amount dropped by A G		
4	Pending in various courts of Collectors u/s 47 A		
5	Balance cases/ Amount for recovery	1	1 86
	Total	2	2 30

Recently all the Deputy Commissioners of the State have been impressed upon vide ACS & FCR D O letter No 4575 STR 3 2013/9558 78 dated 19 07 2013 to look into the matter at personal level and to instruct the authorities concerned to pay special heed to decide these expeditiously and make strenuous efforts to recover the balance amount in a time bound manner and not to treat such cases in a casual manner as a matter of routine They have also been impressed upon to hold special campaigns to dispose of the Court cases and to affect recovery in Revenue as well as in public interest

The Committee desired the department to make strenuous efforts to recover the balance amount under intimation to the Committee

The Committee also desired that the cases pending in the various courts be pursued for the early settlement and its final outcome be intimated tp the Committee accordingly

TRANSPORT DEPARTMENT

[65] 1 16 Compliance with the earlier Audit Reports

During the years between 2003 04 and 2007 08 the department/Government accepted audit observations involving revenue of Rs 1 009 70 crore out of which an amount of Rs 451 26 crore was recovered till 31 March 2009 as mentioned below

(Rupees in crore)

Year of Audit Report	Total money value	Accepted money value	Recovery made
2003 04	315 26	126 27	126 27
2004 05	367 24	362 94	2 26
2005 06	200 60	98 17	6 19
2006 07	407 54	392 67	315 22
2007 08	122 75	29 65	1 32
Total	1 413 39	1 009 70	451 26

The recovery in respect of the accepted cases was 45 per cent. The Government may advise the concerned departments to take necessary steps for speedy recovery.

The department in its written reply stated as under

RTAs/ RAs concerned have been instructed for speedy recovery. As the para is of advisory nature, the same may be dropped.

The Committee desired that the department should make sincere and vigorous efforts for the speedy recovery of the balance amount.

[66] 5 1 Results of audit

Test check of the records in the offices of Transport, Excise and Taxation, Agriculture and Power departments relating to revenue received from taxes on vehicles, taxes on goods and passengers and other tax receipts during the year 2008 09 revealed non/short recovery of tax, fees and penalty etc. amounting to Rs 5 18 crore in 5 738 cases which fall under the following categories:

(Rupees in crore)

Sr No	Category	Number of cases	Amount
A Transport Department (Taxes on vehicles)			
1	Non/short recovery of token tax in respect of stage carriage buses	473	0 79
2	Short charging of permit/countersignature fees from owners of heavy/light transport vehicles	1 226	0 29
3	Non recovery of bid money	18	0 20
4	Non/short realisation of registration fee and token tax on vehicles transferred from other States	982	0 18
5	Miscellaneous irregularities	1 510	0 65
	Total	4 209	2 11

During the year 2008 09 the departments accepted underassessments and other deficiencies of Rs 2 17 crore involved in 1 860 cases of which 1 852 cases involving Rs 2 13 crore had been pointed out during the year 2008 09 and the remaining in earlier years The departments recovered Rs 16 36 lakh in 99 cases during the year 2008 09 of which 91 cases involving Rs 12 73 lakh related to the year 2008 09 and balance to the earlier years

A few illustrative audit observations highlighting irregularities involving financial effect of Rs 1 61 crore are mentioned in the succeeding paragraphs

The department in its written reply stated as under

In this para an amount of Rs 2 11 crore was shown to be outstanding by the AG(Audit) during the year 2007 2008 After the discussion on the draft paras it remains Rs 50 25 lac The detail of which is annexed at A Thereafter an amount of Rs 37 10 lac was recovered or settled from the AG (Audit) Haryana Now an amount of Rs 13 15 lac is outstanding for which concerned authorities are being directed from time to time to recover the outstanding amount at the earliest Vide letter No 1408 35/SAO (Audit)/SO II dated 18 7 2012 2111 2138/SAO (Audit)/SO II dated 19 11 2012 54 81/ SAO (Audit)/SO II dated 10 01 2013 and 623 27/SAO (Audit)/SAO II dated 02 07 2013 D O letters have also been written to R A to recover the amount

The Department should take concrete steps to recover the old outstanding government dues under intimation to the Committee

[67] 5 4 1 Non/short recovery of token tax

Under the Punjab Motor Vehicles Taxation Act 1924 (PMVT Act) and the rules framed thereunder as applicable to Haryana the 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 per vehicle for a period of one year Any broken period in such quarterly periods shall for the purpose of levying the tax be considered as a full quarter In case of omission to comply with the provisions the Act further provides that the licensing officers 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

The department in its written reply stated as under

The para is of advisory nature and observation will be complied with Hence the para may be dropped

The Committee desired the department to make strenuous and vigorous efforts to recover the balance outstanding amount and the position of recovery be intimated to the Committee on quarterly basis

[68] 5 4 1 1 City bus owners

A stage carriage or contract carriage plying under a permit issued under Fandabad and Gurgaon city Private Bus Service Scheme 2004 is required to pay token tax prescribed for a half body bus and for a full body bus at the rate of Rs 18 000 and Rs 30 000 per annum respectively

During test check of the records of the offices of Secretary Regional Transport Authority (RTA) Faridabad and Gurgaon for the years 2006 07 to 2007 08 between August 2007 and June 2008 it was noticed that 138 private bus operators who were granted permits for plying buses in city areas did not deposit token tax for different periods between April 2006 and March 2008. No action was taken by the RTAs to recover token tax from the defaulting bus owners. This resulted in non/short realisation of token tax of Rs 22.22 lakh. Additionally maximum penalty of Rs 44.43 lakh was also leviable.

After the cases were pointed out between August 2007 and June 2008 the Secretary RTAs Faridabad and Gurgaon stated in June 2008 and March 2009 that a sum of Rs 3.17 lakh had been recovered in 17 cases between August 2007 and March 2009 and efforts were being made to recover the balance amount. A report on recovery of balance amount has not been received (August 2009).

The department in its written reply stated as under

Out of Rs 24.84 lac an amount of Rs 17.73 lac relates to Secy RTA Gurgaon. Out of which an amount of Rs 11.64 has already been recovered. In rest of the cases buses are not plying on the Road as intimated by RTA Gurgaon.

In case of RTA Faridabad in which an amount of Rs 7.11 lac is outstanding in all the cases RC has been cancelled. Besides this all the authorities have been intimated to impound the said buses if they are plying on the Road. As they have not paid the token tax. The Excise and Taxation Department has also been asked whether the said buses are paying passenger tax or not. In these cases they had replied that these buses are not paying the passenger tax for the last years. In these cases Secy RTA has been directed to recover the amount under land revenue Act/Rule. PAC is requested to drop this para.

The Committee desired the department to make strenuous and vigorous efforts to recover the balance outstanding amount and the position of recovery be intimated to the Committee on quarterly basis

[69] 5.4.1.2 Stage carriage bus owners

Token tax on a stage carriage bus plying for hire and used for the transport of passengers shall be leviable at the rate of Rs 550 per seat per annum subject to a maximum of Rs 35,000 per vehicle per annum.

During test check of the records of 10 offices of the Secretary RTAs between November 2007 and October 2008 it was noticed that 102 buses were plied as stage carriages by the transport co operative societies during the years 2006 07 and 2007 08. 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 22.05 lakh. Additionally penalty was also leviable.

After the cases were pointed out between November 2007 and October 2008 six RTAs stated between January and June 2009 that Rs 3.83 lakh had been recovered in 26 cases between April 2008 and May 2009 and efforts were being made to recover the balance amount of Rs 10.42 lakh. RTA Fatehabad stated in January 2009 that recovery was being made. RTA Kaithal stated in February 2009 that action was being taken to recover the tax. A report on recovery and reply from the remaining two RTAs involving Rs 4.17 lakh has not been received (August 2009).

The matter was pointed out to the State Transport Controller (STC) Transport Department between December 2007 and March 2009 and reported to the Government in April and May 2009 their reply has not been received (August 2009)

The department in its written reply stated as under

Out of Rs 22.07 lac an amount of Rs 17.50 lac has been recovered and balance of Rs 4.57 lac out of which an amount of Rs 3.79 relates to RTA Faridabad. In this case 22 No. of buses were involved. Out of which recovery has been made in 6 No. of buses. 5 No. of buses have been transferred in other district. 4 buses are exempted from token tax. 1 bus has been burnt. 3 buses are impounded by PGT. 1 bus has been sold in scrap and 1 bus is not plying on road as intimated by Secretary RTA Faridabad vide their letter No 1736/Audit dated 24.07.2013. Thus an amount of Rs 4.57 lac is not recoverable as per position stated above and Secretary RTA Jind and Gurgaon has intimated that 2 No. of buses at Gurgaon and 1 No. of bus in Jind is not plying on Road as the permits in case of Jind has been deposited by the operator and Secretary RTA Gurgaon has intimated that 2 buses involved in case of recovery are not plying on the road. In these cases Secy RTA has been directed to recover the amount under land revenue Act/Rule. Thus PACs is requested to drop the para.

The Committee desired the department to make strenuous and vigorous efforts to recover the balance outstanding amount and the position of recovery be intimated to the Committee on quarterly basis

[70] 5.4.1.3 Short realisation 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 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 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 offices of Secretary RTA Naraingarh (now RTA Ambala) and Sirsa in October and November 2008 it was noticed that holders of 576 permits (HTV 463 LTV 113) applied for transfer of permits during the years 2006-07 and 2007-08. RTAs allowed transfer of permits in these cases. Against the recoverable fee of Rs 14.71 lakh the department charged application fee of Rs 57,600 and permit fee of Rs 23,400 only. This resulted in short realisation of permit fee of Rs 13.90 lakh.

After the cases were pointed out in October and November 2008 RTA Ambala stated in February 2009 that an amount of Rs 63,500 had been recovered in 25 cases in December 2008 and January 2009 and efforts were being made to recover the balance amount. RTA Sirsa stated in June 2009 that notices would be issued to recover the permit transfer fee from the concerned parties. A report on recovery has not been received (August 2009).

The matter was pointed out to the STC Transport Department in November and December 2008 and reported to the Government in May 2009 their reply has not been received (August 2009)

The department in its written reply stated as under

As per rule 74 (1) of Haryana Motor Vehicle Rules 1993 when the holder of a permit desires to transfer the permit to some other person under sub section (1) of Section 82 he and the person to whom he desires to make the transfer shall make a joint application in writing accompanied by a cash receipt or treasury challan of fees specified for making application for grant of permit to the state or a Regional Transport Authority by which the permit was issued setting forth the reasons for the transfer and stating whether any premium payment or other consideration arising out of the transfer is to pass or has passed between them and the nature and amount of such premium payment or consideration

(4) (i) If the State or a Regional Transport Authority allows transfer of a permit under sub rule (2) 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 persons to whom the permits is to be transferred to deposit the fee specified for grant of permit under rule 61

Due to difference in interpretation of the relevant provisions of rules Works of RTA was transferred to SDO(c) in 1997 To enable them to perform their duties smoothly guidelines were issued to all the SDO(c) 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 74(1) of Haryana Motor Vehicles Rules for transfer of permit However he was not mentioned as 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 07 2007 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 Secy RTAs have been directed to make special efforts to recover the pending fee

However a number of practical and legal problems have been pointed out by the Field Officers during discussions In many cases the vehicles are not 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 In view of the above PAC is requested to drop the para

The Committee desired the department to make strenuous and vigorous efforts to recover the balance outstanding amount and the position of recovery be intimated to the Committee on quarterly basis

[71] 5 5 Non realisation of additional fee for retention of choice registration mark

The Department did not observe provisions of Government notification in some cases at the time of allowing the registration of choice numbers which resulted in non levy of additional fee of Rs 4 35 lakh

As per notification issued by Government in December 2005 under Section 65 of the MV Act and the Haryana Motor Vehicles Rules 1993 framed thereunder the registering authority shall allot to the owner of non transport vehicle a registration mark of his choice from amongst the registration mark specified by the Central Government on payment of prescribed additional fee. However if the motor vehicle with choice registration number is being transferred in the name of other person the same may be allowed by the registering authority on payment of additional fee as prescribed.

During test check of the records of five registering authorities {Motor Vehicles (MVs)} between February and October 2008 it was noticed that in 63 cases the motor vehicles with choice registration numbers were transferred in the name of other persons. Registering authorities transferred the vehicles with choice registration numbers without charging the additional fee as prescribed. This resulted in non realisation of additional fee of Rs 4 35 lakh.

After the cases were pointed out between February and October 2008 four registering authorities (MVs) stated in June 2008 and March 2009 that a sum of Rs 15 000 (Faridabad Rs 5 000 Nuh Rs 10 000) had been recovered in two cases and efforts were being made to recover the balance amount of Rs 3 40 lakh. Further report on recovery and reply from registering authority (MV) Panchkula has not been received (August 2009).

The matter was pointed out to the STC Transport Department in February 2009 and reported to the Government in April 2009 their reply has not been received (August 2009).

The department in its written reply stated as under

Out of Rs 4 35 lac an amount of Rs 1 35 lac has been recovered and efforts are being made to recover the balance amount. It is also brought to your kind notice that the vehicles are personal vehicles are they paid the one time tax at the time of registration thereafter they can not turn back.

However efforts are being made to recover the balance amount. Keeping in view the small amount involved in the para PAC is requested to drop this para.

The department should accelerate the pace of recovery and the progress of recovery be intimated to the Committee from time to time

HOME DEPARTMENT

[72] 6 2 8 2 Non realisation of police cost from Railways

Test check of the records of the office of SP (Telecom) Panchkula in June 2008 revealed that the department had deployed telecommunication staff on Railways duty on its own since December 1990 without obtaining the approval of the Railways. The deployment was made to set up a separate control room in the GRP at Ambala in view of terrorist violence on the Railways. The instructions to establish the control room were stated to have been conveyed by the then DGP on 24 July 1987. However, no bill was raised for recovery of police cost. The lapse was pointed out by audit in October 2002. Even after that the department failed to take immediate steps to raise and realise the cost from Railways.

The department raised two claims towards cost of staff deployed during the period between December 1990 and December 2006 amounting to Rs 1 80 crore on IG (RPF) in July 2006 and May 2007. The Railway authorities returned the bill in December 2006 (Rs 1 19 crore raised in July 2006) for want of a copy of Railway Board concurrence order SP (Railways) Haryana Ambala Cantonment requested the DGP in April 2008 that correspondence with the Railway Board may be made for obtaining their approval as desired by the Railway authorities. However, no reply had been sent to Railway authorities upto June 2008. Delays in raising the bills and non obtaining of approval of the Railways even after lapse of more than seventeen years resulted in non realisation of revenue to the extent of Rs 1 80 crore. However, given the railway refusal to honour the claims, it is unlikely that these claims would ever be paid by them.

During the exit conference, the department stated that efforts would be made to effect recovery from Railways and as regard deployment of police staff without obtaining approval from Railways, the matter would also be looked into.

The department in its written reply stated as under

In this regard it is submitted that the cost statement amounting to Rs 1 19 crore for the period w e f 12/90 to 9/2003 amounting to Rs 60 86 lac for the period from 10/03 to 12/06 amounting Rs 12 10 lac for the period from 1/07 to 3/08 amounting to Rs 18 75 lac for the period from 4/08 to 3 09 amounting Rs 19 37 lac for the period from 4 09 to 3 10 and amounting to Rs 23 14 lacs for the period from 4/10 to 3/11 have been submitted by the SP GRP Ambala Cantt vide Memo No 41627/Accts dated 27 07 2006 No 65913/Accts dated 19 12 2008 No 38157/Accts dated 17 06 2010 No 67749/Accts dated 15 11 2010 No 67750/Accts dated 15 11 2010 No 16346/Accts 3 dated 11 07 2011 respectively to the Railways authorities and matter is under correspondence to realize the payment. In tabular form as under

Sr No	PERIOD	AMOUNT
1	12/90 to 09/03	Rs 01 19 crore
2	10/03 to 12/06	Rs 60 86 lacs
3	01/07 to 03/08	Rs 12 10 lacs
4	04/08 to 03/09	Rs 18 75 lacs
5	04/09 to 03/11	Rs 19 37 lacs
6	04/10 to 03/11	Rs 02 43 Crore

It is also submitted that the deployment was made to set up a separate control Room in the GRP at Ambala in view of the terrorist violence on the Railways after the approval of the Govt. accorded by the Memo No 10/23/88-4HGI dated 15 07 88. On the proposal of the SP wireless Haryana Chandigarh submitted vide Memo No 12418 21 dated 06 08 1987 on the request of SP Railways Haryana Ambala Cantt. Submitted vide Memo No 15246/HC dated 25 07 1987. Thus the Department has performed its duty of law and order and avoids terrorist violence & loss to Govt. property. The matter regarding deployment of police staff without obtaining the approval from Railways is being looked in to by the IGP/Telecom as directed vide Memo No 11461/A3 dated 09 11 2010. On 29 08 2011 DIG/ Telecom has decided to overcome this problem and for the administrative necessity and convince to deploy these officials for the disposal of communication duties in Railways may be taken of deputation by the Railway authorities against the vacant posts.

However SP/GRP Ambala has been directed vide DGP Haryana Memo No 13913/Acccts 3 dated 15 07 2013 to expedite the matter of realization of up to date outstanding amount with Railway at personal level after arranging a meeting with them.

Therefore in view of the position explained above the para may be settled please

The Committee desired the department to take up the matter of recovery of the due amount after holding a meeting with the Railways authorities and its progress report be submitted to the Committee accordingly

[73] 6 2 9 Non existence of system to monitor the raising of claims for incentive money for passport verification reports

With a view to encourage timely receipts of PVRs in respect of passports GOI MEA introduced a scheme in October 2003 for payment of incentive money of Rs 100 and Rs 50 per PVR referred directly by the passport office to the State Government provided it was received within 30 days and after 30 days respectively. From 1 September 2005 the MEA decided to disburse Rs 100 and Rs 25 per PVR provided it was received within 20 days and after 20 days respectively. Apart from the above the MEA also disbursed an amount of Rs 200 to the State Government for each passport application received through District Passport Cell (DPC) alongwith the PVR with effect from 1 April 2002.

Audit observed that no system had been prescribed for monitoring the receipts of incentive claims from SP/SSP offices in respect of PVRs cleared during the year. Further State Government/DGP was not aware of the actual amount due from MEA. Absence of any control system for recovery of dues led to short payment to the State Government.

As per information provided by 18 offices of SSP/SP (between October 2008 and February 2009) the department cleared 2 05 460 PVRs and 1 37 421 applications for passport received from passport offices and DPCs during the period from January 2004 to December 2007. Though the department had not raised claims the MEA paid incentive money of Rs 3 12 crore (between January 2004 and December 2007) to the State Government against incentive money payable amounting to Rs 4 38 crore. Thus an amount of Rs 1 26 crore was short paid by MEA to the State Government as per details given below.

Particular	Period	Number of PVRs cleared	Amount (Rupees in lakh)	Number of PVRs for which payment received for MEA	Amount of incentive money passed by MEA (Rupees in lakh)
Passports received for verification from the passport offices					
Within 30 days	1 January 2004 to 31 August 2005	50 830	50 83	2 085	2 08
After 30 days	1 January 2004 to 31 August 2005	18 485	9 24	49 556	12 39
Within 20 days	1 September 2005 to 31 December 2007	93 156	93 15	2 357	2 36
After 20 days	1 September 2005 to 31 December 2007	42 989	10 75	80 775	20 19
Passport received from DPC					
	1 January 2004 to 31 December 2007	1 37 421	274 84	1 37 726	275 45
Total		3 42 881	438 81	2 72 499	312 47

It is evident from the table above that the MEA had paid incentive money at the rate of Rs 100 per PVRs cleared within 30/20 days for 4 442 PVRs as against 1 43 986 PVRs and at the rate of Rs 25 per PVRs cleared after 30/20 days for 1 30 331 instead of payable at Rs 50 per PVRs for 18 485 and at Rs 25 per PVRs for 42 989. Furthermore delay in sending 61 474 PVRs (after 30 days 18 485 after 20 days 42 989) from police authorities during the period January 2004 to December 2007 led not only a public inconvenience due to delay in issuance of passports but also revenue implication for the State Government resulting in less receipts of Rs 41 48 lakh.

During the exit conference the department stated that delay in PVRs in respect of passport was due to the fact that passport documents for verifications were firstly sent to the office of District Magistrate (DM) and Criminal Investigation Department (CID) and thereafter to the police department. However the department agreed to take up the matter with the State Government for monitoring.

The department in its written reply stated as under

- (i) In this regard it is submitted that the Govt. of Haryana has nominated City Magistrate as Nodal Officer at the District Headquarters and Under Secretary (Home) at the State level vide Memo No 14/6/2001 2PE dated 24.05.2001.
- (ii) Vide above Memo. The Collection center for the receipt of application was also fixed D.M. office in each District.
- (iii) The payment on account of Police verification reports on the passport applications received from District Passport Cell as well as received directly from the Regional Passport Officers Delhi and Chandigarh is also reimbursed by the Govt. of India to the Government of Haryana and not to

the Police Department No intimation regarding release of payment is given to the Police Department separately by the passport authorities

- (iv) The Nodal Officers for the District Passport Cells in Haryana are required to forward the passport applications to the concerned Regional Passport Office duly completed in all respects including Police verification report within the prescribed time limit to obtain the benefit admissible under the scheme of Government of India as decided vide memo No 14/6/2001 2PE dated 13 07 2004. The role of the Police Department is only the police verification antecedents of the passport applications

From the above it is clear that the Nodal Officers appointed by the State Government at the District level and State level should prescribe a periodical return and devise the ways to ascertain the correctness of the amount received from MEA. The matter regarding investigation of reasons for sending the PVRs within 30/20 days from the date of receipt of applications can be taken up only at the level of District Nodal Officers as this prescribed period includes the completion in all respects including the Police verification report within prescribed time limit and the basic records relating to the receipt of passport applications from the passport officers and its further submission to the passport offices is available in the District Magistrates offices

In view of position explained above it is requested that this para may be settled please

The Committee desired the department to send the latest detailed information about the number of cases in which the recovery has not been made sofar togetherwith the outstanding amount to be recovered till date

[74] 6 2 11 Delay in submission of inventory of unclaimed vehicles

As per section 25 of the Police Act 1861 it shall be the duty of every police officer to take charge of all unclaimed property and to furnish an inventory thereof to the DM

Audit observed that there is no provision in the Punjab Police Rules 1934 regarding time limit for submission of inventory of unclaimed vehicles to the DM

As per information collected from nine offices of SSP/SP it was observed that 950 vehicles were lying unclaimed with the district police stations as on 31 March 2008. The delay in submission of inventory ranged between six and 106 months as shown in the table below

Delay in submission of inventory of unclaimed vehicles

Particulars	Exceeding 60 months	Between 48 and 60 months	Between 36 and 48 months	Between 24 and 36 months	Between 12 and 24 months	Less than 12 months	Total
Number of unclaimed vehicles	148	38	29	139	141	357	852
Percentage	17	5	3	16	17	42	

Due to delay in submission of inventory report the disposal of these vehicles was also delayed resulting in deterioration of the condition of these vehicles consequently

resulting in realisation of less revenue Further misuse of these vehicles also could not be ruled out

During the exit conference the department stated that the system would be streamlined

The department in its written reply stated as under

In this regard it is submitted that all the Superintendent of Police have been directed to submit the inventory to the District Magistrate quarterly to dispose off the unclaimed vehicles as soon as possible after completing all the formalities required vide this office Memo No 11437 58/A 3 dated 09 11 2010

The position of Delay in submission of inventory of unclaimed vehicles of the nine offices of SSP/SP on 31 03 2013 is as under

Particulars	Exceeding 60 months	Between 48 and 60 months	Between 36 and 48 months	Between 24 and 36 months	Between 12 and 24 months	Lesss than 12 months	Total
DCP Urban –Ambala	2	2	5	45	37	Nil	91
SP Karnal	8	7	19	27	16	26	103
DCP Panchkula	212	48	77	78	66	77	558
SP Sirsa	5	3	12	13	10	14	57
DSP HQR GGN	Nil	Nil	Nil	Nil	Nil	Nil	
SP Panipat	8	1	3	19	130	208	369
SP Hisar	12	23	33	58	63	8	197
DCP Faridabad	4	8	14	18	26	28	98
SP Yamuna Nagar	63	49	39	70	33	39	293
Total Number of unclaimed vehicles	314	141	202	328	381	400	1766
Percentage	17 8 %	7 9 /	11 4 /	18 6 /	21 6 %	22 7 /	
Opening Balance on 31 03 2008							1320
Addition 3/08 to 31 03 2013							5244
Disposed off during 3/08 to 31 03 2013							4798
Net Balance							1766

Therefore in view of above position it is requested that the para may be settled please

The Committee desired the department to get assessment of the vehicle on the same day when it is brought to the police station and its full detail be entered in the Rojnamcha

The Committee also desired the department to supply the detailed information about the undisposed 1766 vehicles to the Committee at the earliest

[75] 6 2 14 1 Non/Short raising of bills

During test check of the records of five police offices between February 2007 and January 2009 it was noticed that the police forces were deployed to PSUs commercial companies corporations and banks between April 1974 and March 2008. However the department failed to recover the cost of police in advance for police personnel deployed to banks Haryana Urban Development Authority (HUDA) Indian Oil Corporation (IOC) and departments of State Government/GOI resulting in amount of Rs 4 18 crore remaining blocked for long periods.

After the cases were pointed out the SP Faridabad stated in February and September 2008 that efforts were being made to recover the amount of Rs 1 32 crore from Thermal HPCCL and banks and action would be taken on receipt of orders from HUDA. The Commandant 1st Battalion Ambala city stated in October 2008 that the matter was being pursued with the IOC authorities for the early payment of outstanding dues. The SP/SSP Ambala Karnal and Panchkula stated in September 2008 and January 2009 that the matter was under correspondence with the Government. Further reply has not been received (August 2009).

The department in its written reply state as under

In this regard the unit wise detail of amount realized and deposited in Govt Treasury is as under as intimated by the concerned unites as under

Sr No	Name of SP office	Name of organization/ Department	Period	Amount recovered (Amount in Rs)	Remarks
1	SP/Fandabad	HPGCL	01 05 04 to 31 03 09	1 10 85 164	
		Canara Bank FBD	01 03 05 to 31 07 09	94 23 133	
		PNB FBD	01 03 05 to 30 09 09	1 01 98 742	
		Gunman to Escort Group FBD	30 09 05 to 31 03 10	20 48 237	
		Gunman to Sethi Group FBD	30 09 05 to 31 03 10	44 74 476	
		Gunman to Lakhani Group FBD	01 04 07 to 31 03 10	22 90 027	
		HUDA FBD	2006-07		The matter is under correspondence with HUDA Authorities for the recovery of Rs 5 39 lac. DCP Hqr Faridabad has been directed to expedite the issue for the realization of outstanding amount pending with HUDA Authorities at personal level after arranging the meeting with them.
Total				3 95 19 779	

2	Comdt / Ist Bn HAP Ambala City	IOC Ambala	2006-07 to 2007 08	—	The matter is under correspondence with IOC at <u>Govt level</u>
3	SP/Ambala	Post & Telegraph Deptt	5/2007 to 4/2008	—	The matter is under correspondence between SP/ Ambala & post & Telegraph Deptt for the recovery of the amount DCP Ambala has been directed to expedite the issue for the realization of outstanding amount pending with Post & Telegraph Deptt & personal level after arranging the meeting with them

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

2 The Committee also desired the department to pursue the case with the IOC after arranging the meeting with them and thereafter expedite the realization of the outstanding amount

3 The Committee further desired the department to make all out efforts to recover the outstanding amount pending with the Post and Telegraph Department under intimation to the Committee

[76] 6 2 14 2 Non/Short raising of bills

During test check of the records in the offices of SP (GRP) Ambala Cantonment SP Karnal and Sirsa between December 2007 and January 2009 for the year 2004 05 to 2007 08 it was noticed that a sum of Rs 1 14 crore was claimed less due to non inclusion of different elements at the time of claims lodged with the Railways Civil Aviation Club and banks

After the cases were pointed out the SP Sirsa admitted the audit observations and stated in April 2008 that concerned parties had been asked to deposit the differential amount SP Karnal stated in January 2009 that the matter regarding recovery of police cost of Rs 80 61 lakh and less claim of Rs 10 84 lakh was under correspondence with the Government Reply from SP (GRP) Ambala has not been received (August 2009)

During the exit conference the department stated that the Government had agreed to write off the amount due (Rs 10 84 lakh) from Civil Aviation Department

The department in its written reply state as under

SP/GRP Ambala Cantt (Rs 86 85 lac)

In this regard it is submitted that the claim of Rs 86 85 lac for the year 2004 05 to 2007 08 against the Railways Department has been lodged by the SP GRP vide Memo No 49112 dated 19 08 09 and remainde vide Memo No 66126 dated 03 11 2010 for the realizatioj of the payment The SP GRP Ambala Cantt has been directed vide this office

Memo No 54293/CAO dated 09 11 2010 and vide memo No 13916/Accts 3 dated 15 07 2013 to expedite the issue for the realization of outstanding amount pending with railway at present level after arranging a meeting with them

It is requested that the para may be settled please

The department is advised to hold a meeting with the authorities of GRP Ambala Cantt for the realization of outstanding amount pending with Railways at personal level and make recovery accordingly under intimation to the Committee

[77] 6 2 16 Non disposal of arms and ammunition

As per Rule XIV of Appendix to Rule 20 14 of the Punjab Police Rules 1934 (Volume 2) arms and ammunition which can be utilised by the police or by any department under Government may be retained or brought into use with the sanction of local Government Arms and ammunition not so retained may be sold to the licensed dealers or other persons entitled to possess them State Government laid down the policy for allotment of fire arms in July 1994 of non prohibited category to eligible person in specified proportion A committee headed by Chief Secretary Haryana with the Financial Commissioner and Principal Secretary Home Department and DGP as members for the allotment of confiscated weapons was constituted in July 1994

A scrutiny of the records of the State Fire Arms Bureau (SFAB) in the office of the SP Ambala in January 2009 revealed that 877 serviceable arms confiscated between December 1970 and May 2007 were lying in stock as on March 2008 Out of these 728 arms were valued as Rs 29 89 lakh by the Valuation Committee Though the quantum of arms was reported to the Government every month by means of a monthly statement State Government did not sell even a single arm to the licensed dealer or dispose it off as per policy laid down during the years 2003 04 to 2007 08

During the exit conference the department stated that the reserve price of arms was kept on higher side to discourage the general public from acquiring the same However the fact remains that the Government had not made any efforts for their disposal

The department in its written reply state as under

In this regard it is submitted that the reserve price of the 877 serviceable confiscated arms is on higher side The State Govt has been requested to reconsider and reduce the reserve price fixed vide this office Memo No 13258/Accts 3 dated 01 12 2010 and Memo No 13923/ Accts 3 dated 15 07 2013 and convey the decision to this office The decision is still pending at the level of Government

Therefore it is requested that the para may be settled please

The Committee desired the department to go to the valuation Committee again to refix the reasonable reserve price of 877 serviceable confiscated arms so that the said arms may be disposed off

The Committee also desired to dispose off the abovesaid arms within a period of six months under intimation to the Committee

[78] 6 2 17 Non disposal of condemned vehicles

Financial Rules as well as instructions issued by the State Government from time to time stress upon the need to survey and dispose off quickly through auction vehicles which become off road due to aging and maintenance/repairs of which become uneconomical. Due to delay in their disposal after condemnation the condition of the vehicles may deteriorate and they may not fetch the expected/reserve price fixed by the competent authority.

As per information supplied by 16 offices during August 2008 and March 2009 it was observed that 81 vehicles were declared condemned between June 2002 and March 2008 and their reserve price was fixed at Rs 42.35 lakh but these were not auctioned till March 2008. Thus the Government was deprived of revenue to the extent of Rs 42.35 lakh.

Thus continued delay in auction will result in loss of Government revenue apart from blockage of departmental receipts.

During the exit conference the department stated that condemned vehicles would be disposed off soon.

The department in its written reply state as under

In this regard it is submitted that on the compilation of information collected from 16 Nos. offices shown in the Para it has been found that out of 84 vehicles declared condemned (against 81 shown in the Para) but not auctioned up to 31.03.2008, 24 Nos. vehicles have been auctioned, 8 Nos. vehicles which are involved in the Court cases, 19 Nos. vehicles which have not fetched the reserve price fixed by the competent authority and 33 Nos. vehicles (30 No. motor cycles and 3 Nos. Gypsy) were shown condemned by the district offices on the basis of inspection report of the District condemnation Committee and no approval for the disposal of these vehicles have been accorded by the competent authority. The competent authority has been directed to use vehicles for some time more to meet the requirement of the department for the maintenance of law and order being the prime duty of the department in view of the ban on the purchase of new vehicles vide Govt. Memo No. 5/6/2002 I B&C dated 07.12.2009 to implement the economy measures. The matter to revise the reserve price has been taken up by the concerned offices with the authorities and the balance vehicles will be auctioned after the re-fixation of reserve price after the decision of the court cases and on the availability of vehicles after the lifting of the ban on new purchases after the permission of competent authority.

However it is submitted that all the concerned have been directed to dispose off all the condemned vehicles immediately after completing all the formalities.

As per latest information received from these 16 offices as on 31.03.2013 the Number of vehicles declared condemned, auctioned and lying un-auctioned are given as under:

1	Total No. of vehicles condemned up to 31.03.2013	183
2	Total No. of vehicles auctioned up to 31.03.2013	041
3	Total No. of vehicles not auctioned up to 31.03.2013	142

(I) Vehicles involved in court cases	12
(II) Vehicle not fetched the reserve price	38
(III) Vehicle non auctioned misc reasons	92

Therefore in view of position explained above it is requested that the para may kindly be settled

The Committee desired that the department should give directions to the concerned authorities for disposing off all the condemned vehicles immediately after completing all the formalities

PUBLIC HEALTH DEPARTMENT

[79] 6.1 Results of audit

Test check of the records in departmental offices relating to Home (Police) Public Works Forest Co operation Urban Development Mines and Geology Medical and Public Health Animal Husbandry Food and Supplies and Agriculture conducted in audit during the year 2008-09 revealed underassessments of tax and loss of revenue amounting to Rs 55.52 crore in 29,614 cases which fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
B Public Works Department			
(i) Water Services and Sanitation			
1	Non recovery of water and sewerage charges	15	9.53
2	Loss due to non levy of charges on un metered supply of water to industrial institutions/ commercial connections	1,457	3.24
3	Miscellaneous irregularities	131	0.17
Total		1,603	12.94

During the year 2008-09 the departments accepted non/short realisation and other deficiencies of Rs 2.00 crore involved in 487 cases of which 180 cases involving Rs 1.49 crore had been pointed out during the year 2008-09 and the remaining in the earlier years. The departments recovered Rs 23.28 lakh in 172 cases during the year 2008-09 of which 19 cases involving Rs 9.23 lakh related to the year 2008-09 and balance to the earlier years.

The department in its written reply stated as under

This para has been included in the CAG report of India for the year ended 31st March 2009 (R.R.) were found involved for Non recovery of water and sewerage charges. Loss due to non levy of charges on un metered supply of water to industrial institutions/ commercial connections and Miscellaneous irregularities amounting to Rs 12.94 crore. The present recovery position is as under

Sr No	Category	No of cases	Total Amt	Cleared case	Amt Cleared	Bal Case	Bal Amt.
1	Non recovery of water and sewerage charges	15	9.53	3	2.63	12	6.90
2	Loss due to non levy of charges on un metered supply of water to industrial institutions/ commercial connections	1457	3.24	872	1.36	585	1.88
3	Miscellaneous irregularities	131	0.17	41	0.13	90	0.04
Grand Total		1603	12.94	913	4.12	687	8.82

Out of Rs 12.94 crore a sum of Rs 4.12 crore has been recovered and efforts are being made to recover the balance amounting Rs 8.82 crore

The Committee desired the department to make all out efforts to recover the balance amount under intimation to the Committee

[80] 6.4 Non recovery of water charges

The Department did not observe some of provisions of Government order of November 2006 in some cases which resulted in non recovery of water charges of Rs 73.44 lakh

As per Haryana Government Urban Development Department order dated 10 November 2006 all the existing water supply un metered connections in commercial institutional or industrial establishment shall be converted into metered connections by the occupants in a period of three months from the date of order otherwise the rate charged shall be minimum of Rs 1000 per month and as assessed by the concerned Executive Engineer (EE) of the Public Health (PH) department

During test check of records of the offices of six EE of PH/Water Supply and Sanitation (WSS) Divisions for the years from 2002-03 to 2007-08 between October 2007 and October 2008 it was noticed that there were 576 un metered water supply connections of commercial institutional and industrial establishments as of 10 November 2006. All these existing un metered connections were required to be converted into metered connections by the occupants of these establishments by 10 February 2007. Neither the occupants of these establishments had got their un metered connections converted into metered connections even up to March 2008 nor the department made any efforts to raise water charges at the prescribed minimum rate. This resulted in non recovery of water charges at minimum rate aggregated to Rs 73.44 lakh for the period between December 2006 and March 2008.

After the cases were pointed out between October 2007 and October 2008 the EE PH Division No. 1 and 2 Karnal and EE WSS Division Jind and Panipat stated in January and June 2009 that a sum of Rs 4.23 lakh had been recovered in 136 cases and notices had been issued (between October 2007 and January 2008) to recover the balance amount of Rs 38.13 lakh. Further they had installed metered connections in 44 cases and disconnected connections in 21 cases between November 2007 and March 2009. The EE WSS Division Fatehabad stated between October 2008 and June 2009 that notices had been issued to the concerned parties to recover the dues. The EE WSS Division Ambala Cantonment stated in April and June 2009 that efforts were being made to recover the amount of Rs 15.12 lakh and in 13 connections meters had been installed during April and May 2009. Further report has not been received (August 2009).

The matter was pointed out to the Engineer in Chief Public Works (PH) Department between October 2007 and October 2008 and reported to the Government in May 2009. Their reply has not been received (August 2009).

The department in its written reply stated as under

This para has been included in the CAG report of India for the year ended 31st March 2009 (R.R.) were found involved for Non recovery of Rs 12.94 crore on account of converting the existing water supply un metered connections in commercial

Institutional Industrial establishment into metered connections The present recovery position is as under

(Rs In Lac)

Sr No	Name of Division	No of un metered Water Connection	Total Amt. to be recovered	No of connection converted into meter	Amount Recovered	Balance Amount
1	No 1 Panipat	152	19 56	50	13 20	6 36
2	Ambala Cantt	108	15 12	37	15 12	0 00
3	No 1 Kamal	109	12 00	40	9 21	2 79
4	No 2 Kamal	0	0 00	0	0 00	0 00
5	Fatehabad	120	8 04	80	5 12	2 92
6	Jind	117	18 72	52	7 07	11 65
	Total	606	73 44	259	49 72	23 72

Out of Rs 0 73 crore a sum of Rs 0 50 crore has been recovered and efforts are being made to recover the balance amounting Rs 0 24 crore

The Committee desired the department to make all out efforts to convert un metered connections into metered one so that the wastage of water can be checked

The Committee also desired the department to recover the balance amount at the earliest

MINES & GEOLOGY DEPARTMENT

[81] 6.1 Results of Audit

Test check of the records in departmental offices relating to Home (Police) Public Works Forest Co operation Urban Development Mines and Geology Medical and Public Health Animal Husbandry Food and Supplies and Agriculture conducted in audit during the year 2008-09 revealed underassessments of tax and loss of revenue amounting to Rs. 55.52 crore in 29,614 cases which fall under the following categories:

Sr No	Category	Number of cases	Amount
F Mines and Geology			
1	Non recovery of royalty and interest	215	0.66
2	Non recovery of interest on late deposit of contract money	56	0.11
3	Miscellaneous irregularities	18	0.04
	Total	289	0.81

During the year 2008-09 the departments accepted non/short realisation and other deficiencies of Rs. 2.00 crore involved in 487 cases of which 180 cases involving Rs. 1.49 crore had been pointed out during the year 2008-09 and the remaining in the earlier years. The departments recovered Rs. 23.28 lakh in 172 cases during the year 2008-09 of which 19 cases involving Rs. 9.23 lakh related to the year 2008-09 and balance to the earlier years.

The department in its written reply stated as under

Out of Rs. 0.81 crore involved in 289 cases, an amount of Rs. 0.70 crore (230 cases) has already been recovered.

Balance amount of Rs. 0.11 crores to be recovered in 59 cases relates to Brick Kiln owners or Ex contractors.

Out of above cases 47 cases of Brick Kilns involving total amount of 0.09 crore relates to such kilns/ units which were/ are lying closed and no recovery had to be made.

In this way, out of total recovery of 0.81 crore, balance amount of actual recovery of Rs. 0.02 crore is to be made for which efforts are being made by the department.

The Committee desired that the details of this case alongwith relevant documents be sent to the PAG Office for its early settlement and a report be sent to the Committee accordingly.

The Committee also desired to make strenuous and vigorous efforts to recover the balance amount under intimation to the Committee.

[82] 6.6 Non recovery of royalty and interest

The Mines and Minerals (Development and Regulation) Act and Punjab Minor Mineral Concession Rules provide for levy of royalty on mineral removed from leasehold area and levy of interest on belated payment of royalty

The Mining Officers did not observe some of the provisions of the above Rules in some cases which resulted in non realisation of royalty/interest of Rs 33.56 lakh

Rule 24 of the Punjab Minor Mineral Concession Rules 1964 as applicable to Haryana provides that brick kiln owners (BKO) shall pay annual amount of royalty at the prescribed rate in advance by 30th April of every year. State Government revised the rates of fixed royalty of various categories of BKOs from June 2005. In case of default interest at the rate of 24 per cent per annum is chargeable for the period of default. BKOs register is maintained at each mining office for levy and collection of royalty. The permits of such BKOs by giving one month's notice are required to be cancelled by the department who do not pay royalty and any sum due from the permit holders on account of royalty and interest thereon is recoverable as arrears of land revenue. The Assistant Mining Engineers (AMEs)/Mining Officers (MOs) are responsible for monitoring recovery of outstanding dues.

During test check of records of the offices of MOs Rohtak and Jind for the years 2006-07 and 2007-08 between May 2007 and September 2008, it was noticed that 150 BKOs were issued permits between April 2005 and April 2006 for the period of two years. The BKOs were required to pay royalty for the year 2006-07 and 2007-08 by 30 April 2006 and 30 April 2007 respectively. Though a period ranging between 21 and 33 months had elapsed yet royalty of Rs 21.95 lakh was neither paid by the BKOs nor was it demanded by the MOs. No action to cancel the permits and/or to recover the dues as arrears of land revenue was taken. Lack of action on the part of the department resulted in non realisation of revenue of Rs 33.56 lakh (including interest of Rs 11.61 lakh).

After the cases were pointed out between May 2007 and September 2008, MO Rohtak and Jind intimated in October 2008 and May 2009 that royalty of Rs 2.41 lakh (including interest of Rs 64,119) had been recovered in 12 cases between May 2007 and March 2009 and sincere efforts were being made to recover the balance amount from the BKOs. A report on recovery of balance amount has not been received (August 2009).

The matter was pointed out to the Director, Mines and Geology Department between July 2007 and September 2008 and reported to the Government in January 2009. Their reply has not been received (August 2009).

The department in its written reply stated as under

Out of total amount of Rs 33.56 lacs (Royalty of Rs 21.95 lacs and interest of Rs 11.61 lacs) involved in 150 cases, an amount of Rs 21.60 lacs (Rs 14.08 lacs on account of Royalty and Rs 7.52 lacs on account of interest) in 96 cases has already been recovered from BKOs.

Now, an amount of Rs 11.96 lacs (Rs 7.87 lacs on account of Royalty and Rs 4.09 lacs on account of interest) are to be recovered.

Out of remaining balance amount of Rs 11 96 lacs involved in 54 cases a sum of Rs 9 91 lacs pertains to 45 such Kilns/units which were/are lying closed Hence no recovery of Rs 9 91 lacs can be made in these cases

Efforts are being made to recover the balance amount of Rs 2 05 lacs

The Committee desired the department to send the latest reply alongwith documents to the PAG Office for its early settlement and a report be sent to the Committee accordingly

The Committee also desired the department to go ahead to get the balance small amount of Rs 2 05 lacs written-off from the Government under intimation to the Committee

FOREST DEPARTMENT

[83] 6.1 Results of audit

Test check of the records in departmental offices relating to Home (Police) Public Works Forest Co operation Urban Development Mines and Geology Medical and Public Health Animal Husbandry Food and Supplies and Agriculture conducted in audit during the year 2008-09 revealed underassessments of tax and loss of revenue amounting to Rs 55.52 crore in 29,614 cases which fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
C Forest			
1	Miscellaneous irregularities	369	5.86

During the year 2008-09 the departments accepted non/short realisation and other deficiencies of Rs 2.00 crore involved in 487 cases of which 180 cases involving Rs 1.49 crore had been pointed out during the year 2008-09 and the remaining in the earlier years. The departments recovered Rs 23.28 lakh in 172 cases during the year 2008-09 of which 19 cases involving Rs 9.23 lakh related to the year 2008-09 and balance to the earlier years.

The department in its written reply stated as under

In this para there were 369 cases of miscellaneous irregularities/ recoveries related to Forest Department amounting to Rs 5.86 crore.

It is submitted that recovery is being done by the department regularly in all such cases except in such cases where recoveries have been stayed by competent authority/Hon'ble Courts. The outstanding paras related to recoveries are revised by the Audit party every year and the balance of the paras/ outstanding recoveries are updated as a regular practice. Para wise latest position of these cases is shown in Annexure I.

Keeping above in view this para may please be dropped.

The Committee desired that some active/effective steps should be taken by the department to submit the pending accounts to the office of PAG (Audit) Haryana without further loss of time under intimation to the Committee.

The Committee also desired to pursue the Court cases vigorously so that the recovery may be effected accordingly.

CO OPERATION DEPARTMENT

[84] 6.1 Results of audit

Test check of the records in departmental offices relating to Home (Police) Public Works Forest Co operation Urban Development Mines and Geology Medical and Public Health Animal Husbandry Food and Supplies and Agriculture conducted in audit during the year 2008-09 revealed underassessments of tax and loss of revenue amounting to Rs. 55.52 crore in 29,614 cases which fall under the following categories

(Rupees in crore)

Sr No	Category	Number of cases	Amount
D Co operation			
1	Non/short recovery of dividend on share capital	28	1.15
2	Non/short recovery of audit fees	94	0.19
3	Non recovery of loans and interest	1	0.15
	Total	123	1.49

During the year 2008-09 the departments accepted non/short realisation and other deficiencies of Rs. 2.00 crore involved in 487 cases of which 180 cases involving Rs. 1.49 crore had been pointed out during the year 2008-09 and the remaining in the earlier years. The departments recovered Rs. 23.28 lakh in 172 cases during the year 2008-09 of which 19 cases involving Rs. 9.23 lakh related to the year 2008-09 and balance to the earlier years.

The department in its written reply stated as under

The Co-operative Societies registered under The Haryana Co-operative Societies Act, 1984 are liable to pay audit fee as per norms fixed by the R.C.S. Haryana.

- 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.

(Rs in Lacs)

Name of departments and nature of Irregularity Cooperation	Number of cases	Amount (Actual)	Recovered amount	Difference of 10 / & 3 /	Balance
Non/Short recovery of dividend on share capital	28	114.85	21.18	16.40	77.27
Short recovery of audit fees	94	18.63	17.92		0.71
Non/Short recovery of Loans and Interest	1	14.90	—	—	14.90
Total	123	148.38	39.10	16.40	92.88

Note

- 1 The amount of Rs 30 00 lacs is related to Sugar Mills Kaithal as share capital instead of Dividend on Share Capital The Sugar Mills unable to repay the said amount due to running in heavy loss
- 2 The amount of Rs 41 27 lacs is related to DPCARDB Sonapat The above bank was running in accumulated loss this year The N P A of the bank is more than 5%
- 3 The amount of Rs 6 00 lacs is related to Sugar Mills Gohana The Sugar Mills unable to repay the said amount due to running in heavy loss
- 4 The amount of Rs 14 90 lacs is related to Sugar Mills Gohana as interest on loan The Sugar Mills unable to repay the said amount due to running in heavy loss

The Committee desired that sincere and vigorous efforts may be made by the department to recover the remaining balance amount from DPCARDB Sonapat and the concerned Sugar Mills

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POWER DEPARTMENT

[85] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 2 366 78 crore of which Rs 606 22 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 2009	Amount outstanding for more than 5 years as on 31 March 2009	Remarks
				Rs 32 66 crore was at different stages of action
3	Taxes and duties on electricity	101 23	61 91	Rs One 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 Cements Charkhi Dadri and Rs 16 lakh from M/s Competent Alloys Ballabgarh The remaining amount of Rs 99 39 crore was pending towards the consumers of Dakshin Haryana Bijli Vitran Nigam Limited/ Uttar Haryana Bijli Vitran Nigam Limited

Of these sales tax arrears of Rs 1 955 87 crore contributed 83 *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 2008-09 in respect of other departments was not furnished (August 2009) despite being requested (March 2009).

The department in its written reply stated as under

Initially the arrears of electricity duty as on 31 3 2009 were intimated as Rs 99 98 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 4/2008 to 2/2009 and the figures of electricity duty for the month of 3/2009 were taken as tentative. Power utilities have finally reconciled/audited the arrears of electricity duty and intimated the amount of Rs 99 98 crores as on 31 3 2009. The decrease arrear (i.e. from Rs 101 23 crores to 99 98 crores) is due to excess realization of Electricity Duty than assessment during the month of 3/2009 by the Nigam. This position has already been intimated to the Accountant General (Audit) Haryana vide this department Memo No ED/Arrear/7629 dated 26 10 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 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 5 52 81 307/ crores have been collected by the Power Utilities. An amount of Rs 24 20 crores (Rs 1 84 +22 36) 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) 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.

The Committee observed that this issue pertains to the year 1999 and Liquidator has to settle this issue. The department should make vigorous efforts to get this issue settled at the earliest which is pending before the Liquidator for its decision so that the amount can be recovered accordingly.

(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 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 92. The firm made the payment of monthly electricity duty for the period 1/92 to 5/92 but did not pay the deferred amount. The supply of the consumer was permanently disconnected on 3 7 1995. Later on the firm was declared a sick unit and orders 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 matter is being processed under Land Recovery Act 1970.

The Committee desired that the final outcome of the matter being processed under Land Recovery Act 1970 be informed to the Committee as well.

as the office of the Principal Accountant General (Audit) for the settlement of this issue

(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 by the same, was rejected. Electricity charges as well as E.D. of Rs 30 00 lac could not be recovered and the matter for writing off of E.D. amount is under process with the Government.

The Committee desired that the department should proceed in the matter as per the relevant rules and if not be and considered appropriate the department may get the amount written off by taking the orders from the competent authorities and the final decision taken in this regard be intimated to the Committee.

(d) Rs 0 16 crores recoverable from M/s Competent Alloys Ballabgarh

The supply of the consumer was permanently disconnected on 20 11 97 found defaulter. Against the order of disconnection and recovery the firm filed a case in the 4 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 and appeal was filed in the court of dismissed by the Additional District Judge Faridabad on 10 8 2006. The District Attorney Faridabad rendered his advice vide his letter dated 26 9 2006 to 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 fit case to file appeal.

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.

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.

AGRICULTURE DEPARTMENT

[86] 1 6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 2 366 78 crore of which Rs 606 22 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 2009	Amount outstanding for more than 5 years as on 31 March 2009	Remarks
6	Other taxes and duties on commodities and services Receipt under the sugarcane (Regulation supply and Purchase Control) Act	12 78	8 65	Five sugar mills (Bhadson Rs 5 11 crore Naraingarh Rs 4 90 crore Panipat Rs 1 82 crore Yamunanagar Rs 85 lakh and Kaithal Rs 10 lakh) did not deposit the tax

Of these sales tax arrears of Rs 1 955 87 crore contributed 83 *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 2008-09 in respect of other departments was not furnished (August 2009) despite being requested (March 2009).

The department in its written reply stated as under

As per details received from Accountant General Haryana the department involved in five cases for Rs 12 78 Crores. The Sugar mills wise detail is as under

Sr No	Name of office	Year	Amount (Rs in crores)	Present position
1	A C D O Bhadson	2008-09	5 11	The Sugar Mill has deposited an amount Rs 2 54 50 373/- vide various Challan Nos. Efforts are being made to recover balance amount Rs 2 57 Crore from the concerned Sugar Mill. The Sugar Mill Bhadson had filed a Civil Writ petition No 8828/2001 against the recovery of the purchase tax in the Hon'ble Punjab & Haryana High Court which is pending for decision.

2	A C D O Naraingarh	2008 09	4 90	An amount of 2 59 85 160/ has been deposited vide various Challan No & dates from 2003 04 to 2008 09 Balance amount of 2 30 crore purchase tax & interest is o be recoverable
3	A C D O Panipat	2008 09	1 82	An amount of 1 10 45 752/ has been deposited vide various Challan No & dates Balance amount of 71 54 lakh purchase tax & Interest is to be recoverable
4	A C D O Yamunanagar	2008 09	0 85	An amount of 47 28 453/ purchase tax has been refunded and adjusted against outstanding Purchase Tax by Govt letter No 1222 Agn II(3) 2008/14002 dated 26 06 2008 Balance amount 37 72 lakh of purchase tax has been recoverable The Sugar Mill had filed a Civil Wnt petition No 18652/2008 against the recovery of the purchase tax in the Hon ble Punjab & Haryana High Court which is pending for decision
5	A C D O Kaithal	2000 01	0 10	An amount of 52 93 169/ has been deposited vide Challan No 30 dated 13 07 2007 including amount Rs 8 23 lakh & Interest on purchase tax deposited by the Haryana Coop Sugar Mills Ltd Kaithal Rs 25 00 lakh vide Challan No C8 dated 19 03 2009 This includes interest amount 104836/ deposited Since the full payment of 0 10 lakh has been recovered hence Para may be dropped
	Total		12 78	

Now a sum of Rs 5 96 crore is recoverable 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 settled In the meeting of the Sugarcane Control Board held under the Chairmanship of Hon ble Chief Minister Haryana on 10 11 2005 it was decided to pursue these cases vigorously and sent to Govt Consequently a certificate was issued through Collector Panchkula vide this office letter No dated 13 12 2005 to Collector Yamunanagar Ambala Panipat Karnal and Rohtak for recovery of purchase tax and interest due against the Private Sugar Mills Naraingarh Yamunanagar and Bhadson The matter was also discussed in Deputy Commissioners conference held on 12 02 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 Panchkula wrote a D O No 4064 dated 21 08 2007 to the Collector Panipat to recover the arrear of cane purchase tax

A meeting was held on 23 07 2008 under the Chairmanship of Cane Commissioner Haryana Panchkula The Managing Director Sugarfed and MDs of concerned Sugar Mills attended the same and necessary directions were issued to deposit the due Purchase Tax and interest thereon immediately

A meeting was held on 15 01 2009 under the Chairpersonship of the Financial Commissioner & Principal Secretary to Govt of Haryana Agriculture Department with the Managing Director sugarfed and all MDs of concerned sugar mills and reviewed the recovery of purchase tax and they were directed to deposit the due Purchase Tax and interest thereon immediately Copy of the proceedings of the meeting held on 15 01 2009 were sent to all concerned quarters for necessary action vide letter No 568 77 dated 10 02 2009 The reminders were also issued vide No 858 67 dated 25 02 2009 and 1050 57 dated 05 03 2009 to all concerned MDs of Sugar Mills and MD Sugarfed Haryana Panchkula for necessary action A meeting was convened on 17 09 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 al 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 DO letters No 1904 1905 1908 and 1909 dated 12 05 2010 to Managing Directors Sugar Mill Panipat Rohtak Bhadson and Naraingarh respectively to deposit the arrear of purchase tax immediately There after the Cane Commissioner Haryana Panchkula wrote DO letter No 3495 3496 3497 3501 dated 06 10 2010 to all the MDs Sugar Mills Naraingarh Panipat Rohtak and Bhadson respectively to deposit the arrear of Purchase tax

The Cane Commissioner Haryana Panchkula wrote a DO No 2139 dated 03 08 2011 to the Collector Ambala to recover the arrear of 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 Cane Commissioner Haryana Panchkula wrote DO letter No 2097 2096 2091 and 2095 dated 26 07 2012 to all the MDs Sugar Mills Bhadson Naraingarh Panipat and Yamuna Nagar respectively to deposit the arrear of Purchase Tax

A meeting was convened on 31 12 2012 under the Chairmanship of Cane Commissioner Haryana Panchkula Managing Diretor Sugar fed and all the MD/ Cane Managers of the concerned sugar mills have attended this meeting wherein they were directed to deposit the due purchase tax and interest thereon The proceeding of meeting sent to concern vides this office letter No CC/299 306 dated 07 02 2013

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 made for the recovery

The Committee desired the department to make strenuous and vigorous efforts to recover the arrears of cane purchase tax alongwith interest from the concerned Sugar Mills

The Committee also desired the department to pursue the cases pending in various courts under intimation to the Committee

Appendix II
(Reference Paragraph 1 1 8 2 Page 8)
Statement showing shortage of Medical and para medical staff at CHC level
(3 CHCs selected in each district) in 5 districts test checked

Post	IPHS norms	Requirements in 15 CHCs in 5 districts	Availability						Shortage
			Fandabad (3 CHC)	Ambala (3 CHC)	Fatehabad (3 CHC)	Bhiwani (3CHC)	Sonapat (3 CHC)	Total	
General Surgeon	1	15	1	1	0	0	1	3	12
Obstetncian/ Genealogist	1	15	1	1	0	1	2	5	10
Anesthetists	1	15	1	1	1	0	1	4	11
Other Specialist (if any)	0	0	0	0	0	0	0	0	0
Physician	1	15	1	0	0	0	0	1	14
Pediatrics	1	15	0	0	1	1	1	3	12
Eye Surgeon	1	15	1	0	0	0	2	3	12
General duty officer (MO)	0	0	0	5	3	1	7	16	(+)16
Total		90	5	8	5	3	14	35	55
Public Health Programme Manager	1	15	1	0	0	0	0	1	14
ANM	1	15	1	1	3	6	3	14	1
Dresser	1	15	1	1	2	2	0	6	9
Lab Technician	1	15	0	2	3	2	5	12	3
Ophthalmic Asstt	1	15	2	1	2	2	2	9	6
Sweeper	3	45	2	6	7	3	5	23	22
OPD Attendant	1	15	0	0	2	3	1	6	9
Statistical	1	15	1	0	3	2	3	9	6
Any Other staff (Information Asstt)	0	0	2	0	0	0	0	2	(+)2
Staff Nurse	7	105	2	8	19	7	14	50	55
P H Nurse	1	15	0	0	1	0	1	2	13
Pharmacist/ compo under	1	15	1	4	3	4	5	17	(+)2
Radiographer	1	15	1	0	3	2	2	8	7
Ward boys	2	30	0	1	6	4	3	14	16
Chowkidar	1	15	1	2	2	0	0	5	10
O T Attendant	1	15	0	2	1	1	0	4	11
Registration Clerk	1	15	0	2	2	0	0	4	11
Total		375	15	30	59	38	44	186	189

Note Italic pertains to Medical Staff (Doctors)

Appendix III

(Reference Paragraph 1 1 8 2 Page 8)

Statement showing shortage of Medical and para medical staff at PHC level (2 PHCs selected under each CHC) in 5 districts test checked

Post	IPHS norms per PHC	Requirements in 30 PHCs in 5 districts	Faridabad (6 PHC)	Availability					Shortage
				Ambala (6 PHC)	Fatehabad (6 PHC)	Bhiwani (6 PHC)	Sonapat (6 PHC)	Total	
Medical Officer	2	60	7	9	3	4	11	34	26
Staff Nurse	3	90	2	7	2	7	8	26	64
Health Educator	1	30	0	0	0	0	0	0	30
Clerks	2	60	0	0	0	1	0	1	59
Dnver	1	30	1	0	0	1	0	2	28
Pharmacist	1	30	2	5	3	5	6	21	9
Health Worker (Female)	1	30	4	6	3	6	7	26	4
Health Asstt (one male and one female)	2	60	2	1	1	1	4	9	51
Lab Technician	1	30	1	3	2	5	4	15	15
Class IV	4	120	12	9	4	15	10	50	70
Total	18	540	31	40	18	45	50	184	356

Note Italic pertains to Medical Staff (Doctors)

Appendix XI
(Refer paragraph 1 3 7 page 42) Statement showing delay in
release of State share

(Rupees in lakh)

Date of release of GOI share	Amount	Date of release of state share	Amount	Delay (in days)
1	2	3	4	5
Hisar (6th batch)				
06/09/2000	58 13	06/12/2000	19 37	91
30/10/2000	29 06	02/03/2001	9 69	123
06/03/2001	24 38	11/06/2001	8 13	97
26/04/2001	12 88	25/06/2001	4 06	60
19/09/2001	24 74	13/12/2001	8 25	85
10/02/2003	148 50	14/03/2003	49 50	32
26/06/2003	147 47	28/08/2003	49 16	63
28/09/2004	147 47	08/11/2004	49 16	41
23/01/2006	146 59	21/02/2006	44 41	29
15/10/2007	146 33	10/03/2006	4 45	
		29/05/2008	48 78	226
Hisar (7th batch)				
31/01/2001	67 50	29/05/2002	22 50	483
05/03/2003	67 50	31/03/2003	22 50	26
26/06/2003	67 50	28/08/2003	22 50	63
28/09/2004	66 70	08/11/2004	22 23	41
Bhiwani (5th batch)				
21/10/1999	33 75	04/02/2000	11 25	106
06/03/2000	16 88	12/05/2000	5 63	67
05/03/2001	33 75	10/10/2001	11 25	219
23/01/2002	67 50	05/03/2002	22 50	41
10/02/2003	66 22	17/03/2003	22 07	35
26/06/2003	49 74	28/08/2003	16 58	63
25/10/2007	31 44	02/01/2008	10 48	69
Bhiwani (6th batch)				
06/09/2000	13 13	06/12/2000	4 38	91
30/10/2000	6 57	02/03/2001	2 19	123
06/03/2001	28 13	11/06/2001	9 38	97
26/04/2001	14 06	25/06/2001	4 69	60
19/09/2001	12 37	13/12/2001	4 12	85

1	2	3	4	5
02/02/2002	74 25	29/05/2002	24 75	116
26/09/2002	74 25	24/02/2003	24 75	151
13/10/2003	73 08	10/12/2003	24 36	58
29/11/2004	74 22	31/03/2005	24 74	122
20/12/2007	70 02	15/02/2008	23 34	57
Bhiwani (7th batch)				
31/10/2001	67 50	29/05/2002	22 50	210
18/02/2003	67 50	21/03/2003	22 50	31
03/11/2003	66 58	18/12/2003	22 19	45
07/06/2004	67 50	04/08/2004	22 50	58
05/03/2008	60 16	19/05/2008	20 05	75

Appendix XII

(Refer paragraph 1 3 8 page 42 43)

Statement showing targets and achievements of 5th to 8th batch of DDP and 1st to 4th batch of Hariyal of test checked districts

District	Batch Number	Number of projects	Target area (Private and Public)	Achievement	Percentage achievement
			(in hectares)		
Hisar					
DDP	6th	44	22 213 00	20 971 00	94
	7th	20	10 098 00	9 016 00	89
	8th	24	12 000 00	5 642 00	47
Hariyal	1st	23	11 500 00	4 979 00	43
	2nd	23	11 500 00	2 958 00	26
	3rd	26	13 000 00	1 232 00	9
	4th	35	17 500 00	1 309 00	7
Total					
		195	97 811 00	46 107 00	47
Rewari					
DDP	5th	15	7 578 83	7 554 00	100
	6th	13	6 503 32	3 949 95	61
	7th	10	5 048 17	2 942 25	58
	8th	10	5 000 00	2 790 05	56
Hariyal	1st	10	5 000 00	2 809 00	56
	2nd	10	5 000 00	1 552 00	31
	3rd	10	5 000 00	2 022 00	40
	4th	10	5 000 00	1 856 00	37
Total		88	44 130 32	25 475 25	58
Bhiwani					
DDP	5th	18	9 721 00	6 904 00	71
	6th	22	11 908 00	9 326 00	78
	7th	20	10 959 00	7 532 00	69
	8th	27	13 500 00	7 184 00	53
Hariyal	1st	27	13 500 00	7 069 00	52
	2nd	27	13 500 00	4 498 00	33
	3rd	36	18 000 00	7 260 00	40
	4th	36	18 000 00	2 467 00	14
Total		213	1 09 088 00	52 240 00	48
Fatehabad					
DDP	6th	20	10 690 00	4 908 00	46
	7th	11	5 906 00	2 765 00	47
	8th	14	7 000 00	4 466 14	64
Hariyal	1st	14	7 000 00	1 282 00	18
	2nd	14	7 000 00	1 220 00	17
	3rd	14	7 000 00	3 305 00	47
	4th	14	7 000 00	7 03 00	10
Total		101	51 596 00	18 649 14	36
Grand total		597	30 2625 32	14 2471 39	47

(Source Quarterly reports of Directorate office and DRDAs)

Appendix XIII

(Refer paragraph 1381 page 43)

Statement showing delayed start of works due to late identification of watershed areas

Name of watershed	Date of receipt of funds from GOI	Date of receipt of first instalment in watershed Committees	Delay (In days)
Bhiwani district			
Dwarka	10 December 99	30 March 01	476
Roopgarh	10 December 99	1 March 01	447
Dudiwala Kishanpura	23 October 2000	15 November 01	388
Matani 2	23 October 2000	14 March 02	507
Dhani Hunat	10 December 01	31-March 03	476
Hisar district			
Kharbla 1	10 April 2000	7 March 02	519
Bagla	10 April 2000	16 May 02	589
Pali	21 November 2001	20 December 02	394
Birbaran	21 November 2001	3 October 02	316
Rewari district			
Alawalpur Tatarpur			
Khalsa	04 December 99	03 August 2000	243
Chhawwa	08 December 99	08 August 2000	244
Dhamlawas	24 March 01	11 April 2003	748
Kumroda	29 March 01	18 December 2002	629

Appendix XIV

(Refer paragraph 139 page 46)

Statement showing component wise expenditure incurred by Watershed Committees selected for physical verification

(Rupees in lakh)

Name	Expenditure												Total
	Fund released	UGPL	Plantation	Sewer nullah	Land levelling	Percolation tank	Khurra/retaining wall	Channel pipeline	Bunding	Pasture	Gypsum	Demonstration plot	
Bhiwani													
Dwarka	18.75	5.09	0.15	0.00	13.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.66
Roopgarh	15.65	5.33	0.00	0.00	7.55	1.26	0.00	0.00	0.00	0.00	0.00	0.00	14.14
	24.64	12.40	0.00	0.00	9.49	1.59	0.00	0.00	0.00	0.00	0.00	0.00	23.48
Matani-2	20.49	4.02	0.00	0.00	12.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.70
Dhami Hunat	24.00	7.59	0.48	0.00	9.60	0.00	0.00	5.11	0.00	0.00	0.00	0.00	22.78
Kheri Sanwal	18.50	8.94	0.00	0.00	6.51	2.51	0.00	0.00	0.00	0.00	0.00	0.00	17.96
Sub total	122.03	43.37	0.63	0.00	59.25	5.36	0.00	5.11	0.00	0.00	0.00	0.00	113.72
Hisar													
Kharbla 1	21.60	2.50	0.22	0.00	0.93	1.68	0.00	12.34	0.00	0.00	0.00	0.00	17.65
Bagla	21.60	5.93	0.21	0.00	0.72	3.11	0.00	6.48	0.00	0.00	0.40	0.78	17.63
Pali	21.70	5.94	0.37	0.00	0.00	1.75	0.00	12.89	0.00	0.00	0.99	0.00	21.94
Birbaran	22.20	0.00	0.00	0.00	0.00	11.64	0.00	0.00	0.00	0.00	0.00	0.95	12.59
Sub total	87.10	14.37	0.80	0.00	1.65	18.16	0.00	31.71	0.00	0.00	1.39	1.73	69.81
Rewari										0.00	0.00	0.00	0
Alawalpur	17.38	7.32	1.14	0.02	0.13	0.57	4.79	0.00	1.88	0.00	0.00	0.00	15.85
Tatarpur Khalsa													
Chhawwa	23.02	3.77	0.53	0.43	0.13	2.47	9.96	3.71	0.00	0.00	0.00	0.00	21.00
Kanhora	26.43	5.82	1.06	1.58	1.16	2.64	2.00	4.10	0.00	0.06	0.00	0.00	18.42
Dhamlawas	18.56	1.07	0.75	3.85	2.53	3.25	2.17	0.53	0.00	0.00	0.00	0.00	14.15
Kishanpur	17.75	0.00	0.00	1.52	0.00	8.45	0.00	0.00	0.00	0.00	0.00	0.00	9.97
Kumroda	21.90	0.11	0.66	1.22	0.88	5.93	6.50	4.15	0.00	0.00	0.00	0.00	19.45
Sub total	125.04	18.09	4.14	8.62	4.83	23.31	25.42	12.49	1.88	0.06	0.00	0.00	98.84
G Total	334.17	75.83	5.57	8.62	65.73	46.83	25.42	49.31	1.88	0.06	1.39	1.73	282.37

Appendix XVI

(Refer Paragraph 2 1 1 Page No 82)

**Statement showing the amount recovered from the cashier and date of actual
disbursement or deposited in treasury**

Sr No	Date of drawal from treasury	Name of scheme/ purpose of drawal	Amount (in Rupees)	Date of disbursement as shown in cash book	Date of actual disbursement or deposited in treasury
1	15 October 2007	House Tax	72 785	15 October 2007	The amount of Rs 72 000 was deposited With Municipal Committee Jind on 03 September 2008 and Rs 785 on 14 November 2008
2	31 March 2008	JSY	57 600	31 March 2008	The amount was disbursed to CHC Julana on 08 September 2008
3	31 March 2008	JSY	31 800	31 March 2008	The amount was disbursed to General
4	11 August 2007	DRY	50 000	—	The amount was disbursed to CHC Kalwa on 08 September 2008
5	11 August 2007	DRY	4 200		Out of Rs 50 000 drawn on 11 August 2007 the amount of Rs 45 800 was deposited in post office on 22 February 2008 and the balance amount of Rs 200 was deposited in treasury vide challan No 88 dated 14 November 2008
6	15 October 2007	DRY	50 000		The amount was disbursed to CHC Khark Ramji on 08 September 2008
7	28 November 2007	DRY	50 000		The amount was disbursed to CHC Uchana on 08 September 2008
8	28 November 2007	DRY	26 300		The amount was disbursed to CHC Uchana on 08 Sep ember 2008
	Total		3 42 685		

Appendix XVII

(Refer paragraph 2 1 5 page 89)

Statement of loss of interest on retention of money outside the Government account

Rupees in lakh)

Sr No	Name of the bank	Account number	Name of account holder	Period of heavy Balances in banks	Interest on treasury bill rate	Interest earned	Loss of interest
1	Oriental Bank of Commerce (OBC) Civil Road Rohtak	08432011006856	DRO cum LAO (IB) Rohtak	July to 2007 March 2009	82 83	NIL	82 83
2	OBC MDN Public School Near Bus Stand Rohtak	116810111000119	do	April 2007 to March 2009	3 65	NIL	3 65
3	OBC MDN Public School Near Bus Stand Rohtak	11681011000034	do	February 2007 to March 2009	14 65	NIL	14 65
4	Allahabad Bank Jhajjar Road Rohtak	SB 15213	do	March 2007 to March 2009	4 68	1 96	2 72
5	Punjab National Bank Model Town Rohtak	3341002100009104	do	January 2007 to March 2009	21 65	NIL	21 65
6	Bank of Baroda HUDA Complex Rohtak	21400100005985	do	December 2006 to March 2009	17 07	2 56	14 51
7	OBC Civil Road Rohtak	08432041000046	do	May 2008 to March 2009	35 57		NIL
8	State Bank of India Ambala City	SB 30046800579	DRO cum LAO (IB) Ambala City	May 2006 to March 2009	472 94	201 37	271 57
Total					653 04	205 89	447 15

Appendix XVIII

(Refer paragraph 2 3 2 page 94) Statement showing extra expenditure

(Amount in Rupees)

Sr No	Description of items executed	Quantity executed	Rates paid to Sh Ishwar Singh Contractor	Amount	Rates offered by M/s Neeraj Builders	Amount
1	Providing and Laying 22.5 mm thick GSB	4 901.31 cum	Rs 700 P/cum	34 30 917	Rs 600 P/cum	29 40 786
2	Collection and Carnage of Stone Metal 90-45 mm Gauge	3 274.15 cum	Rs 510 P/cum	16 69 817	Rs 450 P/cum	14 73 368
3	Collection and Carnage of Stone Metal 63-45 mm Gauge	2 494.09 cum	Rs 560 P/cum	13 96 690	Rs 475 P/cum	11 84 693
4	Collection and Carnage of Stone Metal 53-22 mm Gauge	4 890.64 cum	Rs 585-P/cum	28 61 024	Rs 475-P/cum	23 23 054
5	Providing and Laying tack coat on WBM surface at 75 kg	46 320.18 Sqm	Rs 23 P/Sqm	10 65 364	Rs 16 P/Sqm	7 41 123
6	Providing and Laying tack coat on WBM surface at 50 kg	66 023.75 Sqm	Rs 18 P/Sqm	11 88 428	Rs 10.50 P/Sqm	6 93 249
7	Providing and Laying 75 mm thick BUSG	3 473.99 cum	Rs 2 400-P/cum	83 37 576	Rs 1 775-P/cum	61 66 332
8	Providing and Laying 50 mm thick BM	2 075.24 cum	Rs 3 750 P/cum	77 82 150	Rs 2 950 P/cum	61 21 958
9	Providing and Laying 20 mm thick PC	66 023.75 Sqm	Rs 80 P/Sqm	52 81 900	Rs 59 P/Sqm	38 95 401
10	Providing and Laying Seal Coat type A	66 024.00 Sqm	Rs 35 P/Sqm	23 10 840	Rs 27 P/Sqm	17 82 648
11	Earth Work on berms	10 503.00 cum	Rs 80 P/cum	8 40 240	Rs 27 P/cum	2 83 581
12	Laying and consolidation of stone soling	3 274.15 cum 2 494.09 cum	Rs 100 P/cum	5 76 824	Rs 80-P/cum	4 61 459
13	Laying and consolidation of stone metal	4 890.64 cum	Rs 100 P/cum	4 89 064	Rs 95-P/cum	4 64 611
14	C C 18 16	5.85 cum	Rs 1 500-P/cum	8 775	Rs 1 100 P/cum	6 435
15	1 st class brick work laid in CSM 1:5	12.47 cum	Rs 1 800-P/cum	22 446	Rs 1 500-P/cum	18 705
16	Laying RCC Pipe	42.50 mtr	Rs 70 P/mtr	2 975	Rs 65-P/mtr	2 763
17	Supply of 2 dia RCC hume pipe	42.50 mtr	Rs 1 200 P/mtr	51 000	Rs 900 P/mtr	38 250
18	Providing and Laying tack coat with bitumen 25 Kg of 60/70 grade	41 505.25 sqm	Rs 8 P/Sqm	3 32 042	Rs 5.25 P/Sqm	2 17 903
19	Preparation of sub-grade	21 875.69 Sqm	Rs 2.50-P/Sqm	54 689	Rs 3-P/Sqm	65 627
20	Collection and carnage of screening	383.40 cum	Rs 150-P/cum	57 510	Rs 200 P/cum	76 680
Total				3 77 60 271		2 89 58 626
			Less rebate 6.5 /	24 54 418	Less rebate 0.24 /	69 501
				3 53 05 853		2 88 89 125

Extra expenditure= Rs 3 53 05 853 less Rs 2 88 89 125 = Rs 64 16 728

Appendix XXI

(Refer paragraph 2 6 1 page 111)

Statement showing the names of Department where
Action Taken Notes were awaited

Sr No	Name of Administrative Department	Years of Audit Report	Para number	Number of paragraphs	Total
1	Animal Husbandry Department	2007 08	4 6 1(b) ¹	1	1
2	Co operation Department	2007 08	4 5 1	1	1
		2007 08	4 1 1 ²	1	1
3	Environment Department	2006 07	3 3 4 2 3	2	2
4	Finance Department	2006 07	4 5 7 4 6 2	2	2
		2007 08	4 2 8 4 6 1 (a) ¹	1	1
5	Food and Supplies Department	2007 08	4 3 4	1	1
6	Forest Department	2007 08	3 1	1	1
7	General Administ ation Department	2006 07	4 4 2	1	1
8	Home Department (Police)	2006 07	4 2 2 ² 4 3 6 ¹ 4 5 2 ¹	3	3
		2007 08	4 3 2 4 3 6	2	2
9	Housing Department	2007 08	3 3	1	1
10	Irrigation Department	2006 07	4 2 1 4 2 2 ² 4 5 5	2	2
		2007 08	4 1 1 ² 4 2 3 4 2 7 4 2 9 4 4 2	4	4
11	Industries Department	2006 07	5 1	1	1
12	Industrial Training and Vocational Training Department	2007 08	4 1 1 ²		
13	Jail Department	2007 08	5 1	1	1
14	Public Works Department (Water Supply and Sanitation Branch)	2006 07	3 2 4 2 2 ²	1	1
		2007 08	4 2 6 4 4 1 4 5 2 ¹	2	2
15	Public Relation Department	2007 08	4 3 7	1	1
16	Rural Development Department	2007-08	3 2 4 2 2	2	2
17	Social Justice and Empowerment Department	2007 08	4 3 5	1	1
18	Transport Department	2007 08	4 2 4 4 3 3	2	2
Total				33	33

Appendix XXII**(Refer paragraph 2 6 1 page 111)****List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Department**

Sr No	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (Rupees in lakh)
1	Animal Husbandry	2000 01	3 4	21 96
		2001 02	6 3	747 00
2	Finance	2001 02	3 3	5 62
3	Food and Supplies	2002 03	4 6 8	23 89
4	Rural Development (DRDA)	2001 02	6 1 11	0 54
		2003 04	4 5 1	273 00
5	Town and Country Planning (HUDA)	2000 01	3 16	15 529 00
		2001 02	6 10	4 055 00
Total			8	20656 01

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)&(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
22^d 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
23^d 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
16	Colonization	11	Recoveries from plot holders
17	Fisheries	31	Development of Fisheries

1	2	3	4
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 condition
		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	P W (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	Forestation Social Forestry & including Rural fuel wood plantation and farm forestry
31	Irrigation	17	Excess issue of coal
32	Excise and Taxation	47	Non levy of penalty
33	Excise and Taxation	50	Non levy of penalty
34	Excise and Taxation	51	Non levy of penalty
35	Excise and Taxation	53	Interest not charged
36	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
37	Revenue	62	Results of Audit
38	Revenue	63	Under valuation of immovable property
39	Mines and Geology	71	Results of Audit
		32^d Report	
40	Industries	4	Development of small industries
41	Irrigation	12	Misappropriation
42	Irrigation	20	Shortage of Stores
43	Revenue	25	Inadmissible payment
44	Town and Country Planning (HUDA)	36	Loss due to defective storage of Cement
45	Mines and Geology	47	Uncollected revenue
46	Mines and Geology	48	Results of Audit

1	2	3	4
47	Excise and Taxation	61	Uncollected revenue
48	Excise and Taxation	69	Irregular levy of tax at concessional rate
34th Report			
49	Development and Panchayat	8	Irregular and wasteful expenditure on books
50	Revenue	29	Land reforms
51	Revenue	30	Compensation to landowner
52	Revenue	31	Consolidation of holdings
53	Food and Supplies	47	Under storage of wheat
54	Mines and Geology	55	Uncollected revenue
55	Excise and Taxation	63	Uncollected revenue
56	Excise and Taxation	66	Short levy/non levy of purchase tax
57	Excise and Taxation	69	Non levy of penalty
58	Excise and Taxation	70	Non filing the quarterly returns
59	Irrigation	72	Arrears of revenue
60	Irrigation	74	Non raising of demand
61	Chief Electrical Inspector	78	Uncollected revenue
62	Chief Electrical Inspector	80	Arrears of electricity duty
63	Revenue	83	Results of Audit
64	Revenue	84	Under valuation of immovable property
36th Report			
65	Local Self Government	3	Non recovery of Government dues
66	Food and Supplies	7	Loss due to storage of wheat
67	Transport	9	Irregular payment of overtime allowance
68	Industries	13	Non utilization of loan
69	Revenue	18	Inadmissible gratuitous relief
70	Public Health	23	Construction of a water tank
71	Haryana State Lotteries	25	Suspended misappropriation of Government money
72	P W (B&R)	29	Excess measurement
73	Revenue	43	Results of Audit
74	Revenue	46	Misclassification of instruments
75	P W (B&R)	51	Results of Audit
76	Excise and Taxation	53	Uncollected Revenue (P G T)
77	Excise and Taxation	54	Uncollected Revenue (State Excise)
78	Excise and Taxation	58	Results of Audit (Sales Tax)
38th Report			
79	Science and Technology	16	Evaluation and monitoring
80	Medical and Health	18	Stores and Stock

1	2	3	4
81	Irrigation	32	Surplus material
82	Irrigation	36	Shortage of tiles
83	Public Health	41	Excess payment to the contractor
84	Public Health	42	Excess Payment
85	Mines and Geology	50	Results of Audit
86	Mines and Geology	51	Receipts from Mines and Minerals
87	Agriculture	56	Interest not charged on belated payments
88	P W (B&R)	61	Arrears of rent
89	Revenue	64	Results of Audit
90	Revenue	68	Misclassification of Instrument
91	Excise and Taxation	71	Uncollected revenue
92	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/ Supreme Court
93	Excise and Taxation	79	Suppression of purchases
94	Excise and Taxation	81	Irregular stay of tax and interest
95	Excise and Taxation	87	Recovery at the instance of Audit
40th Report			
96	Town and Country Planning	19	Delay in land acquisition cases
97	Public Health	33	Stores and stock
98	Public Health	34	Injudicious purchases
99	P W (B&R)	37	Extra payment due to incorrect entries in Measurement Books
100	P W (B&R)	38	Avoidable extra expenditure due to retendering
101	Co operation	41	Embezzlement
102	Food and Supplies	47	Damage caused to wheat in Storage
103	Supplies and Disposal	49	Extra expenditure due to retendering
104	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
105	Excise and Taxation	52	Uncollected Revenue (State Excise)
106	Excise and Taxation	55	Delay in re assessment of remand cases
107	Excise and Taxation	57	Appeals entertained without deposit of tax
108	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
109	Excise and Taxation	61	Application of incorrect rate to tax
110	Excise and Taxation	62	Non levy of tax
111	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
112	Excise and Taxation	68	Non levy of penalty
113	Excise and Taxation	69	Interest not charged

1	2	3	4
114	Excise and Taxation	74	Non recovery of duty on wastage in excess norms
115	Excise and Taxation	75	Interest not charged
116	Revenue	79	Outstanding Inspection Reports
117	Revenue	80	Results of Audit
118	Revenue	81	Under valuation of immovable property
119	Revenue	82	Misclassifications of instruments
120	Revenue	83	Irregular grant of exemption
121	Revenue	84	Non/Short levy of stamp duty
122	Revenue	85	Irregular registration of supplementary deeds
123	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
124	Revenue	89	Embezzlement of Government revenue
125	Mines and Geology	93	Outstanding Inspection Reports
126	Mines and Geology	94	Results of Audit
		42^d Report	
127	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
128	Food and Supplies	42	Loss due to negligence
129	Public Health	60	Inflated/Fictitious measurement
130	P W (B&R)	71	Shortage of tools and Plant
131	Revenue	101	Outstanding Inspection Reports
132	Revenue	103	Results of Audit
133	Revenue	104	Irregular exemption of stamp duty
134	Excise and Taxation	108	Uncollected Revenue
135	Excise and Taxation	109	Frauds and evasion of taxes
136	Excise and Taxation	111	Results of Audit
137	Excise and Taxation	112	Details of appeals pending on 31 3 90
138	Excise and Taxation	113	Delay in taking up of appeal cases
139	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
140	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
141	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
142	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
143	Excise and Taxation	120	Irregular grant of exemption certificate
144	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
145	Excise and Taxation	122	Other interesting cases

1	2	3	4
146	Excise and Taxation	125	Application of incorrect rate of tax
147	Excise and Taxation	126	Non/Short levy of interest
148	Excise and Taxation	127	Results of Audit
149	Excise and Taxation	128	State Excise Duty
150	Excise and Taxation	129	Loss of revenue due to re-auction of vends
151	Excise and Taxation	130	Short recovery of composite fee
152	Excise and Taxation	131	Non recovery of license fee and interest
153	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends
154	Excise and Taxation	133	Interest not recovered
155	Excise and Taxation	134	Non recovery of penalties
156	Excise and Taxation	136	Uncollected Revenue
157	Excise and Taxation	138	Results of Audit
158	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
159	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
160	Excise and Taxation	144	Short levy of penalty
161	Excise and Taxation	145	Results of Audit
44th Report			
162	Public Health	3	Sub Standard execution of work
163	Irrigation	12	Surplus materials
164	Irrigation	17	Shortage of T&P articles
165	Social Welfare	23	Payment of pension to ineligible persons
166	Social Welfare	26	Liberation of scavengers
167	Rural Development	36	Integrated Rural Development Programme
168	Town and Country Planning	41	Functioning of State Planning Cell
169	Town and Country Planning	43	Avoidable payment of interest
170	Revenue	46	Mewat Development Board
171	Mines and Geology	48	Uncollected Revenue
172	Mines and Geology	50	Results of Audit
173	Mines and Geology	53	Short Calculation of interest
174	Mines and Geology	54	Uncollected Revenue
175	Mines and Geology	56	Results of Audit
176	Mines and Geology	57	Non realisation of contract money and interest
177	Mines and Geology	58	Non recovery of dead rent and interest thereon
178	Mines and Geology	59	Interest not charged on delayed payments

1	2	3	4
179	Mines and Geology	60	Uncollected revenue
180	Mines and Geology	61	Results of Audit
181	Mines and Geology	62	Non recovery of contract money and interest
182	Mines and Geology	63	Non recovery/Short recovery of royalty
183	Mines and Geology	64	Interest not charged
184	Revenue	66	Uncollected Revenue (Land Revenue)
185	Revenue	67	Results of Audit
186	Revenue	68	Short levy of Stamp duty
187	Revenue	69	Under valuation of immovable property
188	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
189	Revenue	71	Irregular exemption of Stamp duty and registration fee
190	Revenue	72	Misclassification of instruments
191	Revenue	73	Uncollected Revenue
192	Revenue	76	Results of Audit
193	Revenue	78	Irregular exemption of stamp duty
194	Revenue	79	Short realization of stamp duty due to under valuation of immovable property
195	Revenue	80	Misclassification of instruments
196	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
197	Prohibition Excise and Taxation	94	Results of Audit
198	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
199	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
200	Prohibition Excise and Taxation	97	Non-observance of departmental instructions regarding cross verifications
201	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
202	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
203	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
204	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
205	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
206	Prohibition Excise and Taxation	103	Other points of interest
207	Prohibition Excise and Taxation	106	Results of Audit
208	Prohibition Excise and Taxation	107	Interest not charged
209	Agriculture	108	Non recovery of purchases tax and interest
210	Agriculture	109	Non recovery of purchase tax and interest

1	2	3	4
46th Report			
211	Housing	6	Loss owing to construction of houses on unapproved layout plan
212	P W (B&R)	25	Short receipt of material
213	P W (B&R)	27	Procurement of sub standard cement
214	Irrigation	34	Procurement of sub standard cement
215	Haryana State Lotteries	36	Appointment of main stockists
216	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
217	Haryana State Lotteries	40	Other points of interest
218	Prohibition and Excise	41	Arrears in revenue
219	Prohibition and Excise	42	Results of Audit
220	Commercial Taxes	43	Arrears in revenue
221	Commercial Taxes	46	Outstanding inspection reports and audit observations
222	Commercial Taxes	47	Results of Audit
223	Commercial Taxes	48	Sales Tax Check Barriers
224	Commercial Taxes	50	Short levy of Purchases Tax
225	Commercial Taxes	51	Non/Short levy of interest and penalty
226	Commercial Taxes	52	Results of Audit
48th Report			
227	Agriculture	4	Arrears in revenue
228	Animal Husbandry	8	Frauds and evasion of taxes/duties
229	Mines and Geology	14	Arrears in revenue
230	Mines and Geology	15	Outstanding inspection reports and audit observations
231	Transport	20	Outstanding audit objections in internal audit
232	Housing	27	Avoidable liability of interest
233	Education	29	Purchases without assessment of requirement
234	P W (B&R)	31	Irregular/Excess expenditure on execution of works
235	Excise and Taxation	33	Arrears in revenue
236	Excise and Taxation	37	Results of Audit
237	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
238	Excise and Taxation	44	Loss of revenue due to defray in finalization of assessment
239	Excise and Taxation	45	Non levy of interest and penalty

1	2	3	4
		50th Report	
240	Finance (Lotteries)	3	Printing of lottery tickets
241	Industries	5	Capital investment subsidy
242	Industries	6	Irregular release/non recovery of assistance
243	Social Welfare	8	Panjin Plants
244	Home (Jail)	9	Injudicious purchase
245	Irrigation	18	Stores and Stock
246	Irrigation	21	Physical verification
247	Irrigation	22	Surplus materials
248	Town and Country Planning	24	Construction of Building and Roads by HUDA
249	Town and Country Planning	25	Construction of Building
250	Town and Country Planning	26	Test check of records relating to construction of roads
251	Town and Country Planning	27	Other points of interest
252	Town and Country Planning	28	Non recovery of compounding fee
253	Town and Country Planning	29	Avoidable payment of interest
254	Transport	32	Purchase of Sub standard tubes of butyl rubber
255	Forest	36	Generation of employment
256	Forest	38	Alkali/saline land plantation
257	P W (B&R)	47	Construction of major building including Staff Quarters
258	P W (B&R)	49	Execution of works without technical sanction of cost estimates
259	P W (B&R)	52	Undue financial favour to the contractors
260	P W (B&R)	57	Reimbursement claims
261	P W (B&R)	58	World Bank and Asian Development bank loan
262	P W (B&R)	60	Execution
263	P W (B&R)	61	Release of advances not covered by agreement
264	P W (B&R)	63	Excess payment of price increase on diesel
265	P W (B&R)	65	Irregular adjustment of expenditure
266	Rural Development	77	Other points
267	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
268	Rural Development	79	Non recovery of misutilised subsidy
269	Town and Country Planning	80	Non levy of Penalty
270	Town and Country Planning	81	Non recovery of auction money
271	Town and Country Planning	82	Non transfer of developed sectors

1	2	3	4
272	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the Tribunal
273	Revenue	92	Arrears in revenue
274	Revenue	93	Frauds and evasion of taxes/duties
275	Revenue	94	Results of Audit
276	Revenue	95	Internal Audit
277	Revenue	96	Results of Audit
278	Revenue	97	Stamp duty and Registration Fees
279	Revenue	98	High pendency of cases of undervaluation with Collectors
280	Revenue	99	Misclassification of instruments
281	Revenue	100	Short levy of stamp duty
282	Revenue	101	Pre audit of registrable documents
283	Revenue	102	Arrears in Revenue
284	Revenue	103	Frauds and evasion of taxes/duties
285	Revenue	104	Results of Audit
286	Revenue	105	Outstanding audit objections in Internal Audit
287	Revenue	106	Results of Audit
288	Revenue	107	Short recovery of stamp duty on mortgage deed
289	Revenue	108	Evasion of stamp and registration fees through power of attorney
290	Revenue	109	Evasion of Stamp Duty
291	Chief Electrical Inspector	110	Arrears in revenue
292	Mines and Geology	112	Results of Audit
293	Animal Husbandry	115	Frauds and evasion of taxes/duties
294	Excise and Taxation	116	Arrears in revenue
295	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
296	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
297	Excise and Taxation	121	Under assessment
298	Excise and Taxation	122	Under assessment
299	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
300	Excise and Taxation	125	Non/short levy of purchase tax
301	Excise and Taxation	126	Results of Audit
302	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
303	Excise and Taxation	128	Low yield of spirit

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304	Excise and Taxation	129	Loss of spirit due to re distillation
305	Excise and Taxation	133	Interest short charged
306	Excise and Taxation	134	Short realization of composite fee
307	Revenue	135	Results of Audit
308	Revenue	137	Arrears in revenue
309	Mines and Geology	139	Arrears in revenue
310	Agriculture	141	Arrears in revenue
311	Agriculture	142	Results of Audit
312	Agriculture	143	Non recovery of purchase tax and interest
313	Finance (Loterres)	146	Results of Audit
		52^d Report	
314	Education	6	Extra expenditure on purchase of paper
315	Agriculture	15	Non recovery of principal and interest from Sugar Mills
316	Irrigation	39	Miscellaneous Public Works Advances
317	P W (B&R)	43	Miscellaneous Public Works Advances
318	P W (B&R)	44	Stores and Stock
319	P W (B&R)	46	Short receipt of material
320	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgment
321	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
322	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
323	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
324	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
325	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
326	Social Welfare	60	Embezzlement of Rs 3 99 lakh
327	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
328	General	65	Write off of losses etc
329	Animal Husbandry	67	Arrears in revenue
330	Revenue	69	Results of Audit
331	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property

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332	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
333	Power (Chief Electrical Inspector)	76	Non charging of electricity duty on extended load
334	Power (Chief Electrical Inspector)	77	Short realization of electricity duty due to application of incorrect rates
335	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
336	Transport	79	Results of audit
337	Haryana State Lotteries	86	Results of audit
338	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
339	Agriculture	88	Arrears in revenue
340	Agriculture	89	Results of Audit
341	Excise and Taxation	94	Arrears in revenue
342	Excise and Taxation	95	Arrears in assessment
343	Excise and Taxation	96	Frauds and evasions of taxes/duties
344	Excise and Taxation	97	Results of Audit
345	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
346	Excise and Taxation	102	Under assessment due to non submission of declaration forms
347	Excise and Taxation	104	Arrears in assessments
348	Excise and Taxation	105	Evasion of tax due to suppression of purchases
349	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
350	Excise and Taxation	107	Incorrect levy of concessional rate or 10%
351	Excise and Taxation	108	Inadmissible deduction from turnover
352	Excise and Taxation	109	Non levy of purchase tax
353	Excise and Taxation	111	Application of incorrect rate of tax
354	Excise and Taxation	112	Non levy of tax
355	Excise and Taxation	114	Under assessment due to excess rebate
356	Excise and Taxation	115	Non levy of penalty
357	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
358	Excise and Taxation	117	Results of Audit
359	Excise and Taxation	118	Short/non recovery of passenger tax
54th Report			
360	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
361	Revenue	18	Fictitious payment of gratuitous relief

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362	Revenue	19	Drawal of funds without requirement
363	P W D (B&R)	22	Avoidable payment of interest
364	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
365	Agriculture	30	General
366	Education	31	Nugatory expenditure due to payment of idle wages
367	Town and Country Planning	34	Non utilization of land
368	Town and Country Planning	35	Loss due to non-recovery of rebate
369	Printing and Stationery	36	Pilferage of Paper
370	Animal Husbandry	47	Fraud and evasion of taxes/duties
371	Chief Electrical Inspector	48	Arrear in revenue
372	Revenue	49	Arrear in revenue
373	Revenue	50	Results of Audit
374	Revenue	51	Results of Audit
375	Revenue	52	Non/Short recovery of Stamp duty
376	Revenue	53	Incorrect exemption of Stamp duty
377	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
378	Revenue	55	Short levy of stamp duty due to misclassification of instruments
379	Revenue	56	Incorrect refund of Stamp duty
380	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
381	Revenue	58	Short recovery of stamp duty on exchange deeds
382	Revenue	59	Results of Audit
383	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
384	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
385	Revenue	62	Return of RRCs
386	Excise and Taxation	64	Arrears in revenue
387	Excise and Taxation	65	Arrears in assessment
388	Excise and Taxation	67	Results of Audit
389	Excise and Taxation	68	Disposal of appeal cases
390	Excise and Taxation	69	Delay in finalizing assessments
391	Excise and Taxation	70	Delay in finalization of remand cases
392	Excise and Taxation	72	Recovery certification cases
393	Excise and Taxation	73	Incorrect levy of concessional rate of tax

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394	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
395	Excise and Taxation	75	Inadmissible deduction from turnover
396	Excise and Taxation	76	Short levy of tax on sales to Non government bodies
397	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
398	Excise and Taxation	78	Under assessment due to excess rebate
399	Excise and Taxation	79	Results of Audit
400	Excise and Taxation	80	Incorrect levy of entertainments duty
401	Transport	81	Results of Audit
402	Irrigation	84	Recovery of water rates from canal water
403	Irrigation	85	Arrears of revenue
404	Irrigation	86	Less measurement of area irrigated
405	Irrigation	88	Excess credit to an industrial unit
406	Irrigation	90	Short recovery of lease rent
407	Agriculture	91	Arrears in revenue
408	Agriculture	92	Results of Audit
409	Agriculture	93	Non recovery of purchase tax and interest
410	Mines and Geology	97	Arrears in revenue
411	Mines and Geology	98	Results of Audit
412	Mines and Geology	99	Short recovery of contract money and interest

56th Report

413	Education	4	Nutritional support to Primary Education
414	Forest	5	Rehabilitation of common lands in Aravali Hills
415	Medical and Health	6	Working of Medical and Health Department including Manpower Management
416	Medical and Health	7	Hospitals and dispensaries
417	Medical and Health	9	Hospital Waste Management
418	Medical and Health	11	Outstanding Inspection Reports
419	Finance	14	Overpayment of pensionary benefits
420	Home	18	Stores and Stock
421	Prohibition Excise and Taxation	20	Fraudulent draws and embezzlement of Government money
422	Revenue	21	Loss of interest due to delayed refund of unspent amount
423	Revenue	22	Excess payment of Gratuitous Relief
424	Irrigation	34	Undue retention of heavy Cash Balances

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425	Co operation	37	Loss due to negligence and improper maintenance of cold storage plant
426	Supplies and Disposal	42	Extra expenditure due to finalization of tenders after validity period
58th Report			
427	Forest	3	Rehabilitation of common lands in Aravalli Hills
428	Excise and Taxation	4	Arrears in revenue
429	Excise and Taxation	5	Arrears in assessment
430	Excise and Taxation	6	Frauds and evasions of taxes/duties
431	Excise and Taxation	8	Results of Audit
432	Excise and Taxation	9	Cross verification by Audit
433	Excise and Taxation	10	Incorrect deduction from turnover
434	Excise and Taxation	12	Non levy of purchase tax
435	Excise and Taxation	13	Non recovery of tax
436	Excise and Taxation	15	Non/short levy of purchase tax
437	Excise and Taxation	16	Non levy of tax
438	Excise and Taxation	17	Results of Audit
439	Excise and Taxation	18	Short realization of passenger tax
440	Mines and Geology	19	Arrears in revenue
441	Mines and Geology	20	Results of Audit
442	Mines and Geology	21	Receipts from Mines and Minerals
443	Mines and Geology	22	Non/Short recovery of dead rent royalty and interest
444	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
445	Mines and Geology	24	Non recovery of lease fee on short term permits
446	Mines and Geology	25	Non recovery of interest on belated payments
447	Animal Husbandry	27	Frauds and evasions of taxes/duties
448	Revenue	29	Results of Audit
449	Revenue	30	Stamp Duty and Registration Fees
450	Agriculture	31	Arrears in revenue
451	Agriculture	32	Results of Audit
452	Transport	33	Results of Audit
453	Transport	34	Non deposit of token tax
454	Irrigation	36	Results of Audit
455	Co operative	38	Results of Audit
456	Finance	39	Non charging of interest and penal interest

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457	Finance	40	Loans to Municipal Councils/Municipal Committees
458	Forest	41	Short Recovery of royalty on forest produce
459	Power	43	Arrears in revenue
460	General	44	Results of Audit
461	Education	46	Working of Education Department (Primary Education wing including Manpower Management
462	Education	47	Incentives to scheduled castes and weaker section students
463	Education	48	Pass percentage in class V
464	Education	49	Literacy rate
465	Education	50	Internal Audit
466	Education	51	Sanctioned posts and actual strength
467	Education	52	Deployment of teachers beyond norms
468	Education	53	Outstanding inspection reports
469	Education	54	Monitoring and Evaluation
470	Education	55	District Primary Education Programme
471	Education	56	Management cost in excess of norms
472	Education	57	Programme management
473	Education	58	Civil Works
474	Education	59	Appointment of teachers/instructors/staff
475	Education	60	Training
476	Education	61	Monitoring and Evaluation
477	Medical and Health	66	Manpower position
478	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak
479	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
480	Co operative	71	Storage gain on account of moisture in wheat stocks below norms
481	Finance	72	Overpayment of pensionary benefits
482	Irrigation	76	Unauthorized excess execution of work in post tender stage
483	Irrigation	77	Hathnikund Barrage
484	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
485	Irrigation	79	Unfruitful expenditure on extension of existing channel
486	Public Health	80	Non responsiveness to Audit findings and observation resulting in erosion of accountability

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487	Printing and Stationery	81	Excess payment due to failure in internal control system
488	Printing and Stationery	82	Excess issue of paper to private printers
489	Environment	83	Implementation of environmental Acts and Rules relating to Water Pollution
490	Environment	84	Status of water pollution
491	Environment	85	Treatment of Industrial effluent
492	Environment	86	Domestic sewage treatment plants
493	Environment	88	Environment training education and awareness
494	Environment	89	Monitoring and Evaluation
495	Urban Development	90	Urban Employment Generation Programme
496	Rural Development	91	Loss of Central assistance under integrated Rural Development Programme
497	Town and Country Planning	93	Non recovery of enhanced compensation of land
498	Food and Supplies	94	Pilferage of large quality of wheat due to manipulation of weight
499	General	97	Write-off of losses etc
500	Excise and Taxation	101	Arrears in revenue
501	Excise and Taxation	102	Arrears in assessment
502	Excise and Taxation	103	Frauds and evasions of taxes/duties
503	Excise and Taxation	105	Results of Audit
504	Excise and Taxation	106	Evasion in sales tax
505	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
506	Excise and Taxation	108	Under assessment of notional sales tax liability computed on taxable turnover
507	Excise and Taxation	109	Non levy of purchase tax
508	Excise and Taxation	110	Non recovery of tax
509	Excise and Taxation	111	Non levy of interest
510	Excise and Taxation	112	Under assessment due to excess rebate
511	Excise and Taxation	113	Results of Audit
512	Excise and Taxation	114	Short realization of passengers tax towards expenditure
513	Excise and Taxation	115	Non recovery of licence fee
514	Revenue	116	Results of Audit
515	Revenue	117	Short levy of stamp duty on exchange of property
516	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
517	Revenue	119	Evasion of stamp duty

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518	Revenue	120	Short levy of stamp duty
519	Transport	121	Taxes on Motor Vehicles
520	Transport	123	Short realization of permit/countersignature fee
521	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Department
522	Transport	125	Non recovery of token tax in respect of Stage carriage buses
523	Finance	126	Results of Audit
524	Forest	129	Results of Audit
525	Forest	130	Loss due to delay in harvesting of poplar trees
526	Forest	132	Absence of physical verification of timber
527	Forest	133	Loss due to excess unit cost
528	Irrigation	135	Results of Audit
529	P W (B&R)	136	Utilization of departmental receipts towards expenditure
530	Co operative	137	Non charging of interest and penal interest
60th Report			
531	Medical and Health	3	Prevention and Control of Diseases
532	Architecture	14	Fraudulent drawals and embezzlement of Government money by a Cashier
533	Animal Husbandry	16	Non recovery of cost of land
534	Co operative	17	Non responsiveness to audit findings and observations resulting in erosion of accountability
535	Education	18	Utilized girls hostel
536	Revenue	24	Fraudulent drawals and embezzlement of Government money
537	Revenue	25	Drawal of funds in advance of requirement
538	Social Welfare	26	Fraudulent payment of Old Age Pension
539	Town and Country Planning	27	Non collection of External Development Charges (EDCs)
540	Town and Country Planning	29	Less recovery of plan scrutiny fee
541	Town and Country Planning	30	Avoidable loss due to delay in handing over possession of plots
542	Irrigation	34	Formulation of schemes
543	Irrigation	36	Implementation of schemes
544	Irrigation	39	Land under unauthorized possessions
545	Irrigation	41	Recoverable amount
546	Irrigation	42	Store management
547	Irrigation	43	Complaint Cases

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548	Irrigation	44	Introduction of selection grade of Engineers
549	Irrigation	46	Recoverable amount from HUDA
550	Irrigation	51	Monitoring
551	Irrigation	54	Wasteful expenditure on construction of irrigation channels
552	P W (B&R)	63	Extra expenditure
553	P W (B&R)	64	Non responsiveness to Audit findings and observations resulting in erosion of accountability
554	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
555	Environment	66	Environment laboratories grossly underutilized
556	Environment	67	Status of industrial pollution
557	Environment	68	Stone crushing units
558	Environment	69	Rice shelling units/solvent extraction plants
559	Environment	70	Vehicular pollution
560	Environment	71	Training/mass education programme
561	Environment	72	Waste Management
562	Environment	73	Prosecution under Air Act
563	Agriculture	74	Non recovery of extension fee from allottees
564	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
565	Printing and Stationery	90A	Overpayment to private printer
566	Excise and Taxation	95	Arrears in revenue
567	Excise and Taxation	99	Outstanding inspection reports and audit observations
568	Excise and Taxation	101	Results of Audit
569	Excise and Taxation	102	Recovery of sales tax in arrears
570	Excise and Taxation	103	Non recovery due to delay in assessment
571	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
572	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
573	Excise and Taxation	106	Disposal of recovery certificates
574	Excise and Taxation	107	Demands under stay
575	Excise and Taxation	108	Non inclusion of interest in the demand sent to the liquidator
576	Excise and Taxation	109	Under assessment of notional sales tax liability
577	Excise and Taxation	110	Application of incorrect rate of tax

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578	Excise and Taxation	111	Non levy of purchase tax
579	Excise and Taxation	112	Non recovery of tax
580	Excise and Taxation	113	Results of Audit
581	Revenue	114	Results of Audit
582	Revenue	115	Outstanding inspection reports and audit observations
583	Revenue	116	Results of Audit
584	Revenue	117	Short levy of stamp duty on exchange of property
585	Revenue	118	Short levy of stamp duty on plant and machinery
586	Revenue	119	Short levy of stamp duty on lease deed
587	Revenue	120	Embezzlement/Evasion of stamp duty
588	Revenue	121	Incorrect exemption of stamp duty
589	Agriculture	122	Results of Audit
590	Agriculture	123	Outstanding inspection reports and audit observations
591	Agriculture	124	Results of Audit
592	Agriculture	125	Non/short recovery of purchase tax and interest
593	Agriculture	126	Non realization of lease money
594	Agriculture	127	Results of Audit
595	Transport	128	Results of Audit
596	Transport	129	Non/short charging of fitness fee (Passing fee)
597	Transport	130	Non realization of fees
598	Home	131	Arrears in revenue
599	Home	134	Arrears in revenue
600	Co operative	136	Results of Audit
601	Co operative	137	Non redemption of Government share capital
602	Forest	139	Out standing inspection reports and audit observations
603	Forest	140	Results of Audit
61st Report			
604	Development and Panchayats	3	Non responsiveness to audit findings and observations resulting in erosion of accountability
605	P W (B&R)	8	Execution of Works
606	Water Supply and Sanitation	9	Tool and plant returns
607	Rural Development	12	Shortage of material
608	Rural Development	15	Allotment of houses to ineligible families

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609	Rural Development	16	Other irregularities
610	Rural Development	22	Reclamation work not taken up for 2/ years
611	Animal Husbandry	24	Non recovery of lease money
612	Town and Country Planning	26	Non recovery of external development charges
613	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
614	General	28	Misappropriations defalcations etc
615	General	31	Lack of accountability
62^d Report			
616	Excise and Taxation	3	Arrears in revenue
617	Excise and Taxation	4	Arrears in assessment
618	Excise and Taxation	5	Frauds and evasions of taxes/duties
619	Excise and Taxation	6	Results of Audit
620	Excise and Taxation	7	Assessment in arrear
621	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
622	Excise and Taxation	9	Incorrect acceptance of applications
623	Excise and Taxation	10	Incorrect determination of zones
624	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
625	Excise and Taxation	12	Excess availing of tax deferment
626	Excise and Taxation	13	Irregularities in assessment of exempted/deferred units
627	Excise and Taxation	14	Under assessment due to application of concessional rate of tax
628	Excise and Taxation	15	Under assessment tax due to irregular deduction
629	Excise and Taxation	16	Under assessment of notional sales tax liability
630	Excise and Taxation	17	Non monitoring of exempted/deferred units
631	Excise and Taxation	18	Non levy of purchase tax
632	Excise and Taxation	19	Non levy of tax on lease rent
633	Excise and Taxation	20	Non levy/under assessment of purchase tax due to application of incorrect rate of tax
634	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
635	Excise and Taxation	22	Non levy of interest and penalty
636	Excise and Taxation	23	Non raising of demands for interest
637	Excise and Taxation	24	Non realization of tax
638	Excise and Taxation	25	Results of Audit

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639	Excise and Taxation	26	Receipts of excise duty from auction of venders
640	Excise and Taxation	27	Short recovery of licence fee and interest
641	Excise and Taxation	28	Loss of revenue due to re auction of vends
642	Excise and Taxation	29	Non recovery due to incorrect adjustment of security
643	Excise and Taxation	33	Results of Audit
644	Excise and Taxation	34	Non/short realization of passengers tax
645	Revenue	36	Results of Audit
646	Revenue	37	Results of Audit
647	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
648	Revenue	39	Non levy of stamp duty on exchange of property
649	Revenue	40	Evasion of stamp duty
650	Revenue	41	Short levy of stamp duty
651	Revenue	42	Inadmissible exemption of stamp duty
652	Transport	43	Non realization of token tax
653	Agriculture	44	Arrears in revenue
654	Agriculture	45	Results of Audit
655	Agriculture	46	Outstanding inspection reports and audit observations
656	Agriculture	47	Non/short recovery of purchase tax and interest
657	Co operation	49	Non redemption of Government share capital
658	Agriculture	50	Recovery from Patedars
659	Medical and Health	56	Manpower
660	Medical and Health	57	Manufacturing and selling units
661	Medical and Health	59	Statistics of prosecutions vis a vis cases filed
662	Social Justice and Empowerment	60	Facilities to handicapped persons
663	Social Justice and Empowerment	61	Budget provision and expenditure
664	Social Justice and Empowerment	62	Identification of persons with disabilities
665	Social Justice and Empowerment	63	Non maintenance of record
666	Social Justice and Empowerment	64	Monitoring
667	Urban Development	66	Non collection of fire tax
668	Education	67	CBI inquiry
669	Finance and Justice	68	Recovery regarding appointment of daily wage workers
670	Forest	69	Felling of Trees
671	Town and Country Planning	70	Exemption of Sales Tax

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672	Irrigation	72	Non responsiveness to Audit findings and observations resulting in erosion of accountability
673	Food and Supplies	73	Recovery of amount from the Millers
674	P W (B&R)	76	Non adjustment of storage charges
675	P W (B&R)	77	Irregular/un-authorized expenditure of storage charges
676	P W (B&R)	78	Non recovery of difference of sales tax
677	Education	80	Delay in issue of Inspection Reports and settlement of old objections
63^d Report			
678	Excise and Taxation	3	Arrears of revenue
679	Excise and Taxation	4	Evasion of tax
680	Excise and Taxation	5	Results of Audit
681	Excise and Taxation	6	Position of collection of revenue receipts and arrears
682	Excise and Taxation	7	Delay in finalizaion of remand cases
683	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
684	Excise and Taxation	9	Under assessment of tax due to inadmissible deduction
685	Excise and Taxation	10	Non levy of purchase tax
686	Excise and Taxation	11	Non levy of interest and penalty
687	Excise and Taxation	12	Non recovery of tax
688	Excise and Taxation	13	Other tax receipts
689	Excise and Taxation	14	Non recovery of penalties
690	Excise and Taxation	15	Non/short realization of passengers tax
691	Excise and Taxation	16	Short/non recovery of entertainment duty
692	Revenue	17	Results of Audit
693	Revenue	18	Evasion of stamp duty due to under valuation of immovable property
694	Revenue	19	Short levy of stamp duty on exchange of property
695	Revenue	20	Evasion of stamp duty on release deeds
696	Revenue	21	Short levy of stamp duty
697	Transport	25	Non deposit of token tax
698	Agriculture	26	Arrears in revenue
699	Agriculture	27	Results of Audit
700	Agriculture	28	Non recovery of purchase tax and interest
701	Co-operation	29	Results of Audit
702	Co-operation	30	Audit in arrears

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703	Co-operation	33	Short levy of audit fee due to incorrect computation of profit
704	Co-operation	34	Non deposit of Government share capital
705	Co operation	35	Non redemption of Government share capital due to late fixation of terms and conditions
706	Co operation	36	Non redemption of Government share capital as per terms and conditions
707	Finance	38	Results of Audit
708	Finance	39	Incorrect classification / non collection of guarantee fee
709	Finance	40	Government guarantees
710	Finance	41	Conclusion/Recommendations
711	Urban Development	42	Results of Audit
712	Urban Development	43	Non recovery of 832 supervision charges
713	Forest	44	Results of Audit
714	Power	45	Arrears of Revenue
715	Mines & Geology	47	Arrears of revenue
716	Mines & Geology	48	Results of Audit
717	Home	49	Arrears of revenue
718	Home	50	Results of Audit
719	Home	51	Results of Audit
720	P W (B&R)	52	Results of Audit
721	Irrigation	54	Results of Audit
722	Medical & Health	55	Results of Audit
723	Animal Husbandry	56	Results of Audit
724	Education (Prathmik Shiksha Panyojna Panshad)	58	Mis utilization of teaching learning equipment funds
725	Education (Prathmik Shiksha Panyojna Panshad)	59	Irregular purchase of material
726	Education (Prathmik Shiksha Panyojna Panshad)	60	Payment of teachers and School grant
727	Public Works (B&R)	61	Deficient agreements
728	Public Works (B&R)	62	Execution of works without technical sanctions
729	Public Works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
730	Public Works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland Cement
731	Revenue	66	Policy for recovery of beneficiaries share not formulated

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732	Revenue	67	Inadequate supply of drinking water
733	Food & Supplies	68	(i) Food Security Subsidy and Management of Foodgrain (ii) Financial arrangements
734	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
735	Food & Supplies	70	Loss due to non adherence of the instructions of FCI
736	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
737	Food & Supplies	72	Loss due to damage of wheat
738	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain
739	Food & Supplies	74	Supervision mechanism of PDS
740	Food & Supplies	75	Conclusions
741	Finance	76	Mismatch of expenditure data in OTIS database
742	Home	77	Wasteful expenditure on creation of Haryana State Industrial Security Force
743	Forest	79	Nugatory expenditure
744	Transport	81	Avoidable expenditure due to non adjustment of insurance premium
745	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
746	General	84	Financial assistance to local bodies and other institutions
747	General	85	Misappropriations defalcations etc
748	General	86	Write off of losses etc
64th Report			
749	Public Health	3	Non recovery of loans and non contribution of share by MCs
750	Public Health	4	Recoverable amount from HUDA
751	Public Health	5	Non completion of sewerage schemes
752	Public Health	6	Yamuna Action Plan
753	Revenue	7	Organizational set up
754	PW(B&R)	8	Over payment to contractors
755	General	9	Financial assistance to local bodies and others institutions
756	General	10	Misappropriations defalcations etc
757	General	11	Write-off of losses etc
758	Agriculture	12	Arrears of revenue

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759	Agriculture	13	Results of Audit
760	Agriculture	14	Results of Audit
761	Agriculture	15	Non/short recovery of purchase tax and interest
762	Transport	18	Cost of collection
763	Transport	19	Results of Audit
764	Transport	20	Replies to Inspection Reports
765	Transport	21	Departmental Audit Committee Meetings
766	Transport	22	Response of the Departments to Draft Audit Paragraphs
767	Transport	23	Results of Audit
768	Transport	24	Short realization of bid money on stage carriage permits
769	Excise and Taxation	25	Arrears of revenue
770	Excise and Taxation	26	Arrears in assessments
771	Excise and Taxation	27	Evasion of tax
772	Excise and Taxation	28	Write-off and waiver of revenue
773	Excise and Taxation	29	Results of Audit
774	Excise and Taxation	30	Delay in assessments and their impact on revenue and collection of sales tax demands
775	Excise and Taxation	31	Absence of provisions for finalizing assessments
776	Excise and Taxation	32	Recovery Certificates
777	Excise and Taxation	34	Delay in issue of demand notice
778	Excise and Taxation	35	Delay in finalization of assessment
779	Excise and Taxation	37	Under assessment due to incorrect deduction at first stage
780	Excise and Taxation	38	Non levy of purchase tax
781	Excise and Taxation	39	Non levy of interest
782	Excise and Taxation	40	Results of Audit
783	Excise and Taxation	41	Short recovery of licence fee and interest
784	Excise and Taxation	42	Non/short realization of passengers tax
785	Revenue	43	Results of Audit
786	Revenue	44	Levy and Collection of Stamp Duty and Registration Fees
787	Revenue	45	Sales and utilization of non judicial stamps
788	Revenue	46	Defects noticed in Sub Registrar Offices
789	Revenue	47	Indents for supply of non-judicial stamps
790	Revenue	48	Short receipt of stamps
791	Revenue	49	Non-disposal of obsolete/damaged stamps

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792	Revenue	50	Evasion of stamp duty due to misclassification of sale deeds into release deeds
793	Revenue	51	Failure to cross verify the transactions
794	Revenue	52	Short levy of stamp duty
795	Revenue	53	Under valuation of immovable properties
796	Revenue	54	Short levy of stamp duty due to incorrect application of rates
797	Revenue	55	Non levy of stamp duty on exchange of property
798	Revenue	56	Incorrect grant of exemption
799	Revenue	57	Incorrect grant of exemption
800	Revenue	58	Misclassification of instruments
801	Revenue	59	Short levy of stamp duty on lease deeds
802	Revenue	60	Short levy of stamp duty
803	Revenue	61	Non/short levy of registration fee
804	Revenue	62	Results of Audit
805	Revenue	63	Failure of senior officials to enforce accountability and protect interest of Government
806	Power	64	Arrears of revenue
807	Health	65	Results of Audit
808	Industries	66	Results of Audit
809	Co-operation	67	Non redemption of Government share capital
65th Report			
810	Town and Country Planning	3	Outstanding recovery of Planning water sewerage charges
811	Town and Country Planning	6	Avoidable payments of Planning interest due to delay making payment of enhanced Acquisition to land owners
812	Town and Country Planning	7	Execution of work without Planning technical sanction/preparation of detailed estimates
813	Town and Country Planning	8	Undue financial aid to Planning contractors
814	Town and Country Planning	9	Occupation of shops by Planning Government departments
815	Town and Country Planning	10	Land under unauthorized Planning possession
816	Food and Supplies	11	Additional Benches not constituted
817	Food and Supplies	12	Non constitution of Circuit Benches
818	Food and Supplies	13	Inadequate infrastructure
819	Food and Supplies	14	State/District Consumer Protection Councils not functional
820	Food and Supplies	15	Consumer club in schools scheme not

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			implemented
821	Food and Supplies	16	Excess consumption of gunny bags
822	Rural Development	17	Misappropriation of wheat under Sampooma Grameen Rozgar Yojana
823	Rural Development	18	Advances from former Sarpanches not recovered/adjusted
824	Agriculture	19	Inadmissible payment of special pay
825	Finance	20	Overpayment of pensionary benefits
826	Finance	21	Response of the Departments to Draft Audit paragraph
827	Family welfare	22	Lack of response to Audit findings and observations resulting in erosion of accountability
828	General	23	Financial assistance to local bodies and other institutions
829	General	24	Misappropriations defalcations etc
830	General	25	Write off of losses etc
831	Excise and Taxation	26	Arrears of revenue
832	Excise and Taxation	27	Arrears in assessments
833	Excise and Taxation	28	Evasion of tax
834	Excise and Taxation	29	Write off and waiver of revenue
835	Excise and Taxation	30	Results of Audit
836	Excise and Taxation	31	Disposal of remand cases
837	Excise and Taxation	32	Non levy of penalty
838	Excise and Taxation	33	Delay in deciding cases in revision
839	Excise and Taxation	34	Under assessment due to incorrect deduction from gross turnover
840	Excise and Taxation	35	Non levy of purchase tax
841	Excise and Taxation	36	Application of incorrect rate of tax
842	Excise and Taxation	37	Irregular refund of tax
843	Excise and Taxation	38	Under assessment due to non levy of surcharge
844	Excise and Taxation	39	Results of Audit
845	Excise and Taxation	40	Non recovery of penalty
846	Excise and Taxation	41	Non imposition of fine
847	Excise and Taxation	42	Loss of revenue due to re auction of vend
848	Revenue	43	Results of Audit
849	Revenue	44	Short levy of stamp duty and registration fee
850	Revenue	45	Non realization of stamp duty
851	Revenue	46	Non levy of stamp duty on Exchange of Property

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852	Revenue	47	Short levy of stamp duty due to incorrect application of rate of tax
853	Transport	48	Results of Audit
854	Transport	49	Short realization of bid money on stage carnage permits
855	Transport	50	Non recovery of token tax in respect of stage carnage buses
856	Transport	51	Short charging of driving licence fee
857	Transport	52	Short realization of Registration fees
858	Transport	53	Short/non levy of penalty on overloading of vehicles
859	Transport	54	Private Service Vehicles
860	Irrigation	55	Arrear position of Abiana
861	Irrigation	56	Arrear of water charges
862	Irrigation	57	Non/short levy of additional charges/surcharge
863	Irrigation	58	Non/short imposition of penalty for unauthorized supply of water to gardens
864	Agriculture	59	Arrear of revenue
865	Agriculture	60	Results of Audit
866	Agriculture	61	Non/short recovery of purchase tax and interest
867	Co operation	62	Results of Audit
868	Co operation	63	Non deposit of dividend on State share capital
869	Co-operation	64	Non realization of dividend on share capital of State Government
870	Mines and Geology	65	Arrears of revenue
871	Mines and Geology	66	Arrears of revenue
872	Mines and Geology	67	Non/short recovery of royalty and interest
873	Home	68	Arrears of revenue
874	Power	69	Arrears of revenue
875	Power	70	Outstanding inspection reports and audit observations
876	Power	71	Results of Audit
877	Public Health	72	Results of Audit
878	Finance	73	Results of Audit
879	Forest	74	Results of Audit
880	Health	75	Results of Audit
67th Report			
881	Forest	3	Misappropriation Losses defalcations etc
882	Forest	4	Financial Management

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883	Forest	5	Selection of villages
884	Forest	6	Implementation of project components/Physical targets and achievements
885	Forest	7	Fire protection measures not taken
886	Forest	8	Community institution strengthening process/Villages Resource Management Committee
887	Forest	9	Expenditure in violation of project guidelines
888	Forest	10	Expenditure in violation of project guidelines/Wasteful expenditure on construction of coffer dam
889	Forest	11	Expenditure on labour on construction works
890	Rural Development	12	Execution of works/Works undertaken
891	Rural Development	13	Execution of works without technical sanctions and splitting of works
892	Rural Development	14	Wasteful expenditure on Below Poverty Line census
893	Housing	15	Financial and physical performance/ Profitability and working results
894	Housing	16	Loss of interest due to delay in transfer of funds to head office
895	Housing	17	Avoidable loss due to delay in deposit of advance tax
896	Housing	18	Non achievement of financial and physical targets of construction of houses
897	Housing	19	Construction of houses without demand survey
898	Housing	20	Utilization of land meant for EWS houses towards LIG houses
899	Housing	21	Extra expenditure due to allotment of work at higher rates
900	Housing	22	Non recovery of compensation from contractors
901	Housing	23	Fire fighting systems remaining non functional
902	Education	24	Misappropriation losses defalcations etc/ Write off of losses etc
903	Town & Country Planning	25	Estate Officer HUDA Fandabad
904	P W (B&R)	26	Misappropriation losses defalcations etc/ Write-off of losses etc
905	P W (B&R)	27	Violation of contractual obligations/undue favour to contractors/avoidable expenditure/ inadmissible payment of interest to the entrepreneur
906	P W (B&R)	28	Analysis of outstanding balances

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907	Irrigation	29	Misappropriation losses defalcations etc / Write off of losses etc
908	Irrigation	30	Extra/avoidable expenditure on land acquisition
909	Irrigation	31	Blocking of funds due to tardy implementation of Hisar Ghaggar drain project
910	Irrigation	32	Miscellaneous Public Works Advances/ Introduction
911	Irrigation	33	Analysis of outstanding balances
912	Irrigation	34	Other points of interest
913	Transport	35	Extra financial burden on State exchequer
914	Public Health	36	Idle investment/idle establishment/blocking of funds/unfruitful expenditure incurred on electrodialysis based Desalination Plants
915	Finance	37	Overpayment of pensionary benefits
916	Home	38	Inadmissible payment of conveyance allowance to the newly recruited constables during basic training period
917	Co-operation	39	Regulatory issues and others/injudicious payment on account of training and managerial subsidies to self help groups
918	Excise and Taxation	40	Arrears of revenue
919	Excise and Taxation	41	Arrears in assessments
920	Excise and Taxation	42	Evasion of tax
921	Excise and Taxation	43	Write off and waiver of revenue
922	Excise and Taxation	44	Refunds
923	Excise and Taxation	45	Results of Audit
924	Excise and Taxation	46	Evasion of tax by unregistered dealers/Non levy of tax on contractees
925	Excise and Taxation	47	Acceptance of incomplete/ invalid declaration forms
926	Excise and Taxation	48	Acceptance of incomplete/ invalid declaration forms
927	Excise and Taxation	49	Non compliance of departmental instructions regarding cross verification
928	Excise and Taxation	50	Non compliance of departmental instructions regarding cross verification
929	Excise and Taxation	51	Non compliance of departmental instructions regarding cross verification
930	Excise and Taxation	52	Non compliance of departmental instructions regarding cross verification
931	Excise and Taxation	54	Non levy of interest and penalty
932	Excise and Taxation	56	Incorrect allowance of concessional rate

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933	Excise and Taxation	58	Under assessment due to application of incorrect rate of tax
934	Excise and Taxation	59	Under assessment due to application of incorrect rate of tax
935	Excise and Taxation	60	Results of Audit
936	Excise and Taxation	61	Uncollected Excise revenue
937	Excise and Taxation	62	Short recovery of licence fee and interest
938	Excise and Taxation	63	Non recovery of additional licence fee for lifting of short/additional quota
939	Excise and Taxation	64	Non imposition/recovery of compounding fee
940	Excise and Taxation	65	Non imposition/recovery of compounding fee
941	Excise and Taxation	66	Results of Audit
942	Excise and Taxation	67	Arrears of revenue
943	Excise and Taxation	68	Non short realization of passengers tax/Transport co operative societies
944	Excise and Taxation	69	Maxi cabs taxis and auto rickshaws
945	Excise and Taxation	70	City bus service
946	Excise and Taxation	71	Non levy of interest
947	Excise and Taxation	72	Non realization of goods tax and addit -al tax
948	Excise and Taxation	73	Non registration of maxi cabs
949	Excise and Taxation	74	Non disposal of challans
950	Mines and Geology	75	Non recovery of royalty and interest
951	General	77	Results of Audit
952	Transport	78	Taxes on Motor Vehicles/Short realization of permit and counter signature fee
953	Transport	79	Non realization of token tax from private service vehicles
954	Transport	80	Short realization of bid money on stage carriage permits
955	Agriculture	81	Non recovery of purchase tax and interest
956	Revenue	82	Results of Audit
957	Revenue	83	Short levy of stamp duty due to misclassification of deeds
958	Revenue	84	Irregular exemption of stamp duty & registration fee on mortgage deeds executed & registered by the agricultunsts
959	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
960	Revenue	86	Evasion of stamp duty due to non execution of conveyance deeds

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961	Revenue	87	Evasion of stamp duty due to non execution of conveyance deeds
962	Revenue	88	Misclassification of documents
963	Revenue	89	Short levy of stamp duty due to under valuation of properties
964	Revenue	90	Short levy of stamp duty due to under valuation of properties
965	Revenue	91	Unauthorized retention of receipts
		68th Report	
966	Agriculture	3	Financial management
967	Agriculture	4	Non preparation of Balance Sheet
968	Agriculture	5	Outstanding temporary advances
969	Agriculture	6	Non recovery of miscellaneous advances
970	Agriculture	7	Non recovery of expenditure incurred on the schemes
971	Agriculture	8	Strength of teachers
972	Agriculture	9	Execution of works
973	Agriculture	10	Loss due to non charging of interest from allottees
974	Public Health	11	Misappropriation losses defalcations etc
975	Public Health	12	Avoidable payment of interest
976	Public Health	13	Blocking of funds
977	Public Health	14	Physical targets and achievements
978	Public Health	15	Taking up of schemes without ensuring availability of raw water
979	Public Health	16	Extra burden on State exchequer due to unrealistic estimates
980	Public Health	17	Taking up of schemes without ensuring availability of raw water
981	Public Health	18	Taking up of schemes without ensuring availability of raw water
982	Public Health	19	Delay in commissioning of schemes in the absence of electric connections
983	Public Health	20	Execution of works without technical sanctions and excess expenditure over estimates
984	Public Health	21	Defective execution of work
985	Public Health	22	Excess consumption of pipes
986	Public Health	23	Purchase of cement at higher rates
987	Environment	24	Assessment of waste and risks associated with it
988	Environment	25	Sale of used oil to unauthorized dealer
989	Education	26	Budget provision and expenditure

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990	Education	27	Incorrect reporting of enrolment leading to excess claim of central assistance
991	Education	28	Unauthorized utilization of mid day meal packets
992	Education	29	Extra expenditure on uneconomic hiring of vehicles
993	Food and Supplies	30	Loss due to lack of supervision and improper storage of wheat stock
994	Food and Supplies	31	Loss due to non recovery of transportation charges
995	Irrigation	32	Loss of interest due to heavy unspent balance
996	Town and Country Planning	33	Due to slackness on the part of EO's HUDA Faridabad Gurgaon and Panchkula in revision of rent after every three years and non-charging of rent for additional filling points of petrol pumps installed subsequently HUDA was deprived of the revenue of Rs 1 49 Crore (2003 Civil)
997	Town and Country Planning	34	Extra expenditure on account of delayed payment of land compensation and interest thereon
998	Town and Country Planning	35	Unfruitful expenditure on incomplete work
999	Home	36	Misappropriation losses defalcation etc
1000	Home	37	Extra expenditure on account of delayed payment of land compensation and interest thereon
1001	P W (B&R)	38	Misappropriation losses defalcation etc
1002	P W (B&R)	39	Irregular expenditure on operation of excess ex-cadre posts
1003	Sports and Youth Affairs	40	Non realization of central share of assistance
1004	Revenue	41	Misappropriation losses defalcation etc
1005	Health	42	Delay in furnishing utilization certificates
1006	Health	43	Misappropriation losses defalcation etc
1007	Health	44	Avoidable payment due to non insurance of vehicles
1008	Health	45	Unauthorized retention of the departmental receipts outside the Consolidated Fund of the State
1009	Health	46	Non responsiveness to audit findings and observations resulting in erosion of accountability
1010	Health	47	Follow up on Audit Reports
1011	Industries	48	Abstract of performance of the autonomous bodies
1012	Printing and Stationery	50	Departmental Commercial Undertakings

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1013	Animal Husbandry	51	Misappropriation losses defalcation etc
1014	Women and Child Development	52	Misappropriation losses defalcation etc
1015	Development and Panchayats	53	Delay in furnishing utilization certificates
1016	Fisheries	54	Non submission of Accounts
1017	Public Relations	55	Misappropriation losses defalcation etc
1018	Rural Development	56	Allotment of houses to ineligible families
1019	Technical Education	57	Misappropriation losses defalcation etc
1020	Urban Local Bodies	58	Delay in furnishing utilization certificates
1021	Urban Local Bodies	59	Non submission of Accounts
1022	Urban Local Bodies	60	Non furnishing of accounts of utilization of grants
1023	Excise and Taxation	61	Arrears of revenue
1024	Excise and Taxation	62	Arrears in assessments
1025	Excise and Taxation	63	Evasion of tax
1026	Excise and Taxation	64	Write-off and waiver of revenue
1027	Excise and Taxation	65	Refunds
1028	Excise and Taxation	66	Results of Audit
1029	Excise and Taxation	67	Non levy of interest
1030	Excise and Taxation	68	Non levy of interest and penalty
1031	Excise and Taxation	69	Arrears of sales tax
1032	Excise and Taxation	70	Non inclusion of interest in the demand sent to liquidator
1033	Excise and Taxation	71	Under assessment of tax due to incorrect determination of gross turnover
1034	Excise and Taxation	72	Under assessment of tax due to application of incorrect rate
1035	Excise and Taxation	73	Non levy of tax on liquor
1036	Excise and Taxation	74	Results of Audit
1037	Excise and Taxation	75	Non/short realization of passengers tax
1038	Excise and Taxation	76	Non/short realization of passengers tax
1039	Excise and Taxation	77	Non levy/recovery of penalty
1040	Excise and Taxation	78	Non levy/recovery of penalty
1041	Mines and Geology	79	Results of Audit
1042	Transport	80	Lack of control over monitoring of duplicate engine/chassis number
1043	Transport	81	Same registration numbers were allotted to two vehicles
1044	Transport	82	Registration of two or more vehicles with same insurance cover note
1045	Agriculture	83	Arrears of revenue

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1046	Agriculture	84	Results of Audit
1047	Agriculture	85	Results of Audit
1048	Revenue	86	Results of Audit
1049	Revenue	87	Short levy of stamp duty due to application of incorrect rates of immovable property
1050	Revenue	88	Non levy of stamp duty on plant and machinery
1051	Finance	89	Non recovery of Loans and interest
1052	Finance	90	Non recovery of loans and interest
1053	Finance	91	Non recovery of interest and penal interest
1054	Finance	92	Non recovery of loans granted in lieu of deferment of sales tax and interest
1055	Finance	93	Non reconciliation of outstanding loans and interest
1056	Home	94	Arrears of revenue
1057	Home	95	Results of Audit
1058	Public Health	96	Results of Audit
1059	P W (B&R)	97	Results of Audit
1060	Irrigation	98	Results of Audit
1061	Power	99	Arrears of revenue
1062	Co operation	100	Results of Audit
1063	Co operation	101	Non deposit of dividend on State share capital
1064	Excise and Taxation	102	Analysis of arrears of revenue
1065	Excise and Taxation	103	Arrears in assessments
1066	Excise and Taxation	104	Performance of assessments
1067	Excise and Taxation	105	Evasion of tax
1068	Excise and Taxation	106	Write off and waiver of revenue
1069	Excise and Taxation	107	Refunds
1070	Excise and Taxation	108	Compliance with the earlier Audit Reports
1071	Excise and Taxation	109	Results of Audit
1072	Excise and Taxation	110	Absence of mechanism to verify the tax deposited before allowing input tax credit
1073	Excise and Taxation	111	Absence of a monitoring mechanism to ensure cross verification of purchase transactions
1074	Excise and Taxation	112	Misuse of declaration forms STD IV/VAT DI and C
1075	Excise and Taxation	113	Incorrect allowing of exemption/concession without declarations/documents or against incomplete declaration/documents
1076	Excise and Taxation	114	Non levy of penalty

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1077	Excise and Taxation	115	Non levy of penalty
1078	Excise and Taxation	116	Short recovery of lump sum tax on Works contract
1079	Excise and Taxation	117	Excess allowing of input tax credit
1080	Excise and Taxation	118	Underassessment of tax due to allowing of excess benefit of deferment
1081	Excise and Taxation	119	Underassessment of tax due to application of incorrect rate
1082	Excise and Taxation	120	Inadmissible allowing of input tax credit
1083	Excise and Taxation	121	Results of Audit
1084	Excise and Taxation	122	Non/short realization of passengers tax from Co-operative Transport Societies
1085	Excise and Taxation	123	Non/short realization of passengers tax from educational institutions
1086	Excise and Taxation	124	Non/short recovery of passengers tax from tax from City Bus Operators
1087	Excise and Taxation	125	Results of Audit
1088	Excise and Taxation	126	Non realisation of differential licence fee
1089	Excise and Taxation	127	Short recovery of licence fee and interest
1090	Transport	128	Loss of revenue due to non levy/collection of passengers tax on students concession passes
1091	Transport	129	Non-charging of permit transfer fee
1092	Transport	130	Non realisation of bid money on stage carriage permits
1093	Transport	131	Non/short recovery of token tax from stage carriage bus owners
1094	Transport	132	Short realization of conductor's licence fee
1095	Agriculture	133	Analysis of arrears of revenue
1096	Agriculture	134	Results of Audit
1097	Agriculture	135	Results of Audit
1098	Agriculture	136	Non recovery of interest on purchase tax
1099	Co operation	137	Results of Audit
1100	Revenue	141	Absence of database of revenue foregone
1101	Revenue	142	Absence of mechanism to detect availing of irregular exemption by not presenting documents for registration
1102	Revenue	143	Contracts for catching fish from public ponds
1103	Revenue	144	Incorrect grant of exemption on instrument of SEZ/real estate developer
1104	Revenue	145	Exemption of SD on collusive decrees
1105	Revenue	146	Remission of SD on instruments of compensation awards

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1106	Revenue	147	Incorrect grant of remission of SD
1107	Revenue	148	Irregular exemption of SD on supplementary deed
1108	Revenue	149	Delay in implementation of enhanced rates
1109	Revenue	150	Evasion of stamp duty due to undervaluation of immovable property
1110	Revenue	151	Loss of stamp duty due to misclassification of documents
1111	Revenue	152	Short levy duty due to application of incorrect rates of immovable property
1112	Revenue	153	General controls
1113	Revenue	154	Audit findings/General controls
1114	Revenue	155	Inadequacy of input controls & validation checks
1115	Revenue	156	Disputed lands and properties
1116	Revenue	157	Non allotment of unique ID number to land owner/cultivator
1117	Revenue	158	Absence of provision in HARIS to capture serial number of stamp papers
1118	Revenue	159	Other points of interest
1119	Medical & Public Health	160	Results of Audit
1120	Home	161	Analysis of arrears of revenue
1121	Power	162	Analysis of arrears of revenue
1122	Animal Husbandry	163	Results of Audit

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Published under the authority of the Haryana Vidhan Sabha and Printed by the Controller
Printing & Stationery Department Haryana Chandigarh