

HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(2016-2017)

SEVENTY THIRD REPORT

ON THE

REPORTS OF THE

Comptroller and Auditor General of India

ON

**Social, General and Economic Sectors
(Non- Public Sector Undertakings), District Gurgaon
and Revenue Sector
for the year ended 31st March, 2012**



(Presented to the House on 10th March, 2017)

**HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
2017**

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIPERSON

- | | |
|--------------------------------|-------------|
| 1. Shri Gian Chand Gupta, MLA. | Chairperson |
|--------------------------------|-------------|

MEMBERS

- | | |
|--------------------------------------|--------|
| 2. Smt. Kiran Choudhry, MLA | Member |
| 3. Shri Parminder Singh Dhull, MLA | Member |
| 4. Shri Jai Tirath, MLA | Member |
| 5. Prof.Dinesh Kaushik, MLA | Member |
| 6. Dr. Pawan Saini, MLA | Member |
| 7. Shri Mahipal Dhanda, MLA | Member |
| 8. Shri Randhir Singh Kapriwas, MLA | Member |
| *9. Shri Balwan Singh, MLA | Member |
| **10. Shri Abhay Singh Chautala, MLA | Member |

SECRETARIAT

1. Shri Sumit Kumar, Principal Secretary (Now Retired)
2. Shri R.K.Nandal, Secretary
3. Dr. Purushottam Dutt, Under Secretary

* Shri Balwan Singh, MLA, resigned from the membership of the Public Accounts Committee of Haryana Vidhan Sabha w.e.f. 17th May, 2016 vide this Secretariat notification No. HVS/PAC-1/2016/45, dated 17th May, 2016.

** Shri Abhay Singh Chautala, MLA, nominated as Member of the Public Accounts Committee in place of Shri Balwan Singh, MLA w.e.f. 18th May, 2016 vide this Office notification No. HVS/PAC-1/2016/49, dated 18th May, 2016

INTRODUCTION

1. I, the Chairperson of the Public Accounts Committee, having been authorized by the Committee in this behalf, present this Seventy Third Report on the Reports of the Comptroller and Auditor General of India on Social General and Economic Sectors (Non-Public Sector Undertakings), District Gurgaon and Revenue Sector for the year ended 31st March, 2012.

2. The Reports of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non- Public Sector Undertakings), and Revenue Sector for the year ended 31st March, 2012 were laid on the Table of the House on 11th March, 2013. The Report of the Comptroller and Auditor General of India on District Gurgaon for the years ended 31st March, 2012 was laid on the Table of the House on 6th September, 2013

3. The Committee examined the Reports of the Comptroller and Auditor General of India on Social General and Economic Sectors (Non- Public Sector Undertakings), District Gurgaon and Revenue Sector for the year ended 31st March, 2012 and also conducted the oral examination of the representatives of the concerned departments.

4. The Committee considered and approved this Report in its sitting held on 22nd February, 2017.

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

6. I, as Chairperson of the Committee, place on record the appreciation for all the Members of the Committee for their cooperation and valuable suggestions for the consideration of CAG paras.

7. The Committee places on record its appreciation for the assistance rendered to it by the Principal Accountant General (Audit), Haryana and her officers. The Committee would like to express its thanks to the Additional Chief 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 it for the co-operation in giving information to the Committee.

8. The Committee is also thankful to the Principal Secretary (now retired), Secretary, Under Secretary and officials of the Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

CHANDIGARH
THE 22nd February, 2017

GIAN CHAND GUPTA
CHAIRPERSON

REPORT

GENERAL

1. The Committee for the year 2016-2017 was nominated on 25th April, 2016 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 15th March, 2016, authorizing him to nominate the Members of the Committee on Public Accounts for the year 2016-2017.

2. The Committee held total 82 meetings during the year at Chandigarh and other places upto 22nd February, 2017 till the finalization of the Report.

PART – I
SOCIAL, GENERAL & ECONOMIC SECTORS
(Non-Public Sector Undertakings)
for the year ended 31 March, 2012

LABOUR DEPARTMENT

[3] 2.1.9.2 Short realisation of Cess:

Section 3(4) of the Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) provides that the cess leviable under this Act including payment of such cess in advance would be subject to final assessment to be made on the basis of the quantum of the building or other construction work involved. Section 5(2) of the Cess Act provides that if the return has not been furnished to the officer or authority under sub-Section (2) of Section 4, he or it shall, after making or causing to be made such inquiry as he or it thinks fit, by order, assess the amount of cess payable by the employer.

Section 8 of the Act also provides that if any employer fails to pay any amount of cess within the time specified in the order of assessment, such employer shall be liable to pay interest on the amount to be paid at the rate of two *per cent* for every month. Section 9 of the Act provides that if any amount of cess is not paid within the specified date (30 days), the authority may impose a penalty not exceeding the amount of cess. Section 10 of the Act provides that any amount due under this Act (including any interest or penalty) from an employer may be recovered in the same manner as an arrear of land revenue.

Audit scrutiny of the cess assessment files of establishments revealed (May 2012) that the Deputy Directors, Industrial Safety and Health of three districts had assessed Rs.77.24 lakh as cess in 33 cases during 2008-12. It was observed that an amount of Rs.11.86 lakh was paid as advance cess in these cases but the remaining amount of Rs. 65.38 lakh along with interest had not been paid by these employers even though the period during which the cess was to be paid had already elapsed.

The Deputy Directors of these districts had neither imposed penalty nor taken any action to recover the amount as arrears of land revenue from the defaulters.

The Labour Commissioner-cum-Secretary of the Board stated (October 2012) that recovery of Rs. 17.92 lakh in nine of 33 cases reported by audit had been made and efforts were being made to recover the balance amount.

The Department in its written reply stated as under:

It is submitted that an amount of Rs. 49.55 lacs has been recovered out of the pending cess of Rs.65.38 lacs as pointed out by the audit. It is further ensured that the remaining amount of cess will be recovered soon.

Hence, it is requested that the Para may please be dropped.

The Committee has desired that the outstanding cess be recovered at the earliest possible and the latest status of the recovery of the cess in all districts be submitted to the Committee within a month positively.

[4] 2.1.9.3 Short collection of cess

Sections 4(1) and 4(2) of Cess Act 1996 provide that every employer shall furnish such return to such officers or authority, in such manner and at such time as may be prescribed. If any person carrying on the building or other construction work, liable to pay the cess under the Act, fails to furnish the return, the officer or the authority shall give a notice requiring such person to furnish such return before such date as may be specified in the notice. Further, Section 7 of the Cess Act empowers any authority of the State Government to enter at any reasonable time and place wherever considered necessary

for carrying out the purposes of the Act including verification of correctness of any particulars furnished by the Employer.

Rule 7 of the Building and Other Construction Workers Welfare Cess Rules further provides that assessing officer would make an order of assessment within six months from the date of receipt of information.

Audit scrutiny of the records of selected offices of the Deputy Directors revealed that Assistant Directors (I, II and III) Faridabad and Palwal brought out after inspection to the Deputy Director, Faridabad that 246 establishments employing construction workers had neither intimated about the construction activities being carried out by them nor deposited the cess amount during the period from April 2007 to March 2012. Out of these 246 cases, the Deputy Director had completed the assessment only in 24 cases recovering an amount of Rs. 4.57 crore and in 80 cases an amount of Rs. 5.38 crore was paid by these establishments as advance cess but cess assessment was not completed to assess the balance outstanding amount of cess due. However, in remaining 142 cases neither the advance cess was paid by these establishments nor the cess assessments were completed to demand the outstanding cess payable. Thus, Deputy Director did not conduct assessment of 222 units (80+142 units) within the specified period of six months resulting in non-levy/short collection of cess. Non-assessment of cess also resulted into non-levy of interest and penalty as envisaged in the Section 8 and 9 of the Cess Act.

During the exit conference, the Labour Commissioner-cum-Secretary of the Board stated that delegation of powers for assessment/collection of cess to some more officers were under consideration of the department for speedy assessment in future.

The Department in its written reply stated as under:

As per provision under Section 3(2) of Building & Other Construction Workers Welfare Cess Act, 1996 and Rule 4(4) of BOCWW Cess Rules 1998, where the approval of a construction work by a Local Authority is required every application for such approval shall be accompanied by a crossed Demand Drafts in favour of the Board and payable at the notified rates on the estimated cost of construction. Hence, it was mandatory on the part of the local authorities i.e. Town & Country Planning/Municipal Corporations/ Committee/ HUDA etc. to collect the cess at the time of approval of building plans and transfer the same to the Board within 30 days. Thus, the total liability for non collection of the cess lies with the local authorities.

However, to comply with the audit observation, the Officer of the Department put its sincere efforts to collect the Cess and the present status is as under: -

Out of the 246 cases, the Deputy Director had completed the assessment in 86 cases. The total cess in 85 cases amounting Rs. 10.18 crore has already been recovered and in one case only part payment has been received and the recovery of balance amount is under process.

Further, an amount of Rs. 10.24 crore has been collected as advance cess from the 66 establishment under audit.

However, sincere efforts are being made to recover cess from the remaining 94 establishments and balance cess of 66+1 cases, if any.

Hence, it is requested that the Para may please be dropped.

The Committee has viewed it seriously that the officers have approved the design without making any recovery of the outstanding cess against the party knowingly despite the fact that the orders had been communicated by the Labour Department in this regard. The Committee has, therefore, recommended that responsibility of the defaulting officer(s) belonging to any department, Board or Corporation be fixed under intimation of the Committee.

The Committee has also observed that it is the test check in respect of two district only and desired that the complete information with regard to the collection of cess in all the districts be submitted to the Committee within a period of two months.

[5] 2.1.9.4 Delayed/non-deposit of Cess:

Section 3 of the Cess Act provides that cess would be collected at the rate of one *per cent* of the construction cost. Further, Rule 5 (3) of Cess Rules provide that the cess collected should be remitted to the Board within 30 days after deducting the collection charges at the rate not exceeding one *per cent* of the cess collected. Audit scrutiny of selected cess deductors revealed that six PHED located at Bhiwani, Faridabad, Gurgaon and Sohna revealed that an amount of Rs. 1.50 crore deducted as cess during 2008-12 was kept in Public Works Miscellaneous Deposit during 2008-12. Of this, an amount of Rs. 70.05 lakh was transferred to 0230-Receipt head in March 2012 and the balance amount of Rs. 79.84 lakh was still lying in Public Works Miscellaneous Deposit (March 2012). Thus, transfer of amount to the receipt head of the State Government and keeping of funds in Public Works Miscellaneous Deposits was irregular.

Further audit scrutiny of records of Estate Officer, Haryana Urban Development Authority (HUDA), Gurgaon revealed that an amount of Rs. 11.07 crore deducted as cess on approval of their layout plans for construction of building and other construction works during the period from April 2010 to May 2012 was kept in a separate bank account. Audit observed that an amount of Rs. 10.31 crore was deposited (April 2012) with the Board after deducting collection charges of Rs. 10.41 lakh. The balance amount of Rs. 65.97 lakh was still lying with HUDA (June 2012). The action of HUDA retaining the amount beyond 30 days of its collection was irregular resulting in loss of interest. Further, HUDA had not collected cess whose layout plan for construction of building and other construction works were approved during the period from February 2007 to May 2010.

Similarly, Municipal Corporation, Gurgaon had also not levied/ collected cess in respect of the plans approved for building and other construction works exceeding Rs. 10 lakh during the period February 2007 to March 2011. However, the corporation had started levy and collection of cess from April 2011. A scrutiny of records for the period from July 2010 to March 2011 revealed that the corporation had issued the approval of 277 layout plans for building and other construction works during this period. On the basis of plinth area and minimum construction cost per sq feet, the total non-collection of cess worked out to Rs. 50.46 lakh.

Audit also observed that the Board had not evolved any mechanism to ensure that the cess was being collected and deposited by deductors regularly with them.

The Labour Commissioner-cum-Secretary of the Board stated (October 2012) that the matter regarding deposit of cess had already been taken up with the Engineer-in-Chief, Chief Administrator, HUDA and other authorities.

The Department in its written reply stated as under:

As per provision under Section 3(2) of Building & Other Construction Workers Welfare Cess Act, 1996 and Rule 4(4) of BOCWW Cess Rules 1998, where the approval of a construction work by a Local Authority is required every application for such approval shall be accompanied by a crossed Demand Drafts in favour of the Board and payable at the notified rates on the estimated cost of construction. Hence, it was mandatory on the part of the local authorities i.e. Town & Country Planning/Municipal Corporations/ Committee/ HUDA etc. to collect the cess at the time of approval of building plans and transfer the same to the Board within 30 days. Thus, the total liability for non collection of the cess lies with the local authorities.

However, to comply with the audit observation, the Officer of the Department put its sincere efforts to collect the Cess and the present status is as under: -

1. Public Health Division No.1, Bhiwani

As per Para an amount to the tune of Rs. 9,40,192/- was collected by the Division during the year 2010-11 and was deposited in the PWD Head.

In this regard, it is submitted that Labour Cess of Rs. 10,12,408/- (actual figures for the year 2010-11 as per record of the Division) has now been deposited vide Pay Order No. 0200051163 dated 15.06.2016.

2. Public Health Division No.2, Bhiwani

Sincere efforts are being made to collect the Cess amount of Rs.4,07,416/-.

3. Public Health Division No.1, Faridabad

It is submitted that Labour Cess of Rs. 19.00 lacs has now been collected against the pending cess of Rs.23.26 lacs. For collection of remaining amount of Rs.4,26,040/- sincere efforts are being made.

4. Public Health Division Sohna

Sincere efforts are being made to collect the Cess amount of Rs.43,10,349/- Engineer-In-Chief, Public Health, Haryana has also been requested to get deposited the cess to the Board, which is still lying in Public works miscellaneous deposit. It is submitted that an amount of Rs. 65.97 lacs have been recovered vide RTGS dated 01.10.2012. Hence, it is requested that the Para may please be dropped.

In view of above, the total liability for collection of cess lies with the Municipal Corporations/Committee, hence, it is requested that the para may be transferred to the concerned Department.

A mechanism is being evolved for monitoring the transfer of proceeds of cess funds collected by the local authorities at the time of approval of building plans. A quarterly return in the prescribed proforma shall be submitted by all the concerned local authorities to the Board giving details of the cess amount collected with date, and date of transfer to the Board. It shall further be ensured that the cess collected has been transferred within the stipulated time of 30 days as per provision contained in rule 5 of BOCWW Rules, 1998.

The Committee has observed that the Board should maintain the district-wise and department-wise record with regard to the recovery of cess, outstanding of cess and desired that the district-wise and department-wise upto date information with regard to recovery of cess be submitted to the Committee within a month positively.

IRRIGATION DEPARTMENT

[6] 2.2.7 Planning

i) The Department is required to prepare long-term Perspective Plan for the developmental works to be undertaken after taking into account the requirement of various projects and availability of funds. Further, the targets should be prepared project-wise annually so that the completion of the projects within a specific period can be monitored.

The Department submitted (September 2006) a proposal for Eleventh Five Year Plan (2007-12) for Rs. 4,176.11 crore to Planning Department. Against this, an outlay of Rs. 3,835 crore (Rs. 3,373 crore for major and medium irrigation schemes and Rs. 462 crore for flood control schemes) was approved by Planning Commission. The works of minor irrigation were being executed by Command Area Development Authority. Besides ongoing schemes, 19 new schemes were approved under major and medium irrigation. The Department prepares annual plans taking into consideration the Five Year Plan.

ii) Out of 19 new schemes (4 major Irrigation and 15 medium Irrigation) approved in Eleventh Five Year Plan for irrigation (**Appendix 2.4**), only three schemes were completed. Out of these three schemes, only one medium Irrigation scheme 'National Capital Water Supply Channel' had been made functional and the infrastructure of two schemes was lying unutilized (November 2012). The details of these schemes are given in **Table 1**.

Table 1: Details of non-functional schemes

Name of the Scheme	Estimated cost	Expendi- ture Incurred	Month of start	Month of Completion	Status of work
	(Rs. in crore)				
Bhakra Main Line-Hansi-Butana Branch (Major Irrigation)	392.00	383.28	February 2006	December 2008	Non-functional due to court case pending in the Supreme Court.
Kaushalya Dam (Medium Irrigation)	217.00	188.35	March 2008	December 2011	Pipe line for carrying water has not been completed by HUDA.
Total	609.00	571.63			

Source: Departmental records.

As is evident from above, scheme at Sr. No. 2 was lying non-functional due to lack of co-ordination with HUDA. The photographs given below show non-functional Bhakra Main Line-Hansi Butana Branch.

Further, six schemes with estimated cost of Rs. 787.99 crore did not take off due to non-obtaining of clearance from State Government and the Ghaggar committee. The Department did not get these schemes cleared in the period of five years.

Three schemes with an estimated cost of Rs. 56.95 crore were dropped as these schemes were no more required. The works of seven schemes were in progress.

The Eleventh Five Year Plan though was prepared in 2006-07, yet proper plan to execute the works within a specified period was not prepared. Priority of schemes was not fixed. As a result, the Department could complete only three schemes, out of 19 planned in the Eleventh Five Year Plan. As such, intended benefits of irrigation and supplying drinking water could not be derived.

An amount of Rs. 462 crore was approved for flood protection and drainage control works for the Eleventh Five Year Plan (2007-12). It was essential to prepare a plan for execution of various works, indicating priorities, time frame for each work, estimate for expenditure, sources of funds, etc. Audit, however, observed that instead of preparing a comprehensive flood control plan, individual works estimating to Rs. 1,199 crore were got approved from Haryana State Flood Control Board year by year but only an expenditure of Rs. 479.11 crore was incurred during 2007-12. As a result, there was no link with the plan outlay and expenditure likely to be incurred on the approved schemes; which ultimately hampered the completion of works in a time bound manner.

During the Exit Conference, the Additional Chief Secretary, Irrigation Department stated that the number of schemes planned to be executed was always more than those actually approved. However, audit recommends that the Department should make efforts for early clearance of schemes so that the benefits of the schemes are derived in a timely manner.

The Department in its written reply stated as under:

Planning :

(i) Department plan the development works keeping in view the current requirement as well as future needs taking into consideration priorities and available budget and its expected flow with time. Annual as well as five year planning is also done project-wise vis-à-vis available budget and priorities. Monitoring is also ensured for clearing of various hindrances in execution of plan and for timely completion of projects.

Accordingly the development work plan was submitted for including in the five year plan costing Rs.4176.11 crore against which an outlay of Rs 3835 crore (3373 crore for major medium irrigation scheme Rs. 462 crore for flood control scheme) approved. As a whole 19 number schemes were included to be executed during this period for which annual plan was also prepared consequently.

In this respect it is submitted that efforts were made to adhere the plan. But planning is subjective matter and there is always scope of deviation due to change of proprieties based on changed circumstances with time. Moreover, irrigation schemes are major schemes involving a number of issues like land acquisition, social, political and even economical dependence and therefore, these are also time consuming. With time, scope of planning shift and scope of scheme also changes, time of completion shifts and deviation cannot be avoided at all. Moreover, planning is done on higher side to provide flexibility in execution of schemes keeping in view all future constraints as uncertainty is

involved in irrigation scheme. Accordingly there was deviation from the actual planning due to various reasons as explained above.

(ii) However now status of 19 scheme is that 6 No. schemes completed, 5 numbers schemes are in progress and 3 numbers schemes yet not started mainly because of various reasons besides interstate issues. 5 number schemes finally dropped. Detailed status of 19 schemes is enclosed as Annexure-I.

Regarding two schemes shown to be non-functional, it is submitted that one scheme i.e Bhakra Main Line- Hansi Butana Link though completed but yet not commissioned because of pendency of court case in Apex Court and it is sensitive issue as and 4 no states are involved. But 2nd scheme stand commissioned and all intended benefits are there now since 2013.

In two number schemes, which yet not got cleared in Ghaggar standing Committee because there is interstate matter and such issue takes time. However efforts are being made to resolve the issue.

Regarding flood works with passage of time scope changed all of sudden, Specially due to heavy flood during year 2010. In changed scenario, not only priority changed altogether but new scheme had to be planned and executed and initially proposed schemes had to be dropped. The planning of flood works is being done at multistage i.e. District Level by District Level Flood Control Committee under the chairmanship of respective Deputy Commissioner, Department level by State Level Committee under the chairmanship of E-I-C, I&WRD, Govt. Level by State Level Technical Advisory Committee under the chairmanship of Additional Chief Secretary to Govt., Haryana, Revenue Department and thereafter works are approved by Haryana State Flood Control Board under the chairmanship of Hon'ble CM, Haryana. As such planning of flood scheme is done after thorough examination of each scheme though there can be deviation afterward due to changed circumstances.

It is again submitted in this reference that while planning, number of schemes are planned to be executed as per requirement though there are always scope of change and it is as per plan that budget will be major constraint depending upon necessity with time and schemes of urgency are executed. Here against 1199 crore planned scheme it was only 479.11 crore expenditure incurred which was as per urgency of schemes and available budget. It is also a part of planning itself. Now the schemes are also classified as short term, medium term and long term depending upon likely time required for completion.

Keeping in view the above explanation para may be dropped please.

The Committee has desired that a report with latest status with regard to the six schemes as to which of these have been completed, pending or in progress showing the date of allotment of work and period of completion be submitted to the Committee at the earliest.

[7] 2.2.8.4 Non-receipt of share from other States

An agreement for construction of Hathnikund Barrage on river Yamuna was entered into by five States in September 1994. According to Clause 4 of the agreement, the cost of the barrage was to be shared by four States except Himachal Pradesh. The share was to be decided by the CWC within one year of the completion of the barrage.

The construction of barrage was completed in June 1999 at a cost of Rs.295.64 crore. The revised estimates were submitted by the Department to CWC in August 2011 and the final cost was decided (October 2011) by the CWC for Rs.251.91 crore after disallowing departmental charges. The share of member States was as given in **Table 7**.

Table 7: Details of share of member States for construction of Hathnikund Barrage

State	Per cent share	Share of States (Rs. in crore)
Haryana	49.38	124.39
Uttar Pradesh	34.74	87.51
Rajasthan	9.64	24.29
Delhi	6.24	15.72
	Total	251.91

Source : Data supplied by the Department.

Audit noticed that the member States had not reimbursed the expenditure incurred by the Haryana Government except Rs. five crore deposited by the Delhi Government in March 2012. Thus, due to delay in submission of case to CWC for deciding the cost of the project, the State Government could not get the share amounting to Rs. 122.52 crore from the member States. Besides, the State Government sustained loss of interest as the project was implemented out of its own resources.

During the exit conference, Additional Chief Secretary admitted the delay in submitting the case to CWC and intimated that the case for obtaining reimbursement of share from other states was being pursued.

The Department in its written reply stated as under:

The State of Uttar Pradesh has to pay Rs. 87.52 crore for the construction of Hathnikund Barrage, which is to be adjusted in the amount to be paid by the state of Haryana to U.P. as revenue payment in the Agra Canal Area amounting to Rs. 98.8551 crore as per decision taken in the meeting between the two states held on 02.04.2015. This adjustment has not yet been reported to this office till now. The amount of Rs. 24.29 crore to be paid by Rajasthan for the construction of Hathnikund Barrage is to be paid by Rajasthan after the issue of allocation of 1917 Cs to Rajasthan from Tajewala (Now Hathnikund) is resolved in a bilateral meeting to be hold shortly. Rs 15.72 crore has already been cleared by Delhi Govt. As such para may be dropped please.

The Committee has desired that the decision taken in the meeting of the Chief Secretaries alongwith the action initiated/taken in pursuance of that be intimated to the Committee at the earliest possible.

[8] 2.2.9.1 Unfruitful expenditure on Dadupur-Nalvi Irrigation Project

Dadupur-Nalvi Irrigation Scheme was administratively approved in October 2005 for Rs. 267.27 crore. According to project report, 590 cusecs of surplus water from Dadupur complex was to be carried through Shahabad feeder. On completion, the project was to provide irrigation to 92,532 hectares besides recharging of ground water. The scheme was to be completed in three phases. Phase I (Shahabad Feeder and Shahabad Distributary, revival of Saraswati Nadi and Rakshi Nadi and minors), Phase II (Nalvi Distributary and minors) and Phase III (minors linking to Shahbad Feeder).

The work of Phase-I started in April 2006 and was completed in June 2009 at a cost of Rs. 126.11 crore except 'RCC Box Railway Bridge' which was to be constructed by Railways. The Department had deposited Rs. 2.47 crore till July 2010 with the Railways but the work was not started by Railways. The Railways demanded (June 2011) additional amount of Rs. 2.29 crore to construct the bridge which were also deposited in December 2011. However, the Railway authorities had not started the work (November 2012).

The work of phase III including minors of phase I and II off taking from main canals was deferred due to protests by farmers as water would be available to them only during rainy season when they did not require water. In the absence of minors and distributaries channels, the main canal constructed at a cost of Rs. 126.11 crore remained non-functional (November 2012) and the benefits of irrigation to 92,532 hectares as envisaged in the scheme could not be derived.

Audit observed that the project was conceived without survey of the area about the usefulness of the project and ascertaining the views of the villagers. As a result of this, the entire expenditure of Rs. 126.11 crore incurred on the scheme was rendered unfruitful.

During the Exit Conference, the Department stated that the project had helped in recharging the ground water of the area. The reply was not convincing as the primary objective of the project of providing canal irrigation to 92,532 hectares of land could not be fulfilled.

The Department in its written reply stated as under:

The project was conceived keeping in view the demand of the farmers and after thought full planning and was to be executed in three phases. Proper survey was done and farmers were consulted and project conceived on the demand of farmers only. Phase I is complete and commissioned. Phase –II is near completion as a small stretch involving land acquisition of 0.80 acre which is under process. The project of both the phases is being utilized but with passage of time and increase in price of land, the farmers refused to provide land for construction of distribution system consisting of construction of minors which is the main system for carrying water for irrigation. Thus, this resulted shortage in target area of providing irrigation. The target canal be achieved fully only if the distribution system is allowed to be constructed by farmers. However, even the expenditure on the scheme in present shape can not be said unfruitful as benefit is there partially like recharging the area and providing irrigation facility to the land surrounding the channel constructed. The canal is also proving helpful in re-charging the ground water. During the year 2014, the discharge

was run in the monsoon period ranging from 100 cusecs to 250 cusecs in Shahbad Feeder from Dadupur Headworks which passed through the old existing railway crossing at km. 24.841. Besides this, rise in water table was also observed through bore hole at km. 9.7 of Shahbad Feeder and found as 2.00 ft. approximately. During the year 2015, discharge of 50 cusecs has been released in Shahbad Feeder from Dadupur Headworks w.e.f. 04-07-2015 on the demand of farmers. Adjoining farmers are allowed to irrigate their fields by lifting water after installing pumps at their own cost. Once the entire system of canals/minors as envisaged in the project is completed, the benefits from this project will be reaped fully. Thus there is no unfruitful expenditure on the project. In view of above the para needs to be dropped.

The project Phase-I & phase-II was executed at the site as Shahbad Feeder, Shahbad Disty. & Nalvi Disty. was constructed. The following off-takes minors included in the Phase-I, II & III could not be constructed at site..

Sr. No.	Name of Channel	Proposed CCA in Hec.	Sr. No.	Name of Channel	Proposed CCA in Hec.
1.	Sohata minor	2735	12.	Zainpur minor	2167
2.	Machroli minor	4770	13.	Tangaur minor	2233
3.	Damli minor	1603	14.	Kalsana minor	2422
4.	Dhakli minor	2345	15.	Kurri minor	2276
5.	Khanpur Jattan minor	6584	16.	Samalkha minor	9616
6.	Jognakhera Disty.	4078	17.	Mehra minor	5762
7.	Hibana minor	4829	18.	Baholi minor	9743
8.	Jognakhera minor	3612	19.	Garhi minor	3311
9.	Bajidpur minor	4025	20.	Kamasi minor	3952
10.	Dao Majra sub minor	2349	21.	Mangauli Jattan minor	5402
11.	Tharauli Disty.	3751	22.	Akalgarh minor	5027
				TOTAL	92592 Hec.

Since the irrigation was mainly proposed from the minors, so the target could not be achieved due to non-constructions of the minors.

- The railway authority has already completed the construction of RCC box railway bridge.
- The minors could not be constructed as per the decision of the Govt.
- The project was conceived with the detailed survey of the area. However the farmers at the later stage refused to provide land for the construction of minors.

- The recharging of the ground water table from the canal and the disty. is the most benefitting parameter, which is being derived.
- Outlet at some place have been installed in the channel and irrigation is being done through these outlet. Some farmers are doing irrigation by lift also wherever the channel is in cutting.

However the project estimate has been framed to connect Shahbad Feeder with SYL Canal through Shahbad Disty. for utilization of the Yamuna Water.

Keeping in view of the above, para may be dropped please.

The Committee has recommended that a Committee be constituted to explore the possibility of best utilization of this project and action taken report be submitted to the Committee accordingly.

[9] 2.2.9.2 Jawahar Lal Nehru Lift Irrigation Scheme:

Jawahar Lal Nehru (JLN) Lift Irrigation Scheme envisaged extension of irrigation facilities to chronically drought affected areas and providing drinking water in Mahendergarh and Rohtak districts. In Mahendergarh district, the scheme covered Mahendergarh canal and minors, Narnaul Branch and minors and Satnali Feeder and its system. Mahendergarh canal gets its share of water from JLN Feeder. In this system, 68 pump houses to lift the water were also constructed. Important audit findings noticed are discussed below:

Unfruitful expenditure on repair and maintenance

Satnali Feeder, having a length of 36.523 Km, off takes from Mahendergarh Canal at 15.650 Km. Canal runs on gravity from 0 to 23.823 Km and thereafter through lift system. Eight minors off take from Satnali Feeder up to 23.823 km and 14 distributaries and minors are beyond 23.823 Km.

Scrutiny of records revealed that an amount of Rs. 0.51 crore was spent on rehabilitation, restoration and maintenance of nine canals during 2007-12 under Satnali Feeder which falls beyond 23.823 Km, but water was not available during 2007-12 in these canals/minors due to scarcity of water in Satnali Feeder. Only 20-120 cusecs of water was available for eight days in a circle of 32 days in this feeder up to 23.823 Km only. As all the eight minors off take before 23.823 Km having a capacity of 100 cusecs also run at the same time, water was not available to feed the balance length of the channel. The Department had not prepared any plan to make available water in the areas beyond 23.823 Km by reducing the supply of water in the minors falling upto 23.823 Km.

Thus, expenditure of Rs. 0.51 crore incurred on rehabilitation, restoration and maintenance of canals was injudicious.

During the exit conference, EIC stated that water was available beyond 23.823 km also and the expenditure on maintenance of the channel beyond 23.823 km was fruitful and necessary. The reply was not convincing as water was not reaching beyond 23.863 km. Neither any area was irrigated with canal water beyond 23.823 km nor any ponds /tanks were filled in that area during 2007-12.

Non-pursuance for release of electric connection for pump houses

Lift irrigation system runs with the help of pump houses installed on the canals. These pump houses run on electric system.

Audit observed that pump houses constructed during 1982 were not working for want of electric connections as given in **Table 9**.

Table 9: Details of non-functional pump houses for want of electric connections

Name of pump	Name of canal on which	RD where pump	Date of deposit	Amount deposited
House	pump house situated	house situated		(Rs. in lakh)
MGD-1	Madhogarh Distributary	2.173 KM	-	Not-deposited
MGD-2	Madhogarh Distributary	3.265 KM	-	Not-deposited
MGD-3	Madhogarh Distributary	4.447 KM	-	Not-deposited
AM-2	Ateli Minor	4.000 KM	December 2000	5.76
RPM-1	Rampur Sub Minor	5.800 KM	March 1999	14.50
DNM-2	Dancholi Minor	4.000 KM	December 2000	6.58
DSPM-1	Dostpur Minor	2.400 KM	December 2000	6.73
			Total	33.57

Abandoned canal Madhogarh Distributary (14 May 2012)

Although a sum of Rs. 33.57 lakh was deposited with Dakshin Haryana Bijli Vitran Nigam Limited as security deposit for release of electric connections in March 1999 and December 2000, the connections were not released by the electricity supplying company and the division had not pursued for release of the connections so as to make the pump houses functional. As a result of this, the lift irrigation system, in these areas remained non-functional and minors were lying abandoned.

During the exit conference EIC stated that due to shortage of water, amount was not deposited in respect of Madhogarh Distributary and matter was not pursued for electricity connection. The reply was not acceptable as the Department was not able to supply the available water in an equitable manner in the absence of electricity connections to run its pump houses as lifting of water was part of the scheme besides benefits of the scheme did not reach intended population.

The Department in its written reply stated as under:

Satnali Feeder having length of 36.523 Km. off-takes from Mahendergarh Canal. Water runs through gravity upto Km. 23.823. Thereafter, the water is lifted through pumps. 6 No. pump houses have been constructed on Satnali Feeder. Madhogarh Branch off-takes from the last pump house of Satnali Feeder on which 4 No. pump houses have been constructed. Madhogarh Disty. off-takes from the last pump house of Madhogarh Branch. Total 11 No.

channels off-take from Satnali lift irrigation system. Presently water runs upto Madhogarh Disty. pump house No.1 Digrota minor is the only channel which off-takes after pump house No. 1 of Madhogarh Disty., which shows that expenditure amounting to Rs. 0.51 crore incurred on rehabilitation, restoration and maintenance of the channels off-taking after Km. 23.823 of Satnali Feeder is not unfruitful.

➤ **Non-pursuance for release of electric connection for pump houses:**

Out of 7 No. pump houses for which electric connections are required, the pump house number 1 of Madhogarh Disty. has been energized. Water is presently available upto pump house No.1 of Madhogarh Disty, up to one KM out of 7.96 KM of Rampur Sub Minor, 1.7 KM out of 4.50 KM of Dhancholi Mr. Efforts are being made to carry water upto tail of all channels including Madhogarh dy and its offtakes, Ateli mr and Dostpur Mr. Govt. has approved a project amounting to Rs.143.00 crores for rehabilitation of JLN Feeder system which includes rehabilitation/ replacement of old pumps/motors & allied components of JLN Feeder, Mahendergarh Canal and its off-takes and JLN Canal & its off-takes. On completion of this project, the water will be made available for the entire system. Then energization of remaining pump houses will be got done and hence payment already deposited with Power Department will be utilized.

Keeping in view of the above, para may be dropped please.

The Committee has desired that after adjudging the operation of the system for two or three months only then we may reach at the conclusion that para may be settled or not. Status report in this regard be submitted to the Committee after three months.

[10] 2.2.10.3 Damage of head regulator costing Rs. 1.35 crore

The work of construction of remodeling of Head Regulator of Augmentation Canal at RD 68036 of WJC (Main Line Lower) was done by a contractor for Rs. 1.35 crore in November 2008. The work had a defect liability for a period of one year after completion.

The structure got damaged on 10 June 2009 due to settlement of piers and abutments. A committee was formed (June 2009) to inquire into the reasons about the damage of the structure which decided to get the matter investigated from Central Water and Power Research Station (CWPRS), Pune (March 2012). CWPRS Pune had submitted the report in November 2012 and the same was under consideration of the Government. Further developments were awaited (January 2013).

The Department in its written reply stated as under:

In this respect it is submitted that Central Water and Power Research Station, Pune was entrusted to find out the cause of damage of Head regulator and they have already submitted the final report. Further an enquiry has also been conducted by State Vigilance Bureau and report has been submitted to Government and action is under process on the report at Government level. Hence para may be dropped please.

The Committee has desired that a list of the officers held responsible in the matter alongwith details of charges levelled against them and status of the disciplinary proceedings against them be submitted to the Committee.

[11] 2.2.10.4 Disposal of sewage and effluent water in Western Jamuna Canal causing environmental hazards:

According to Canal and Drainage Act, discharge of sewage and effluent into WJC was not permitted. The water of WJC is used for drinking water supply in Delhi and southern parts of Haryana. The Hon'ble Supreme Court of India had also banned discharge of effluents into canals. The physical verification at the sites of WJC and scrutiny of record at Dadupur Water Services Division, Dadupur (June 2012) revealed that sewage and other effluent were being discharged into WJC at various locations.

To take care of the problem of discharge of excess effluent of Yamuna Nagar and Jagadhri towns, a ditch drain was constructed during 2008. Even thereafter, effluent was being discharged over the spill ways of ditch drain. Study of records further revealed that 26 cusecs sewage and effluent was being discharged in WJC at 11 other places (**Appendix 2.7**).

No steps had been taken by the Department to stop discharge of sewage and effluent in Western Jamuna Canal except taking up the matter with Haryana State Pollution Control Board and Deputy Commissioners.

During the exit conference, the Additional Chief Secretary stated that matter had already been taken up at higher level to stop the disposal of sewage in WJC.

The Department in its written reply stated as under:

In this respect a comprehensive plan for disposal of effluents of District Yamunanagar is being prepared by Public Health Engineering Department (PHED) and various Small Treatment Plants (STPs) have been proposed for treatment of effluents. The necessary action for stopping the disposal in WJC is being taken up by PHED and Municipal Corporation, Yamunanagar. This issue is also being monitored by National Green Tribunal (NGT). Further notices have already been issued to the concerned authorities for stopping the disposal of sewage and effluents in WJC and the action is being taken accordingly. Hence, the para may be dropped please.

The Committee has desired to know the latest status of the STP project to be commissioned at Yamunanagar/Jagadhari jointly by Public Health Engineering Department and Municipal Corporation, Jagadhari.

[12] 2.2.11.2 Execution of work without Administrative Approval and sanction of estimate

As per Paragraph 9.1.1 of PWD Code, no work should be started before obtaining Administrative approval. Further, Paragraph 9.5.1 provides for commencement of works only after ensuring that detailed cost estimates are technically sanctioned by the competent authority after satisfying that the proposals are structurally sound and estimates are correct. Test check of records revealed that 43 works at an estimated cost of Rs. 53.73 crore were approved by HSFCB in its 42nd meeting in 2010-11 for district Yamuna Nagar. An expenditure of Rs. 33.97 crore was incurred during 2010-11 and

2011-12 on these works, but administrative approval and sanction of estimates had not been obtained from the competent authority. The details of expenditure are given in **Table 11**.

Table 11: Details of expenditure incurred without administrative approval and estimates

(Rs. in crore)				
Name of division	Number of works	Estimated cost	Revised Cost	Expen-diture
Dadupur Water Service Division, Dadupur	8	24.61	33.63	18.08
Jagadhri Water Service Division, Jagadhri	31	12.13	15.09	11.99
Hathni Kund Barrage, Division No 1, Jagadhri	4	4.85	5.01	3.90
Total	43	41.59	53.73	33.97

Source: Departmental records.

During the exit conference, EIC while admitting the facts clarified that keeping in view the urgency, the works were executed in anticipation of approval. The reply was not tenable as the action of the Department was in violation of codal provisions.

Audit further observed the following shortcomings:

Sub-standard execution of works

The HSFCB in its 42nd meeting approved (December 2010) 43 works for Yamuna Nagar District which were executed by various divisions of Hathni Kund Barrage (HKB) Circle Jagadhri. Samples of material used on these works were taken (June/July 2011) by HIRMI. The results of samples were received in August 2011 and eight works executed in HKB Circle Jagadhri, (seven work executed by Water Services Division, Dadupur and one by Water Services Division, Jagadhri) were found to be sub-standard. The revised cost of the works was Rs. 33.61 crore against which an expenditure of Rs. 18.01 crore had been incurred as of July 2011 (**Appendix 2.8**).

A committee, comprising of three Chief Engineers, was constituted (February 2012) to examine the issue.

The EIC stated that the report of the Committee had been submitted to the Government (July 2012) and action against defaulting officers and contractors would be taken after approval of the Government but no action had been taken till date (November 2012).

The Department in its written reply stated as under:

Every year the flood works which were proposed to be executed are approved in the meeting of HSTAC in under the Chairmanship of ACS/Revenue

Department and further approved in the meeting of Haryana Flood Control Board (HSFCB) under the chairmanship of Hon'ble Chief Minister, Haryana. There was instructions that initially the quantities of various Items which are required to be executed in particular work are to be approved by competent authority and subsequently after tendering the estimates are being sanctioned after execution of the work with actual quantities and tender rates. Further flood works being urgent in nature, the administrative approval is relaxed since last two year. However 43 no. flood works mentioned in table No. 11 were got administratively approved vide **Govt. memo no. 02/23/2009-1IW dated 23.02.2015(Copy enclosed)** and the estimates of all the flood works had been sanctioned by competent authority. **List of flood work is attached at Annexure-II.** With above explanation the para may be dropped please.

Sub-standard Execution of Works

In this respect Charge sheets under Rule-7 to all the defaulter officers/officials who are in services have been issued and the defaulting officers/officials who have retired from services the charge sheet is issued under Rule-2.2 (a) of Appeal & Punishment of 1987. The contractor has been blacklisted. 8 No. officers/official have already been suspended and departmental proceeding is under process.

Keeping in view of the above, para may be dropped please.

The Committee has desired to know the status of the disciplinary proceedings against the officers/officials held responsible for the execution of sub-standard works in Yamuna Nagar District and recommended that the disciplinary proceedings be concluded in a time bound manner.

[13] 2.2.12.1 Non-recovery of balance amount from LAO:

For acquisition of land for various works, 14 divisions deposited Rs. 155.86 crore with LAOs during 2007-12, out of which, awards for Rs. 148.14 crore were announced and Rs. 2.80 crore were refunded. Balance amount of Rs. 4.92 crore was not refunded by LAOs even after lapse of one to four years of the announcement of awards of lands (**Appendix 2.9**). Non-recovery of balance amount resulted in blockade of funds amounting to Rs. 4.92 crore.

Audit observed that no system was evolved by the department to ascertain the balances lying with LAOs and getting refund of unspent amounts.

During the exit conference, EIC assured that the proper system would be evolved to get back the unspent amounts from LAOs.

The Department in its written reply stated as under:

Now system has been evolved. The payment is not deposited to the LAO and remain in hand of Govt through concerned treasuries. Due to implementation of the e-payment system. Further from most of LAOs the balances got refunded and utilized appropriately and efforts are being made to get refund from LAO where balances are still there. The details as per latest pendency is a given ahead in tabulated form:-

Appendix 2.9: (Reference: Paragraph 2.2.12.1)**Statement showing the details of amount not refunded by Land Acquisition Officer**

Name of Circle	Name of Division	Amount Depo-sited	Award amount	Month of award	Recei-ved back from LAO	Balance at the time of audit	Period of delay in refund (Year Month)	Status as on today
Bhakra Water Services, Sirsa	Ghaggar Water Services, Sirsa	320.72	316.32	March 2009	Nil	4.40	3-0	--Nil-- (Balance got refunded)
	Sirsa Water Services, Sirsa	90.00	80.06	May 2008	Nil	9.94	3-10	--Nil-- (Balance got refunded)
Bhakra Water Services, Kaithal	Kaithal Water Services, Kaithal	873.61	824.46	October 2011	Nil	49.15	0-5	--Nil-- (Balance got refunded)
	Narwana Water Services, Narwana	1355.29	1276.71	April 2010	78.05	0.53	2-0	--Nil-- (Balance got refunded)
Yamuna Water Services, Bhiwani	Siwani Water Services Bhiwani.	590.16	541.24	September 2011	Nil	48.92	0-5	--Nil-- (Balance got refunded)
	Jui Water Services Bhiwani.	852.84	798.66	May 2011	Nil	54.18	0-10	Balance Pending
Hathni Kund Barrage, Jagadhri	Const. Division No. 14, Kurukshetra	3728.00	3606.47	March 2008	115.00	6.53	4-0	Balance Pending
Jawahar Lal Nehru Water Services Narnaul	Mahendergarh Canal W/S, Charkhi Dadri	424.52	421.37	June 2011	1.18	1.97	0-9	--Nil-- (Balance got refunded)
	Mahender-garh Canal W/S, Mahender-garh	463.37	449.30	September 2011	8.80	5.27	0-6	--Nil-- (Balance got refunded)
	Mahendargarh Canal W/S, Narnaul	347.03	345.42	October 2011	Nil	1.61	0-5	--Nil-- (Balance got refunded)
Yamuna Water Services, Jind	Jind Water Services Jind	1393.95	1248.00	January 2010	Nil	145.95	0-5	Balance Pending
	Const. Division No.28, Jind	1397.35	1350.89	June 2011	Nil	46.46	0-9	--Nil-- (Balance got refunded)
	Safidon Water Services, Safidon	206.91	112.52	March 2007	76.67	17.72	5-0	Balance Pending
Construction Circle, Hisar	Construction Division No. 7 Hisar	3542.00	3442.17	February 2010	Nil	99.83	2-1	
	Total	15585.75	14813.59		279.70	492.46		

Para may be dropped please.

The Committee has desired that the recovery of balance amount from LAOs be made at the earliest under intimation to the Committee.

[14] 2.2.12.2 Mutation of land not made:

Department acquired agriculture land for construction of minors/drains from farmers. Mutation of land was required to be made in the name of the Department in revenue records. Scrutiny of the records revealed that 1455.8623 acre of land (**Appendix 2.10**) was acquired by test-checked divisions/circles during 2007-12, out of which mutation of 764.62 acre land had not been made in the name of the Department (June 2012) which may cause unnecessary litigations about the ownership of land in future.

The EIC stated (November 2012) that all out efforts were being made to get the mutation done in favour of Department.

The Department in its written reply stated as under:

Efforts have been made by department to get mutation of the land in the name of department. Now mutation of those land are pending where the record is not traceable. However efforts are going on in this respect. Status of pending mutation as on today is given ahead in tabulated form:-

Appendix 2.10

(Reference: Paragraph 2.2.12.2)

Statement showing the details of mutation of land

Circle	Division	Land acquired	Mutation made	Mutation not made	Status of pending mutation as on today
Bhakra Water Services, Sirsa	Ghaggar W/S Division, Sirsa	42.35	29.77	12.58	--Nil--
	Sirsa W/S Division, Sirsa	104.95	88.05	16.90	--Nil--
Bhakra Water Services, Kaithal	Kaithal W/S Division, Kaithal	73.03	44.90	28.13	22.62
Yamuna Water Services, Bhiwani	Bhiwani Water Services Division, Bhiwani.	277.83	184.25	93.58	44.31
	Jui W/S Division, Bhiwani.	47.50	37.63	9.87	9.87
Hathni Kund Barrage, Jagadhri	Const. Division No. 14, Kurukshetra	112.565	92.301	20.264	20.264
	Dadupur Water Services Division, Dadupur	82.068	51.492	30.576	--Nil--
	Jagadhri Water Services Division, Jagadhri	69.013	21.45	47.563	--Nil--
Yamuna Water Services, Rohtak	Rohtak Water Services Division, Rohtak	187.41	0	187.41	86.70
	Gohana Water Services Division, Gohana	10.85	0	10.85	10.85

	Construction Division No.21, Rohtak	74.924	60.785	14.139	--Nil--
	Bahadurgarh W/S Division, Bahadurgarh	103.02	0	103.02	103.02
Jawahar Lal Nehru Water Services Narnaul	Mahendergarh Canal W/S Division, Narnaul	14.04	6.21	7.83	0.46
Yamuna Water Services, Jind	Jind Water Services Division, Jind	71.10	0	71.10	71.10
	Construction Division No.28, Jind	96.9263	37.4175	59.5088	59.5088
	Safidon Water Services Division Safidon	6.896	0.85	6.046	6.046
Yamuna Water Services, Karnal	Panipat Water Services Division, Panipat	74.37	36.14	38.23	38.23
Construction Circle, Hisar	Construction Division No.7 Hisar	7.02	0	7.02	7.02
	Total	1455.8623	691.2455	764.6168	

Para may be dropped please.

The Committee has desired that vigorous and sincere efforts be made to get the remaining acquired land mutated in the name of the Department in revenue record to avoid any unnecessary litigation with regard to the ownership of land.

[15] 2.2.14.1 Non-recovery/adjustment of amount lying in MPWA against staff and others:

Article 54 of Account Code Volume III provides that amount kept in Miscellaneous Public Works Advances (MPWA) should be watched through the regular account. Test check of records of selected circles/ divisions revealed that an amount of Rs. 160.62 lakh was pending in MPWA. Out of this, Rs. 59.30 lakh remained outstanding on account of shortage of material, sub-standard work, etc. against the officials/officers of the Department. Age-wise details of outstanding amount are given in **Table 14**.

Table 14 : Details of outstanding amount in MPWA

(Rs. in lakh)

Up to 5 years		5 to 10 years		Above 10 years		Total	
Total	Staff	Total	Staff	Total	Staff	Total	Staff
39.65	5.64	18.31	5.07	102.66	48.59	160.62	59.30

Source: Departmental records.

Concrete steps were not taken by the Executive Engineers to recover/ adjust the amount

outstanding against the staff and others.

The EIC stated (November 2012) that recovery was not feasible because whereabouts of the persons concerned were not known. The reply indicated that the Department had not taken appropriate action to adjust/recover the amount lying in MPWA.

The Department in its written reply stated as under:

It was pointed out by the Audit that Rs.160.62 lac was pending in P.W. Misc. Advance in Irrigation Department against officers/officials. The miscellaneous advance is very old one and most of the officers/officials have been retired. However, efforts are being made to recover/waive-off this amount. Hence the para may be dropped please.

The Committee has recommended that the amount may be got written off which is not possible to be recovered under intimation to the Committee as well as to the Principal Accountant General, Haryana.

[16] 2.2.14.2 Non-transfer of amounts lying in deposit to revenue

Para 12.7 of Punjab Financial Rules (Volume-I) provides that the entire amount lying in deposit for more than three years should be credited to revenue head of the Department. Test check of the records of selected circles revealed that an amount of Rs. 6.19 crore which was more than three years old was lying under deposit. The details are given in **Table 15**.

Table 15: Details showing non-transfer of amounts lying in deposit

(Rs. in lakh)

3 to 5 year	5 to 10 year	Above 10 year	Total
498.16	62.59	58.26	619.01

Source: Departmental records.

The division-wise details are given in **Appendix 2.11**. The amount was required to be credited in revenue head but no steps had been taken to credit the same.

The EIC stated (November 2012) that the instruction would be issued for the transfer of funds to revenue.

The Department in its written reply stated as under

The efforts are being made to get transfer the amount to proper head. Most of amount stand transferred to revenue head and efforts are going on to clear this issue. Status of pendency as on today is given ahead in tabulated form:-

Para may be dropped please.

Appendix 2.11**(Reference: Paragraph 2.2.14.2)****Statement showing the details of non-transfer of amounts lying in deposit to revenue head of the department**

Circle	Division	3 to 5 year	5 to 10 year	Above 10 year	Total	Statu
Bhakra Water Services, Sirsa	Rori Water Services, Rori	0.46	0.08	0.07	0.61	--Nil--
	Nehrana W/S Division, Nehrana	4.20	0	0	4.20	--Nil--
	Ghaggar W/S Division, Sirsa	2.32	0.90	0	3.22	--Nil--
	Sirsa Water Services, Sirsa	0.66	0.21	0.19	1.06	--Nil--
Yamuna Water Services, Bhiwani	Siwani W/S Division, Bhiwani.	21.42	2.10	1.11	24.63	--Nil--
	Bhiwani W/S Division, Bhiwani.	2.57	0	1.00	3.57	--Nil--
	Jui W/S Division, Bhiwani.	9.00	12.46	0	21.46	--Nil--
	Lift Water Services (Mechanical) Division, Bhiwani	0.22	0.02	0	0.24	--Nil--
Hathni Kund Barrage, Jagadhri	Hathni Kund Barrage Const. Division, No.1, Jagadhri	1.26	5.63	1.95	8.84	8.84
	Const. Division No. 14, Kurukshetra	17.32	8.37	16.73	42.42	42.42
	Dadupur W/S Division, Dadupur	232.53	0	0	232.53	218.92
	Jagadhri W/S Division, Jagadhri	0.17	0	0	0.17	--Nil--
Yamuna Water Services, Rohtak	Sampla W/S Division, Rohtak	115.58	0	0	115.58	115.58
	Gohana W/S Division, Gohana	9.32	7.77	5.53	22.62	22.62
	Rohtak Water Services Mechanical Division, Rohtak	0.12	0.28	0.04	0.44	0.44
	Bahadurgarh Water Services Division, Bahadurgarh	4.98	0	0	4.98	4.98
	Construction Division No.30, Gohana	24.86	11.22	0	36.08	36.08
Jawahar Lal Nehru Water Services Narnaul	Mahendergarh Canal W/S Division, Charkhi Dadri	0.28	0.35	0.56	1.19	Nil
	Mahendergarh Canal W/S Division, Mahendergarh	18.09	0	0	18.09	18.09
	Mahendergarh Canal Water Services Division, Narnaul	0.88	0.99	0.12	1.99	--Nil--
Yamuna Water	Jind W/S Division, Jind	20.34	10.05	11.25	41.64	41.64

Services, Jind	Safidon W/S Division Safidon	0.33	0.29	0	0.62	0.62
Yamuna Water Services, Karnal	Construction Division No.17, Karnal	0	0.97	18.43	19.40	19.40
	Panipat W/S Division, Panipat	1.62	0.58	0	2.20	2.20
Construction Circle, Hisar - 6	Construction Division No.6 Hisar	9.58	0.25	0.20	10.03	10.03
	Construction Division No.7 Hisar	0.05	0.07	1.08	1.20	1.20
	Total	498.16	62.59	38.26	619.01	

The Committee has desired that the balance amount be deposited in the Revenue Head at the earliest possible under intimation of the Committee.

[17] 2.2.14.3 Non-deposit of labour cess with Labour Welfare Board:

Building and Other Construction Workers Welfare Cess Act 1996 (Act) provides deduction of labour welfare cess at the rate of one *per cent* of the total bill of Contractors. The proceeds of the cess collected were required to be deposited with the Haryana Building and Other Construction Workers Welfare Board.

Scrutiny of records of test-checked divisions/Circles revealed that instead of depositing cess with the Board, an amount of Rs. 3.06 crore was credited to receipt Head of the department and an amount of Rs. 71.59 lakh were kept in Deposit (**Appendix 2.12**) in violation of the provisions of the Act.

The EIC stated (November 2012) that the instructions would be issued to the divisions to deposit the amount of Labour welfare cess with the Board in a timely manner.

The Department in its written reply stated as under:

There was old practice and now this has been stopped after introduction of e-payment system. In old pending cases the deposits has been made to Labour welfare board and in remaining case the efforts are being made to pay the same to labour welfare board. Status of pendency as on today is given ahead in tabulated form.

Appendix 2.12

(Reference: Paragraph 2.2.14.3)

Statement showing the details of non-deposit of labour cess

Circle	Division	Receipt head of the kept in deposit Head labour department		Total	Status as on today
Bhakra Water Services, Sirsa	Rori Water Services, Sirsa	0	3.28	3.28	--Nil--
	Nehrana Water Services, Sirsa	37.07	Nil	37.07	37.07

	Ghaggar Water Services Division, Sirsa	39.27	Nil	39.27	--Nil--
	Sirsa Water Services, Sirsa	15.38	Nil	15.38	9.77
Yamuna Water Services, Bhiwani	Siwani Water Services Division, Bhiwani.	14.06	Nil	14.06	14.06
	Bhiwani W/S Division, Bhiwani.	84.58	Nil	84.58	84.58
	Jui Water Services Division, Bhiwani.	Nil	8.69	8.69	8.69
Hathni Kund Barrage, Jagadhri	Hathni Kund Barrage Const. Division, No.1, Jagadhri	3.95	6.40	10.35	--Nil--
	Const. Division No. 14, Kurukshetra	14.23	1.13	15.36	15.36
	Dadupur Water Services Division, Dadupur	21.37	23.31	44.68	--Nil--
	Jagadhri Water Services Division, Jagadhri	Nil	6.28	6.28	--Nil--
Jawahar Lal Nehru Water Services Narnaul	Mahendergarh Canal Water Services Division, Charkhi Dadri	Nil	4.14	4.14	0.84
	Mahendergarh Canal Water Services Division, Mahendergarh	Nil	0.68	0.68	--Nil--
	Mahendergarh Canal Water Services Division, Narnaul	Nil	4.83	4.83	4.83
	Mahendergarh Water Services (Mechanical), Narnaul	Nil	0.05	0.05	--Nil--
Yamuna Water Services, Jind	Jind Water Services Division, Jind	1.47	Nil	1.47	1.47
	Safidon Water Services Division Safidon	12.19	Nil	12.19	12.19

Yamuna Water Services, Karnal	Karnal Water Services Division, Karnal	3.54	12.80	16.34	16.34
	Panipat Water Services Division, Panipat	45.33	Nil	45.33	45.33
Construction Circle, Hisar	Construction Division No.6 Hisar	6.60	Nil	6.60	6.60
	Construction Division No.7 Hisar	6.59	Nil	6.59	6.59
Total		305.63	71.59	377.22	

Para may be dropped please.

The Committee has recommended that the remaining amount of labour welfare cess be deposited with the Haryana Building and Other Construction Workers Welfare Board within a period of six months under intimation of the Committee otherwise Committee will be compelled to fix the responsibility of the defaulting officers/officials in the matter.

[18] 2.2.14. Lack of seriousness towards making payments of land compensation:

The Additional District Judge, Bhiwani decided (June 2009) for making payment of enhanced land compensation to the petitioners. Thereafter, the case remained pending in the Department for administrative approval. Due to non-payment, execution petitions were filed (April 2010 and August 2010) by the land owners. The Court directed (June 2009) the Department to make payment but the Department did not make the payment.

The Court attached (March 2011) vehicles of the department for non-payment of compensation to land owners. The Siwani Water Services Division, Bhiwani again submitted (March 2011) the case for release of Letter of Credit (LOC) to Chief Engineer and also sent reminders for the same with copy to EIC and Financial Commissioner and Principal Secretary, Irrigation Department. The matter regarding release of LOC remained under correspondence during this period between the division and the EIC. As a result, the division was not able to make payment of enhanced compensation in time to get the vehicles released. The Court subsequently auctioned (May and July 2011) four vehicles (HR-16-C-4430, HR-16C-4569, HR-16-C-4617 and HR-16G-7234) of Yamuna Water Services Circle, Bhiwani and an amount of Rs. 2.48 lakh realised and deposited into treasury. Thereafter, the payment of Rs. 33.06 lakh was made in September 2011.

Similarly, there were substantial delays in making payment on account of enhanced land compensation after the decision of the courts. Due to delay in making payment to land owners, the Department had to make extra payment on account of interest. Details of such cases noticed during test-check are given in **Table 16**.

Table 16: Details showing payment of interest to land owners

Name of Division	Enhanced amount (Rs. in lakh)	Month of Decision	Interest paid up to	Period of delay (In months)	Amount of Interest (Rs. in lakh)
Sirsa Water Services, Sirsa	138.71	November 2010	June 2011	7	12.14
Nehrana Water Services, Sirsa	84.92	September 2008	March 2010	18	18.78
	9.06	September 2008	December 2009	15	1.70
	2.20	September 2008	January 2010	16	0.44
	11.43	September 2008	November 2009	14	2.00
	0.44	September 2008	October 2009	13	0.07
	43.09	September 2008	October 2009	13	7.00
				Total	42.13

Source: Data compiled from divisional record.

As is evident from the above table, due to delay in making payment of land enhanced compensation to land owners, the Department had to make extra payment of Rs. 42.13 lakh on account of interest.

This indicated lack of seriousness in making payment towards enhanced compensation despite orders of the courts.

The EIC stated (November 2012) that care would be taken so that such incidents do not take place in future.

The Department in its written reply stated as under:

The said para relates to LAC cases regarding enhancement of land compensation of various channels of divisional offices of this circle. The Hon'ble court of A.D.J. Bhiwani ordered for enhancement of compensation of these channels. Accordingly cases in single file system for administrative approval for Budget/Funds were submitted to the competent authority but the administrative approval/fund were not received within the specified time limit fixed by the court. Due to this reason the Hon'ble Court ordered for attachment of 4 Nos vehicles HR 16 C 4617, HR16C 4430, HR050097 and Car No. HR-16G-7234. In the meantime the administrative approval was accorded by the Govt. but the LOC/funds were not released within the time limit fixed by the court. The Hon'ble Court ordered for auction of all the above vehicles to make payment of

compensation to the land owners/petitioners. Thereafter LOC/Funds were released by the competent authority and hence the cases were settled by the court. In view of above facts and submissions, there is no lapse on behalf of division/circle office, hence the para may kindly be got settled please.

The delay in payment of enhanced compensation is not intentional. The procedure involved is so lengthy that such things do happen in some of the cases. Further the delay in Nehrana case occurred due to non availability of LOC and the delay is not due to lack of seriousness towards making payments. To stream line the early disposal of such cases department has already given instructions to field offices to dispose off such cases on urgent basis. Every care is being taken now to avoid accumulation of interest due to delay of any sort.

Name of Division	Enhanced Composition	Delay	Interest
Sirsa W/S Divn. Sirsa	138.71 lacs	7 months	12.14 lacs
Nehrana	113.05 lacs	13-18 months	29.99 lacs

Sirsa W/S Dn Sirsa:

In this case on the opinion of LR dt. 3.3.2008 appeal was filed in the Honble High Court against decision of ADJ Sirsa dt. 20.12.2007 which was dismissed on 10.11.2010. The LR vide letter dt. 07.03.11 opined that case is not fit for filing appeal. Accordingly A/A case submitted to Govt. during 5/2011 and Govt. accorded approval on 22.07.2011 for Rs. 27346583.00. Hence it was all procedural consumption of time.

Nehrana W/S Sirsa:

The appeal filed by department against the decision of ADJ Sirsa dt. 7.11.2007 was dismissed by Hon'ble High Court on 02.09.2008. The A/A was applied by SE on 11.11.2008 and was submitted to Govt. on 10.12.2008. Govt. raised some observations vide letter dt. 18.2.2009 regarding sending latest status and Budget availability. This observation was replied on 29.04.2009 by mentioning that the budget will be provided during 2009-10. Govt. vide letter dt. 22.06.2009 asked for some more clarifications which were replied by SE vide letter dt. 10.08.2009 and were replied to Govt. vide letter dt. 25.08.2009 and A/A accorded by Govt. vide letter dt. 06.10.2009.

Thus it is clear that the delay in payment of enhanced compensation is procedural and not intentional. The procedure involved is so lengthy that such things do happen in some of the cases. To stream line the early disposal of such cases department has already given instructions to field offices to dispose off such cases on urgent basis personally and guidelines in this regard are also being outlined by the department. Every care is being taken now to avoid accumulation of interest due to delay of any sort. In view of above para needs to be dropped.

The Committee has desired that a list of cases, wherein payment of compensation has been deposited after a period of six months from the date of the decision of the Court during the last two years, be submitted to the Committee.

[19] 2.2.16 Recommendation

The Government may consider: preparing proper plans for completion of ongoing works so as to increase the coverage of areas under irrigation.

strengthening the expenditure control mechanism to avoid excess expenditure over budget provisions.

co-ordinating with line departments/organisations to ensure that the intended benefit of the scheme reaches the targeted beneficiaries.

activating its vigilance mechanism to avoid the cases of sub-standard works, wasteful/extra expenditure in execution of works.

taking adequate steps to stop the disposal of sewage and effluent in canals. implementing effectively directives of the Apex Court.

The Department in its written reply stated as under:

No reply submitted by the department.

The Committee has desired that the recommendations of the audit be adhered to in its true spirit and command.

[20] 2.3.10.1 Utilisation of Acquired/Allotted Land and Management of Government Land:

As per guidelines issued (May 2001) by State Government for disposal of surplus land, surplus capital assets of one department which could be used by other departments/boards/ corporations should be transferred to them and surplus assets which could not be used and were susceptible to encroachment, should be disposed of in the market through open auction.

Audit observed that Irrigation department had a total of 3286.61 acre of surplus land. The land was acquired earlier for brick kilns, rest houses and minors or drains which were abandoned. The land had not been disposed of as per policy of the State Government. No action was taken to dispose of or transfer surplus land to other departments as per guidelines of the State Government. It was observed that out of this land, 265.03 acre of land (**Appendix 2.14**) was under encroachment/ litigation.

The EIC stated (November 2012) that the list of the surplus land was circulated to all departments and hosted on website of the department. The surplus land would be transferred as and when any request is received after following due procedure. The reply was not acceptable as no action to dispose of the surplus land has since been taken as per policy of the Government. During the exit conference, the Additional Chief Secretary assured to expedite the matter regarding removal of encroachment from the land.

The Department in its written reply stated as under:

The surplus land is utilized as per prevailing Govt policy from time to time. The decision is taken at Govt. level which takes some time. Moreover the land of

department is important asset and if not disposed, it is with department and its value always increases with time and there has been no loss to Govt on this account. The land is utilized for various purposes like, afforestation, handing over to forest deptt in lieu of use of protected forest where sometime canals are to be constructed or developing other Govt infrstrures. Wherever land found encroached the same was got vacated or efforts are made to get it vacated.

Statement showing the latest status of such land is as under:

Appendix 2.14

(Reference: Paragraph 2.3.10.1; Page 77)

Statement showing the detail of surplus land under encroachment

Sr. No.	Name of Circle	Name of village	Location	Total Area (in acre)	Status as on date
1	Bhakra Water Services, Sirsa	Abubshahar	Opposite RD 200-L Abubshahar Minor No.2	7.86	Subjudice
2		Panniwala Ruldu	Opposite RD 362000-R Bhakra Main Branch	5.40	Encroachment removed
3		Ganga	Abandoned Lisara Nallah in the chak of O/L RD 29776-R-33100-R-33100-L Chautala Dy. And 34820-R-35700-L-44000-L-45850-R-49000-L-57000-T.L.-57000-T.R.Jandwala Disty.	12.13	Yet under encroachment
4		Makha	Opposite RD-346000-L Bhakra Main Branch	15.81	Encroachment removed
5		Desu Malkana	Opposite RD-329000-L Bhakra Main Branch	8.32	Encroachment removed
6			Near the village on the road	0.71	Encroachment removed
7		Takhatmal	Opposite RD-313262-L Bhakra Main Branch	9.69	Encroachment removed
8		Panniwala Morika	Abandoned Minor No.1 in front of 35800-Tail	9.20	Encroachment removed
9		Desu Jodha	Opposite RD 3000-L Minor No.3	0.91	Yet under encroachment
10			Opposite RD 64851-R Dabwali Distributary	0.16	Subjudice
11			Opposite RD 65000-L Dabwali Distributary	1.06	Encroachment removed
12		Takhatmal	Opposite RD303000-L Bhakra Main Branch	4.80	Encroachment removed

13	Bhakra Water Services, Kaithal	District Kaithal	Fatehppur Minor Tail	9.50	
14		District Karnal	I-R Minor of Habri Branch Tail	52.21	
15	Bhakra Water Services, Hisar-I	Daroli	Adampur Water Services Division Unauthorized possession at village Daroli	11.30	Now land is with the department
16		Sadalpur	Adampur Water Services Division Unauthorized possession at village Sadalpur	5.20	Now land is with the department
17		Naya Gaon	Abandoned old Daulatpur Minor	4.20	The matter is under pending in the Hon,ble Court of Commissioner Hisar.
18			Abandoned old Daulatpur Minor	8.89	Yet under encroachment
19	Sutlej Yamuna Link, Ambala	Jansui	Abandoned at village Jansui	9.77	Subjudice
20		Bishangarh	Abandoned at village Bishangarh	44.88	Encroachment removed
21		Segti	Abandoned at village Segti	5.21	Subjudice
22		Segta	Abandoned at village Segta	5.06	Encroachment removed
23	Yamuna Water Services, Rohtak	Pathri (District Panipat)	Unauthorized encroachment at village Pathri	5.74	Matter is subjudice
24	Yamuna Water Services, Bhiwani	Dhanana	Abandoned Mithathal Minor	7.77	Now, land is being used by Forest Department.
25	Yamuna Water Services, Faridabad	Jhahlana, Tehsil Punhana, District Mewat	RD 188000-L Rajasthan Link Canal	8.50	
26		Mithapur Tehsil Kalkaji District Saket (Delhi)	L/side of Agra Canal and South of Abadi village Mithapur RD 4500 of L/side of G.C. Feeder	10.75	
			Total	265.03	

The Committee has desired that the interest of the State be protected meticulously.

[21] 2.3.10.2 Non- recovery of cost of lan:

A total of 10.04 acre surplus land was transferred by Irrigation department to HUDA, Karnal for developing a park and Municipal Committee (MC), Karnal for construction of a slaughter house. The cost of above transferred land amounting to Rs. 22.60 lakh had not been realized even after a lapse of 10 years. It was observed that matter was not taken up regularly with the HUDA and the Municipal Committee. During the exit conference, the EIC stated that efforts were being made to recover the amount.

The Department in its written reply stated as under:

HUDA Karnal – 7.30 acre land:- Land Acquisition Collector, Panchkula has been directed to release the payment in favour of Irrigation Department by Director General Town and Country Planning and Urban Estate, Department Haryana, Chandigarh vide Memo No. PS/DGUE/2013/45 dated 03.05.2013. But the payment was not released by LAO, Panchkula with the plea that the land is not in the name of department.

M.C.Karnal – 2.74 acre land:- Action is being taken to recover the amount from M C Karnal.

Keeping in view of above, para may be dropped please.

The Committee has desired that the latest status of the matter be submitted to the Committee as well as to the Principal Accountant General, Haryana at the earliest possible.

[22] 4.1.2 Extra avoidable expenditure due to non-use of excavated earth in dam embankments:

Non-use of earth excavated from foundation in embankments of Kaushalya Dam resulted in extra expenditure of Rs. 1.92 crore.

The Government of Haryana approved (December 2005) the construction of Kaushalya Dam at a cost of Rs. 51.37 crore. The project estimate was revised in March 2007 to Rs. 98.18 crore due to change in the scope of work as the height of dam was increased. The estimated cost of the project was kept within Rs. 100 crore to avoid environmental clearance. The Chief Engineer, Irrigation Department, Haryana sanctioned (October 2007) an estimate for construction of earthen dam for Rs. 56.22 crore on the basis of drawing and design submitted (July 2007) by the Water and Power Consultancy Services (a Government of India undertaking engaged for consultancy work). The estimate provided (October 2007) for cleaning off and grubbing all the contract area of the dam foundation by removing the jungle and other vegetation. After this, earth upto one metre depth was to be stripped off to remove the over burden and all the excavated material beyond the depth of one metre was to be used in earth fill.

The Superintending Engineer, SYL Circle, Ambala awarded (March 2008) the work of 'Construction of Kaushalya Dam and its appurtenant' to an agency for Rs. 52.99 crore. The Government decided (April 2008) to further increase the top width of the dam to 30 metre for smooth running of vehicular traffic for Sector 3, 4 and 5 of Pinjore developed by Haryana Urban Development Authority and other areas of Pinjore. Accordingly, the Government revised the administrative approval to Rs. 180 crore in November 2008. As a result, the scope of work was increased and agreement was

enhanced to Rs. 112.99 crore (June 2009). As per clause 5.4.1 of the contract agreement, the dam embankment section comprised of an impervious core, pervious shell and filter (transition zones), etc. The fill material for these zones was to be obtained from borrow areas which was to be identified and arranged by the contractor at his own cost. The agency completed the work for an amount of Rs. 118.89 crore up to November 2012.

Scrutiny (January 2011) of records revealed that an amount of Rs. 4.59 crore was paid to the agency on account of excavation of 5,39,779 cum earth as per item No. 2 of bill of quantities of the contract document. As per sanctioned estimate, the excavated material beyond the depth of one metre was to be used in earth fill, but no provision was made in the contract document, executed with the agency, for using the excavated earth in the dam. The Department stated (January 2012) that after preliminary surveys and study of borehole data, it was concluded that they might not be able to utilise the excavated earth in pervious shell due to specific requirement/gradation of pervious material. It was observed in audit that out of 5,39,779 cum excavated earth, 2,63,170 cum earth was excavated from the trench below one metre depth, of which 2,26,326 cum (86 *per cent*) could have been used for filling. The agency was paid Rs. 1.92 crore for excavation and disposing of this quantity of earth which could have been saved had the provision for using this earth been made in the contract document.

In the exit conference held in August 2012, the Additional Chief Secretary, Government of Haryana, Irrigation Department directed the departmental officers to submit a detailed reply alongwith complete documents. Accordingly, a reply (September 2012) alongwith geological investigation report conducted by Geological Survey of India in October 2007 was supplied, wherein the Department stated that use of earth excavated below the depth of one metre in the pervious shell was inadvertently mentioned in the estimate of October 2007. But it was observed by Audit that according to geological reports, most of the earth to be excavated falls between 'very suitable' and 'fairly suitable' categories for filling in pervious shell. The Department subsequently accepted (October 2012) the fact of suitability of 86 *per cent* of excavated earth but stated that during excavation by machines the strata of soil would be disturbed which might make the excavated earth unsuitable for using in pervious shell. The reply was not acceptable as Para 8.1-'Choice of Construction Material-Earth Dam' of Indian standard (IS: 8826-1978) 'Guidelines for designs of large earth and rockfill dams' provides that the designer should aim at maximum utilisation of the material available from compulsory excavations and also that the provisions made in estimate was required to be followed in actual execution of the project.

Thus, despite the fact that 86 *per cent* excavated earth from foundation was suitable for use in pervious shell and failure of the Department to incorporate a provision in the contract document for usage of this earth resulted in an extra expenditure of Rs. 1.92 crore.

The Department in its written reply stated as under:

Keeping in view the scarcity of water in Haryana State, Govt. decided to construct small dams on the tributaries of Ghaggar River. As such proposal for three numbers small dams namely Kaushalya Dam across River Kaushalya, Dangrana Dam and Deewanwala Dam across River Ghaggar were prepared by the Irrigation Department to utilize the flood water during rainy season. Ghaggar

Standing Committee in its 19th meeting held on 11th July, 2006 gave clearance to Haryana State for construction of Kaushalya Dam.

Accordingly, at its initial stage, an estimate amounting to Rs.51.37 Crore was approved by Govt. for construction of Kaushalya Dam with primary objective of providing drinking water supply to HUDA with other objectives such as controlling of flash floods, development of fisheries; tourism and recharging of underground water table etc.

It is further submitted that the scope of the work was revised and height and top width of dam from 30m to 34m and 6m to 12m before calling the tenders. The revised construction cost estimate amounting to Rs.56.22 Crore was approved by Govt. during the year 2007.

A Para 3.1 was framed during Annual AG inspection of Kaushalya Dam from 06.01.2011 to 14.01.2011. Para 3.1 was replied in annotated form to AG with remarks of all officers upto Engineer-in-Chief level.

This Para was drafted on the basis of statement written in the report of initial sanctioned estimate of Kaushalya Dam amounting to Rs.56.22 Crores during the year 2007, where it was inadvertently mentioned in the report of estimate wherein it was assumed that the excavated material beyond the depth of 1m shall be used in earth fill as pervious material. However, in the estimate itself, the quantity of excavation and fill pervious material has been estimated as separate item. The lines written in the report of estimate was just an assumption and not as per actual site conditions which created doubt in the mind of audit party and Para has been framed without considering technicalities and suitability of specified materials to be used for construction of dam.

It is worth mentioned here that the initial estimate was prepared on the basis of geological reports of 8 holes drilled along the axis of the dam with rotary drilling machine in which the existing strata is not disturbed and undisturbed samples of soil from different depths were collected for its geological study. These were only representative samples and it cannot be inferred from the results that the material was usable in the shell portion as there is large variation in the strata at short distances and there were number of layers of such materials which were not suitable as fill material for shell zone of dam. The geological report points out that some of the strata of the river are of pervious nature and loose deposits of fluvial soils falls mostly in the range GP to CL-ML and as per IS Code No. 12169 & 8826 and is not suitable for shell material to be used in fill pervious shell section and there is no rock formation upto 20m to 25m depth. Hence, it was envisaged that large quantity of material shall be available from excavation beyond 25m depth upto sound rock foundation in spillway portion as the type of spillway had not been finalized by that time and hence to bind the contractor, a clause 5.2.5 was introduced in contract agreement wherein contractor was to be paid 50% excavation from Cut-Off-Trench and balance 50% excavated material was to be paid in pervious shell portion. As such its use to the extent of 50% has been considered in pervious shell, even though it was not found suitable for use as pervious material as per test conducted by field staff as well as laboratory tests for checking suitability of material to be used in pervious shell of Kaushalya Dam.

However, for use of excavated material excavated from dam area except spillway area a clause 5.3.6 exist in the contract agreement/bid that excavated materials which are considered suitable for use in the shell portion should either be stocked or used directly. The excavated material other than spillway area were also checked by field staff and laboratory tests after its excavation and was found unsuitable for use as pervious shell material and therefore was not used in shell zone portion of the dam.

It is worth mentioned here that as per Clause No.-5.1.3 of Contract Document, the agency have to construct the diversion work i.e. Coffor Dam etc. for diversion of river water for which they have not been paid. Agency excavated the Cut-Off-Trench and excavated material was tested for its suitability for use in shell portion of dam and after found unsuitable for shell portion, the agency used this excavated material for construction of Coffor dam. On the basis of data of 8 nos. bore hole the agency was clear in its mind that the material is not going to be utilized in shell portion and they will get this material free of cost for construction of Coffor Dam. Accordingly they quoted their rates which were below DTR. In absence of non availability of material from Project area of Kaushalya Dam, the agency would have tendered higher rates.

It is also worth to mention here that the Cut-Of-Trench of Kaushalya Dam was excavated with mechanical means i.e. by Pocklaines, JCBs and other excavators etc. due to which the layered loose deposits, which would have been found suitable to be used as shell pervious material, get mixed and its configuration get changed. It is also mentioned that sub soil water was also encountered below 4m depth of excavation of Cut-off-Trench due to which all the excavated materials became wet and converted into slush for which continuous dewatering was done by executing agency for excavating the COT (Cut-off-Trench) upto 9m depth. All the excavated material was tested and disposed off after founding unsuitable for use in pervious shell zone portion. The payment of excavated material and its use therein in pervious shell has been made as per clauses of bid and after technical/geological analyzing its suitability as pervious shell material and the unsuitable excavated earth was used to construct the coffer dam in upstream of dam for safety of COT and other works. Later on after achieving the safe level of dam, the agency dismantled the coffer dam and the earth was disposed of on downstream side of dam for which no payment was paid to the agency and the disposed of earth is still existing at site which was shown to the audit party during their inspections of dam site.

It is worth mentioning here that the total quantity of material excavated from dam area i.e. Spillway and Cut-of-Trench etc. is 538316.37 cum. The 1m top striping material comes out to be 19495.03 cum which was straightway unfit for use as pervious fill material. The total excavated earth from spillway portion was 61442.96 Cum of which 50% i.e. 30721.48 Cum has been paid in excavation and remaining part has been paid in filling of pervious fill as per agreement clause 5.2.5, even the material was found unsuitable for use in pervious shell that is why remaining excavated earth i.e. 313499.86 Cum has been paid in excavation only as has not been used in pervious fill zone because of its non

suitability. The total payments of excavated earth are depicted in the table below:-

Sr. No.	Type of Excavation Executed and Paid	Location of Excavation Executed In Cu M							
		Dam Body, Abutment and COT	Check Dam	Terminal Chamber	Escape Channel	Spillway	Intake	Arround Training wall	Total Quantity Paid in Cum
1	Stripping Paid @ 100%	177199.43	11776.41		2135.00			2984.19	194095.03
2	Excavation Paid @50%					30313.74	407.74		30721.48
3	Excavation Paid @100%	301420.69		12079.17					313499.86
	Total Quantity in Cu M	478620.12	11776.41	12079.17	2135.00	30313.74	407.74	2984.19	538316.37
		Total Quantity of Excavation in Cum=							538316.37

In the light of the above submission the quantity of excavated earth and pervious fill material has been made by judging its suitability in pervious shell fill, keeping in view the bid clauses and IS Code and no excess payment has been made to the agency and Para need to be considered accordingly in the fairness of execution of work and needs to be dropped as Para looks to be framed without considering technicalities and suitability of the specified material used for construction of Kaushalya Dam and without considering clauses of bid agreement with an open mind.

Keeping in view of above, para may be dropped please.

The Committee has observed that matter is under vigilance inquiry and recommended that a letter, alongwith a copy of the proceedings of the present meeting, be sent to the Vigilance Department so that some points which came in the notice of the PAC, may also be made part of the inquiry. The Committee has also desired that the inquiry be concluded at the earliest possible.

[23] 3.5 Misappropriations, losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 -10	45	53.09			
10-15	22	41.63	Misappropriation/ loss of material	54	78.83
15-20	15	7.91			
20-25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95

Reasons for the delay/outstanding pending cases	Number of cases	Amount (Rs. in lakh)
Total	142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

Total 142 pending cases of Rs. 146.46 lacs, out of which 49 cases of Misappropriation, defalcation cases amounting to Rs. 11.05 lacs relate to Irrigation Department Haryana. The department has taken final action on 20 cases amounting to Rs. 7.00 lacs out of 49 cases and the action taken has been tabulated as under:-

Total Case and amount		No. of cases in which recovery made		No. of cases in which sanction of write-off has been issued		Total settled cases and amount		Outstanding cases and amount	
Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)
49	11.05	10	1.78	10	5.22	20	7.00	29	4.05

Efforts are being made to recover the balance outstanding amount and report shortly.

Keeping in view of above, para may be dropped please.

The Committee has desired that the remaining 29 cases also be settled at the earliest possible and be got re-conciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

TOWN AND COUNTRY PLANING DEPARTMENT

[24] 2.3.8.6 Acquisition of land under prohibited area:

As per notification of the Government of Haryana, Forest Department, issued in August 1992, the area falling under the *Aravalli* Hills ranges, Faridabad was notified under Punjab Land Preservation Act 1900, as applicable to Haryana, on which no buildings can be constructed.

A mention was made in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 (Civil), Government of Haryana regarding acquisition of 483.69 acre prohibited land in Mewla Mehraipur, Faridabad in February 1995 for development of residential Sectors 44 and 47. In pursuance to a Public Interest Litigation filed in 2002 with the Apex court, the DFO, Faridabad had issued notices to HUDA and DTP, Faridabad stopping construction activities on this land blocking Rs. 62.37 crore on acquisition of land. In the Action taken note, HUDA assured the Public Accounts Committee that it had been decided to take action for de-notification of land covered under Section 4 of Punjab Land Preservation Act. The Audit, however, noticed that the land had not been de-notified (February 2013). HUDA has further paid a sum of Rs. 190.45 crore to the landowners upto March 2012 on account of enhanced land compensation awarded (May 2007) by Hon'ble High Court to the land owners with the result the total amount invested in this project had increased to Rs. 252.82 crore (March 2012).

The PS stated during Exit Conference that request of HUDA had not been considered favorably by the Apex Court and HUDA had taken up the matter at appropriate level and had agreed to implement the recommendations of Central Empowered Committee appointed by the Supreme Court. He also stated that there was a difference between Reserve Forest Land and area notified in August 1992 under section 4 and 5 of Punjab Land and Preservation Act, 1900 (PLPA). He further intimated that the Apex Court interpreted treatment of reserve land as Forest Area in March 2004 whereas the notification under Section 6 of Land Acquisition Act, 1894 was issued in September 1993.

The reply was not convincing as notification under section 6 of the Act was issued in September 1993 i.e. after one year of the notification of the land under section 4 and 5 of Punjab Land Preservation Act 1900 (August 1992). Thus, due to acquisition of land notified under Punjab Land Preservation Act 1900, an expenditure of Rs. 252.82 crore proved to be unfruitful as the residential sectors could not be developed even after 20 years of acquisition of land.

The Department in its written reply stated as under:

"It is vehemently denied that any reserve forest land was acquired by HUDA. It seems that the Audit Team could not distinguish between 'Reserve Forest Land' and the land in question which was considered as forest land much after its acquisition due to orders of the Hon'ble Supreme Court of India as explained subsequently in this para. It is intimated that the Development Plan of Urban Estate Faridabad was notified in the year 1990 wherein sector 44 & 47 was shown in the residential zone. The notification under section-4 & 5 of Punjab Land Preservation Act 1900 was issued in August 1992 i.e. much after the finalization of the Master Plan and without consulting the Town & Country

Planning Department. Notification under section 4 to acquire sector-44 & 47 was issued in September 1992. The Notification under section-6 was also issued in September 1993. The Hon'ble Supreme Court of India on 18-03-2004 in the case of M.C. Mehta V/s Union of India and others interpreted that the area notified under section 4 & 5 of Punjab Land Preservation Act 1900 has to be treated as forest area. Thus the notification to acquire sector 44 & 47 was issued well before the interpretation by the Hon'ble Supreme Court of India.

It is further, intimated that the matter is subjudice in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India has constituted Central Empowered Committee (CEC) which is looking after this matter and submits its reports/ recommendations to the Hon'ble Supreme Court of India. CEC in its second report dated 15.01.2009 (**Annexure-7**) under para 12 recommended that:

"A consensus has been reached with the State of Haryana that section-4 and /or 5 areas acquired and developed by the HUDA in its sectors namely 21-C III, 44, 47 and 45, and used for the construction of the Gymkhana Club, Fire Station and the Police Post may be considered for regularization subject to 379 acres of the acquired land being notified as Reserved Forest/ Protected Forest, deposit of Rs. 45 crores by the State/HUDA in the Aravali Rehabilitation Fund and other conditions."

Further under para 15 of this report, CEC recommended that: -

"The present Report provides for a comprehensive package of relief and prohibitions which are interlinked and should be considered as a whole. It would therefore, be appropriate that decisions on the various recommendations/ observations made by the CEC in this Report are taken simultaneously. For example, the regularization of HUDA sectors may be permitted only if the State of Haryana takes effective steps for the demolition of buildings/structures in the areas notified under section-4 and/ or 5 of the PLPA and other forest areas and rehabilitation of such areas."

HUDA had taken-up the matter with the Hon'ble Supreme Court of India by filing an affidavit of Administrator, HUDA, Faridabad (**Annexure-8**) wherein it was mentioned that a total of 791.72 acres of HUDA land, which has been acquired, developed and allotted to various persons/societies etc, falls under section 4 and 5 of PLPA notified area. The total cost of acquisition and development of the aforementioned area was Rs. 118.87 crores. Rs. 90.08 crores has already been spent by HUDA for the aforesaid area in the acquired part after carrying out basic development work of laying down sewerage, roads, water supply, electricity etc. plots have been allotted to individual/societies and many of them are inhabited after raising constructions. However, before the entire development works could be completed, Hon'ble Supreme Court of India vide orders dated 18.03.2004 and 06.05.2002 imposed restrictions/ban on the development activities. Because of the same, serious hardships are being faced by the allottees in the aforesaid areas. It has categorically mentioned in the affidavit of Administrator HUDA Faridabad that HUDA is ready to abide by the recommendations of the CEC for payment of Rs. 45 crores in the Aravali Rehabilitation Fund and notification of 379 acres of acquired land as reserved/

protected forest. However, it was prayed that HUDA may be allowed to execute the remaining infrastructure development works in areas notified u/s 4 & 5 of the PLPA Act falling in Sector 21-C-III, 44, 45 & 47. It was also prayed that the recommendations of CEC pertaining to HUDA may be considered independent of the action to be taken by the State Government on the basis of the said recommendations. However, the above request of HUDA has not been considered favorably by the CEC/Hon'ble Supreme Court of India so far."

Thus, HUDA has taken up the matter at appropriate level and has agreed to implement the recommendations of CEC even though the land was not categorized as forest when it was acquired.

In view of the above detailed submission, the para may be dropped.

The Committee has desired that the facts of the matter be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

[25] 2.3.10.8 Recovery of external development charges

As per Section 38 of the HUDA Act 1977, external development charges (EDC) were to be levied as per the rates fixed by the State Government from the developers and landowners whose land was released. As per instructions (September, 2009) of CA, HUDA, 25 *per cent* of EDC was to be recovered before the release of land and balance 75 *per cent* in six annual instalments along with interest at the rate of 10 *per cent* per annum.

Scrutiny of records revealed that out of seven Estate Offices test checked, proper record had been maintained only by Estate Office, Rohtak. In other six Estate Offices, no monitoring mechanism had been evolved to watch recovery of EDC. Even the records relating to release of land was not obtained from DG, UED to watch the recovery of EDC. A total of 2,475 acres of land was released during 2007-12 and EDC amounting to Rs. 167 crore (@Rs. 140 per sq yard) was involved. As huge amount was involved, a proper mechanism should have been evolved to watch recovery of EDC.

The PS, TCPD during Exit Conference stated that policy had been amended with effect from August 2011 and it has now been decided to recover 100 *per cent* EDC before release of land. The fact, however, remains that no mechanism had been evolved to monitor the outstanding amount in respect of land release cases prior to 10 August 2011.

The Department in its written reply stated as under:

It is to mention that during the last 5 years, the following amount was recovered on account of released land in respect of seven Urban Estates: -

S. No	Name of Estate Offices	2007-12 (Rupees in Crores)
1	Faridabad	7.78
2	Gurgaon-I	8.74
3	Gurgaon-II	56.11

4	Rewari	2.61
5	Panipat	2.02
6	Rohtak	19.72
7	Sonipat	0.70
	G. Total	97.68

The total amount recovered on this account in respect of all the Urban Estate for the last five years works out to Rs.111.58 Crores. The balance amount will be recovered in installments as per the policy.

It is pertinent to mention here that, the method/policy of recovery of development charges in installments have been amended from 10.08.2011 and now it has been decided to recover 100% development charges in cases of released land within 60 days from the date of issue of letter of intent after which the formal release order will be issued. The copy of the instructions issued in this regard vide letter No.5/71/2011-2TCP, dated 10.08.2011 are attached at **Annexure – ‘9’**.

Thus, from 10.08.2011, proper mechanism has been evolved to issue the release orders only after recovery of 100% development charges.

The Committee has recommended that some mechanism be evolved to monitor the recovery of external development charges and outstanding amount in respect of land release cases.

[26] 2.3.11.1 Delays in payment of Annuity to landowners:

Audit observed that as against the total authorization of Rs. 102.21 crore made by HUDA for the land acquired between December 2007 to September 2012, the LAOs could disburse only Rs. 51.30 crore to the landowners upto September 2012. The balance amount of Rs. 50.91 crore was lying undischursed in bank accounts of HUDA.

The PS, TCPD stated (November 2012) that annuity payment was slow in the last three years, because LAOs were under the impression that the work of disbursement of annuity would be outsourced. However, the efforts of the State Government to involve insurance companies in the disbursement were not successful as they were not interested to undertake this job. The PS further stated that now the LAOs had been instructed to disburse annuity payments to land owners without delay.

The department should evolve an appropriate system to disburse annuity to the claimants in terms of the provisions of the scheme so that objectives of rehabilitation as envisaged in the scheme are achieved.

The Department in its written reply stated as under:

As per the accounts of HUDA, the authorization of Rs.102.01 crores were given to various Land Acquisition Officers upto 30.09.2012 out of which amount of Rs.51.30 Crores have been withdrawn by Land Acquisition Officers for disbursement of Annuity, the details of which is given as below:-

Sr. No.	Urban Estate	Total Authorization	Total Payment upto 30.06.13
1	Gurgaon	19,43,31,377	11,71,00,000
2	Hisar	28,05,83,994	29,73,42,000
3	Faridabad	6,78,66,723	2,03,00,000
4	Rohtak	25,86,42,597	14,72,00,000
5	Panchkula	21,87,30,649	14,44,00,000
	Total	102,01,55,340	72,63,42,000

It is pertinent to mention here that the amount of payment has been reconciled with of offices of Laos after the disbursement. These figures have also been reconciled with the concerned Banks and bank Reconciliation Statement has also been prepared. Further HDUA has collected the interest on the undisbursed amount till the date of its disbursement. Thus there is no loss of interest on the undisbursed amount lying in the bank account of HUDA.

It is also pertinent to mention here that the State Government has taken a decision to disburse the annuities through the insurance companies and accordingly invited bids from the insurance companies. Series of discussions were held with the insurance companies. Two insurance companies namely SBI life and ICICI prudential life insurance companies came forward to disburse the annuities and submitted their bid but final agreement with the insurance companies could not be reached till date and it seems both the insurance companies are not interested to take up this job.

Due to facts given above, the disbursement of annuity during the last three years was slow as the Land Acquisition Officers were under the impression that the work of disbursement of annuity would be out sourced.

The Committee has desired the department to evolve an effective mechanism to disburse annuity to the claimants in terms of the provisions of the scheme so that objectives of rehabilitation as envisaged in the scheme are achieved under intimation of the Committee.

[27] 2.3.13.1 Non-maintenance of records:

In case of land acquired by UED for HUDA, after taking administrative approval from the State Government for making payment of compensation of the land awards, HUDA authorizes the LAOs to draw specific amount from the Bank accounts of HUDA. The LAOs concerned are permitted to issue cheques on the designated banks. The banks were issuing separate cheque books and maintain separate account for each award. In case of enhancement of land compensation, the Zonal Administrators of HUDA were making lump sum payments to LAOs for disbursing the payment to landowners. The deficiencies noticed in the test checked LAOs were as under:

Consolidated cashbooks were maintained in respect of all the land compensation awards in the offices of LAOs, Gurgaon and Rohtak. Award-wise ledgers were not maintained by these offices to ascertain the payment made against each award. Further, the test checked LAOs were not obtaining the statement of transactions from the bank to reconcile the balances as per cashbooks with the accounts of the banks. Bank reconciliation is a very important financial control which was not exercised by any of the LAOs test-checked.

In respect of cases relating to enhancement of land compensation also, cashbooks were not maintained by any of test-checked LAOs and reconciliation of cheques issued by them with the accounts of the bank was not carried out.

Similarly, cash books for annuity payments were not being maintained by LAOs, Rohtak and Gurgaon. The LAO, Faridabad, had not maintained the cash book regarding annuity payment after 14 September 2010. Cheques signed between 14 September 2010 and 31 March 2012 by LAO were lying undisbursed except for 28⁹ cheques amounting to Rs. 2.55 lakh. No efforts were made to reconcile the drawal of cheques with reference to accounts of banks (October, 2012).

The PS, TCPD stated during Exit Conference that the award wise cash book were not required as award-wise registers were maintained with respect to each of the acquisition. He, however, stated that award-wise registers/ledgers can be improved upon in case a concrete suggestion was received.

The Department in its written reply stated as under:

“The Land Acquisition Officers are not required to maintain separate cash book but only one cash book needs to be maintained. This observation seems to be on account of ignorance of accounting and book keeping principles of the concerned audit staff. However, the details of the payment made with respect to each award are maintained by the Land Acquisition Officers in separate registers in the form of award statements. In case the audit intends to test check the same, they can do so. So far as separate cash book for annuity payment are concerned, the LAOs have been instructed to maintain separate cash books for payment of annuity. Instructions in this regard have been issued vide Directorate letter no. 11953-57 dated 17.10.2012.

The para was again included in the Draft Performance Report under the same head. Comments relating to this para given in the reply are reproduced below:-

“The recommendation of the audit regarding award wise ledgers and maintaining cash book for annuity payment and enhanced land compensation has been taken note of. Instructions have already been issued for maintaining separate cash book for disbursement of annuity. The award wise ledgers although are maintained by the LAO's, but the entries therein can be improved upon on receiving specific inputs/ suggestions from the audit.”

In the Final Report, although, this para has been included but as requested by the State, in the report no complete suggestions have been given to improve upon the system.

The observations with regard to the Non Maintenance of cash books for annuity payments by LAO, Rohtak, Gurgaon and Faridabad, it is to mention that reports have been taken from these LAO office with regard to action being taken on this observation. The reports are re-produced below:-

LAO, GURGAON:-

1. The award wise cashbook is now being maintained properly as per the observation of Audit and reconciliation with the bank has already been done and the same practice shall be adopted in future. Payment made of awards will be shown in the concerned cash book.
2. The register for enhanced compensation is maintained in the office of HUDA Sectors. Now the separate register of every sector will be prepared accordingly as per the direction of Audit and will be produced at the time of next audit.
3. Cash Book of annuity payment to the landowners maintained in the office which is being competed. It is also ensured that cash book will be maintained upto date in future and will be produced in the next audit period.

LAO, FARIDABAD:-

The demand of enhanced compensation is sent to O/o Administrator HUDA, Faridabad, which provides the enhanced compensation by cheques to this office. Therefore, the cash book of enhanced compensation is being maintained by the O/o Administrator HUDA, Faridabad. However, instructions to dealing official have been given to maintain cash book of enhanced compensation received from HUDA. A separate cash book is being maintain in regular form.

The cash book of annuity payment having account number of UBI, Chandigarh 309301010040476 has also been maintained after 14.09.2010 and complete in all respect.

Some land owners did not receive their cheque of annuity payments. All other cheques have been entered to cash book properly. Reconciliation will be done.

LAO, ROHTAK:-

1. The office is maintaining separate ledgers and payment registers as per award which contain the complete information above the payment as per award. The reconciliation is being done by O/o CCF, HUDA which authorized the bank. In addition to it, in respect of the payment of made available for the old awards, the BRS are being maintained.
2. The payment of enhanced compensation is being paid by O/o Administrator HUDA Rohtak. The LAO, office only provides the calculation for demand. Thereafter, the O/o Administrator HUDA Rohtak after deducting TDS, provides the demand draft of net payment to this officer. Due to this reason the cash book was not maintained. However, now cash book of payment of enhanced compensation is being maintained.
3. The office is maintaining the cash book of annuity register and the signatures of the land owners are taken on the payment register at the time of

disbursing the cheques. The Nambardar of the village is also informed about the payment of cheques.

In view of above submission, para may be dropped.

The Committee has desired that i) a copy of the instructions issued to LAOs to maintain award-wise ledgers and cash book for annuity payment and enhanced land compensation be supplied to the Committee; and ii) after checking the cash book and others records in the other two LAOs offices, status report be submitted to the Committee at the earliest.

[28] 2.3.13.2 Payments made without updating the revenue records:

Under Section 9 (1) of the Act, after the announcement of award, the Collector requires all persons interested in the land to appear personally or by agent before him at a time and place therein mentioned and to state the nature of their respective interest in the land and the amount and particulars of their claims to compensation for such interest. As per procedure in vogue, after announcement of awards relating to acquisition of land for public purpose, revenue records such as *Jamabandi*, mutations etc. are collected from the concerned Revenue Patwari and incorporated in the award statements to make the payments to the genuine landowners. Further, under Section 13A of the Act, the Collector verifies the claims and corrects any clerical or arithmetical mistakes in the award or errors arising therein either on his own motion or on the application of any person interested or a local authority.

The payments were released by the office of LAO, Gurgaon without proper verification of persons to whom payment of land compensation was to be made and ensuring the correctness of awards of landowners. Scrutiny of records revealed that enhanced land compensation of Rs. 6.49 crore was refunded by 12 persons (**Appendix 2.17**) stating that they were not the owners of the land at the time of announcement of award. Further, 15 persons (**Appendix 2.18**) refunded an amount of Rs. 1.55 crore at their own stating that they were paid land compensation in excess of their entitlement.

The PS, TCPD during Exit Conference stated that the LAOs collect the available updated record from the Revenue Department. It was further stated that the discrepancies with respect to wrong or excess payments on account of non-updation of revenue record had been detected by the LAOs themselves and the recovery process had been initiated accordingly. An amount of Rs. 1.49 lakh was yet to be recovered (November 2012) and LAOs were being advised to initiate criminal proceedings against the persons who had submitted false affidavits at the time of receiving the compensation or enhanced compensation.

The reply does not address the issue as the recipients refunded the excess compensation paid to them on their own volition and not as per directions of LAO.

The Department in its written reply stated as under:

This para was included in the Performance Audit Report under the head "7.1-Payment made without updating the Revenue Records". and the reply was given vide memo No. S-3/2012/12715 dated 15.11.2012. The para was again included in the Draft Performance Report under the same head and the reply was given vide memo No. 1026 dated 25.1.2013.

The reply to the observation is as under:-

In normal course, the Land Acquisition Officer collects the revenue record for the areas notified under section-4 of the Land Acquisition Act, 1894 which is available with Revenue Department before announcement of the award and not after announcement of the award as noted in the opening line of the para. However, if there are any deficiencies in such a huge exercise, necessary corrective action shall be taken.

The audit has pointed out that due to the non availability of updated record, the LAO Gurgaon paid enhanced compensation of Rs. 6.49 crores which have been refunded by 12 persons. Similarly, Rs. 1.55 crores have been refunded by the persons on account of excess payment. In this regard, a report from LAO Gurgaon has been received which indicates that the said discrepancies occurred on account of deficiencies/non-updation of the revenue record by the Revenue Department. Some Khasra nos. of village Nakhrola were acquired by HSIIDC through DRO-cum-LAC, Gurgaon but no entry of acquisition of these Khasra numbers was made in the revenue record. Also the taksim of the acquired land was not entered in the revenue record. But, the compensation was given for the whole Khasra nos. It came to the notice that an amount of Rs. 8.04 crores was over disbursed which was to be recovered from the land owners. The recovery has been made expect for an amount of Rs. 1,49,299/- for which LAO Gurgaon is making necessary efforts.

An advice in this regard has been issued. The LAOs are also being advised to initiate criminal proceedings against the persons who submit false affidavits and other information in the statutory forms at the time of receiving the compensation/enhanced compensation.

Although from the above, it is clear that the Department has taken/ is taking action to ensure that award is given to correct owners of land.

In view of the above submission para may be dropped.

The Committee has recommended that the matter be got inquired into thoroughly to fix the responsibility and action taken report be submitted to the Committee at the earliest possible.

[29] 2.3.13.3 Wrong calculation of enhanced compensation:

Based on the award announced in 3 May 2000 by LAO, Gurgaon, payment of land compensation at the rate of Rs. 717 per sq yard was made to Sh Ishwar Singh. The compensation was enhanced (October 2010) from Rs. 717 per sq yard to Rs.1216 per sq. yard by a Court in writ petition filed by him and others. The difference between original award and revised rates was Rs. 499¹¹ per sq yard. It was observed that while making payment of enhanced compensation to one of the petitioners viz; Sh. Jai Bhagwan, the payment of Rs. 31.63 lakh was made (February 2012) against the due amount of Rs. 13.27 lakh. Thus, an amount of Rs.18.36 lakh was paid in excess of his entitlement. The PS intimated that amount recoverable was Rs. 5,72,296 out of which a sum of Rs. 5,36,765 had been recovered. Audit requested to furnish the calculation sheet of excess amount to arrive at a logical conclusion which was awaited (December 2012).

Similarly, in pursuance of a decision (August 2007) of Additional District Judge (ADJ), Gurgaon, the Rewari Lift Irrigation Division, Jhajjar, deposited enhanced compensation amounting to Rs. 16.82 crore in March 2008 in the Court of ADJ for making payment to landowners (petitioners). It was noticed in audit (May 2012) that in two cases, an excess payment of Rs. 12 lakh (six lakh in each case) was deposited in the Court in March 2008 due to discrepancy in the calculation of enhanced land compensation in BB Forms. The BB Forms containing information regarding owners of the land and amount of compensation were required to be verified by the concerned division but this control was not exercised by the division.

After this was pointed out by Audit, the concerned Executive Engineer informed (May 2012) that a sum of Rs. six lakh had been received back from the ADJ, Gurgaon and a case had been filed for recovery of balance amount of Rs. six lakh from the landowners. The Additional Chief Secretary, Irrigation Department stated during the Exit Conference that the matter would be looked into and appropriate action would be taken.

The above cases indicated that calculations of the payment were not checked properly by LAOs.

The Department in its written reply stated as under:

The first para relates to this Department. This para was included in the Performance Audit Report and the reply was given vide memo No. S-3/2012/12715 dated 15.11.2012. The reply is given below:-

"This case relates to LAO Gurgaon instead of LAO, Faridabad. A report was sought which transpires that the excess amount which was paid to Sh. Jai Bhagwan works out to be Rs. 5,72,296 and not Rs. 18.35 lakh. The said amount has been recovered from the concerned land owners. A report had been sought from LAO, Gurgaon. It has been informed that Sh. Jai Bhagwan was the owner to the extent of 1/15 share over the land measuring 2 bigha 19 biswa or 8923.75 sq. yds. Sh. Jai bhagwan received the payment of Rs. 242659/- of LAC award. While preparing the calculation sheet in the case of Sh. Jai Bhagwan, the payment of LAC award should have been deducted from the total original enhanced amount. The ADJ awarded Rs. 717/- per Sq. yds. in L.A. case No. 725/2000 of Sh. Jai Bhagwan and thereafter, the Hon'ble High Court modifying the ADJ award, enhanced the market value to Rs. 1216/- per sq. yds. The payment of ADJ award was not made in this case. As per Hon'ble High Court judgment, figure of original enhanced compensation of 8923.75 sq. yds. X 1216 comes to Rs. 1,08,51,280/- out of which original amount of LAC award i.e. Rs. 22,12,500/- should have been deducted and on remaining the amount, 1/15 share of Sh. Jai Bhagwan was to be worked out. But due to mistake of the concerned Patwari, the amount of Rs. 242659/- of LAC award which was received by Sh. Jai Bhagwan had been deducted while preparing the calculations. However, when the error come into the notice of LAC, a fresh calculation sheet was prepared by him which indicates that an amount of Rs. 5,72,296/- becomes recoverable from Sh. Jai Bhagwan. Recovery notice to Sh. Jai Bhagwan has been issued vide memo no. 9665 dated 24.09.2012 and an amount of Rs. 5,36,765/- has been recovered.

The Land Acquisition Officer is following up the issue and it is expected that the remaining excess amount paid Rs. 35531/- will be recovered shortly from Sh. Jai Bhagwan. LAO, Gurgaon has reported that disciplinary proceedings have been initiated against the erring officer. No financial loss has been caused to the State Government or HUDA. Therefore, this para may kindly be dropped. In case of failure to do so, responsibility of erring officers/officials will be fixed.

The Committee has recommended that the calculation sheets be got verified from the office of Principal Accountant General, Haryana and if any mistake is detected, same be rectified under intimation of the Committee.

[30] 2.3.13.4 Deduction of Income Tax at source:

Section 194-A of Income Tax Act, 1961, *inter alia* lays down that Tax Deducted at Source (TDS) at the rate of 10 *per cent* will be deducted from the amount of interest payable. Further, TDS at the rate of 20 *per cent* w.e.f. 1 April 2010 was to be deducted from interest payments if Permanent Account Number (PAN) was not quoted by claimants. For deducting TDS at the rate of 10 *per cent*, a copy of PAN card was to be obtained and enclosed as supporting document with the vouchers.

In the office of LAO, Rohtak, TDS at the rate of 10 *per cent* was deducted from interest payments where Permanent Account Number (PAN) was not quoted by claimants. TDS of Rs. 0.67 crore was less deducted in these cases. Similarly, in case of Lift Irrigation Division, Jhajjar, TDS was not deducted at all. As such, the TDS of Rs. 1.40 crore was less deducted as given in **Table 5**.

Table 5: Details of less deduction of TDS

(Rs. (Rs.in crore))					
Name of the LAO	Name of the office	Interest amount paid	TDS to be deducted	TDS deducted	TDS less deducted
LAO, Bhiwani	Lift Irrigation Division,	7.29	0.73	Nil	0.73
	Jhajjar				
LAO, Rohtak	Administrator, HUDA,	6.69	1.34	0.67	0.67
	Rohtak				
	Total	13.98	2.07	0.67	1.40

Source: Details of TDS submitted to income tax department in case of LAO, Rohtak

The Additional Chief Secretary, Irrigation Department during the Exit Conference directed the EIC to take action against the responsible persons for not deducting TDS.

Data analysis by Audit in the test-checked cases of TDS details submitted to Income Tax office by LAO, Rohtak revealed that dummy PANs were filled to give benefit of deduction of TDS at the rate of 10 *per cent* instead of 20 *per cent* to landowners. The details are given in **Table 6**.

Table 6: Details of less deduction of TDS

(Rs. (Rs. in lakh)

PAN	Name of land	Date of payment	Amount	TDS	TDS less
Number	owner		paid	deducted	deducted
FFFPF9999F	Inderpal Singh	01 December 2011	0.67	0.07	0.07
FFFPF9999F	Krishna Devi	28 December 2011	4.42	0.44	0.44
FFFPF9999F	Ram Lubhaya	28 December 2011	0.56	0.06	0.06
Total				0.57	0.57

Source: Details of TDS submitted to income tax department.

This had resulted in extending undue benefit of Rs. 0.57 lakh to the landowners. Since the responsibility in regard to recovery of less TDS from the landowners devolves upon DDO, TDS less deducted be recovered from land owners by the DDOs. During Exit Conference, the PS, TCPD demanded the details of cases where TDS had been less deducted. The details were furnished but the reply was awaited (December 2012).

The Department in its written reply stated as under:

In this regard, it is brought out that TDS has been deducted @ 10% on the basis of PAN no. availability and in case PAN no. was not available TDS has been deducted 20% maximum. It is also pointed out that TDS has been checked by the Admn. Office, HUDA, Rohtak. The details of landowners with PAN Nos. are as follows:-

Pan No.	Name of owner	Rate of TDS	Amount Paid	TDS amount deducted	Remarks
BFVPS5935R	Balbir	10%	191500/-	19150/-	Pan No. available
	Satnain	20% 20%	11035/- 88651/-	2207/- 17730/-	No Pan No.
ATTPS0242F	Inderpal	10%	66690/-	6669/-	Pan No. available
ALLPB6689B	Krishana Devi	10%	44209/-	44221/-	-do-
AGRPL4145L	Ram Lubhaya	10%	56223/-	5622/-	Notice for recovery of additional TDS Rs.5622/- has been issued.

Note : Pan No. of Ram Lubhaya was not available earlier and a recovery notice vide memo no. 4814 dated 08.08.2013 for amount Rs. 5622/- was issued by LAO Rohtak for making of the less deducted amount. Now, as per latest report, LAO Rohtak has informed that the applicant has submitted PAN No. AGRPL4145L and accordingly the report for revised return has been submitted. Therefore, TDS has been deducted at the rate of 10%.

In view of above submission, para may be dropped.

The Committee has desired that the matter be re-looked into and action taken report be submitted to the Committee at the earliest.

[31] 2.3.14 Conclusions:

From the foregoing paragraphs, it is observed that TCPD had not formulated any land use policy defining its sector-wise priorities in utilization of land for the present and future needs for social and development purposes. Due to release of land in an unplanned manner, the development of urban areas was hampered. The centralized data with regard to total land acquired and compensation paid was not maintained by Irrigation Department, PWD (B&R) and PHED. There was inordinate delay in making payment of enhanced land compensation, which resulted in avoidable payment of interest. There were deficiencies in release of land from the acquisition process in contravention of the provisions of Land Acquisition Act. The rehabilitation measures announced by the State Government regarding payment of annuity remained unachieved as no proper mechanism was evolved for disbursement of annuity payments to landowners. There was lack of proper internal control as there were instances of non-maintenance of award-wise ledgers, non-reconciliation of balances with bank accounts, making of payment of land compensation without updating revenue records, overpayments due to wrong calculations, parking of funds outside the Government Account. HUDA had not maintained centralised data relating to land compensation and enhanced compensation paid, land planned, land lying unused, land under encroachment, etc. There were instances of encroachment of land and non mutation of acquired land.

The Department in its written reply stated as under:

The Department submitted no reply.

The Committee has desired that the matter regarding non-payment of Rs.33.00 crore as compensation for the land acquired in village Saketari (Panchkula) wherein Hon'ble Supreme Court of India had passed an order to attach the building and 25 vehicles of HUDA be looked into personally and a status report be submitted to the Committee at the earliest.

[32] 3.2.3 Audit Findings:

(d) Town and Country Planning Department

A total of 1054 unauthorised colonies were regularised by Urban Local Development in 2004 without indicating any outer boundary or demarcation on Shajra⁶ Plan. In the absence of the demarcation of regularised colonies, the adjoining areas also developed as unauthorised colonies. Audit observed that the DG, TCP, being regulatory department, was required to devise a system for marking the demarcation boundaries of the regularised colonies from adjoining area in consultation with Director, Urban Local Bodies.

As per the provisions of section 12 (3) of Punjab Schedule Roads and Controlled Areas Restriction of Unauthorised Development Act, 1963 and section 10 (3) of Development and Regulation of Haryana Urban Area Act, 1975, the DTPs are required to recover the expenditure incurred on demolition of unauthorised constructions from the offenders. Audit, however, observed that an expenditure of Rs. 56.50 lakh was incurred during April 2008 to March 2012 on demolition of unauthorised structures against which only Rs. 0.23 lakh were recovered only by DTP, Panipat.

The DG, TCP intimated (November 2012) that during monthly review meeting held in March 2012, DTPs were instructed to invariably resort to enforce the provisions of the above acts for recovery of demolition charges. It was further intimated that serious efforts were being made by DTPs to effect recovery and during 2008-2012, against the expenditure of Rs. 1.03 crore spent on demolition drives, Rs. 0.03 crore was recovered from the offenders.

The Department in its written reply stated as under:

In reply to Audit para, it is submitted that unauthorized colonies are regularized by Urban Local Bodies Department under the provisions of Haryana Municipal Act, 1973 and Haryana Municipal Corporation Act, 1994. While regularizing said colonies in year 2004, Department of Town & Country Planning was not consulted. This fact was also noted by Hon'ble Punjab & Haryana High court in CWP No. 1006 of 2007, titled as Hawa Singh and others versus State of Haryana and others and it had directed the Urban Local Bodies Department that while considering regularization of any unauthorized colony under the provision of Haryana Municipal Act, 1973, the provisions of Act of 1963 and Act of 1975 shall be adhered to and the comments of Town & Country Planning Department shall be obtained before considering any regularization so that inconsistencies regarding non-conforming zones are checked before such orders are passed. The relevant portion of orders dated 10.01.2008 passed by Hon'ble High Court in aforesaid CWP are reproduced below:-

“iv) While preparing any scheme like town planning scheme, improvement trusts scheme and re-planning scheme in the Municipal areas, the provisions of the development plan as prepared under the Act no. 41 of 1963 shall be kept in view and the comments of Town & Country Planning shall also be obtained by the Department of Urban Local Bodies.

v) While considering regularization of any unauthorized colony under the provisions of Haryana Municipal Act, 1973, the provision of Act no. 41 of 1963 and Haryana Development and Regulation of Urban Areas Act, 1975 (hereinafter referred to as Act no. 8 of 1975) shall be kept in view.” Further, audit observations as regard to responsibility of Town & Country Planning Department to devise a system for demarcating the boundaries of colonies regularized by the Department of Urban Local Bodies is totally misconceived. It is the responsibility of Department of Urban Local Bodies to fix and demarcate outer boundary of colonies regularized by them. It is this Department which is taking steps to curb the menace of unauthorized colonization in the State.

Since recovery of demolition charges as arrear of land revenue as provided under Section 12(3) of Punjab Schedule Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 and Section 10(3) of Haryana Development and Regulation of Urban Areas Act, 1975 is a tedious task, therefore, above provisions of the Acts were not resorted to by field offices in the past. However, DTPs have been instructed in the Departmental review meeting held on 16.04.2012 to invariably resort to recovery of demolition charges as arrears of land revenue from the defaulters which would go a long way in curbing the menace of unauthorized construction and colonization. Separate instructions to field offices for recovery of demolition charges as

arrears of land revenue have also been issued vide memo dated 24.05.2013 and thereafter the department has recovered an amount of Rs.3,08,780/- from the defaulters till date.

The Committee has desired that vigorous and sincere efforts be made to make recovery of demolition charges on unauthorized colonies and action taken report in this regard be submitted to the Committee at the earliest.

[33] 4.2.7 Non-recovery of lease rent from petrol pumps:

Due to failure on the part of four Estate Officers in recovery of rent due, revision of rent after three years, non-charging of rent for additional filling points of petrol pumps installed subsequently, HUDA was deprived of the revenue of Rs. 5.25 crore.

As per Section 15 (3) of Haryana Urban Development Authority (HUDA) Act, 1977 the Authority may sell, lease or otherwise transfer whether by auction, allotment or otherwise any land or building belonging to it on terms and conditions provided in the regulations.

Under the provisions of HUDA Act, HUDA leased out 11 petrol pump sites at Gurgaon, Panipat and Sonapat falling under four Estate offices (EOs) test checked, at a monthly rent ranging between Rs. 5,000 and Rs. 47,802 for one filling point each of petrol and diesel during the period between May 1995 and August 2002 depending upon the site location. The allotment letters *inter alia* provided that these rates would be applicable for the first five years and for every additional filling point of petrol/diesel additional rent of 12.5 *per cent* of the monthly rent would be charged. In October 1997, HUDA revised the policy and decided to increase the lease rent of each petrol pump by 25 *per cent* after every three years.

Scrutiny of records (April-June 2012) of these EOs revealed that though the EOs HUDA after conducting the surveys identified that 130 additional filling points had been installed in these petrol pumps but no demand for additional lease rent was raised at any stage and the demands for payments of usual rent were being raised from all the allottees of petrol pumps. Even the lease rent of petrol pumps had not been revised in test checked EOs as required in the policy. Due to non-charging of rent for additional filling points, HUDA had been deprived of additional revenue as the recoverable amount had increased to Rs. 5.25 crore as detailed in **Appendix 4.8**.

A mention was made in para 4.6.7 in the Report of Comptroller and Auditor General of India for the year ended March 2003 (Civil) Government of Haryana regarding 'Non-recovery of rent' of Rs. 1.49 crore from petrol pump owners by HUDA. However, despite the assurance given (November 2007) to Public Accounts Committee no efforts were made to recover the amount. Thus failure on the part of Estate Officers to recover the amount had deprived of HUDA revenue amounting to Rs. 5.25 crore.

The Principal Secretary, Town and Country Planning Department stated in his reply (November 2012) that instructions have been issued to all EOs to recover the complete amount by March 2013. Final outcome was awaited (January 2013).

The Department in its written reply stated as under:

In reply to this para it is submitted that this para has already been discussed in the PAC meeting held on 18-09-2012 during the oral examination of the Principal Secretary to Government of Haryana, Town & Country Planning Department in respect of the Report of the Comptroller & Auditor General of India for the year ended 31st March, 2007. In this meeting it was assured that the overdue amount will be recovered by 31st March 2013 or the allotment of the Petrol Pump sites will be cancelled after following the procedure as per HUDA Act. In this regard instructions has also been issued to the concerned Estate Officers vide D.O. No. HUDA/SO-Audit-2012/ 37284-96, dated 21.09.2012 to recover the complete amount by 31-03-2013 or cancel the petrol pump sites after following the due procedure as per HUDA Act by 31.03.2013. The Eos has also been directed to send the regular monthly statement of recovery of lease from the petrol pump site in the prescribed proform with the instruction to send the first monthly statement upto 7-11-2012 positively containing the recovery upto 31.10.2012 and so on. The same shall be intimated to audit also.

The monthly statement of recovery of lease rent of petrol pump upto 31.01.2013 has been sent to PAG (Audit) vide this office letter No. HUDA/SO-Audit-2013/10661, dated 04-03-2013.

Further, as per report received from the Estate officers Sonipat, Rohtak, Panipat and Estate Officer-I, Gurgaon, the amount of recovery of lease rent of these 11 petrol pumps upto 31.03.2015 has been worked out to Rs. 8,39,15,831/- out of which Rs. 3,17,09,292/- have been recovered and Rs. 5,22,06,539/- is balance as on 31.03.2015. The present status report as on 31.03.2015 in regard to these 11 petrol pumps mentioned in *Appendix 4.8* is enclosed at **Annexure-‘9’**.

The Committee has desired that following information be submitted to the Committee within a period of two months:

- i) Number of pumps installed on HUDA land in the State;
- ii) Details of recoverable amount for two filling points (petrol & Diesel) and for additional filling point, if any;
- iii) Details of recovery made, outstanding and to be recovered, if any.

The Committee has also desired that sincere efforts be made to recover the outstanding amount and action taken report be submitted to the Committee at the earliest.

[34] 4.3.9 Undue favour to the Society:

A school building at Rohtak constructed at a cost of Rs. 11.09 crore was leased out to an Educational Society at a token lease amount of Rs. 100 per annum resulting in undue favour to the Society.

As per Section 13 of Haryana Urban Development Authority (HUDA) Act, 1977 the objects of Authority shall be to promote and secure development of all or any other areas comprised in an urban area. It was observed that as per policy guidelines (February 2009), HUDA had been carving out plots for various community building sites like creches, school, hospital, etc. and also constructing buildings on some of the sites and

handing over the same to the respective departments on 99 years lease hold basis on a nominal token lease of Rs. 100 per annum. The policy guidelines for leasing school buildings *inter alia* provides that:

The applications for leasing of constructed school buildings constructed by HUDA shall be invited through advertisement.

Only the reputed NGOs registered for the last two years before the date of issue of advertisement were eligible to apply.

Only those NGOs who are working in the field of imparting education to the poor on charitable basis were eligible.

Buildings were to be leased out initially for a period of five years at token lease money of Rs. 100 per annum which was to be renewed for another five years subject to performance of the Society.

Scrutiny of records of the Estate Office, Rohtak revealed that HUDA constructed a building for Senior Secondary School on a plot measuring 22,132 square metre at a cost of Rs.11.09 crore in Sector 4, Rohtak for its transfer to the Education Department without ascertaining the needs from the Education Department. The Estate officer, HUDA, Rohtak handed over (February 2010) the building to the President, Model School Society, Rohtak without inviting tenders at a token lease of Rs. 100 per annum for a period of 30 years by giving relaxation to the Society from the policy guidelines.

On this being pointed out (October 2010), the Principal Secretary to Government, Town and Country Planning Department and Director General, Urban Estate Department (UED) during exit conference held in November 2012 stated that the school building was leased to the Society where predominantly, the Government officers including Deputy Commissioner (DC) are its members/ Chairperson, are running the affairs of the Society in their ex-officio capacity on "No profit no loss" basis. The DG, UED further stated that the necessity of advertisement about giving school building on lease through press was not felt as it was strongly recommended by the DC and Administrator, HUDA, Rohtak to allot the building to the Model School Society. Further, the Society was imparting high standard of education to the residents of Rohtak and no objection was conveyed by the Director General, School Education, Haryana.

The plea of the Department was not acceptable as the lease agreement in the ~~absence of wide publicity in the~~ media lacked transparency which tantamounts to undue favour to the Society. The Society was charging hefty fee ranging between Rs. 1,400 and Rs. 2,100 per month from each student for different classes as compared with nominal or no fee being charged by Government schools thereby negating the claim of the Principal Secretary and Director General, UED that the said model school was running on 'no profit and no loss' basis like Government organisation. The contention of the PS and DG that high standard of education was being provided by the said model school to the 'residents' of Rohtak did not hold good as the students belonging to poor families/economically weaker sections (EWS) were not able to afford admission in model school. Against the required reservation for 201 students of EWS category (25 *per cent* of total strength prescribed by Government) for the academic year 2012-13, only two students of EWS category were admitted in this school by the school management. Further, against the provision of leasing the building initially for five years in the lease policy, the building was leased for 30 years.

It was further noticed during audit that besides leasing the school at a token lease amount of Rs. 100 per annum, an amount of Rs. 39.50 lakh (detailed in **appendix 3.2**) was given to the Society during 2009 to 2011 as discretionary grants.

Thus, in violation of the policy guidelines, undue favour was extended to a Society by leasing out the school building constructed at a cost of Rs. 11.09 crore at a token lease amount of Rs. 100 per annum.

The Department in its written reply stated as under:

HUDA has been carving out various community building sites including school sites in its sectors as per the planning norms and policy guidelines in this regard. 50% of the school sites are constructed by HUDA and handed over to Education Department on 99 years lease hold basis on nominal lease of Rs. 100/- per annum.

On the basis of above said policy, a Senior Secondary School Building was constructed by HUDA in Sector-4, Rohtak. When the building was under construction/near completion, Deputy Commissioner, Rohtak vide D.O. No. 78/PA dated 6.2.2008 requested Chief Administrator, HUDA to allot this building to Model School Society, Rohtak in view of the following facts:

- i) Model School Society, Rohtak is presently running one of the premier school of Rohtak namely Model School Society, Rohtak.
- ii) It has strength of about 3400 students.
- iii) Deputy Commissioner Rohtak is ex-officio, Chairman of the said society. Administrator, HUDA, Rohtak, SE PWD(B&R), Rohtak, SE Public Health Rohtak, Executive Officer Municipal Council Rohtak and Director PGIMS, Rohtak are the ex-officio members of the said society.
- iv) The Society is registered under the Society Registration Act and is being run like a Govt. Institution.
- v) The Society is running this school on no profit no loss basis.
- vi) There is lot of pressure from every side for getting their wards admitted in the Model School Society, Rohtak as the fees is reasonable and affordable but the school cannot admit more than 3400 students in the space presently available.

Deputy Commissioner further intimated that response from general public residing in sectors developed by HUDA in respect of Govt. School is not very encouraging as few students takes admission in these schools which is evident from the existing schools being run by Education Deptt. in the various sectors developed by HUDA in the State. The intention of HUDA is to provide good infrastructure for the development of better human resources and for that purpose this building may be allotted to Model School Society, Rohtak for running a Senior Secondary School which will cater to the needs of residents of sectors as per terms and conditions to be fixed by HUDA. Administrator, HUDA Rohtak also recommended to allot Senior Secondary School Building to Model School Society, Rohtak vide D.O. letter No. 870 dated 22.1.2009.

On the other side HUDA has experienced in the past that respective Departments do not come forward to take over the sites/buildings constructed by HUDA due to their budgetary constraints. The utilization of these buildings is also very poor. Keeping in view the above said situation and gainful utilization of such infrastructures created by HUDA, a policy was framed to lease the buildings constructed by HUDA to some other agencies/reputed NGOs for specified period i.e. 5+5 years and extendable for another 5 years totaling to 15 years with the approval of Chairman, HUDA. Any further extension thereafter shall be with the approval of the Authority. A Screening Committee consisting of concerned Administrator, HUDA as Chairman and concerned Deputy Commissioner and District Education Officer as members was also constituted wherein concerned Estate Officer, HUDA was also the Member Secretary of the Committee. The allotment was to be made after inviting applications and convening the meeting of the Screening Committee.

On the recommendations of the Deputy Commissioner, Rohtak and Administrator, HUDA, Rohtak the matter was referred to the Director General School Education and the Commissioner & Director General School Education, Haryana conveyed its no objection vide letter No. 6/6-2008 works-(I) dated 30.12.2009 to hand over the school building in Sector-4, Rohtak to Model School Society, Rohtak. Accordingly allotment was made to the Model School Society, Rohtak on lease hold basis for a period of 30 years after the approval of the Authority in its 103rd meeting held on 21.4.2010. The copy of the Agenda and minutes of the Authority meeting and the copy of the policy of the Authority dated 20.2.2009 are enclosed as **Annexure '11 '12& '13'** respectively.

The policy of the Authority dated 20.2.2009 specifically provides that building will be allotted to other agencies/reputed NGOs on lease hold basis on a nominal lease of Rs. 100/- per annum thereafter inviting applications. Therefore, there was no need to invite tenders. However applications were not invited due to strong recommendation by the Deputy Commissioner, Rohtak and Administrator, HUDA, Rohtak who were the members of the Screening Committee and NOC issued by Commissioner & Director General School Education, Haryana.

The purpose of the Authority is to create infrastructure as per liability of the Authority and not to avoid expenditure on the construction of infrastructure. The purpose of creating the infrastructure has been achieved by allotting it to the Model School Society, Rohtak which will impart high standards of education to the residents of sector of HUDA at Rohtak.

The Committee has observed that as per the policy guidelines, building was to be leased out initially for a period of five years and was to be extended for another five years subject to performance of the Society. But the building in question has been leased out for a period of 30 years by relaxing the policy.

The committee has, therefore, desired that the complete information as to the officers/persons involved in the matter be submitted to the Committee within a period of one month positively.

[35] 4.3.10 Grant of licenses to private colonizers:

Due to non-renewal of these licenses, renewal fee amounting to Rs. 1.86 crore remained unrecovered from colonizers. Further, absence of system to watch revalidation of bank guarantees resulted in expiry of bank guarantees of Rs. 1.92 crore.

The Director General (DG), Town and Country Planning Department (TCPD) grants licenses in terms of Section 3 of the Haryana Development and Regulation of Urban Areas Act, 1975 and the Rules made thereunder, to Colonizers for developing residential group housing or plotted colonies on payment of prescribed fee and conversion charges. The license initially valid for a period of two years can be renewed on annual basis till the completion of colony on payment prescribed renewal fee. During the period from 2001-02 to 2010-11, the Department issued 863 licenses to colonizer in the State. Of these, 225 license files were checked in audit on random selection basis during January 2012 in the office of the DG, TCPD and the following deficiencies and irregularities were noticed:

(a) Non-recovery of renewal of license fee:

Rule 13 of the Haryana Development and Regulation of Urban Areas Rules, 1976 provides for renewal of licenses in cases where the colonizer fails to complete the development work in the colonies. The colonizers are required to apply for renewal alongwith the renewal fee at the rate of 10 *per cent* of the fee prescribed for issuance of license in cases where completion certificate had not been issued and at 2.5 *per cent* of the prescribed fee in cases where part completion certificate had been issued.

A mention was made in para 3.16 (v) regarding, "Non-renewal of licenses" in the Report of Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil)-Government of Haryana. The Public Accounts Committee while discussing the para in March 2007 recommended that the Department should have evolved its own effective and speedy system to know the dates of renewal of licenses and the amount to be recovered on this account. Audit further noticed that the licenses of four colonisers in Gurgaon were last renewed upto the dates between June 2010 and December 2011. Though development works of the colonies were incomplete, these licenses were not renewed as of December 2012. Thus, due to non-renewal of these licenses, renewal fee amounting to Rs. 1.86 crore remained unrecovered from colonizers.

The Director General intimated (December 2012) that in two cases the colonizers had applied for renewal upto May and June 2012. In remaining two cases they had not applied for renewal of licenses and action would be initiated against them as per rules. The fact, however, remains that the Department had not put in place any system whereby the due dates of renewal of licenses and amount of license fee to be recovered could be closely monitored by the Department.

The Department in its written reply stated as under:

In reply to this para, it is submitted that the licences under Haryana Development & Regulation of Urban Areas Act, 1975 and Rules 1976 are granted for 4 years (earlier 2 years). However, the Urban Development Projects have a long gestation period and the actual habitation happens to come over a long period of time. The Act of 1975 recognizes this fact and has a provision for renewal of licences. The licences are renewed for a period of every two years

(earlier one year). The licensee can get his licence renewed any no. of times till he completes the development works in the colony including the community buildings as per the approved layout plan and obtain the final completion certificate.

At the time of renewal of licence, the colonizer is to deposit 10% of licensee fee as renewal fees. Further, he has to pay only 25% of the renewal fee if the part completion certificate of the colony has already been obtained. The licensee has to apply for renewal at least 1 month before the expiry of licence failing which penal interest @ 18% on the renewal fee is charged. He is required to submit the following alongwith the request of renewal of licence: -

- (a) An explanatory note indicating the details of development works which have been completed or are in progress or are yet to be undertaken.
- (b) Reasons for non-completion of development works.

After receiving the application for grant of renewal permissions, the Department examines the case in the light of progress made by the colonizer and the reasons for non-completion of development works. The compliance of Rule 24, 26 (2), 27 & 28 of Haryana Development and Regulation of Urban Areas Rules, 1976 is also ensured alongwith the status of construction of community sites in the colony.

The comments regarding renewal of licences of four colonizers in Gurgaon as mentioned in Chapter-4 (Page No. 177) is as follows:-

1. **66 to 68 of 2002 dated 13.12.2002 in sector-30, Gurgaon granted to Unitech Ltd.** - It is mentioned in the Annexure of Audit Para that renewal fee receivable in license No. 66-68 of 2002 is Rs. 11.871 lacs. However, it is submitted that license No. 66-68 of 2002 was valid upto 12.12.2011. The licensee applied for renewal upto 12.12.2013, for which 10% of the license fee (renewal fee) @ Rs. 67,000/- per gross acres comes out to Rs. 10,27,579/-. Against the said recoverable amount, the applicant deposited Rs. 11,25,070/- which also included 18% interest component on the delayed period for applying the renewal of license and license has been renewed upto 12.12.2013. Therefore, the Department has recovered the full amount as required and there is no monetary loss to the State Exchequer.

2. **1016 to 1028 of 2006 dated 19.06.2006 in sector-50, Gurgaon granted to Unitech Ltd. -**

It is mentioned in the Annexure of Audit Para that renewal fee receivable in license No. 1016-18 of 2006 is Rs. 8.187 lacs. However, it is submitted that license No. 1016-18 of 2006 was valid upto 18.06.2011. The licensee applied for renewal for the period upto 18.06.2015. The license renewal fee upto 18.06.2013 recoverable was Rs. 8,18,716/- but the amount of Rs. 11,11,839/- was recovered which also included 18% interest component on the delayed period for applying the renewal of license. Moreover the license renewal fee amounting to Rs. 22,18,155/- has also been charged for the period 19.06.2013 to 18.06.2015 and license has been renewed upto 18.06.2015. Therefore, the Department has recovered the full amount as required and there is no monetary loss to the State Exchequer.

3. 992 of 2006 dated 19.05.2006 in sector-33,48 Gurgaon granted to Unitech Ltd. –

It is mentioned in the Annexure of Audit Para that renewal fee receivable in license No. 992 of 2006 is Rs. 46.117 lacs. However, it is submitted that license No. 992 of 2006 was valid upto 18.05.2011. The licensee applied for renewal for the period upto 18.05.2015. The license renewal fee upto 18.05.2013 recoverable was Rs. 34,44,134/- but the amount of Rs. 49,99,240/- was recovered which also included 18% interest component on the delayed period for applying the renewal of license. Moreover the license renewal fee amounting to Rs. 47,91,421/- has also been charged for the period 19.05.2013 to 18.05.2015 and license has been renewed upto 18.05.2015. Therefore, the Department has recovered the full amount as required and there is no monetary loss to the State Exchequer.

4. 135 of 2008 dated 28.06.2008 in Sector-82A, Gurgaon Granted to Dr. Fresh Real Estate Venture Pvt. Ltd. –

It is mentioned in the Annexure of Audit Para that renewal fee receivable in license No. 135 of 2008 is Rs. 119.813 lacs. However, it is submitted that license No. 135 of 2008 was valid upto 27.06.2010. The licensee applied for renewal for the period 28.06.2010 to 27.06.2012 and 28.06.2012 to 27.06.2014. The license renewal fee upto 27.06.2012 recoverable was Rs. 1,68,61,722/- and license renewal fee upto 27.06.2014 recoverable was Rs. 1,25,42,564/- but the amount of Rs. 3,00,00,000/- was recovered which also included 18% interest component on the delayed period for applying the renewal of license which was in excess by the Rs. 5,95,714/- and the license has been renewed upto 27.06.2014. Therefore, the Department has recovered the full amount as required and there is no monetary loss to the Exchequer.

In view of the above, it may be seen that a total of Rs. 4.42 crore including 18% interest stands charged/ recovered from the colonizers on Account of Renewal Fees against the amount of Rs. 1.86 crores as pointed out by Audit. Thus there is no financial loss to the Govt. It is submitted that the projects have long gestation period and the actual habitation happens to come over a long period of time. It is also submitted that in case the colonizer fails to complete the laying out of any colony of such category in accordance with the approved plans and execution of internal development works in the colony as per the approved design and specification, the colonizer is required to get the license renewed from time to time, which in a way serves as penalty for delay.

Regarding observation for monitoring the dates of renewal of license and recovery of renewal fee, it is informed that Department has now got developed a Client Information System (CIS) application wherein one of the module will be monitoring of this aspect also. The said phase is under user acceptance testing. This module will be helpful for the Department to monitor timely renewal and recovery of renewal fee and at the same time will ensure issuance of a alert to the concerned colonizers for applying for renewal within time by checking the status of validity of license. Hence, the para may please be dropped.

The Committee has desired that details of recovery made in all the four cases be supplied to the Principal Accountant General, Haryana under intimation of the Committee.

The Committee has also desired that some effective mechanism be evolved so that such type of things may not occur in future.

(b) Lapse of Bank Guarantees :

Rule 11, *ibid*, provides that colonizers are required to furnish bank guarantees equivalent to 25 *per cent* of the estimated cost of development works. In the event of breach of any agreement by the colonizers, the Director General may cancel the licenses granted to them and the Bank guarantees in that event are required to be forfeited.

Audit scrutiny of bank guarantee registers in the Directorate revealed that the validity period of six bank guarantees amounting to Rs. 1.92 crore though expired between September 2005 and September 2006, were not got revalidated from the colonizers (December 2012) as the system to watch the revalidation of bank guarantees was not put in place.

On this being pointed out by Audit (January 2012), the Department issued notices (November 2012) to the concerned colonisers.

The Department in its written reply stated as under:

In reply to this para, it is submitted that the following 6 bank guarantees are involved in this para and the status of the same are as under :-

Sr. No.	Name of the Party	LC No.	BG No. & Date	Amount (Rs. in lacs)	Date of validity	Remarks
1.	Krishna Properties Pvt. Ltd.	333	2127IGPER002113	67.62	30.07.2015	The bank guarantees have been extended by the colonizer upto 30.07.2015.
2.	Krishna Properties Pvt. Ltd.	333	2127IGPER002013	6.75	30.07.2015	
3.	Krishna Properties Pvt. Ltd.	333	2127IGPER001913	20.31	30.07.2015	
4.	Radha Enclave	515	1 of 2004 dated 11.09.04	34.15	10.09.2005	The show cause notice has been given by the Department vide letter No. 5088/LC-515 dated 09.04.2012 regarding cancellation of licence deficiencies as mentioned in the notice in which violation regarding provisions of Section 3(3) (a) of the Act of 1975 by not submitting revalidated
5.	Radha Enclave	515	1 dt 11.09.04	38.36	10.09.2005	

						BG's on account of Internal Development Works which expired on 10.09.2005 has been incorporated in the notice. The matter remains sub judice in several courts during the last one year. After the receipt of Court orders, ban on sell of plots by the licensee stands imposed and as per statutory provisions, before cancelation of license the second showcase notice shall be issued shortly, in which the grounds regarding non revalidations of BGs shall also be imposed.
6.	MVG Builders Pvt. Ltd.	192	1268 dt 14.09.04	25.24	03.07.2015	The colonizer has submitted fresh Bank Guarantee of the same amount valid upto 03.07.2015.

The computerization work of the Department is in progress. The Client Information System (CIS) and other modules are in testing phase. The same shall be in proper functioning after a short time. Thereafter the monitoring of bank guarantees and EDC payment and other dues etc. shall be easy for the Department. However, presently this work is being done manually. The Department keeps a track on the bank guarantees to be expired. One month advance notices are issued to the colonizer to revalidate their bank guarantees and special instructions are also issued to the banks not to discharge the licensee from its financial commitments covered under the said bank guarantees till the same is not renewed by the licensee. If the same is not renewed than efforts are made to get the bank guarantee encashed. As such best efforts are being made to ensure that bank guarantees may be revalidated by the colonizers from time to time. Therefore, the Para may kindly be dropped.

The Committee has desired that the responsibility of the erring officers/officials be fixed within a period of 15 days under intimation of the Committee.

(c) Non-completion of colonies:

Rule 12, *ibid*, provides that the development works in the colonies should be completed within two years and a certificate of completion be obtained under Rule 16 from TCPD.

During audit, it was noticed in 160 cases, out of 225 cases, where the colonisers were to develop group housing or plotted colonies in 17 districts up to November 2011, none of the colonizers had completed colonies fully (January 2012). As such, the completion certificates were not issued by the Department.

On this being pointed out by audit, the Director General stated (January 2012) that the final completion of these projects took several decades for development as infrastructural works such as providing of water supply, sewerage, storm water drainage, roads, schools, dispensaries, community centres, electric sub stations, etc were required to be provided. In view of reply of the Department, Audit is of the opinion that the provision for time limits for extension for completion of all such amenities is required to be made in rules so that the residents are not deprived of basic amenities.

The matter was referred to the Principal Secretary to Government of Haryana, Town and Country Planning Department (June 2010) but the reply had not been received so far (December 2012).

The Department in its written reply stated as under:

In reply to this para, is submitted that the completion certificate/part completion certificate of the colonies for which licences have been granted under Section 3 of Haryana Development and Regulation of Urban Areas Act, 1975, are covered under Rule 16 of Haryana Development and Regulation of Urban Areas Rules, 1976. Rule 16 is reproduced as under: -

16. Completion certificate/part completion certificate.

1. After the colony has been laid out according to approved layout plans and development works have been executed according to the approved designs and specifications the colonizer shall make an application to the Director in form LC-VIII.

2. After such (scrutiny), as may be necessary, the Director may issue a (completion certificate/part completion certificate) in form LC-IX or refuse to issue such certificate stating the reasons for such refusal:

Provide that the colonizer shall be afforded an opportunity of being heard before such refusal.

Further, as per the provisions of Section 3(5) of HDR, Act, a colony may comprise of a number of additional licences.

As stated above, these projects have long gestation period and the actual habitation happens to come over a long period of time. The Department is taking effective steps to freeze a time period for completion of the colonies. The Act No.27 of 2013 for inserting section 7B in the said Act has been promulgated for fixing time limit for completion of any specific category of colony. Under the said Act, a notification for fixing a time limit of four years has been issued on 30.05.2014 in the case of Affordable Housing Colony and IT Park Colony, in accordance with the approval of Govt. As and when decision/approval or other colonies are received from the Govt, the same shall also be notified. Further, it is also submitted that in case the colonizer fails to complete the laying out of any colony of such category in accordance with the approved plans and execution of internal development works in the colony as per the approved

design and specification. The colonizer is required to get the license renewed from time to time, which in a way serves as penalty for delay in completion of colonies. Hence the para may please be dropped.

The Committee has observed that some provision for time limits for extension for completion of all necessary amenities be made in the relevant rules so that the residents are not deprived of basic amenities.

PUBLIC WORKS (BUILDINGS & ROADS) DEPARTMENT

[36] 2.3.7 Status of Acquisition and Allotment of Land at State Level

Land is an asset of finite magnitude. Therefore, it is important to regulate land use through a policy framework that optimises public good and reconciles with various competing demands for land. The Government had not made any nodal department for maintaining information about the land acquired, funds provided for acquisition of land by various departments and the expenditure incurred thereon in the State. A consolidated detail of Government land allotted/leased was not available with any department. Audit further observed that data regarding total available land and utilisation thereagainst was also not maintained by the PWD (B&R), Irrigation and PHED. Thus, in the absence of this vital information, total Government land available with different departments and its utilisation could not be verified in audit. The Government may prepare land pool for management of Government land for its economical and effective use.

The Department in its written reply stated as under:

Policy in this respect may be finalized by Revenue Department or by the committee under the chairmanship of Chief Secretary Haryana.

The Committee has recommended that the department to prepare division-wise details of the land available with the department, land acquired by the department and utilization thereagainst and data be compiled at headquarter level also so that advance planning for proper management of the Govt. land for its economical and effective use could be made and action taken report in the matter be submitted to the Committee within a period of three months positively.

[37] 2.3.8 Acquisition of land

The process of land acquisition starts with issue of a notification under Section 4 of the Land Acquisition Act, 1894 to be published in the official gazette for survey of land. Any person interested in land notified under Section 4, may object to such acquisition before the Collector, who shall give the applicant/aggrieved person an opportunity of being heard. After hearing the objections, the Collector shall make a report together with record of proceedings held by him to the Government, with his recommendations. Thereafter, a declaration shall be made under the signature of an officer of the level of Secretary to Government under Section 6 for publication of notification to the effect that the land is needed for public purpose. The Collector shall then obtain an order from Government for acquisition of land under Section 7 of the Act. The Collector shall make appropriate award under his hand, within two years from the date of declaration under Section 6 (1), provided that no award shall be made by the Collector without the previous approval of Government. In cases of urgency, whenever the Government so directs, the Collector, though no such award has been made, may, on the expiration of 15 days from the publication of notice under Section 9(1) take possession of any land needed for a public purpose. Such land shall, thereupon, vest absolutely in Government, free from all encumbrances. The Land Acquisition process is depicted in the following chart:

Land acquisition process

Department places demand for acquisition of land to Government	Administrative approval by State Government	Release of funds by the department to LAOs/LACs
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Notification issued by Government under Section 4 for acquisition of land	Hearing of claims under Section 9 by the LAOs/LACs	Announcement of awards under Section 11 within two years after issue of declaration under Section 6
Hearing of objections from land owners by LAOs/LACs under Section 5 (A)	Declaration under Section 6 for acquisition of land by Government with in one year from the date of issue of notification under Section 4	

The centralized data with regard to total land acquired and compensation paid was not available with Irrigation Department, PWD (B&R) and PHED. The data was lying scattered in the works divisions. It was not consolidated even at circle level. However, UED was maintaining such data in respect of HUDA.

Audit compiled the data in respect of land acquisition and compensation paid from the records of works divisions and collected the data from UED in respect of HUDA. The details of land acquired by UED for HUDA and Irrigation Department, PWD (B&R) and PHED, compensations paid during the period 2007-12 are given in **Table 1**.

Table 1: Details of land acquired and compensations paid during 2007-12

Year	Land acquired by (In acres)			Compensation paid by (Rs. in crore)		
	UED for HUDA	PWD (B&R), Irrigation and PHED	Total land acquired	UED for HUDA	PWD (B&R), Irrigation and PHED	Total
2007-08	2480	1492	3972	557	417	974
2008-09	828	1141	1969	129	233	362
2009-10	5272	425	5697	2660	87	2747
2010-11	5546	852	6398	3360	200	3560
2011-12	1205	914	2119	735	292	1027
Total	15331	4824	20155	7441	1229	8670

Source: Data provided by Additional Director, Urban Estates, Panchkula and data compiled by Audit in respect of works division.

The Department in its written reply stated as under:

All Superintending Engineers (Field) have been directed to keep record of land of the department and compensation paid thereof (wherever applicable) at circle level after collecting the same from their respective divisions and also

forward to Head Quarter to keep record of the land of the department at Head Quarter.

The Committee has recommended that the department to prepare division-wise details of the land available with the department, land acquired by the department, alongwith the details of compensation paid & pending to be paid for the acquired land and utuilization thereagainst and data be compiled at headquarter level also so that advance planning for proper management of the Govt. land for its economical and effective use could be made and action taken report in the matter be submitted to the Committee within a period of three months positively.

[38] 2.3.10.4 Conducting of physical verification of Government land:

In order to ensure proper utilization and save the land from encroachment, it is necessary to conduct physical verification of land periodically. It was, however, observed that the departments had not evolved any system for physical verification of Government land in the absence of which departments were not aware about the proper utilization of land and encroachment on land remains undetected for long periods. The reply of the department in regard to conducting of physical verification was awaited as of February 2013.

The Department in its written reply stated as under:

PWD Code Clause 6.6.5 envisage that sub divisional incharge is responsible for proper operation and maintenance of assets in his jurisdiction and maintenance of their records. He shall keep watch that no Government land or property is encroached upon and no unauthorized construction is allowed to be done. He shall further see that property in his charge is kept in a proper state by timely action and wise utilization of Government funds, with the sanction of the competent authority.

However, a committee consisting of three officers i.e. one SDE of the circle, one JE of the division other than concerned jurisdiction incharge and concerned SDE / JE has been constituted for conducting the physical verification.

The Committee has desired that after conducting the physical verification of the Govt. land available with Public Works (Buildings & Roads) Department in the State, action taken report be submitted to the Committee within a period of three months.

[39] 2.3.10.6 Non-mutation of land acquired:

The mutation of land acquired is required to be done in the record of Revenue Department in the office of the Tehsildar/Sub-Registrar concerned. This is necessary to avoid litigation and get clear title to land acquired. Mutation of 5667 acres of land (**Appendix 2.15**) had not been done in three Works divisions and three Estate Offices. The PS, TCPD and Additional Chief Secretary, Irrigation Department (during Exit Conference), Executive Engineer, Provincial Division, Gurgaon stated (May/November 2012) that efforts would be made to get mutation done at the earliest possible time.

The Department in its written reply stated as under:

As per revenue records only 6.3375 acres land was awaiting mutation at the time of exit conference, which has since been got carried out in revenue record.

No other land of this department is pending for mutation. The para may kindly be dropped.

The Committee has desired the department to provide the details of the Govt. land and current status of recently acquired land to the Committee as well as to the PAG office within a period of three months.

[40] 4.2.3 Avoidable expenditure on reconstruction of a portion of road:

Expenditure on the same road by PWD and Haryana State Roads and Bridges Development Corporation Limited on widening and strengthening resulted in avoidable expenditure of Rs.1.03 crore.

The Government of India, Ministry of Shipping, Road Transport and Highways (MORT&H) administratively approved (August 2007) the work of "widening and strengthening of Sonipat-Kharkhoda-Sampla-Jhajjar-Dadri Road which includes section Jhajjar Chowk to Railway *Phatak* in Sampla Town in a length of 0 to 1.685 km" for Rs. 3.80 crore under Central Road Fund. The Superintending Engineer, Public Works Department (PWD) (Buildings and Roads) (B&R), Rohtak Circle, Rohtak after inviting the tenders (November 2007) allotted (December 2007) the work to an agency (M/s Gawar Construction Company) in a package of three roads including section Jhajjar Chowk to Railway *Phatak* in Sampla Town, at an estimated cost of Rs. 11.11 crore with a completion period of nine months. The agency completed (March 2009) the work at a cost of Rs. 11.11 crore, of which the expenditure of Rs. 2.43 crore was incurred on the above road. As per terms and conditions of the contract agreement, the agency was to bear the cost of defects on roads during a period of two years and maintain the road for five years from the date of completion i.e. March 2009.

During test-check (July 2011) of records of the office of the Executive Engineer (EE), Provincial Division No. 1, Rohtak, it was noticed that while the work was under execution by M/s Gawar Construction Company, the Haryana State Roads and Bridges Development Corporation Limited (HSRDC) allotted (May 2008) the work of "Improvement by widening, strengthening, re-construction, raising, etc. of two roads¹⁰ to another agency (M/s Unity BBEL Joint Venture) for Rs.240.44 crore. This work was in progress and an expenditure of Rs. 120.07 crore was incurred upto February 2011. Scrutiny of records further revealed that the portion of Sonipat-Sampla-Jhajjar-Dadri Road (Section of SH-20) km 0 to 95.150, falling between 52.02 km and 53.705 km was the same portion of Sonipat-Kharkhoda-Sampla-Jhajjar-Dadri Road (Section Jhajjar Chowk to Railway *Phatak* in Sampla Town, length 0 to 1.685 km), the widening and strengthening of which was got done by the EE, Provincial Division No. 1, Rohtak between December 2007 and March 2009 and was under defect liabilities period as per clause 1.1 and 35 of contract agreement. The HSRDC paid Rs. 1.07 crore for widening and strengthening of this portion of road between May 2008 and September 2010. Only an amount Rs. 4.44 lakh on account of top bituminous layer was recovered (March 2011) for 0.370 km length (km 52.02 to km 53.370) and no recovery was made for remaining portion of the road (December 2012). Thus, the expenditure of Rs. 1.03 crore (Rs. 1.07 crore minus Rs.0.04 crore) incurred by HSRDC on already widened and strengthened portion of the road was avoidable.

On this being pointed out (July 2011) the EE, Provincial Division No. 1, Rohtak intimated (November 2011) that the fact of transfer of the road to HSRDC was not known

to them. On the other hand the HSRDC stated (January 2012) that the work was executed on the basis of detailed project report prepared by the PWD (B&R). These replies indicate that there was lack of coordination between PWD (B&R) and HSRDC although they were working under the control of the PWD (B&R).

In an exit conference held in November 2012 with the Principal Secretary to Government of Haryana, PWD (B&R), the Engineer-in-Chief stated that the EE, Provincial Division No. 1, Rohtak had carried out the routine maintenance of the road in the first work whereas in the second work, got executed by HSRDC, complete road was widened and strengthened with richer specification. The contention of the Department was not acceptable as the first work was sanctioned by MORT&H, GOI under Central Road Fund (CRF) scheme with complete MORT&H specifications including widening and strengthening of existing carriageway which include same specification for bituminous macadam, tack coat and premix carpet, etc. as carried out in subsequent work. The work so executed was under the defect liability period for which there was no co-ordination between two executing agencies of PWD (B&R).

Thus, lack of co-ordination between the two executing agencies of PWD (B&R), who undertook widening and strengthening work of the same road simultaneously within a span of six months, had resulted in avoidable expenditure of Rs. 1.03 crore.

The Department in its written reply stated as under:

The work of Widening and strengthening of Sonapat Kharkhoda Sampla Jhajjar Dadri road (Section Jhajjar Chowk to Railway Phatak in Sampla Town) was allotted to M/s Gawar construction Co. as per design based on the traffic survey conducted in November 2006. A copy of survey is again attached as Annexure-I. The work was based on the estimate prepared on the basis of this traffic survey conducted in November 2006. The estimate was based on local requirement and the City portion was widened from 7:00 meter to 10:00 meter in RD 0.00 to 0.810 KM (45.500 to 44.690 KM as per HSRDC) to avoid traffic Jams. The work based on specifications of GSB 330mm+WBM 250mm in widening portion and only BM 50 mm+SDBC 25 mm for strengthening was executed on this portion i.e. RD 0.810 to 1.680 (44.290 to 43.820 as per HSRDC) in May 2008. Copy of record entry of PWD for this portion is attached as ANNEXURE-2. This work was allotted in a separate agreement then the defect liability of this work would have ended in May 2010. But as other works included in the agreement alongwith this work, were completed on 31.10.2010 and the defect liability was to be regulated from overall completion of all the works included in the agreement so the road was covered under defect liability up to 31.10.2012. To ensure that contractor may not draw any extra benefit on account of defect liability of this work a sum of Rs.4,44,000 was deducted from the contractor. It is also brought to the notice that the audit made a mistake in its finding that the road was covered by maintenance period for 5 years as there was no provision of maintenance period in the agreement of this work. Copy of contract date is enclosed as Annexure-3 for ready reference.

After that a fresh proposal was made to upgrade the whole of the road i.e. Sonapat Kharkhoda Sampla Jhajjar Dadri road with richer specifications necessitated by the increase in traffic due to improved linkage of the road with other roads and due to need of the state for expansion and modernization of the

road network especially in the NCR. This proposal was based on the traffic survey conducted in October 2007 resulting with MSA-41, CBR-7%. A copy of DPR is attached as Annexure-4. The whole of the road was upgraded adopting richer specifications and this road portion which was widened nearly two years back in May 2008 with poorer specifications could not have been left out. Moreover, this portion was city portion and required to be improved with at least similar specifications which are maintained for the whole of the road. This work was executed by HSRDC on this portion in the month of January 2010 after a gap of two years from actual date of completion of the work by this division which was May 2008. A copy of record entries made by HSRDC is attached as Annexure 6 & 7 in token of date of execution of work.

It is also brought to the notice of the audit that as per entries made by HSRDC it is evident that there is not double execution/payment of the work. The widening of the road was completed by this office in 05/2008 which has not been got done in 01/2010 by HSRDC while widening of this portion. The HSRDC has got executed the work with item of 70 mm DBM+40 mm BC from RD 43.820 to 44.900 (with a gap of 40m from 44.290 to 44.330 & a gap of 50m from 44.850 to 44.900)=1.080 Km. (i.e. nearly on 80% of the portion in question) against approved design of 120 mm D.B.M+40 mm B.C. as this office has got 50 mm DBM+25 mm SDBC executed. A copy of detail of savings due to execution of the work by HSRDC including items already executed by this office is attached as Annexure-8. A copy of specifications required to be adopted by HSRDC in the whole of this segment is attached as Annexure -9. So in this portion these items have also not led to any extra expenditure. Had this office not got executed this work then the items of work carried out by this office would have to be carried out by the HSRDC and the expenditure on this account would have been on much higher side & the overall expenditure would have been on much higher side & the overall expenditure would have been more or less same.

So, it is evident from all the facts that the work was executed both the times as per approved drawing and design and as per requirement of the site. The items executed both the times as per approved drawing and design and as per requirement of the site. The items executed in the first instance were duly accounted for it the time of execution of work by the HSRDC. So it is humbly requested that the audit objection may be withdrawn as there is no loss to Govt. and the work was got done as per requirement.

The Committee has desired that the facts of this case be got reconciled with the office of Principal Accountant General, Haryana within fifteen days and thereafter action taken report be submitted to the Committee.

[41] 4.3.5 Unfruitful expenditure on incomplete building:

Incorrect preparation of estimates and starting the construction of a building without inspecting the site to ascertain the field conditions and scope of work resulted in unfruitful expenditure of Rs. 88.89 lakh as the building of Zila Sainik Rest House, Yamunanagar remained incomplete.

Para 10.1.3 of Haryana Public Works Department code (code) provides that while preparing the estimate of any project, the site should be inspected to ascertain field conditions, including availability of land. The estimate should be cost-effective proposal for the intended purpose and be as accurate as possible. The estimate should incorporate ground conditions as ascertained during the site visit.

The Chief Secretary to Government of Haryana accorded (November 2005) an administrative approval for Rs. 62.36 lakh for construction of Zila Sainik Rest House and office building for Zila Sainik Board in Yamunanagar. *Gram Panchayat*, Gobindpura provided (April 2003) the land for the building free of cost. The land in question was being utilised for disposal of waste water of the village by inhabitants and it was practically in the shape of a pond instead of piece of land which required filling before commencement of the work. The *Gram Panchayat* further laid a condition that proper arrangement should be made for disposal of waste water through a sewerage scheme.

The Executive Engineer (EE), Jagadhari Provincial Division, Yamunanagar allotted (January 2007) the work for construction of building for Zila Sainik Board to an agency²⁶ at an estimated cost of Rs. 60.76 lakh with a completion period of six months without assessing the suitability of land. The agency after executing the work to the tune of Rs. 74.38 lakh (paid in January 2009) left the work incomplete (January 2009) due to protest by villagers. An expenditure of Rs. 88.89 lakh was incurred on the work up to November 2011.

As the site of the building was in a pond and required heavy filling, the EE submitted (February 2009) a revised estimate for Rs. 117.36 lakh to the EIC, PWD (B&R). The Chief Secretary to Government of Haryana accorded (November 2009) revised administrative approval for this amount. The Sainik Board deposited the balance funds of Rs. 55 lakh²⁷ with the division during January 2010 and February 2011. But no further work was executed as the agency was not ready to execute the balance work at the old rates. Meanwhile, the Department submitted (April 2011) another revised estimate for Rs. 2.21 crore to the *Rajya Sainik Board* for obtaining revised administrative approval because of increase in scope of work due to extra provision of earth filling and extra foundation work in shape of filling instead of normal foundation. The case of administrative approval was pending with Finance Department and the work was lying abandoned as of December 2012.

Scrutiny (February 2010) of records of the EE, Jagadhari Provincial Division, Yamunanagar revealed that the EE prepared the rough cost estimate without inspecting the site and ascertaining the field conditions which was the pre-requisite for preparation of estimates as per para 10.1.3 of the Haryana Public Works Department Code. The Chief Secretary accorded (November 2005) the first administrative approval on the basis of rough cost estimate prepared by EE. Further, the work on the building was started without ascertaining the scope of work as per site conditions. The complete scope of work was not even assessed while revising the estimate in November 2009 and the estimate had to be revised again in April 2011 for Rs. 2.21 crore. Further, no proposal had been made for laying sewerline in the Gobindpura village (October 2012).

On this being pointed out, the EE intimated (November 2010 and January 2012) that the work could not be completed as the site of the building was in a sewerage pond requiring heavy fillings, protest by villagers for not providing sewerage facility and non-

deposit of balance funds by the Department. The matter was also discussed with the Principal Secretary to Government of Haryana, PWD (B&R) in exit conference held in November 2012 where in the Department intimated that initially the estimate for Rs. 62.36 lakh was sent to the client Department on the presumption that dry piece of land would be provided for construction of building but the site provided was a sewerage pond which required heavy filling due to which the estimate had to be revised and re-revised and the work was held up due to non-deposit of balance funds by the Department.

The argument of the Department was not correct as the rough cost estimate was not prepared correctly as per provisions of the PWD Code after inspecting the site to ascertain the field conditions and scope of the work. Further, the Department should have taken up the matter regarding disposal of waste water of the village with the Public Health Engineering Department before starting the work to avoid protest from villagers. The contention of the Department regarding non-deposit of funds by the client Department was also not convincing as they had deposited the entire funds of Rs. 117.36 lakh in phases but the Department could not restart the work due to refusal of the contractor to execute the work at old rates. Thus, incorrect preparation of rough cost estimate without inspecting the site to ascertain the field conditions coupled with not taking up the matter of disposal of waste-water of the village with appropriate authority hindered the construction of building which ultimately resulted in unfruitful expenditure of Rs. 88.89 lakh incurred on construction of the abandoned building besides depriving of its intended benefits.

The Department in its written reply stated as under:

On the above noted subject, it is submitted that the land for construction of Sainik Rest House was gifted by Gram Panchayat, Gobindpura vide resolution No.2 dated 21.5.2003 clearly stating that the land in question is being utilized to dispose off the waste water of the village the land was given with the condition that the disposal of waste water of the village may be made through sewerage scheme and was practically in shape of a pond instead of piece of land, which required filling of earth before commencement the work, as per the site condition and taking into consideration the levels of existing road i.e. NH-73.

The rough cost estimate for construction of Sainik Rest house at Yamuna Nagar was prepared for Rs.62.36 Lacs and was sent for administrative approval vide Head office letter No.22/08/05/1010 dated 22.08.2005 to the Secretary Rajya Sainik Board, Yamuna Nagar and same was approved by the Chief Secretary to Govt. Haryana vide letter No.12/2/97-5D-II dated 28.11.2005 for Rs.62.36 Lacs. The DNIT for construction of Sainik Rest House was prepared for 60.76 Lacs and the same was approved by Chief Engineer (Buildings) as intimated by the Superintending Engineer, Chandigarh Circle, Hr.(PWD (B&R) Branch, Chandigarh office letter No.12786 dated 12.9.2006 to be opened on 25.09.2006. However, only single tender was received from Shri Anil Kumar Mehta, Contractor. After negotiation/discussion the work was allotted to Shri Anil Kumar Mehta, Contractor vide this office letter No.511 dated 19.01.2007 to be completed within 6 months.

The work was started in earnest way but due to untimely rains and protest from the villagers due to non solving of their problem regarding disposal of waste water of the village the same could not attain the speed required to complete

the work. After great persuasion with the Distt. Administration the work was restarted and accordingly, the time extension was accorded to Shri Anil Mehta, Contractor upto 19.1.2008. It is pertinent to mention here that the rough cost estimate was framed on plinth area basis for normal site, however in this case the site transferred to the department was in the shape of a sewerage pond on the village, and the same required extra foundation work in the shape of footing, instead of normal foundation, that too in addition to extra provision of earth filling. Thus the cost of work increased due to scope of work, and required revised administrative approval. Meanwhile, the work remained in progress in anticipation of revised administrative approval and allocation of balance funds. Though the client department had deposited only Rs.62.36 Lacs i.e. initial cost of the work that is the work was completed from the contractual agency beyond the agreement amount, as mentioned in the Advance Para too, but non availability of funds resulted into stoppage of work thereafter.

In the meantime the revised rough cost estimate of the building amounting to Rs.157.29 Lacs was prepared and submitted to the Secretary Rajya Sainik Board, Panchkula for arranging revised administrative approval vide head office letter No.1014-15/W2 dated 21.7.2008, so as the work could be got completed/executed at site.

Regarding completion of the building a meeting was held on 10.03.2009 in the office of the Engineer-in-Chief, Haryana, PWD B & R Branch, Chandigarh with the Secretary, Rajya Sainik Board and after detailed discussion in the matter it was decided that the revised estimate be minimized to make the Sainik Rest House functional and accordingly, against Administrative approval of Rs.62.36 Lacs and additional funds to the tune of Rs.55.00 Lacs will be given/made available to make the building functional.

Accordingly, the revised modified estimate for Rs.117.36 Lacs was prepared and submitted and sent by head office letter No.23-Wii-2004/633/WII dated 14.05.2009 to the Secretary Rajya Sainik Board, Panchkula which was approved vide letter of Chief Secretary to Govt. Haryana vide No.12/2/97-5DII dated 8.11.2009.

Further funds amounting to Rs.55.00 Lacs were also received against estimated amount of Rs.117.36 Lacs expenditure amounting to Rs.114.39 Lacs has been incurred.

Further observations regarding work completed /balance work and latest status etc. were raised by Audit which stand replied vide this office letter memo No.6385 dated 1Rs.9.07.2012. Thus the latest reply given as well as latest position is as under :-

i) Detail of work completed and required to be completed

Work completed:-

Structure for double storey completed, Fascias completed, Tile terracing completed & Partition walls on ground and first floor completed.

Balance work

- i) Flooring, Doors & Windows, painting, Public Health works, Electrical works & some miscellaneous works
- ii) Copy of the estimate for Rs.220.90 lakh which was desired to be submitted to Audit stands already sent. Approval/sanction was awaited from competent authority/client department.
- iii) Presently the work is held up.

It is further, intimated that a meeting was held in the office of Chief Secretary under the Chairmanship of Chief Secretary on dated 13.07.2012. In this meeting Engineer-in-Chief, Haryana, PWD B&R Branch, Chandigarh, Chief Engineer (Buildings), S.E., Chandigarh were also present alongwith the official of Zila Sainik Board.

It was decided in the meeting that the client department will deposit an amount of Rs.50.00 lacs available with them for this building and accordingly PWD B&R department will prepare an estimate in which provisions, which are required for making the building functional will be taken on priority. Accordingly, the estimate afresh amounting to Rs.146.36 Lacs was prepared which included the expenditure of Rs.88.89 Lacs already incurred on the work already completed as per details given above and Rs.57.47 Lacs (Rs.146.36 Lacs(-) Rs.88.89 Lacs = Rs.57.47 Lacs) expenditure now to be incurred on the balance work to be done as per detail given above.

Now, it is intimated that the building of Zila Sainik Rest House has been completed after incurring the total expenditure of Rs.162.85 Lac. And handed over to Client Department on 23.07.2015. The information received from Executive Engineer Jagadhari Provincial Division PWD B&R Yamuna Nagar regarding handing over the building is enclosed herewith.

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

The Committee has recommended that responsibility of the officer(s), whether he is XEN or SDO, responsible for preparing incorrect estimates and starting the construction of the building without inspecting the site to ascertain the field conditions and scope of work be fixed and strict disciplinary action be initiated/taken against him and action taken report be submitted to the Committee within a period of three months.

PUBLIC HEALTH ENGINEERING DEPARTMENT

[42] 2.3.8.4 Delay in payment of enhanced land compensation :

As per Section 28 of the Act, the LAC was required to pay interest on the enhanced compensation awarded by the court at the rate of nine *per cent* for the first year and 15 *per cent* per annum for the subsequent years from the date on which the Collector had taken possession of the land to the date of payment.

It was observed that there was inordinate delay in making payments of enhanced land compensation awarded by Courts during the period under audit. As a result of this, extra payment of interest of Rs. 4.93 crore had been made and liability amounting to Rs. 21.84 lakh had been created on this account. The extra payment has been calculated after giving time of 90 days, which is reasonable, in the opinion of Audit, for processing the cases for payment from the date of award. The details are given in **Table 2**.

Table 2: Details of extra payment of interest

Name of the office	Name of the LAO/DRO/ LAC	Month of Court's Decision	Month of payment	Delay in months	Extra interest paid (Rs. in lakh)
PHED-III, Palwal	Palwal	February 2009	February 2011	24	49.99
Rewari Lift Irrigation Division, Rewari	Gurgaon	August 2011	Not paid upto May 2012	9	21.84
Ghaggar Water Services Division, Sirsa	Sirsa	October 2010	April 2012	18	7.33
HUDA					
HUDA, Gurgaon	Gurgaon	1 October 2010	March to December 2011	10 to 15	87.32
HUDA, Rohtak	Rohtak	Between November 2008 and April 2010	Between December 2010 and April 2011	8 to 29	169.89
HUDA, Faridabad	Faridabad	May 2006 to October 2010	Between May 2010 and September 2011	9 to 60	178.53
		Total			514.90

Source : Data compiled from departmental records.

The EE, PHED-III, Palwal stated (June 2012) that enhanced land compensation was deposited late due to litigation in the High Court. The DRO-cum-LAC, Gurgaon stated (May 2012) that the Executive Engineer concerned was being asked to calculate the amount payable to the land owners.

Further in case of Ghaggar Water Services Division, Sirsa, the Additional Chief Secretary, Irrigation department stated (October 2012) that there were some procedural

delays in getting the sanction about enhanced land compensation and it was not intentional on the part of any officer/official. The reply was not acceptable as the delay should have been avoided since it involved payment of interest out of Government funds.

Similarly, funds for land acquisition for a drinking water supply scheme for 64 villages of Nangal Chaudhary Block (District Mahendergarh) were deposited late (October 2011) by the department with DRO-cum-LAC, Narnaul, as a result of which awards were delayed for the period ranging from two to four months which led to avoidable payment of interest of Rs. 40.85 lakh.

While accepting the delay in the release of LOC, the EIC stated (October 2012) that due to procedural formalities involved, there was a gap between the period when demand for LOC was made by Executive Engineer-2, Narnaul and the date on which payment was actually released to the beneficiaries. The PS, TCPD stated during Exit Conference that the process of awarding the enhanced compensation by the courts depends upon decision on the references filed under Section 18 of the Land Acquisition Act, 1894 by the Reference Court, decision on the Regular First Appeals (RFAs) filed either by the land owners or by the State in the Hon'ble High Court and SLPs in the Apex Court. As such, the delay can be accounted for only after final settlement of the case by the Apex Court.

The reply was not convincing as only those cases have been mentioned in the paragraph where there were abnormal delays in making payment after announcement of decisions and period of delay has been calculated after giving of rebate of 90 days. During Exit Conference, the PS requested to provide necessary details which were provided. Further reply was awaited (December 2012). Thus, there is a need to review and put in place a proper and effective system for payment of land cost to avoid payment of interest.

The Department in its written reply stated as under:

1. In this connection it is intimated that 18.84 acres of land was acquired against award No.8F of 17.04.2002 for construction of 9MLD STP at Palwal. The payment amounting to Rs.10512392 was made to the land owners through DRO cum LAC Faridabad.
2. The Land owners filed LAC case no.26 to 44 during 2002 for enhancement of land compensation under Section 18 land acquisition act 1894 and the above mentioned LAC cases were decided by the Hon'ble Distt. court of Sh. Deepak Gupta ADJ Faridabad on dt.02.02.2009 & allowed compensation for the acquired land @ Rs.279 per square yard and interest w.e.f 29.05.2001 i.e. the date of publication of notification u/s 4 (1) of the act. In this regard advise was sought from Legal Remembrance Haryana & the Legal Remembrance Haryana advised the deptt. to file appeal / RFA in the Hon'ble High Court vide his letter No.17049/Co 30 (566)-02 dt.20.03.2009 . The reasons for filing RFA have been explained by Distt. Attorney, Faridabad vide his letter No.762 dt.25.01.2009 addressed to LR, Haryana.
3. As per advise of Legal Remembrance Haryana the deptt. filed RFA No.5771 to 87 of 2009, 102 of 2010 and 103 of 2010 in the Hon'ble High Court Chandigarh but the same were dismissed by Hon'ble High Court on 01.04.2011.

4. In the meanwhile i.e. after the decision of ADJ Faridabad, the land owners filed the execution applications in the Distt. Courts of Faridabad during the year 2009.

5. In order to comply with the court orders, payment of Rs.5,04,50,774/- on dt.16.02.2011, Rs.49226/- on dt.21.02.2011 & Rs.2961533/- on dt.05.12.2011, total amounting to Rs.5,34,61,533/- were deposited in the court to comply with order to Sh. R.K. Yadav ADJ-cum MACT, Palwal to avoid contempt & arrest warrant. The payment was deposited in view of the orders of Sh. R.K. Yadav, ADJ-cum-MACT, Palwal vide which it was directed to pay the compensation amount on or before 08.01.2011. The interest / compensation was paid as per directions / orders of Distt. Courts, because orders were passed on 02.02.2009 and interest was payable w.e.f 29.05.2001. **The enhanced compensation can not be paid immediately after orders of lowest court but is paid after exhausting all the available legal procedures / proceedings as per the advice of LR / AG as detailed in para 2 above.** So there is no loss on account of payment of interest because the award of enhanced compensation was announced on dt.02.02.2009 by the Hon'ble Distt. Court @ Rs.279/- per square yard & interest was payable w.e.f 29.05.2001 i.e. the date of publication of notification u/s 4 (1) of the act. Moreover the RFAs filed by the deptt. in Hon'ble High Court as per advice of Legal Remembrance Haryana, were decided and dismissed on dt.01.04.2011.

In view of the above facts, there is no delay in making payment to the land owners for enhanced compensation by the deptt. So there is no loss of interest and hence the para may please, be dropped. In view of the above facts, there is no delay in making payment to the land owners for enhanced compensation by the deptt. So there is no loss of interest and hence the para may please, be dropped.

The Committee has desired that the latest status of the part of this para related to Nangal Chaudhary be submitted to the Committee at the earliest.

[43] 4.1.1(b) Embezzlement due to exercising inadequate monitoring and financial control :

Failure of the Executive Engineer/Sub-Divisional Engineer, Public Health Engineering Divisions, Panipat and Mahendergarh in exercising necessary checks as provided for in financial rules facilitated embezzlement of Rs. 10,30,136 in collection and deposit of water and sewerage charges.

Rule 2.2 (iii) of the Punjab Financial Rules as also applicable to Haryana provides that a Drawing and Disbursing Officer (DDO) should satisfy himself that all the monetary transactions are entered in the Cash Book as soon as they occur and the same are attested by him. Further, Rules 2.7 and 2.4 of Rules ibid provide that in case an employee, who is not incharge of the Cash Book, receives money on behalf of the Government, he is required to remit the same to the employee having a Cash Book or deposit the amount into the treasury/bank on the same day or in the morning of the next day.

Scrutiny (January 2012 and March 2012) of records of collection of water and sewerage charges in Public Health Engineering (PHE) Divisions 2, Panipat and

Mahendergarh revealed that in Sub Divisions 3 and 5, Panipat and 2, Mahendergarh, the bill clerks were collecting cash daily on account of water supply and sewerage charges from the consumers. However, after issuing cash receipts these were not reflecting in the cash collection registers. The bill clerks had collected Rs. 40,30,013 between April 2010 and March 2012 but deposited Rs. 34,09,108 only. As a result, an amount of Rs. 6.21 lakh was less deposited with the sub divisional clerks (SDC) in PHE Division 2, Panipat and PHE Division, Mahendergarh as detailed in Table 1.

Table 1 : Details of amounts short deposited by Bill Clerk

Name of Division	Name of Sub Division	Period	Amount collected	Amount deposited	(In Rs.) Amount short deposited
Public Health Engineering Division 2, Panipat	Sub Division 3, Panipat	01 November 2010 to 31 January 2012	3,78,692	3,55,005	23,687
	Sub Division 5, Panipat	01 November 2010 to 31 January 2012	6,67,476	4,13,874	2,53,602
Public Health Engineering Division, Mahendergarh	Sub Division 2, Mahendergarh	01 April 2010 to 14 March 2012	29,83,845	26,40,229	3,43,616
Total			40,30,013	34,09,108	6,20,905
(Source: Compiled from figures supplied by the Department)					

Thus, short deposit of Rs. 6,20,905 by the bill clerks collecting cash tantamounts to embezzlement. Besides, in Sub Division 5, Panipat, an amount of Rs. 4,09,231 required to be deposited with SDC, was deposited after the delay ranging between two and nine months during October 2010 to September 2011 (*Appendix 4.1*) which was against the provisions of rule 2.4 and 2.7 of Rules *ibid*. This tantamounts to temporary embezzlement of money received on behalf of Government.

On this being pointed out, the Engineer-in-Chief, PHED while admitting the facts stated (November 2012) that the amount of Rs. 2,77,289 embezzled in PHE Division 2, Panipat had been recovered and deposited in the Government account and in PHE Division, Mahendergarh the first information report (FIR) was lodged and disciplinary proceedings were initiated.

Lack of financial control by the Sub-Divisional Officers and not following the prescribed procedure for handling the cash had facilitated the embezzlement of Government receipts amounting to Rs. 10,30,136¹ of which Rs. 3,43,616 was yet to be recovered (December 2012).

The matter was referred to the Principal Secretary to Government of Haryana, PHE Department in May 2012. An exit conference was held with the Principal Secretary on 22

August 2012, wherein the Engineer-in-Chief, PHE Department was also present. While admitting the facts they intimated that the concerned officials have been charge sheeted. The Principal Secretary assured that suitable instructions to field officials to guard against the recurrence of such lapses would be issued. Final action in the matter was awaited (January 2012).

The Department in its written reply stated as under:

The reply to the para pertaining to EE PHE Divn. No.2 Panipat and Mohindergarh is as under:-

No.2 PANIPAT

In reply to this para which was pointed out during Jan 2012 regarding collection of water and sew charges by SDE PHE Sub Divn No.3 & 5 Panipat a brief description is submitted as under:-

A Retired person (Retd. Bill Clerk) from Municipal Committee was engaged by the then SDE for collecting the revenue of water supply and sewerage charges. It was found that an amount of Rs.2,77,289/- was kept by him by collecting daily cash receipt during the period Dec.2010 to Jan 2012, by not depositing the amount on the same day into the treasury / bank. The person deputed for the collection of water and sew. charges did not hand over the money on the same day of the receipt / collection to concerned SDE. During the Audit in Jan 2012 on 18.01.2012 and 19.01.2012 the ret'd. person deposited Rs.2,73,713/- with the SDC which was deposited by the SDC in bank and the remaining amount of Rs.3576/- was also deposited on 03.02.2012 by the SDC on receipt from the official. The SDC made the entry in the cash book on 18.01.2012 and 19.01.2012 and depositing the amount of Rs.2,73,713/- into the Treasury / State Bank of India on the same day and the remaining amount Rs.3576/- was deposited on 03.02.2012 after receiving from the person concerned.

The amount of interest of the late deposited amount has also been deposited on 09.10.2012 vide GR No.1311 dt.09.10.2012 amounting to Rs.14245/- by the SDE concerned. Hence there is no Financial loss to State Exchequer.

The Retired person responsible for collection of water charges was at once removed by the then SDE concerned and another employee was deputed for work of collection of Govt. receipts.

However action has also been initiated against the defaulting officers / officials. It is hereby added that necessary charge-sheet have already been served under rule 7 of punishment and appeal rule of the concerned SDC's namely Sh. Naresh Kumar Gupta SDC o/o SDE PHE Sub Divn.5 Panipat and Sh. Megh Raj SDC, SDE namely Sh. Rajesh Kumar Kaushik, SDE No.5 Panipat (now SDE No.3 Panipat) and Sh. Shri Krishan Dahiya SDE No.3 Panipat (now XEN PHED No.2 Sonapat) submitted to higher authority. Govt. vide memo No.4/70/2012-PH-1 dt.24.10.2013 issued the warning to Sh. Sri Krishan Dahiya and Sh. Rajesh Kumar SDE.

It is intimated that Sh. Meghraj Sharma SDC Sub Division No 3 and Sh. Naresh Gupta SDC Sub Division No. 5 have been found responsible of

being negligent in performance of his duty , by taking a lenient view both of the SDCs have been punished by this office and one increment was stopped without cumulative effect.

Keeping in view above facts it is recommended that the para of temporary embezzlement of Rs.2,77,289/- may be dropped as the entire amount pointed out in the para alongwith interest as stated above was got deposited into the Govt. Treasury / Bank by the above the then officers / officials and there had been no loss to the State Financial Exchequer. Further this office has also issued necessary directions to all the concerned not to make recurrence of such type of lapses in future.

Hence Para may be dropped please.

The Committee has recommended that strict disciplinary action, as a deterrent, be taken in the matters of embezzlement.

[44] 4.2.4 Avoidable expenditure on purchase of costly material:

The Engineer-in-Chief, Public Health Engineering Department procured high cost stainless steel cage type vee wire wound (SS) screen instead of low cost low carbon galvanized cage type vee wire wound (LCG) screen resulting in avoidable expenditure of Rs. 89 lakh.

According to Punjab Financial Rules (applicable to Haryana) (Rule 15.2), purchase of store must be made in a most economical manner, in accordance with the definite requirement of the public service.

In a meeting of Chief Engineers, Public Health Engineering (PHE) Department held in August 2010 under the chairmanship of Engineer-in-Chief (EIC), it was deliberated that the life of tubewell mainly depends upon the life of Screen used for tubewells. It was decided to procure stainless steel cage type vee wire wound (SS) screen instead of low carbon galvanized cage type vee wire wound (LCG) screen used in boring the tubewells on the plea that SS screen does not get corroded and filter area is not reduced. EIC sought (September 2009) the comments of Superintendent Engineers (SEs) of PHE Circles, Ambala, Karnal, Sonipat and Gurgaon on the performance of LCG screen already in use. But before obtaining their comments and demands, EIC placed (December 2010) orders to supply 922¹¹ metre pipes for PHE Division No. 2, Faridabad and PHE Division, Sohna.

During the execution of orders, the SE, PHE circle, Gurgaon intimated (January 2011) to the EIC that tubewells in Sohna and Faridabad areas were sustainable for three to six years and as such there was no use of lowering costly SS screen instead of low cost LCG screen. The rate of LCG screen was Rs. 4,572.95 per metre whereas SS screen was purchased at the rate of Rs. 14,251.50 per metre. There was difference of Rs. 9,678.55 per metre in the rates of these screens. The material was supplied in January 2011 and payment of Rs. 1.30 crore was made (March 2011). Out of 922 metre pipes supplied to these divisions 509 metre pipe had been used in tubewells (January 2013).

A study conducted (2007) by the Central Ground Water Board (CGWB), Ministry of Water Resources, Government of India disclosed that there were frequent cases of failure of tubewells in Faridabad and Sohna area of Gurgaon districts. The tubewells

render maximum 4-5 years of service and become defunct either due to decrease in discharge of water or the water becomes silty. The shortening of life of the tubewells is due to chemical action known as incrustation. Water tends to deposit mineral on the screen surface and in the pores of the formation, thus plugging the screen opening and the pores of the formation just outside the screen thereby decreasing discharge of the tubewells. The pH of water in the areas is more than 7.5 which causes frequent failure of tube wells. To remove the problem of incrustation, the board had recommended periodic muriatic acid treatment of tubewells. In view of the report of the CGWB, lowering of SS screen was not appropriate and instead proper treatment was required to resolve the problem of incrustation. As such, the decision of the Department to use such costly material without assessing its demand and suitability lead to an extra avoidable expenditure of Rs. 89 lakh on purchase of SS screen.

On this being pointed out (September 2011), the EIC intimated (October 2011) that after some period LCG screen gets corroded and the filter area is reduced which leads to reduction in the yield of tubewells and ultimately its failure. The reply was not acceptable as the problem with the tubewells in the area was of incrustation not of corrosion and no complaint of LCG screen was received from the field. Therefore, no fruitful purpose was served by lowering the SS screen instead of LCG screen and the decision of the Department to procure costly screen instead of the screen already in use was not prudent and lacked in financial propriety.

The matter was discussed with the Principal Secretary to Government of Haryana, Public Health Engineering Department in an exit conference held in August 2012 wherein it was intimated that the SS screen was in use for the last two to three years only as such no study regarding feasibility of pipes had been undertaken. The Principal Secretary intimated that a study in this regard would be undertaken in due course and results would be intimated to Audit. Final outcome was still awaited (December 2012).

The Department in its written reply stated as under:

The supply orders for SS Screens were placed as per the requirement received from field offices including Gurgaon circle. However, after one month of the placement of supply orders, reference was received from SE Gurgaon for amendment of supply order pertaining to his circle. As this material was also required in other divisions of the deptt so the quantities pertaining to Gurgaon circle were reduced and diverted to other divisions as per their requirements.

It is submitted that after amendment 422 mtr. SS Screens was procured for PHED, No.1, Faridabad and 500 mtr. S.S Screen for PHED Sohna i.e total 922 mtrs SS screen was received and the same has been utilized on various works detailed below. Superintending Engineer, Gurgaon in his reply has stated that:-

“The land of these Divisions is of nature of Rocky area alluvial plain & flood plain. In Rocky areas the LCG Screen are preferred due to less cost and the short life of T.W.s nearly 4 to 6 years depending on other conditions also. In alluvial plain & flood plain areas the life of the T.W. is about 10 to 12 years and in these T.W's the SS screen is recommended which are high resistance against corrosion & incrustation. The failure of T.W's screen in majorly causes due to 4 factors i.e. Corrosive water, incrusting water, bacteria & screen strength. The detail of these parameters is as under:-

1. Corrosive water

The water quality decides that whether the groundwater is corrosive or incrusting. In some cases, the water may cause both corrosion and incrustation. Corrosion of a low carbon steel well screen is more like to be a case of well failure which tends to enlargement of screen opening resulting from removal of only a few thousand of an inch of metal can permit sediment to enter the well. It is important, therefore, to use a well screen fabricated from corrosion-resistant material.

In corrosion water, metal screens must be constructed of durable materials. In most cases, type 304, stainless steel will perform satisfactorily for many years. The following are some deciding parameter for water quality & Screens material & can help in well designer recognize potentially corrosive conditions.

- a) **Low pH.** If the pH is less than 7, the water is acidic, and the water is corrosive.
- b) **Dissolved oxygen.** If dissolved oxygen exceeds 2mg/l, Corrosive water is indicated.
- c) **Hydrogen sulfide.** Hydrogen sulfide in groundwater can be detected readily by it characteristic rotten-egg. Less than 1mg/l can cause severe corrosion, and this amount can be detected by odor and taste.
- d) **Total dissolved solids.** If total dissolved solids exceed 1,000 mg/l, electrical conductivity of the water is great enough to cause serious electrolytic corrosion. To avoid electrolytic corrosion, metal wells screens must be amdeof single, corrosion-resistant metal.
- e) **Carbon dioxide.** If the amount of this gas exceeds 50 mg/l, corrosive water indicated.
- f) **Chlorides,** if the chloride content of the water exceeds 500 mg/l corrosion can be expected.

2. Incrusting water:

Incrusting water deposits mineral on the screens surface and in the pores of the formation just outside the screen. These deposits plug both the screen openings and the formation. Followings are the parameter for deciding the encrustation on screen.

- a) **High pH.** If the pH value is above 7.5, the water will tend to be encrusting.
- b) **Carbonate hardness.** If the carbonate hardness of the groundwater exceeds 300 mg/l, Encurstation of calcium carbonate (lime scale) is likely.
- c) **Iron.** If the iron content of the water exceeds 0.5 mg/l, precipitation of iron is like, although some precipitation may being at concentration as low as 0.25 mg/l.
- d) **Manganese.** If the manganese content of the water exceeds 0.2 mg/l and the pH value is high, precipitation of manganese is likely if Oxygen is present.

To remove this incrustation (deposition) on well screen required some acid treatment, which can damage the well screen if made from normal low carbon material. In such situation to withstand against the treatment the Stainless Steel-304 material is the ideal choice.

3. Bacteria:

The most common bacterial affecting the conditions of a well is iron bacteria. Iron bacteria are nuisance organisms that cause plugging of pores in water-bearing formation and opening in well screens, but are non-injurious to health. Introduction of strong solution of chlorine is effective in controlling iron bacteria. Acid is often used following the chlorine treatment to dissolve the precipitated iron and manganese, thus making it possible to remove them from the zone surrounding the well. When iron bacteria are known to exist, a well screen fabricated from a corrosion resistant material should be selected to withstand the damaging effect of repeated chemical treatments.

4. Screens Strength

Choice of well screen material also decide the strength parameter of screen. The three loads, or forces, imposed on screen are column load (Vertical compression) Tensile load (Extending forces), and collapse pressure (Horizontal forces). The mechanical property (tensile strength) of Stainless steel-304 is almost 30% higher than the Low carbon steel.

Moreover, the wear & tear & abrasion of slots due to sand particles take place of screen during the pumping of water & the SS-304 has more wear & tear resistance as compare to Low carbon galvanized steel.

The factors effecting presence of chemicals causing corrosion & incrustation in the underground water are variable due to variation of hydraulic gradient line with time and presence of chemicals in the earth crust. The use of S.S. screen which has high resistance against corrosion & incrustation is better solution. The use of SS screen in the adjoining states of U.P., Uttrakhand, Punjab etc. prevailing under similar condition is in use since 2000-2001. The recommendation of use of SS screen in these states by the PHED departments of these states is attached as annexure "A".

The total 422 mtr. SS screen received by EE, PHED No.1, Faridabad which has been utilized on 18 No. T.W's as detailed.

Sr. No.	Name of work where material used	Quantity (in mtrs)	Date of utilization
1	Augmentation W/s Scheme Alipur Tiloni	24	27/09/11
2.	Augmentation W/s Scheme Amipur	24	27/09/11
3.	Prov. & Inst. 1 No. T.W. in Village Bhadarpur	24	11/02/12
4	Prov. & Inst. 1 No. T.W. in Village Chainsia	24	29/09/11
5	Prov. & Inst. 1 No. T.W. in Village Chnadawali	24	30/09/11

6	Prov. & Inst. 1 No. T.W. in Village Dadasia	24	23/11/11
7	Prov. & Inst. 1 No. T.W. in Village Immamudinpur	20	29/09/11
8	Prov. & Inst. 1 No. T.W. in Village Kheri Kalan	24	27/09/11
9	Prov. W/s to School in village Manger	30	22/02/12
10	Prov. & Inst. 2 No. T.W. in Village Nawada Tigaon	45	29/09/11 & 21/02/12
11	Prov. & Inst. 1 No. T.W. in Village Pehladpur Majra Badrola	24	11/02/12
12	Prov. & Inst. 1 No. T.W. in Village Phullera	24	27/09/11
13	Prov. & Inst. 1 No. T.W. in Village Riwaypur	24	23/11/11
14	Prov. & Inst. 1 No. T.W. in Village Shahjhanpur	20	29/09/11
15	Prov. & Inst. 1 No. T.W. in Village Sotai	21	21/02/12
16	Prov. & Inst. 2 No. T.W. in Village Tilpat	46	27/09/11 & 17/02/12
	Total (in mtrs)	422	

The total 500 Mtr. SS screen received by EE, PHED Sohna, which has been utilized on 25 No. T.W's as detailed below.

Sr. No.	Name of Work where material used	Quantity (in mtrs.)	Date of utilization.
1	Augmentation W/s Scheme Ritroj	8	03/2011
2	Augmentation W/s Scheme Nanu Klan	24	10/2011
3	Installation of 1 No. tube well against brackets for village Garhi Bajidpur	25	10/2011
4	Installation of 2 No. tube well for town Hailymandi	24	10/2011
5	Augmentation W/s Scheme Isaki	24	10/2011
6	Augmentation W/s Scheme Sikanderpur	25	10/2011
7	Installation of 1 No. tube well for village Kharoda	30	10/2011
8	Installation of 2 No. tube well for village Patheri	25	10/2011
9	Augmentation W/s Scheme, Khuntpuri	24	10/2011
10	Installation of 7 No. tube well against abandoned for village Badshapur	50	12/2011
11	Transferred to PHED, Gurgaon	18	12/2011

12	I/T Aug. W/s Khaika	24	12/2011
13	I/T instt. Of 1 No. T/w against failed village Kiranki	24	12/2011
14	I/T Aug. W/s Dhunela	15	05/2012
15	I/T Badshah Pur tenthra 1 No. T/w against brackish T/w	15	05/2012
16	I/T Aug. W/s Lakhuwas	15	05/2012
17	I/T Aug. W/s Kadar pur	15	05/2012
18	I/T Prov. & instt. 1 No. T/w in village Khoh	15	05/2012
19	I/T Prov. & instt. 1 No. T/w in village Khoh Naurang pur	15	05/2012
20	I/T Prov. & instt. 1 No. T/w in village Dhana	15	05/2012
21	I/T Prov. & instt. 1 No. T/w in village Chhawan	15	05/2012
22	I/T Aug. W/s Sher Pur	15	06/2012
23	I/T Aug. W/s Basapadmka	15	06/2012
24	Prov. & instt. Of 5 No. T/w's against failed T/w in Sohna town	06	06/2012
25	I/T Aug. W/s Ghosh Garh	19	07/2012
	Total (in mtrs.)	500	

The total 500 Mtr. SS screen received by EE, PHED Sohna, which has been utilized on 25 No. T.W's as detailed below.

All these T.W's are performing satisfactorily since its commissioning & there is no failure any of the T.W's. These T.W's are having more life & sustainable discharge. Considering the merits of SS screen over other screens the para may be dropped."

Regarding feasibility study, Superintending Engineer, (Mechanical) Ambala was asked to conduct this study. Superintending Engineer, (Mechanical) Ambala in his reply (**Annexure-II**) has stated that:-

"LCG Screens are being installed by the Department since last 12-13 years. Stainless Steel Screens are being used in the Department for last 2-3 years. The exact comparison between both can only be drawn after making comparison of service lives of tube wells using the L.C.G. and Stainless Steel Screens in different areas of the State.

However, Stainless Steel Screens should be used in areas having problems of corrosion and incrustation. Though incrustation can be removed by periodic muriatic acid (Hydrochloric acid) treatment of tube wells as suggested by CGWS, it will be better to use Stainless Steel Screens to avoid constant rehabilitation of tube wells. It may further be highlighted that hydrochloric

(muriatic) acid has a number of drawbacks. It is extremely dangerous to handle. Once placed in the well, the acid produces large quantities of toxic fumes that are expelled from the well bore within moments. Inhalation of these toxic fumes will cause death, and contact of the liquid with human tissue can easily result in serious injury."

This office agrees with the views of the above officers and it is again reiterated that although, there is a difference in the rates. The rates of stainless steel screens (better material) are always higher than the low carbon galvanized (LCG) screens. Stainless Steel ((Better material) have been procured which is more resistant to corrosion. As such no extra expenditure is made. In view of the above the para may kindly be dropped.

The Committee has desired the Additional Chief Secretary to re-look into the matter and submit the action taken report to the Committee at the earliest.

[45] 4.3.2. Loss of interest due to non-deposit of amounts in Government account:

The Government sustained loss of interest of Rs. 1.30 crore due to non-transfer of funds into Government account. Besides, there was a loss of interest of Rs. 1.15 crore due to keeping the funds provided by Government of India in non-interest earning account in Bank.

Yamuna River is the main source of water to Delhi and some parts of Haryana. To reduce pollution load in the river, Yamuna Action Plan (YAP) Phase II, a Centrally Sponsored programme, was started in December 2004. The scheme was being implemented on 85:15 cost sharing basis between Central and State Governments. The Cabinet Committee on Economic Affairs, Government of India (GOI) in its meeting held in November 1998 decided to release the funds directly to the implementing agencies to avoid delay in execution of work. To implement the order of GOI, the Steering Committee on YAP further decided (December 1999) that funds would be released to the nodal agencies by National River Conservation Directorate (NRCD) from the year 2000-01. While releasing the funds, the NRCD further directed that the funds released for the projects should be operated through a separate interest earning bank account and interest earned should be credited to the project and reflected in the utilization certificates. It was further provided that the interest would be adjusted towards further releases for the project.

In compliance to GOI directions, Finance Department, Haryana Government accorded (June 2001) permission to open Personal Ledger Account (PLA) in the name of the Engineer-in-Chief (EIC), Public Health Engineering Department (PHED), Haryana. The Haryana Government decided (June 2001) that the funds received from GOI would be kept in a Bank account and Head of Department would issue cheques to deposit the amounts in receipt head of the State Government. Thereafter, Finance Department would issue letter of credit (LOC) for release of funds to the concerned divisions for execution of works. The EIC, PHED opened a saving bank account (interest earning account) in Haryana State Co-operative Bank (HARCO), Sector 17, Chandigarh in June 2001 which was subsequently converted into current account (non-interest earning account) in July 2004.

Scrutiny of records (October 2011) in the office of the Engineer-in-Chief, PHED revealed that an expenditure of Rs. 58.83 crore was incurred on various projects during the period from 2005-06 to 2011-12. Funds amounting to Rs. 52.90 crore were received from GOI during this period. Out of total expenditure of Rs. 58.83 crore, Rs. 50 crore were to be deposited in the Government Account (85 *per cent* share of GOI). The Department, however, deposited Rs. 46.29 crore in the State Government receipt head although there were sufficient funds in the HARCO Bank Account, thereby making a less deposit of Rs. 3.71 crore (September 2011). The amount of less deposit in the Government account ranged between Rs. 0.38 crore and Rs. 6.06 crore during March 2006 and November 2011.

Had the department deposited the amount on due dates in the Government account, it would have saved loss of interest of Rs. 1.30 crore (worked out at the rate of seven *per cent* i.e. minimum Treasury bill rate, **Appendix 4.9**) which otherwise paid on loans raised by Government. Thus, the Government sustained a loss of interest due to non-deposit of funds in Government account instead of keeping the same in the bank outside the Government account.

Besides above, as per instructions of GOI, the funds received from GOI were to be kept in interest bearing bank account. It was observed that the funds were kept in the current account (non-interest bearing account) during the period from January 2005 to January 2012. However, on this being pointed out by Audit (November 2011), the Department opened a saving (interest bearing) bank account in February 2012. Keeping of funds in current account resulted in loss of interest of Rs. 1.15 crore.

On this being pointed out (March 2012) the Principal Secretary, PHED stated (August 2012) that LOC to the extent of net amount excluding centage charges was issued to the divisions, therefore, amounts to that extent were deposited in the Government account after withdrawing the same from the bank account and that the balance amount of Rs. 4.71 crore was deposited (December 2011) in the Treasury. Thus, the reply itself indicates that the department had not acted earlier prudently for depositing the amount in the treasury with reference to expenditure (85 *per cent* i.e. central share) which caused loss of interest to the Government. As regards keeping of funds in the current account, it was stated that the funds were kept in a saving bank account in HARCO, Chandigarh which was converted in current account as the bank refused to maintain saving account for fund provided by GOI and the position was intimated to NRCD who never objected to keeping funds in current account. The matter was also discussed in exit conference held with the Principal Secretary on 22 August 2012, where the EIC reiterated their reply but the document in support of refusal by bank to open saving account was not shown. The reply was not acceptable as according to RBI instructions (July 2004), the restriction of opening a saving bank account does not apply to the schemes sponsored by Central Government. Thus, due to non-deposit of funds in Government account from bank account, the Government sustained loss of interest of Rs. 1.30 crore. Besides, keeping the funds in non-interest bearing account had also resulted in loss of interest of Rs. 1.15 crore.

The Department in its written reply stated as under:

Phase-II of YAP amounting to Rs.62.50 Crore was approved by Govt. of India in August 2003. This project cost was shared between Govt. of India and State of Haryana in the ratio of 85:15. In compliance to Govt. of India directions to

Finance Deptt., the Govt. of Haryana accorded permission in June 2001 to open a personal Ledger Account (PLA) in the name of EIC, PHED. It was decided that the funds equivalent to 85% of the total approved cost (i.e. Rs.53.125 crore) to be received from Central Govt. would be kept in PLA / bank account and Head of Deptt. would issue Cheques for the amount of LOC required and will pay in treasury (PIT) through challan in "Receipt Head" of the State Govt. Thereafter Finance Deptt. would issue LOC for release of payment to the concerned divisions. LOC for 15% of the State Share (i.e. Rs.9.375 crore) would be issued by the State Finance Deptt. under State Plan. The Bank account for YAP Project was opened on 29.06.2001 in the Haryana State Co-op Apex Bank Ltd. Chandigarh (HARCO) after obtaining permission from Finance Deptt. through U.O. No.80/10/94-6 FICW (2052) dt.22.06.2001.

Centage charges @ 8% are levied on all the payments released against YAP Project and thereafter 85% of total expenditure (i.e. after levy of 8% Centage) is charged to Govt. of India share and 15% of expenditure is charged to State Plan. But LOC to the concerned divisions is issued for net payments to be made to the agency (i.e. after deduction of Income Tax, Sales Tax etc. as well as without levy of 8% Centage). Accordingly for issue of LOC to the concerned divisions, funds amounting to the extent of 85% of LOC required are withdrawn from the bank account opened for YAP Project & paid into treasury (PIT) through challan. Against that challan, LOC against Govt. of India share is received from Finance Deptt. and LOC against 15% State Share is also received from Finance Deptt. against State Plan Budget.

Since amount drawn from bank amount is to the extent of LOC to be given to the concerned divisions, therefore there always remains difference between total expenditure chargeable to Govt. of India & amount drawn from the PLA account with bank. This difference is equivalent to the 8% Centage levied on the expenditure + deduction of Income Tax, Sales Tax etc. and is required to be deposited in the State Treasury through Challan.

An expenditure of Rs.5882.68 lac has been incurred on YAP-II Project including 8% centages. Accordingly the expenditure chargeable to Govt. of India comes to Rs.5000.28 lac (85%) & chargeable to State Share as Rs.882.40 lac (15%). Earlier the funds were withdrawn from the bank account to the extent of LOC issued i.e. Rs.45.29 crore against Govt. of India Share. Now against the above proportionate share of expenditure of Govt. of India i.e. Rs.5000.28 lacs, the balance funds amounting to Rs.471.28 lac have been withdrawn from bank account & paid into treasury (PIT) through challans against Govt. of India Share.

The Bank account for YAP Project was opened on 29.06.2001 in the Haryana State Co-op Apex Bank Ltd. Chandigarh after obtaining permission from Finance Deptt. through U.O. No.80/10/94-6 FICW (2052) dt.22.06.2001. The Haryana State Co-op Apex Bank Ltd. Chandigarh vide No. Bkg/7858 dt.15.07.2004 that the inspection of the Bank was conducted by NABARD's officer under Section 35 (6) of Banking Regulation Act, 1949. In the NABARD's inspection report, it was pointed out that a Govt. Deptt. cannot open a saving bank account under interest rate of deposit as directed by Reserve Bank of

India from time to time and has requested the deptt. to open a current account to enable the bank to make compliance of the observations of the NABARD. Accordingly the matter was brought into notice of National River Conservation Directorate, Ministry of Environment & Forests, Govt. of India, New Delhi for further guidelines vide this office memo No.417-PH dt.06.05.2005 and No.1366 dt.14.10.2005 with a copy to Financial Commissioner & Principal Secretary to Govt. of Haryana, Public Health Engineering Deptt. and Finance Deptt. for information. Further National River Conservation Directorate, Ministry of Environment & Forest, Govt. of India, New Delhi has also never objected to this opening of non-interest bearing account.

In view of the above, it is informed that the deptt. has acted as per the condition laid down by the Govt. bank and as such there is no malafide intention on the part of Deptt. It is, therefore, requested to settle the para.

The Committee has desired that Smt. Ranju Parsad, IRS, Secretary, Finance present in the meeting to get the matter inquired into by any suitable officer of Finance Department and responsibility of the erring officer/official be fixed within a month under intimation of the Committee.

[46] 4.3.3 Unfruitful expenditure on construction of storm water drain:

Public Health Engineering Division No. 1, Kaithal spent an amount of Rs. 1.55 crore on construction of storm water drain and pump house in Pundri Town without making proper arrangement for disposal of waste water, rendering the expenditure incurred unfruitful.

Para 1.3 of the manual of sewerage and sewage treatment issued (December 1993) by GOI, Ministry of Urban Development provided that while designing waste water collection, treatment and disposal systems, planning was to generally begin from the final disposal point (tail end), going backwards to give an integrated and optimum design to suit the topography and the available hydraulic heads, supplemented by pumping, if essential.

In order to improve the sanitary conditions of Pundri town in Kaithal district, the Financial Commissioner and Principal Secretary, PHED, Government of Haryana administratively approved (September 2005) a scheme for 'Providing Storm Water Drain' at Pundri Town for Rs. two crore. Estimate for 'Construction of storm water drain and disposal work at Pundri Town' approved (March 2007) by the EIC, PHED provided for disposal of storm water partly in Habri Drain and partly in Jatheri Drain. Storm water of Mandi area, Pai road and Pundri town was to be disposed of through pumping station into *katcha* sullage carrier along the Pai road which ultimately falls in Jatheri Drain.

Tenders for the work were invited in four parts during September 2005 and November 2008 by the Executive Engineer (EE), PHED-I, Kaithal and the works of construction of drains were allotted to four agencies with a completion time of two to six months. All the works were completed during February 2009 at a cost of Rs. 1.55 crore.

Scrutiny (August 2011) of the records of EE, PHED-I, Kaithal revealed that the *katcha* sullage carrier, in which storm water was being disposed of through pumping station, was not only causing difficulty to the nearby residents (as seen in photograph taken on 10 April 2012) particularly belonging to village Jatheri but it had also developed into a mosquito breeding centre.

Waste water was overflowing and entering in the nearby agriculture fields frequently damaging crops. Further scrutiny of records disclosed that proper survey of the area was not done to assess as to whether this *katcha* sullage carrier would be able to sustain the flow of waste water before falling in Jatheri Drain, which was the basic requirement for successful implementation of the scheme and subsequently, another estimate for construction of storm water drain from disposal works to Jatheri drain for Rs. 2.05 crore was got approved from the Flood Control Board in January 2011. The work was allotted (May 2011) to an agency with a completion period of four months. But the agency could not start the work as waste water was spread over at various places of town creating slush/*daldal*. The Superintending Engineer, PHE Circle, Kaithal suggested (March 2012) the EIC, PHED to drop the scheme as it was not technically feasible and stated that a new proposal would be submitted after taking into account the site conditions. Further developments in the matter had not taken place (December 2012). The sullage and storm water continued to flow in the open which continued as Mosquito breeding centre and creating health problems to nearby residents.

The EE, PHED-I, Kaithal (April 2012) informed that the expenditure would be fruitful only if the disposal would be connected properly with the main Jatheri drain after construction of reinforced cement concrete (RCC) storm water drain.

On this being pointed out in Audit (April 2012), the Principal Secretary to Haryana Government, PHED intimated (July 2012) that there was no provision for construction of *pucca* sullage drain in the original estimate finalised in February 2009 and the work was carried out as per provision in the estimate and there was no problem of disposal of storm water in Pundri Town. He had further stated that the provision made for construction of RCC storm drain through another estimate was withdrawn as the same was not feasible as per site conditions. The reply was not acceptable as the disposal of storm water was in the open which would cause health problem to the residents. This shows that the scheme was implemented without proper planning and survey for the final disposal of water and without carrying out the survey of the area to assess as to whether this *katcha* sullage carrier would be able to sustain the flow of waste water before falling in Jatheri drain. The matter was again discussed in the exit meeting held on 22 August 2012 where the Principal Secretary assured that efforts would be made to complete the remaining work (*pucca* sullage carrier) at the earliest. Final outcome was awaited (December 2012).

Thus, implementation of the scheme without proper planning and survey for the final disposal of waste water resulted in unfruitful expenditure of Rs. 1.55 crore incurred on construction of drains and installation of pumping machinery.

The Department in its written reply stated as under:

EE No.1 Kaithal

The guidelines issued by Govt. of India Ministry of Urban Development for providing design of waste water collection, treatment and disposal system have been completely followed. First of all disposal work with pumping machinery was constructed to dispose off storm water drain of Pundri Town. The work was started from disposal point i.e. disposal work then the network of pipe line of storm water was laid.

An estimate amounting to Rs.200.00 lac was administratively approved by the Haryana Flood Control Board in the year 2005-06 and technically cleared by the

EIC, Haryana PHE Deptt. Panchkula vide his memo No.810-WSS/U2 dt.09.03.2007 and accordingly work was allotted to 4 No. agencies against the agreement amount worth Rs.159.08 lac. Expenditure amounting to Rs.155.54 lac was incurred on the construction of storm water drain and pumping station. The waste water of Pundri Town is being currently pumped out through Katcha Sullage carriage as per the provision mentioned in the administratively approved estimate of Rs.200.00 lac as well as the provision was technically cleared by the Competent Authority. The work was carried out as per explicit provision in the sanctioned estimate that waste water of Pundri town will be disposed off through Katcha Sullage Carriage alongwith Pai Road.

For disposal of sullage water through pucca drain instead of Katcha sullage drain existing at site another estimate amounting to Rs.205.00 lac for the construction of RCC storm water drain from disposal works to Pundri Drain No.1 along Pundri Jatheri (Pai) Road was administratively approved in the meeting of the Flood Control Board held on 27.01.2011. However, later on, this estimate was dropped as the work was not feasible as per site conditions.

In the year 2009 when the storm water drainage scheme of Pundri Town was commissioned the sewerage scheme was not functional at that time. Now the sewerage scheme of Pundri Town stands commissioned w.e.f. Nov. 2011. The residents of Pundri Town have started taking sewer connections. The sewage treatment plant of Pundri Town has been commissioned. Now there is negligible pollution load on storm water drainage system. Moreover, storm water carrier is helping in recharging the ground water system. Storm water is being disposed off through katcha carrier and there is no nuisance to the nearby residents. The katcha channel will be regularly maintained so that there is no overflowing of water.

In view of the submissions made above it is again submitted that there is no unfruitful expenditure upon the scheme so far as the provisions of technical sanctioned estimate of Pundri Town for Rs.200.00 lacs, the work has been carried out as per provisions in the estimate and there is no problem of disposal of storm water in the Pundri Town. The sullage water is being pumped out through Katcha sullage carrier and storm water is being disposed off in Jatheri Drain. Therefore, the provisions of the initial estimate have duly been carried out and thus there is no unfruitful expenditure as mentioned in the para. In view of the above reply it is requested that para may kindly be dropped.

The Committee has decided to visit the site for on the spot inspection for which the representatives of the department have been directed to supply all relevant papers relating to this case.

[47] 3.5 Misappropriations , losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant

General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 - 10	45	53.09			
10- 15	22	41.63	Misappropriation/ loss of material	54	78.83
15- 20	15	7.91			
20- 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been

finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

As per report of CAG of India for the year ending 31.03.2012 there were 10 Cases of misappropriation, defalcations etc. involving a sum of Rs.19.39 lac relates to Public Health Engineering Department. The upto date position of cases is as under:-

Sr. No.	Description	No. of Cases	Para No.
1.	Dropped	7	1, 3, 4, 5 (c & d), 6, 7 8, 9,
2.	Pending	3	2, 5(a & b), 10
	Total	10	

- 5(a) It is intimated that a case was filed in the consumer dispute Redressal form, Chandigarh against the insurance company and 75% of the value has been paid to Division which has been paid into treasury amounting to Rs. 321483/- on dated 30.08.2011.

The para discussed in the PAC meeting held on 11.08.2015. The Committee desired that responsibility for the theft may be fixed and the loss may be recovered from responsible person. The Govt. vide memo No. 8/2/201-PH-4 dt. 02.12.2015, directed to Sh. Sujana Ram, Chief Engineer to deposit the amount of Rs. 1,07,161/- as the vehicle was stolen from his residence for which he was responsible for the loss.

It is requested that in view of the explained above the paras may please be got dropped.

The Committee has desired that the inquiry be concluded within four months and action taken report be submitted to the Committee.

RURAL DEVELOPMENT DEPARTMENT

[48] 2.4.7.2 State Employment Guarantee Council (SEGC:)

For the purposes of regularly monitoring and reviewing the implementation of MGNREG Act at the State level, every State Government was required under Section 12 of the Act to establish a State Council to be known as the SEGC. As per notification of the State Government (April 2008), the council was required to meet at least twice a year and to prepare annual reports of the scheme for laying in the State Legislature.

Audit noticed (April-June 2012) that the council was constituted in April 2008. Against the requirement of holding eight meetings (two meetings per year), only two meetings were held during 2008-12 and annual reports were also not prepared by the council.

The Principal Secretary stated (September 2012) that the annual reports of the scheme would be prepared shortly. Further, during the exit conference, the Principal Secretary stated (October 2012) that due to delay in nomination of members by the State Government, only two meetings were held during 2008-12.

The Department in its written reply stated as under:

In this regard, it is stated that two meetings of Employment Guarantee Council (SEGC) has been conducted during 2008-2012 and proceeding of the meeting had also been prepared and the same had already been communicated to the Concern. Apart from this, it is stated that the matter regarding reconstitution of SEGC is under consideration with State Government.

The Committee has recommended that regular meetings be convened after the re-constitution of the Council.

[49] 2.4.9.6 Financial irregularities in Gram Panchayats:

Audit scrutiny of records of GP, Akabarpur (Ambala) revealed the following irregularities:

- Closing Balance of Rs. 76,556 was shown in the cash book at the end of June 2010 but in the next month, balance of Rs. 67,680 only was carried forward. Thus, Rs. 8,876 were short accounted for in the cash book. On this being pointed in audit, the Sarpanch stated (August 2012) that the opening balance of July 2010 had been corrected. The fact, however, remains that the cash book had not been maintained properly.
- Three payments of Rs. 0.62 lakh each were made to M/s Tirath Ram Mohinder Pal in October 2010 but vouchers of only two payments were available on the records of the GP. On this being pointed out in audit, one payment entry was cancelled and the amount was added in the closing balance in May 2012. This was indicative of failure of internal control mechanism.
- Reconciliation of balances as per cash book and bank pass book was not carried out at GP, block and district levels in test-checked districts.
- BDPOs Bhattu Kalan, Odhan, Ratia, Saha and Thaneshar stated (July 2012) that the bank reconciliation would be ensured in future.
- The State Government has not prescribed the format of accounts as per

section 24 (2) of the Act. No specific guidelines on risk assessment and the percentage of check to be applied by the auditors on vouchers, muster rolls, bills, material, works register, asset register, social audit reports, etc. were issued by the State Government.

- The Sarpanch, GP, Ajrana Kalan (District Kurukshetra) incurred an expenditure of Rs. 14.60 lakh on "Digging of a pond and construction of its retaining wall in Shamlat land", out of which an amount of Rs. 7.37 lakh was spent on purchase of material such as bricks, cement, bajri, etc. in July-August 2009 for construction of retaining wall. It was noticed in audit (April-June 2012) that expenditure on purchase of material was shown as incurred in February 2009 on MIS. Further, physical verification of this work by audit along with department/GP (August 2012) revealed that the value of material used at site on construction of a small retaining wall was not up to this extent as can be seen from the following photographs.

On this being point out in audit, the ADC, Kurukshetra stated (October 2012) that the matter was under investigation and outcome would be intimated shortly.

BDPO, Firozpur Jhirka (Mewat) released (August 2009) a cheque for Rs. 40,000 to GP, Malhaka for construction of WBM road. This amount was deposited in the Bank and was withdrawn (September 2009) by the Sarpanch as per entries of the bank pass book. It was observed that neither receipts nor withdrawal of this amount was entered in the cash book of the GP, Malhaka. Vouchers in support of having the amount spent on the scheme were not shown to audit. In view of this, chances of misappropriation of this money cannot be ruled out. The ADC, Mewat stated (October 2012) that notice had been issued to the ex-sarpanch to deposit the amount otherwise FIR would be lodged against him. The outcome of the case had not intimated (February 2013).

As per para 8.5.1 of the scheme guidelines, only one bank account was to be operated by each GP. Under Rule 11 of the Haryana Panchayati Raj Finance, Budget, Accounts, Audit, Taxation and Works Rules, 1996, a sum not exceeding Rs. 10,000 may be kept in the custody of the Sarpanch as cash in hand and the Sarpanch shall be liable to pay interest at the rate of 21 *per cent* per year on the sum kept by him as cash in hand beyond the prescribed limit.

Gram Panchayats Kalwaka, Chirwari and Rampur Khor of Palwal block, GP, Mirpur Korali of Hasanpur block, GP, Bahmanwala of Ratia block, GP, Tigri Khalsa of Thanesar block and BDPO Hasanpur were operating two bank accounts in contravention of the scheme guidelines.

The Sarpanch, Tigri Khalsa (Thanesar Block) had drawn the amounts in cash from one account and transferred the same to the other account after retaining for a period ranging from 8 to 96 days (**Appendix 2.21**). An amount of Rs. 1.99 lakh was lying in cash with the Sarpanch as on March 2012. While admitting the facts, BDPO, Thanesar replied (July 2012) that recovery of Rs. 0.58 lakh on account of interest has been made from the Sarpanch and second bank account had been closed.

The Department in its written reply stated as under:

DRDA Ambala has intimated that the shortcoming noticed in audit report has been rectified and instructions to all concerned were issued to maintained the cash book properly, closing balance and opening balance be taken correctly by

all GPS. So far as opening of more than one bank account is concerned in this regard it is mentioned that one account was open by GPS and one account opened on the starting of MGNREGA scheme. Now only one bank account is existing in GPS and other account has been closed.

In this regard it is intimated that reconciliation of balances of cash book & bank pass book has been completed.

DRDA Mewat has intimated that reconciliation has been done and instruction had been issued to ensure the reconciliation as per Govt. instructions.

DRDA Sirsa has intimated that necessary direction has been issued to reconcile the balance as per cash book and pass book at block and district level and is being made timely.

DRDA Palwal has submitted that necessary directions has been issued for making the reconciliation at block level.

It is also mentioned here that all the payments under MGNREGA Scheme is being made through Electronic fund management system(e-FMS) to the beneficiaries bank account directly.

In this regard it is stated that the guidelines issued by the Ministry, the same procedure mentioned in the scheme guidelines had been adopted by the State in accordance with the Section 24 (1) the centre Govt.

DRDA Kurukshetra has intimated that a detailed enquiry by Ld. Additional Deputy Commissioner was conducted and assessment of material was done by technical officers and the outcome of the enquiry was quite satisfactory regarding assessment of material an Rs. 6.76 lacs, as pointed out by the Audit, it is stated that there was problem in construction of retaining wall of Pond due to rainy season. Hence, available material has already purchased, was utilized on the works already approved by the BDPO which are in accordance with the guidelines. The works on which material was utilised are in approved and admissible works of the Scheme. The report of the said enquiry submitted to Director, General, Haryana, Rural Development Department vide No. 7510 dated 23.10.2013 (photo copy enclosed) **Annexure-'B'** There is no embezzlement & discrepancy found in the matter. Hence Para may kindly be dropped.

Recovery has been made from concern Sarpanch. (Copy of bank Statement is enclosed) **Annexure-'C'**

DRDA Mewat has intimated that GP Kalwaka, Chirwari and Rampur Khor of Palwal Block and GP Mirpur Kurali of Hassanpur Block are maintaining only one MGNREGA account at the moment. The discrepancy was due to the reason that old panchayats were operating one account and when new panchayats came into force in 2010, they opened a new MGNREGA account. But now only a single MGNREGA account is maintained by these panchayats.

DRDA Palwal has intimated that GP Kalwaka, Chirwari and Rampur Khor of Palwal Block and GP Mirpur Kurali of Hassanpur Block are maintaining only one MGNREGA account at the moment. The discrepancy was due to the reason that old panchayats were operating one account and when new

panchayats came into force in 2010, they opened a new MGNREGA account. But now only a single MGNREGA account is maintained by these panchayats.

The amount drawn by the Sarpanch, Tigri Khalsa during the audit, when it is found that the Sarpanch hold the funds during the transit then BDPO-Thanesar ordered him to refund the funds along with due interests. The amount of Rs.1.99 lac alongwith the amount of Rs.0.58 lac on account of interest has been recovered from the said Sarpanch and second bank account has also been closed. (Photo copy of cash book, and bank statement is enclosed)

Annexure-'D'. Recovery has been done from concerned sarpanch.

The Committee has observed that the report of the Committee consisting of XEN, Accounts Officer, Programme Officer etc. seems to be incorrect and recommended that the matter be re-looked into under intimation of the Committee.

[50] 2.4.10.1 Physical performance:

Number of households registered and the households provided with 100 days employment during 2007-12 was as given in **Table 6**.

Table 6: Number of households registered and employment provided

Year	Job Cards issued since inception of the Scheme	Number of households		Completed 100 days employment	Persondays generated (in lakh)	Average days per household
		Demanded employment	Provided employment			
2007-08	161445	67883	67883	7402	35.76	53
2008-09	378286	153513	153273	6630	59.62	39
2009-10	656744	152455	152450	8871	59.03	39
2010-11	582697	235773	235281	9077	84.19	36
2011-12	671669	277969	277286	13580	108.92	39

Source: Data of Rural Development Department, Haryana

Analysis of above data revealed that only 23 to 42 *per cent* job card holders were provided employment during 2007-12, out of which only one to five *per cent* got guaranteed employment for 100 days. Average number of days of employment per household per year ranged between 36 and 53 days during 2007-12. It was observed (April-June 2012) that average number of days of employment provided per house hold, was 53 in 2007-08 which declined to 39 in 2011-12. The beneficiary survey disclosed that decline in average days employment generation per household went down because they were paid low wage rates under the scheme as compared to wages in the open market in the State.

Further, during test check of records of 134 GPs, Audit observed that Employment Registers containing the demand for work were not maintained by GPs. The data given in the above table, in the absence of corroborating records, regarding employment demanded were not realistic.

The Department in its written reply stated as under:

In this regard it is submitted that the instructions in this regard has been issued to all concerned to maintain the household register. Now the instructions are complied with by GPs.

DRDA Fatehabad has intimated that 14975 Job Cards were issued and 198677 mandays were generated and 10396 families were provided work during the year. Instructions has also been issued to all GPs to maintained the household register.

DRDA Mewat has intimated that employment is being provided to those people who demands employment. DRDA has also intimated that now employment register containing the demand is being maintained at GP Level.

DRDA Palwal has intimated that MGNREGA being a demand based scheme, employment is provided to those persons who actually demand for work. Employment was provided to every household who demanded it during 2007-12. It is also mentioned that instruction has also been issued to the GPs for compliance. Employment registers are now maintained by GPs copy of register is enclosed for perusal. **(Annexure-‘E’)**

DRDA Sirsa has intimated that instruction in this regard has been issued to all GPs to maintained the employment register.

The Committee has recommended that a copy of the updated register be submitted to the Committee for perusal.

[51] 2.4.10.2 Registration of households, allotment of job cards, and allocation of employment:

Before demanding employment under the scheme, any rural household was required to get themselves registered and get a job card. The process for registration of households and issue of job cards, as per Chapter 5 of the Operational Guidelines of the scheme envisaged that :

- A door to door survey was to be undertaken to identify persons willing to register under the Act.
- Households were required to submit applications for registration or submit an oral request.
- Job cards were to be issued within a fortnight of the application for registration. Photographs of adult member applicants were to be attached with the job cards.

Audit noticed (April-June 2012) the following shortcomings in meeting the above provisions of the guidelines:

- Door to door survey was not conducted by any of the GPs in Odhan and Baragudha blocks of Sirsa district, Ratia and Bhattu Kalan blocks of Fatehabad district, Palwal and Hassanpur blocks of Palwal district. Concerned BDPOs replied (July 2012) that door to door survey could not be conducted due to ignorance and would be conducted now.

- Registers of Applications for issue of job cards were not maintained in test checked GPs. However, GPs stated that job cards were issued on the basis of oral request in most of the cases.
- In 14 GPs, there was difference in number of job cards issued as per records maintained at the GP level and as per MIS (**Appendix 2.22**). BDPO, Block Saha, District Ambala stated (August 2012) that 149 job cards were issued by the Forest Department and 300 job cards by GP, Kesri whereas the issue of job cards was the duty of the GP under the scheme guidelines.
- Job Cards registers were not maintained by 18 GPs test-checked (**Appendix 2.23**). BDPO, Saha stated (August 2012) that job card register would be maintained in future.

During exit conference, the Principal Secretary while admitting the facts assured (October 2012) for compliance of scheme guidelines in future.

- As per paragraph 6.5 and 9.4 of the operational guidelines of the scheme, muster rolls were to be maintained by the GPs. The mates were to be made responsible for maintenance of muster rolls at the worksite including recording the names of the workers on the first day of the work and marking attendance every day. Audit noticed (April-June and August 2012) fictitious engagement of workers in two GPs as given in **Table 7**.

Table 7: Details showing fictitious engagement of workers

Name of Gram Panchayat	Name of worker	Period for which employment was provided	No. of days of employment provided	Amount paid (In Rs.)	Name of work	Remarks
Ali Mohmamd (Sirsa)	Kundan Lal S/o Shri Neki Ram	01 February 2010	13	1,963	Land leveling	Beneficiary had already died on 21 January 2009
Bahmanwala (Fatehabad)	78 workers	07 January 2012 to 13 January 2012	384	68,736	Clearance of berms	Attendance of workers not marked in the muster rolls (No. 2550-55)
	76 Workers	06 January 2012 to 16 January 2012	567	1,01,283	Clearance of berms	Attendance of workers not marked in the muster rolls (No. 2566-71)

	60 workers	06 January 2012 to 16 January 2012	494	88,471	Clearance of Irrigation channel	Attendance of workers except one worker named Resham Singh, not marked in the muster rolls (No. 2561-65)
Total				2,60,453		

Thus, engagement of a worker after about one year of his death and payment to workers without making their attendance in the muster rolls tantamounted to the fictitious engagement of workers by the GPs. During exit conference (October 2012), the Principal Secretary stated that strict action would be taken against the concerned persons.

The Department in its written reply stated as under:

DRDA Sirsa has intimated that No doubt there is a provision under clause 5.2.5 chapter 5 of the operational guidelines 2008(3rd addition) to conduct the door to door survey. But it was the process to be adopted at the beginning of the scheme to get it familiarize and to extend the opportunities to all the unskilled needy laborers. After six year of inception, when the scheme is well known to each and every persons of the villages, there seems no requirement to conduct the survey at this level. All the almost needy and willing persons has already been registered and job cards issued for the allocation of employment.

DRDA Ambala has intimated that GP Kesari has registered 300 Job Cards in the Register whereas 449 Job Cards were registered in MIS. 149 Job Cards were registered by the Forest Department. It was directed to Forest Department to handover 149 Job Cards to the GP. Forest Department has intimated that all the record of the scheme was destroyed in flood and lodged the FIR.

The matter is active consideration with the vigilance department.

The Committee has desired that a copy of the inquiry report of SDM be submitted to the Committee.

[52] 2.4.12 Planning and execution of works:

Audit randomly selected ten works of each selected GP for physical verification along with representatives of GPs/department. It was observed (April-June 2012) that the works executed under the scheme provided employment, however, in most of the cases, the secondary objective of creating durable assets beneficial for community was not fully achieved.

As per Para 1 (viii) of Schedule 1 of the Act, rural connectivity to provide all weather access was a priority area of work. Paragraph 2.1 and 4 (viii) of the MGNREGA Works Field Manual, clarify that the road constructed should be gravel road or Water Bound Macadam (WBM) road which are durable and provide all weather access. Earthen

roads all alone were not permitted under the scheme. In six test-checked districts, 38 works (**Appendix 2.27**) of earthen roads were executed in contravention of extant orders during 2007-12 at a cost of Rs. 138.92 lakh without stabilization of top surface and adequate provisions for drainage. The earthen roads are not durable and also not accessible in all weathers, particularly in the rainy season. One of the examples of such type of road can be seen from the photograph given below:

An expenditure of Rs. 81.45 lakh was incurred during 2007-12 by 15 GPs on digging and deepening of 19 ponds (**Appendix 2.28**) for water storage. It was observed (April-June 2012) that though the ponds dug up prior to inception of this scheme in the same village were without water as there was no source of water for filling up these ponds; yet new ponds had been dug up. In these circumstances, the proposals for digging of these ponds mooted by the Gram Panchayats and approved by the District Programme Coordinators without ensuring the availability of water was not justified. The entire expenditure on these works was rendered infructuous. The position of dry ponds/ponds with scant water is depicted in the following photographs :

Further, construction of cement concrete/interlocking paver blocks streets were not permissible under Schedule 1 of the Act and Para 5 (ix) 5 of the MGNREGA Works Field Manual, as these were not labour intensive works. It was noticed (April-June 2012) that Cement Concrete/ Interlocking Paver Block streets were constructed in 16 GPs (**Appendix 2.29**) at the cost of Rs. 80.15 lakh.

During the exit conference, the Principal Secretary stated (October 2012) that efforts were made to create durable assets but providing employment was the main objective of the scheme and the labour material ratio of 60:40 was also to be maintained. Therefore, works of earthen roads, digging of ponds, etc. had to be taken up. The fact, however, remains that the assets created did not meet the scheme criterion of creating durable assets beneficial for the community.

Gram Panchayat, Tigaon (Mewat) incurred (2009-10), an expenditure of Rs. four lakh on construction of Water Bound Macadam (WBM) road. However, physical verification of works revealed that WBM road was not constructed in the village. Records relating to construction work as well as the cash book were not produced to Audit. Under these circumstances, the veracity of expenditure could not be vouchsafed in Audit. The fact for non-construction of WBM road is corroborated by photographs given below:

The ADC, Mewat stated (October 2012) that chances of fake record cannot be ruled out and the concerned BDPO had been directed to submit the report on the issue.

Recording of names of workers simultaneously on two-three works on the same date (details given in the **table 8**) were detected which indicated misappropriation of scheme funds by the Gram panchayats.

Table 8: Details showing misappropriation of funds

Sl. No.	GP	Nam of workers & their Job card number	Muster Roll No	Period of attendance	Extra attendance and number of days	Amount involved in Rs.
			Block	Bhattu Kalan		
1.	Thuiya	Rohtash 22372	820	1 December 2012 to 16 December 2012	16 December 2012	172
			986	16 December 2012 to 31 December 2012	(one day)	
2.	Kirdhan	Virender 23210	297	1 July 2012 to 9 July 2012	1 July 2012 to 9 July 2012 and	
			214	1 July 2012 to 16 July 2012	11 July 2012 to 13 July 2012 except	2,156
			182	11 July 2012 to 13 July 2012	7 July 2012 due to weekly rest (11 days)	
3.	Sirdhan	Vinod, Krishna and Sarjeet 21803	610	16 July 2011 to 25 July 2011	21 July 2011 to	
		Vinod 21803	910	21 July 2011 to 26 July 2011	25 July 2011 (five days)	2,685
		Krishna and	911	21 July 2011 to		

		Sarjeet 21803		26 July 2011		
				Block Ratia		
4.	Burj	Naresh	4680	3 March 2012	3 March 2012	
		32603	10052	1 March 2012 to 16 March 2012	(one day)	179
5.	Mohmedpur Sotter	Harbans 36856	1437	12 December 2010 to 17 December 2010	12 December 2010 to 17 December 2010	1,032
			1455	12 December 2010 to 17 December 2010	(six days)	
6.		Harbans 36856	261	1 May 2011 to 15 May 2011	1 May 2011 to 15 May 2011	
		Sarjeet 17525 Darshan 11496	790	1 May 2011 to 15 May 2011	except 7 May 2011 due to weekly rest (14 days)	7,728
7.		Harbans 36856	429	16 May 2011 to 31 May 2011	16 May 2011 to 31 May 2011	

		Sarjeet 17525	796	16 May 2011 to 31 May 2011	except 22 and 29 May 2011 due to weekly rest	15,456
		Darshan 11496	869	16 May 2011 to 31 May 2011	(14 days)	
8.		Ram Singh 14539	796	16 May 2011 to 31 May 2011	16 May 2011 to 31 May 2011 except	
			869	16 May 2011 to 31 May 2011	22 and 29 May 2011 due to weekly rest (14 days)	2,576
				Total		31,984

Scrutiny of Monitoring and Information System (MIS) in respect of GP, Sirdhan revealed that in the muster roll number 910 and 911, the names of these three persons were replaced by other names. This shows that though the irregularity came to the notice, instead of pointing out the mistake, facts were concealed. The BDPO, Bhattu Kalan had also not exercised control over data feeding in MIS. While admitting the facts BDPO, Bhattu Kalan stated (July-August 2012) that the amount of Rs. 0.05 lakh had now been recovered from concerned workers and deposited in bank in July-August 2012.

Para 6.7 of the scheme guidelines stipulated that the State Governments should evolve norms for measurement of works. The Schedule of Rates was to be prepared on the basis of these studies. Haryana Government got conducted (July 2008) a time and motion study for earth work under MGNREG scheme and output norms were fixed. An additional item (HSR item number 6.2(1)) was also inserted in the Haryana PWD Schedule of Rates. As per the norms, for earth work involving lead and lift upto 30 metres the output fixed was 80 cubic feet (cft) per manday. Audit scrutiny of records of GPs in Ratia block revealed that for raising the capacity of 'Rangoi Kharif Channel' an estimate for Rs. 292.75 lakh was prepared (March 2011) by Irrigation Department. The work was got executed by the GPs by employing manual labourers and payment was made at the rate which ranged from 66 to 58 cft per manday instead of 80 cft per manday. This resulted in overpayment of wages amounting to Rs. 28.63 lakh (**Appendix 2.30**) as compared to less quantum of work done by the workers.

Gram Panchayat, Bhattu Kalan (District Fatehabad), Ratipur and Johar Khera (District Palwal) incurred (2010-12) an expenditure of Rs. 47.13 lakh against the sanctioned estimate of Rs. 36.32 lakh on execution of three works (detailed given in **Table 9**). Excess expenditure of Rs. 10.81 lakh over the sanctioned estimates was not regularised.

Table 9 : Details of excess expenditure over the sanctioned estimates

Sr. No.	Name of GP	Name of Work	Estimated cost (Rs. in lakh)	Actual Expenditure (Rs. in lakh)	Excess (Rs. in lakh)
1	Bhattu Kalan	Digging of pond	3.70	5.56	1.86
2	Ratipur	Earth filling in school	14.08	16.25	2.17
3	Johar Khera	Earth filling in school	18.54	25.32	6.78
	Total		36.32	47.13	10.81

Source: Records of concerned GPs.

Assets created under the scheme were not properly maintained. Funds for maintenance of assets created under the scheme were not envisaged in the scheme. The position of non-maintenance of assets is shown in the following photographs:

Non-maintenance of Herbal Park at Samlehri of Saha Block (District Ambala) (27 June 2012)

The implementing GPs did not maintain records of assets created like Asset Register, Works Registers as envisaged in Para 9 of the scheme guidelines.

On this being pointed out in Audit, the Principal Secretary issued (October 2012) directions to all the Deputy Commissioners to ensure that such deficiencies were not repeated in future.

The Department in its written reply stated as under:

In this regard, it is submitted that no doubt that the earth filling works on Rasta's is not providing all weather access, but there is no alternate to provide approaches to nearby villages. If the Earth Work for Rasta's is not executed, it will create inconvenience to the public and will create scope of encroachment by the road side farmers. Beside it presume that earth work will be useful for construction of pucca road in future.

In this regard, it is stated that it was the dire need to execute the works on demand of Villagers and with the view to generate the more to more employment as focus in the Scheme.

DRDA Ambala intimated that the digging work was in progress & due to no rains in the month of June, the pond was totally empty. It has actually been meant to store the rain water. So, after rains the ponds were completely full of water (**Appendix 2.28**).

DRDA Kurukshetra has intimated that in GP Ajrana Kalan, Thanesar the work of DIGGING OF FISH POND was executed for the purpose of liquid waste management. The Pond was digged near the proposed colony of 100-100 sq yard plots beneficiaries. So for proper disposal of waste water of residents of plot beneficiaries, the pond was digged. Hence, no funds were misutilized. The work which seems in fructuous at the time of audit is now useful. Now the ponds are very useful to store the rainy water for use in later seasons.

DRDA Sirsa has intimated that in the five villages of Odhan and Baragudha Block were excavated to preserve the rain water for future use for animals, recharge of ground water and to save the people from harmful effects of stagnant water in Village streets.

DRDA Fatehabad has intimated that the Ponds are likely to be used to harness rain water to meet out the local needs for the use of cattle and conservation of water (**Appendix 2.28**).

In this regard, it is submitted that a vigilance inquiry is separately pending in Vigilance Department. Further action will be initiated as per the report of Vigilance inquiry in Ambala.

The DRDA Sirsa has informed that the Cement Concrete/ Interlocking Paver Block Street have been approved on the consistent demand of the public to create durable assets in view of the 60.40 ratio as per the MGNREGA Act, and on the prior approval from the DPC.

DRDA Mewat has intimated that a team of two officer (SDO PR and Abdul Gani consultant ADC office) have been deputed to verify the work physically. They check the work and found that 5-6 inches material on that road was available. Inquiry conducted is available at (**Flag 'G'**).

DRDA Fatehabad has intimated that as per **Table-8** in this regard it is submitted that excess payment from Sr.No. 1 to 3 of Rs.5000 were made and shown to the audit party at the time of audit so far as Sr. No. 4 to 8 is concerned, excess payment of Rs. 26792(179+26792) has been recovered as per (**Annexure-'H'**) is enclosed.

In this regard, it is submitted that works was executed in GP in Ratia Block for raising the capacity of Rongi Kharif Channel. The payment of labourers @ 66 to 58 cft per manday as per norms fixed by the State for the MGNREGA scheme workers. Instead of 80 cft per manday. Therefore, no over payment has been made as shown in **Annexure 2.30**.

In this regard, it is submitted that revise plan of all three works was approved by the DPC of village Bhattu Kalan, Ratipur and Johar Khera were revised from 36.32 lac to 47.13 lac. Therefore no excess payment over the sanction estimate has been made.

Table-9 Estimates of all the three works were got revised from 36.32 lacs to 47.13 lacs and the payment has been made after approved from the competent authority.

In this regard, it is submitted that instruction regarding proper maintenance of assets created under the scheme has been issued. So far as the maintenance

of record i.e. assets register is concerned, instruction has also been issued to comply with. It is intimated by all the DRDAs that Compliance has also been made by them.

The Committee has desired that latest status of the construction of all the 38 roads/streets be reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

Besides, the Committee has also desired that a copy of the instructions of the department with regard to the matter of Bhattu Kalan be provided to the Principal Accountant General, Haryana under intimation of the Committee.

[53] 2.4.13 Execution of forest works

The scheme came into force in Ambala district with effect from 1 April 2007. ADC Ambala released Rs. 25.76 crore during 2007-12 to the Divisional Forest Officer (Territorial) Ambala for afforestation, development of herbal parks, etc. The DFO (Territorial) Ambala stated (June 2012) that the relevant records were damaged in rains. Therefore, audit of this expenditure could not be conducted. However, scrutiny of an inspection report submitted (March 2010) by the ADC Ambala to the State Government disclosed serious irregularities as summarized below:

- Job cards were issued by the Forest Department itself.
- Muster Rolls were to be issued by the Block Programme Officer to the GPs and other implementing agencies but were issued by the ADC, Ambala.
- The works to be executed by the line departments were required to be got approved from the concerned Gram Sabha, but the works executed by the Forest Department were not recommended by any of the Gram Sabhas.
- As per the GOI instructions (September 2008), cash payment of wages to workers was not allowed after September 2008. However, Cash withdrawals of Rs. 8.50 crore were made by the Forest Department during October 2008 to March 2010.
- Expenditure of Rs. 23.82 lakh was incurred on afforestation but no plantation was actually done in four villages as detailed in **Table 10**.

Table 10: Details of expenditure incurred on afforestation

Sl. No.	Name of Village	Expenditure booked (Rs. in lakh)	Period
1	Narayangarh Majra	8.59	2008-10
2	Babyal	10.54	2007-10
3	Dheen	3.49	2009-10
4.	Dulyani	1.20	2009-10
	Total	23.82	

Source: Records of ADC, Ambala.

- In village Firozpur Kath and Abupur, earth work was found to be got done through mechanical means at a cost of Rs. 0.61 lakh for which Rs. 10.43 lakh were booked in the cash book on account of muster rolls wages.

Expenditure of Rs. 74.03 lakh was indicated as incurred on development of

- three Herbal Parks at village Barara, Holi and Samlehri during 2008-10 but as per assessment reports submitted by the SDO (PR), the actual expenditure incurred was assessed at Rs. 11.98 lakh only. Thus, an expenditure of Rs. 62.05 lakh was incurred in excess on development of herbal parks.

Director General-cum-Special Secretary, Rural Development Department stated (July 2012) that the State Government has entrusted an inquiry in this regard to the State Vigilance Department, whose report was awaited.

The Department in its written reply stated as under:

DRDA Ambala has intimated that a vigilance inquiry is separately pending in Vigilance Department. Further action will be initiated as per the decision.

The Committee has desired that the Committee be kept updated with the status of the matter under vigilance inquiry.

[54] 2.4.14 Maintenance of records and data automation for Monitoring and Information System (MIS):

As Para 9.1 of the operational guidelines, proper maintenance of records is one of the critical factors for success in the implementation of the scheme. Information on critical inputs, processes, outputs and outcomes have to be recorded in the prescribed registers at all levels. The computer based MIS also captures the same information. Audit observed the following deficiencies in the maintenance of records and data automation:

- Scrutiny of muster rolls of GPs Bangoh and Panchgaon revealed that Job-card numbers recorded against 21 cases (**Appendix 2.31**) were not appearing in the list of job cards mentioned in MIS.
- Muster roll receipt register was not maintained in 36 GPs test-checked (**Appendix 2.32**).
- The following GPs failed to produce records despite issue of requisitions:

Sr. No	Name of GP	Period for which record not produced
1.	Panchgaon (Mewat)	2008-10
2.	Brthala (Kurukshetra)	2008-12
3.	Akbarpur (Ambala)	2007-10 (upto June 2009)
4.	Tehrki (Palwal)	2008-11 (upto November 2010)
5.	Khera (Ambala)	2007-09

- Overpayment of wages was made to workers amounting to Rs. 12,858 (**Appendix 2.33**) in 14 cases by way of payment for the period of absence and conversion of

absence into presence.

- Muster roll is an important record and it is to be maintained properly. Audit scrutiny of muster rolls revealed that total number of workers present was not shown leaving scope for subsequent insertion of name and other interpolation. Further, attendance of workers was not checked by any responsible officer. Even the persons marking attendance of workers were not putting their signatures. Cuttings and overwriting in the muster rolls were also observed. A few such cases in respect of GP, Babanpur (Block Ratia) are given below:
 - a. In muster roll numbers 2624, 2625 and 2629 (paid vide voucher number 39 dated 10 January 2012), the period of employment was shown in the first instance from 8 January 2012 to 23 January 2012 which was later on changed as 16 December 2011 to 31 December 2011. In MIS also the period of employment had been shown from 16 December 2011 to 31 December 2011. In these muster rolls attendance of workers was marked for the period from 8 January 2012 to 23 January 2012. The exact period of employment could not be verified in audit.
 - b. In muster roll numbers 2272 and 2273 (paid vide voucher number 35 dated 17 December 2011), attendance of Kuldeep Singh S/O Shri Major Singh (Job Card number 11184) and Biker Singh S/O Shri Nek Singh (Job Card number 10925) was marked on 16 December 2011. Again the attendance of these two workers was marked in muster roll numbers 2624 and 2625 respectively for the same day. Thus, attendance of these two workers was marked for 16 December 2011 (one day) simultaneously at two different works. However, scrutiny of MIS revealed that in muster roll number 2624 the name of Shri Kuldeep Singh was replaced with Amrik Singh and in muster roll number 2625 the name of Shri Biker Singh was replaced with Manjeet. This shows that though the irregularity came to the notice of BDPO office which instead of pointing out the irregularity concealed the same. In the muster rolls also, the changes in the names were made by using fluid but the payments were shown made to Shri Kuldeep Singh and Shri Biker Singh who have signed on the muster rolls as a proof of receipt.
 - c. Attendance of Jagiro (Job card number 10909) was marked on 16 December 2011 simultaneously in muster roll number 2273 (Voucher number 35 of December 2011) and also in muster roll number 2624

(Voucher number 39 of January 2012). However, in muster roll number 2624 the name of Jagiro was replaced with Gejo (Bank A/C number 15177), but the wages were deposited in Bank A/C number 15117 which was in the name of Jagiro. In MIS the name of Jagiro was entered in both the muster rolls (2273 and 2624).

Security of muster rolls number 2232-38 (Voucher number 20A/January 2011 Rs.92648) of GP, Bahmanwala (Block Ratia) revealed that in the first instance period of employment was shown from 17 Decemberr 2010 to 31 December 2010. Later on by overwriting it was shown from 1 January 2011 to 14 January 2011 but in the muster rolls attendance was markek d from 17th January 2011 to 31 January 2011.

In the circumstances the veracity of the statements in these test-checked cases could not be vouchsafed in Audit.

The Principal Secretary (October 2012) assured that action would be taken against the defaulters after detailed inquiry in each case.

The Department in its written reply stated as under:

DRDA Mewat has intimated that BDPOs have been directed to check the irregularity and take necessary action. It will be taken care for future.

In this regard, it is submitted that it is informed that in compliance of audit observations, all the DRDAs has been directed to insure the compliance of audit observation and insure the maintenance of Muster Roll register (**Appendix 2.32**).

DRDA Kurukshetra has intimated that sarpanch of GP Berthla (Block Babain) was in judicial custody. Therefore, record was not produced for audit. Record of remaining GPs i.e. Panchgaon (Mewat), Akbarpur (Ambala), Tehrki (Palwal) and Khara (Ambala) will be submitted at the time of next audit.

DRDA Fatehabad has informed that as per **Appendix 2.33** GP Chando Kalan four days wages as a excess payment of Rs. 716 has been recovered (**Flag-'I'**). GP Burj 1 extra mate was involved On 28 workers. Excess payment of Rs. 1104 has been recovered (**Flag-'J'**). GP Mohmadpur Sotter 1 extra mate was involved On 28 workers. Excess payment of Rs. 1840 has been recovered (**Flag-'K'**). In all other cases as detailed in annexure 2.33 on perusal of the record it is noticed that all payment were made found in order.

As per the State MGNREGA Scheme the power of engagement of operators was given to DPC and ADPC. The operators were not fully trained with the new introduction of MIS. Since the MIS has become full functional/reliable from 2011-12 onwards. Therefore the operators have wrongly entered the data. The actual filling of Muster Roll is done by Gram Sachives & JEs and then send to block level operator for entering in MIS. This may have lead to the wrong interpretation of data.

DRDA Fatehabad has intimated that irregularities have been removed regarding Muster Roll maintenance.

DRDA Kurukshetra has intimated that the Muster roll register and other prescribed registers have been maintained Photo copy enclosed.

DRDA Sirsa has intimated that no doubt that muster rolls receipt register was not maintained in 4 villages of the District Sirsa. The concerned Sarpanches of Gram Panchayat has been directed through the concerned BDPOs to maintained the muster rolls receipt register and is being maintained properly.

DRDA Palwal has intimated that GPs Ghasera, Bela, Mirpur Kurali, Bilochpur and Ramgarh of Hassanpur block and GPs of Dhatir, Maheshpur, Ratipur and Joharkhera of Palwal block are maintaining proper muster roll receipt register now.

The Committee has desired that the record be reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[55] 2.4.15 Lack of transparency in implementation of the scheme, monitoring and evaluation:

Paragraph 9.1.1 of the Operational Guidelines stipulates maintenance of complaint registers at all levels, but audit noticed (April-June 2012) that these were not maintained by 29 GPs test-checked (**Appendix 2.34**).

Paragraph 10.3 of the Operational Guidelines lays down that works were required to be inspected 100 *per cent* at block level, 10 *per cent* at district level and 2 *per cent* by State level officers every year. Audit observed (April-June 2012) that although 100 *per cent* inspection of works was claimed to be conducted by the block level officer but records relating to inspection reports were not maintained at block level with regard to inspection of works. In the absence of records, the factual position as to whether inspections were carried out could not be verified. Besides, district level internal audit cell had not been established in any of the test-checked districts to scrutinize the inspection reports of GPs. No mechanism was evolved to ensure that the shortcomings noticed during inspections were rectified.

During the exit conference, the Principal Secretary (October 2012) accepted the facts.

The Department in its written reply stated as under:

DRDA Ambala has intimated that no complaints received at GP level therefore complaint register was not maintained. In compliance of audit observations, Panchayat has maintained the complaint registers.

DRDA Fatehabad has intimated that irregularities has been rectified regarding complaint register & inspection report maintenance.

DRDA Kurukshetra has intimated that the complaints under MGNREGS are normally received at Block or District Level. The complaint register at GP level have been maintained as per the guidelines.

DRDA Sirsa has intimated that No doubt that complaint register was not maintained in 3 villages of Baragudha and Odhan Block of the District. The concerned Sarpanches of Gram Panchayats has been directed to maintain the complaint register and is being maintained properly. A toll free MGNREGA helpline no. 18001802288 has been established for registration of complaints regarding any grievances of labourers/public.

DRDA Sirsa has clear that in compliance with the verbal direction given by the Programme Officer to the Gram Panchayats, complaint registers has been started in all the three villages of Baragudha and Odhan Block.

DRDA Palwal has intimated that mentioned GPs Alawalpur, Teharki, Karna, Kushak, Sehnoli, Raidaska and Tikri Gujjar were not maintained complaint register because there were no any complaint received at that time and now all the GPs maintained proper complaint register.

It is further submitted that inspection has been done regularly as per guideline of scheme by competent authorities.

The Monitoring Committee has been constituted at various level i.e State Quality Monitor at State level, District Quality Monitor at District level with the approval of the State Government.

The Divisional Commissioner, Haryana has been nominated as State Level Monitors and Deputy Commissioner-District Programme Coordinator has been nominated as District Level Monitors for effective Monitoring/review the implementation of executed work in the district. The Matter has also been reconsidered and the Superintendent Engineer (PR) at Divisional Level and XEN (PR) at District level have also been nominated to them for complete to their task effectively.

Keeping in view of this, the Para no. 2.4.15 may kindly be dropped.

The Committee has desired that a detailed report showing details of complaints received, attended, disposed off and pending be submitted to the Principal Accountant General, Haryana under intimation of the Committee.

[56] 2.4.16.1 Registration of households and allotment of Job cards:

Every registered household is allocated a Job Card having a unique 18-digit identification number consisting of 14-digit habitation code (State, District, Block, Gram Panchayat, and Village) and a unique family ID. Since only registered households are entitled for payment of wages, registration number and Job cards are basic records for making wage payments under the scheme.

In order to avoid bogus registration of households, affixation of photographs of all adult members of the family, mentioning of electronic photo identity code given by Election office for cross verification, house number, caste etc. was required to be entered in the system. However, such information was missing in the database as detailed below:

Total registrations	Parameters not included	Number of cases
6,93,636	Unique code not as per pattern specified	32,971
	Invalid name viz "A", 1, etc.	136
	Invalid father's/husband name	179
	House number not mentioned	6,08,293
	Photograph of the applicant not affixed	3,59,347
	Election photo identification card number not indicated	6,86,378

Similarly, in 24,870 cases, same head of family had been registered more than once in the State.

The Principal Secretary, Rural Development Department stated during exit conference that affixation of photographs and other formalities could not be completed in cases, where persons after registration did not turn up for employment. He, however, agreed that the data would be completed in case workers turn up for seeking employment. As regard double registrations, he assured that these cases would be investigated for taking appropriate action.

The Department in its written reply stated as under:

DRDA Fatehabad has intimated that MGNREGA Scheme was start on 01-04-2008. At that time Job card registration work was to be done at Gram panchayat level. Deployment of dedicated personnel for MGNREGS started on 01-08-2009. After that Gram Sabha inspected the works/record checking through MGNREGA staff. No double registration found in record Gram panchayat. So double payment was not made to any registered beneficiary.

DRDA Sirsa has intimated that the Programme Officers of all the Blocks have directed to verify all the job cards and ensure that photo of adult member is pasted in job cards. The list of the families who have been registered and issued job card is the same ID and name of household be prepared and place in the Gram Sabha for deletion of such job cards.

Necessary direction to all the PO's MGNREGS has been issued vide this office letter no. AM/MGNREGS-7493-99 dated 14.10.2013 for taking the action to prepare appropriate record in accordance with the operational guidelines issued by the Govt. of India.

DRDA Palwal has intimated that proper checking of documents regarding registration of the household is done at the GP level. Also, previous registrations are also checked to avoid the duplicacy in registrations.

In this regard it is submitted that the instructions has been issued from time to time to physically verify the job card at Village level. After conducting the verifications bogus registration of households job card holders stood cancelled similarly double registration found has also been removed. The verification of job cards are being carried out in phased manner.

The Committee has desired that the matter be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[57] 2.4.16.2 Suspected double payments:

Analysis of data revealed that in 7,318 cases, attendance of workers was marked in electronic muster rolls more than once in the duplicate job card issued in their name. Total wages involved in these cases amounted to Rs. 1.32 crore (**Appendix 2.35**).

The Principal Secretary, Rural Development Department stated that all these cases would be investigated for taking appropriate action.

The Department in its written reply stated as under:

DRDA Ambala has intimated that no double payment for the work / period has been made to any worker under the scheme.

DRDA Fatehabad has intimated that one family is registered on his one Ration card and one job card is distributed on Ration card basis. Job card is distributed after signature of concerned Sarpanch. There is no discrepancy and no duplicate Job card is distributed to any beneficiary.

DRDA Sirsa has intimated that BDPO Odhan vide his letter no. 728 dated 07.06.2013 has informed that the record of concerned 10 GPs has been checked again with reference to Muster Rolls and Job cards and found that there is no double entry in the job cards concerned. Similarly the record of Five

GP's namely GP Odhan, GP Malipura, GP Rohiranwali and GP Chormar Khera was cross checked at Distt. Level and found that there is no double entry in the concerned job cards. As the payments are released by the BDPOs to the GP's after feeding the work done on MIS and MIS does accepts the double entry of any labour. The record of GP Thiraj was also cross checked at Distt. Level and found that there is no double entry in the concerned job cards. As the payments are released by the BDPO to the GPs after feeding the work done on MIS and MIS does accepts the double entry of any labour. Hence, the question of double payments does not arise.

DRDA Mewat has intimated that Action Taken and noted for future.

DRDA Palwal has intimated that no such payment has been made in this district.

The Committee has desired that all the cases of suspected double payment be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[58] 2.4.16.4 Payment of wages in excess of rates:

Data analysis revealed that in 1,43,673 cases, payment of wages to the extent of Rs. 44.72 lakh was made in excess of minimum wages fixed by State Government as detailed given in **Table 11**.

Table 11: Details of excess payment of wages

Year	Number of cases	Wages in excess of minimum wages
2008-09	3,106	10,50,947
2009-10	7,299	13,29,411
2010-11	1,32,918	20,58,696
2011-12	350	32,702
Total	1,43,673	44,71,756

Similarly, in 1075 cases, wages paid were incorrectly calculated as these were not in conformity with the wage rates resulting in overpayment of Rs. 2.41 lakh in 485 cases and less payment of Rs. 1.05 lakh in 1,075 cases as detailed in **Table 11**.

Table 11: Detail of incorrect payment of wages

Year	Number of cases	Short payment	Number of cases	Excess payment
2008-09	298	57,561	229	1,25,909
2009-10	187	23,382	26	9,634
2010-11	334	23,154	47	23062
2011-12	256	846	183	82868
Total	1,075	1,04,943	485	2,41,473

The Principal Secretary, Rural Development Department stated during exit conference that such type of errors were appearing in the earlier versions of software but this shortcoming had been removed in the later versions of the Software. The reply was not correct as the discrepancies were appearing even in the data of 2011-12.

The Department in its written reply stated as under :

In this regard, it is mentioned that as per instruction issued by the Central Government wage has been made as per prescribed norms and no excess payment has been made.

In view of the above said position Para may kindly be dropped.

The Committee has desired that the matter regarding payment of wages in excess of rates be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[59] 2.4.17 Mechanism to assess the impact :

The objective of MGNREGA is the 'creation of durable assets and strengthening the livelihood resource base of the rural poor' (Schedule I, Section 2). Investments made under MGNREGA are expected to generate employment and purchasing power, raise economic productivity, promote women's participation in the workforce, strengthen the rural infrastructure through the creation of durable assets, reduce distress migration, and contribute to the regeneration of natural resources. Thus, outlays for MGNREGS have to be transformed into outcomes. Regular evaluations and sample surveys of specific MGNREGS works should be conducted to assess outcomes.

Audit observed (April-June 2012) that the State Government had not conducted evaluation studies to assess the performance of implementation of the scheme and its impact on individual households. However, to assess the impact of this scheme, feedback from 885 beneficiaries of 134 selected GPs was taken (April-June 2012) through the questionnaire method by Audit along with representatives of the GPs. Analysis of the feedback revealed as under :

- 99 *per cent* beneficiaries opined that the scheme had brought out significant change in their life style.
- 95 *per cent* beneficiaries were of the opinion that the scheme had helped them to avoid migration.
- 82 *per cent* beneficiaries opined that due to their working under the scheme, their children now could go to school who were earlier doing manual work for their livelihood.
- 75 *per cent* beneficiaries asserted that their family income had increased by 50 *per cent* while 25 *per cent* beneficiaries stated that there was marginal increase in their family income.

The Department in its written reply stated as under:

Under MGNREGA Scheme the main object is to be providing employment to the households. The object of given the employment is to create the durable assets and strengthening to the livelihood of the rural poor inhabitant. All the

implementing agencies have been directed to give focus to create the durable assets and generate maximum employment to raise the economics position villagers.

The Committee has desired to know as to how many people have been given employment under this scheme.

[60] 3.1 Delay in furnishing utilisation certificates (STATE FINANCES) :

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilisation certificates (UCs), for the grants provided for specific purposes, should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Principal Accountant General within a reasonable time, unless a specific time limit is fixed by the sanctioning authority. However, of the 2,376 UCs due for submission in respect of grants and loans aggregating to Rs. 2,951.01 crore, 1,253 UCs for an aggregate amount of Rs. 1,148.60 crore were in arrears for the grants released during 2008-09 to 2010-11. The department-wise break-up of UCs due, received and outstanding as on 31 March 2012 is given in **Appendix 3.1**.

Analysis Appendix 3.1 shows that out of 1,253 outstanding UCs, 598 UCs (48 *per cent*) were outstanding from Rural Development department and 379 (30 *per cent*) were outstanding from Education department. Further 207 UCs for Rs. 264.48 crore were outstanding for the grants released in 2008-09, 264 UCs for Rs. 287.87 crore for the grants released in 2009-10 and 782 UCs for Rs. 596.26 crore for grants released in 2010-11. This not only indicates lack of internal control of administrative departments but also indicates the tendency on the part of the Government to go on disbursing the fresh grants without satisfying themselves about proper utilisation of grants sanctioned earlier.

The Department in its written reply stated as under:

Rural Development Department, Haryana has to major heads namely 2501-SPRD and 2505-RE for release of State Share all the Utilisation Certificates upto 2010-11 under major head 2501-SPRD and 2505-RE has already been submitted to Principal Accountant General, Haryana. The completion certificate received from Principal Accountant General, Haryana on **Flag 'M'**.

The Committee has desired that the facts be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

DEVELOPMENT AND PANCHAYATS DEPARTMENT

[61] 3.1.5.1 Irregular release of grants:

(C) Disbursement of grants in home districts/constituency

As the Chief Minister, Ministers, Speaker, Deputy Speaker and Chief Parliamentary Secretaries/ Parliamentary Secretaries represent the whole State, the Audit was of the opinion that they should disburse grants evenly in all the areas for the smooth development of the State as a whole.

During scrutiny of record of discretionary grants for the year 2009-10, it was noticed that nine ministers/CPSs/Deputy Speaker whose constituencies were falling in seven test checked districts, distributed 82 to 100 *per cent* (**Appendix 3.4**) grants in their home districts and 69 to 97 *per cent* to the beneficiaries of their own constituencies.

The Principal Secretary stated (November 2012) that the action would be taken in the light of instructions issued by Hon'ble Punjab and Haryana High Court in case of discretionary grants released by Punjab Government. Final outcome was awaited (December 2012).

The Department in its written reply stated as under :

Though the C.M., Cabinet Ministers,/Speaker/Deputy Speaker and the C.P.Ss allot grant all over the State, yet the allotment of major portion of grant in own constituency, does not amount to violation of the Haryana Discretionary Grants Rules-1969, because there is no binding in the Rules or policy that the grants should be disbursed by them evenly.

Hence, it is requested that the sub para may be dropped.

The Committee has desired that it be ensured that the discretionary grant is used for the purpose it has been sanctioned/dispensed and the complete details with regard to this para be submitted to the Committee at the earliest.

[62] 3.1.5.2 Irregular/non utilization of grants :

(b) Non-utilisation of grant by beneficiaries:

During audit, it was noticed that in 12 cases, where 16 grants amounting to Rs. 1.60 crore (**Appendix 3.7**) were released during the period between June 2008 to February 2012, the grants were lying partly or fully unutilised with the beneficiaries (December 2012). As a result, the community was deprived of the intended benefits. Photographs of few cases are given for illustration.

(c) Blockade of funds out of Government account and loss of interest

Rule 2.10 (b) (5) of PFR, Volume-I, provides that the money from the treasury should not be withdrawn unless it is required for immediate disbursement.

During test check, it was noticed that in eight districts, 30 executing agencies kept Rs. 6.05 crore in saving/current bank accounts (**Appendix 3.8**). Of these, 23 executing agencies earned interest of Rs. 37.84 lakh on saving bank accounts and seven³ executing agencies were operating current accounts resulting into loss of interest to the tune of Rs. 23 lakh upto March 2012. Non-refunding of unutilised amount into Government accounts was irregular and against the provisions of rules.

On this being pointed out (March 2012), the SDO (Civil), Faridabad deposited the interest of Rs. 5.05 lakh in Government account in March 2012. An amount of Rs. 11.45 lakh pertaining to 13 undisbursed grants was refunded (March/April 2012) to the DC, Faridabad to deposit the same in Government accounts.

The Principal Secretary while accepting the observation stated (November 2012) that a new procedure for disbursement of grant had been introduced from October 2012 which provided that the funds would be issued directly to the beneficiaries and also the concerned DCs had been directed to look into the reasons of blockade. Final outcome was still awaited (December 2012).

The Department in its written reply stated as under:

(b) The DDOs have been instructed to ensure proper utilization of grants, resulting two grants amounting to Rs. 18.00 lac have been credited to Govt. Accounts by SDO (C) North, Gurgaon. The other DDOs have also been asked either to get the grants refunded or utilized for the purpose, it was released. The response is awaited. The final outcome will be conveyed to the Committee, soon.

(c) It is an issue related to implementation of the Financial Rules. It is mentioned that a new procedure for disbursement of grants had been introduced by F.D. vide letter No. 53/2/2012-2FD-1/8275, dated 3.10.2012 which provides that the funds would be drawn from the treasury only for direct payment to the Contractor/supplier or service provider and not to be parked in bank accounts. It is added that all the D.Cs were requested vide letter No. BAP-1/3/2013/4720, dated 12.11.2013 to direct the Executive Agencies to close the bank accounts. In view of the advice of the F.D. Haryana, all ADCs/Xens Panchayati Raj /DDPOs /BDPOs have again been directed vide letter No. Audit-IV-2016/687, dated 26.02.2016 to close the bank accounts and to open personal Ledger Accounts with treasuries, so that the funds may remain with treasury instead of the banks.

The audit itself accepts that the amount of interest, as well as, the undisbursed grants, were deposited into the Govt. accounts by D.C. Faridabad in March, 2012 and April 2012. Moreover as stated above, all the DDOs/ Executive Agencies have been directed vide memo No. BAP-1(3)-13/4720, dated 12.11.2013 to close the bank accounts and to make payments by raising bill at treasuries, after getting the works done.

Hence, the Committee is requested to drop the sub-para.

The Committee has desired that the latest position in respect of part (b) i.e. *non-utilization of grant by the beneficiaries* be submitted to the Committee at the earliest.

In respect of Part- C of the para i.e. *blockade of funds out of Government accounts and loss of interest*, the Committee has desired to know the total loss occurred to the State exchequer and the responsibility of the erring officer/official be fixed and action taken report be submitted to the Committee within 30 days.

[63] 3.1.6 Monitoring and Internal Control

Development and Panchayat Department was responsible for formulating the policy for drawing, disbursement and regulating the discretionary grants. All the DCs and Under Secretary (General) as DDOs were required to follow the provisions laid down in the PFR to ensure proper utilisation of grants and to ensure that proper accounts as per audit procedure were maintained by the beneficiaries. The following irregularities were noticed due to non-performance of duties by these functionaries:

(a) Non-submission of utilization certificates:

As per para 6 of policy guidelines, DCs were to ensure that grant was properly utilised for the purpose for which it was given and proper account as per audit procedure are maintained.

It was noticed during audit that out of 3,684 cases involving grant of Rs. 77.21 crore (**Appendix 3.9**), utilisation certificates in respect of 3,295 cases (89 *per cent*) were neither submitted by the beneficiaries nor were efforts made by the department to obtain them from the beneficiaries.

The Department in its written reply stated as under:

The DDOs have been instructed vide Memo No. BAP-1(3)/2013/4582. dated 30.10.2013 to ensure proper utilization of grants, to obtain all the utilization certificates and submit in the office of Principal Accountant General, Haryana immediately, Pursuant to it, some more U.Cs have been sent and adjusted in the book of accounts in Principal Accountant General, Haryana.

However, it is a continuous process, which will be taken care-of in future also.

The Committee has desired that the facts of the case be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

HOME DEPARTMENT

[64] 3.2.3. Audit Findings:

(e) Police Department

Section 12-A of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 and Section 11-B of the Haryana Development and Regulation of Urban Areas Act, 1975, provide that it is the duty of police officers to communicate, without any delay, to the Director or any officer authorised in writing regarding commission of any offense under this Act. Audit noticed that police registered (between April 2008 and March 2012) only five in Jhajjar and 55 FIRs in Kurukshetra against lodging 46 and 60 complaints respectively by the concerned DTPs. Details regarding registration of FIRs was not provided by the other test checked DTPs. The DG, TCPD intimated (June 2012) that there was not a single case where police officers had exercised their powers under Section 11-B of the HDRUA Act. The reply from the Principal Secretary (Home) and Director General of Police was awaited (December 2012).

The Department in its written reply stated as under:

In this regard it is submitted that out of 46 complaints received from concerned District Town Planners of District Jhajjar, in 18 complaints (Enclosed as Annexure-A) FIR's have been registered in the various Police Stations in District Jhajjar and remaining 28 complaints, the Superintendent of Police, Jhajjar has issued directions to all concerned Security Officers (SOs) and Station House Officers (SHOs) to take action and if such complaints are not traced, the same may be obtained from the office of District Town Planner vide SP/Jhajjar WAN No. 4510/SPL dated 04/07/2016.

In all the 60 complaints received in District Kurukshetra from the District Town Planners, 55 FIR's have already been registered as admitted in CAG Para. The FIRs in remaining 5 cases have been registered and the information in this respect is enclosed as Annexure-B. It is therefore, requested that the above para may kindly be settled.

The Committee has recommended that the responsibility of the erring officers/officials be fixed for not taking action to get the FIR registered on the complaints received in 2012 and the action taken report alongwith reasons as to why FIRs have not been got registered be submitted to the Committee at the earliest.

[65] 3.4.4.3 Non-forfeiture of surety bonds

In 31 cases, surety bonds amounting to Rs. 85.50 lakh were not forfeited, defeating the very purpose of obtaining such sureties besides leading to loss to Government. Two Deputy Commissioners (DCs) (Gurgaon and Jhajjar) intimated (May 2012) that the efforts to recover the amount from sureties were being made. The DC, Rohtak, intimated (May 2012) that the Jail department was responsible to recover the amount of surety and the concerned Tehsildars have been directed to recover the amount of surety. In 25 cases, Investigating Officers had not made any enquiry regarding whereabouts of the offenders from the sureties of the convicts.

The Department in its written reply stated as under:

The surety amount of 31 absconding prisoners is Rs.82,40,000/- instead of Rs.85,50,000/- as per detail given in **Annexure-C**. It is the duty of concerned District Magistrate to forfeit the surety amount. The bonds on the basis which a convict is released on parole/furlough is got executed in the office of District Magistrate. Release of convict is ordered by D.M. only and not by the Jail Department. Hence this para may be transferred to the Revenue Department for taking further action in this regard. Because all funds are deposited in the Head of Revenue Department. Out of Rs. 82.40 Lacs (Instead of Rs. 85.00 Lacs) an amount of Rs. 21,50,000/- have been recovered from 12 absconders.

Sr. No.	Name of Jail	Name of Convict	Father's Name	Whether surety forfeited or not if yes, mention the amount
1	Karnal	Satish @ Mona	Tek Ram	100000
2	Karnal	Gurmeet @ Nitu	Kuldeep Singh	100000
3	Karnal	Raffaldin	Mahendi Hassan	100000
4	Rohtak	Parveen	Ramesh Chand	100000
5	Sonepat	Virender	surat singh	200000
6	Sonepat	lalit kumar	Mahabir	200000
7	Sonepat	Baljit	Ram Kumar	200000
8	Sonepat	Sri Bhagwan	Ram Pratap	200000
9	Sirsa	Vinod Kumar	Ragubir Singh	100000
10	Ambala	Sambhu	Ram Bahadur	50000
11	Gurgaon	Kanwarpal @ Palu	Dharam Singh	400000
12	Gurgaon	Ashok	Gugan	400000
Total				2150000

To forfeit the remaining surety amount, D.O. letters have been written to the concerned District Magistrates at the level of Government and D.G. Prisons, Haryana to forfeit the surety amount. Details of D.O. Letters as **Annexure -D**. It is the duty of concerned District Magistrate to forfeit the surety amount. Hence this para may be transferred to the Revenue Department for taking further action in this regard.

Home department is demi-officially requesting all the concerned District Magistrate to take appropriate action to recover the pending surety amount.

The Committee has desired that the sincere efforts be made to recover the pending surety amount and action taken in this regard be submitted to the Committee.

URBAN LOCAL BODIES DEPARTMENT

[66] 3.2.3 Audit Findings

(f) Urban Local Bodies Department:

Four MCs and one Block Development and Panchayat Officer (BDPO) had incurred an expenditure of Rs. 5.95 crore on construction of brick street, providing drainage system, etc. in unauthorised colonies as per details given in **Table 2**.

Table 2: Expenditure incurred on development work in unauthorised colonies

Sr. No.	Year	Name of MC / BDPO	Expenditure (Rs. in lakh)
1	2005-10	MC, Bahadurgarh	34.67
2	2008-12	MC, Jhajjar	71.52
3	2008-12	MC, Ambala	430.70
4	2008-12	BDPO, Fatehabad	54.64
5	2010-11	MC, Panipat	3.94
		Total	595.47

(Source : Information provided by concerned MCs and BDPO)

In the exit conference (October 2012), the Principal Secretary, Rural Development Department stated that these colonies were part of *Gram Panchayat*, Matana, consisting of 10 wards. Ward numbers seven to ten were part of the colony and residents of these colonies were voters of Matana village. Expenditure incurred for development works was diverted from the *Panchayat* fund and other schemes of the Government. The reply was not in consonance with the views of DTP Fatehabad, as he had intimated (October 2012) that the sites of these colonies were existing within the limit of urban area as well as in control area of Fatehabad town and were unauthorised. Reply from the Principal Secretary, Urban Local Bodies Department was awaited (December 2012).

These points were referred to Director General, Town and Country Planning Department in October 2012, who admitted (November 2012) the lapses committed by various departments in curbing the menace of unauthorised construction. Audit observed that as the overall responsibility of implementing the Development and Regulation of Haryana Urban Area Act, 1975 lies with the Town and Country Planning Department, they should have evolved a mechanism to involve other departments to perform their duties in a coordinated manner under the Acts.

The Department in its written reply stated as under:

Between the year 2005 to 2012 municipalities carried out developmental works in un-authorized colonies incurring expenditure as given in the CAG para No.3.2.3 (f). The municipalities have sent reports mentioning therein that the development works have been carried out with the approval of competent authority. But the detail of the individual development works vis-à-vis instructions of the department dated 25.11.2008 (Annexure-A) stating that no

development work such as roads, parks, open spaces, water supply, sewerage system etc. can be carried out in the unauthorized colonies, has not been compiled and is being promptly compiled in the municipalities.

As per instructions of the department individual development works will be inquired and suitable disciplinary action shall be taken against concerned responsible officer/official wherever any irregularity is found.

The Committee has observed that this para relates to four test checked municipalities only and therefore, desired to know as to whether such expenditure has been made to develop unauthorized colonies in rest of the municipalities in the State.

The Committee has also desired that a thorough inquiry be got conducted into the matter and responsibility of the erring officer/official including the person(s) in the internal audit cell be fixed and action taken report be submitted to the Committee within a period of two months positively.

REVENUE DEPARTMENT

[67] 3.2.3 *Audit Findings:*

(a) **Revenue Department**

Section 7-A of the HDRUA Act provides that where any document is required to be registered under the provisions of section 17 of the Indian Registration Act, 1908, purporting to transfer by way of sale or lease any vacant land having an area of less than one hectare in an urban area as may be notified specifically by the Government from time to time for the purpose of this section, no Registration Officer appointed under the above said Act shall register any such document unless the transferor produces before such Registration Officer a 'no objection certificate (NOC)' issued by the Director, Town and Country Planning or an officer authorised by him in writing in this behalf. The Government also issued instructions (April 2006) that NOC was mandatory at the time of registration of sale deeds to prevent unauthorised colonies. However, during beneficiary survey of 1,281 households in 41 unauthorised colonies, it was noticed that the plots in these unauthorised colonies were registered without obtaining no objection certificate.

On this being pointed by audit (October 2012), the DG, TCP stated (November 2012) that registration authorities were not meticulously following the above provisions of Act and Government instructions. However, the registering authorities in eight test checked districts (except Ambala and Gurgaon) stated (June and July 2012) that registrations of sale deeds were being made in accordance with the provisions of the Indian Registration Act, 1908. The reply of the Registering Authorities was not convincing as the NOC was mandatory under the rule mentioned above. The Additional Chief Secretary, Revenue and Disaster Management Department intimated (November 2012) that instructions were issued (January 2011) to all the Registering Authorities to follow the provision of Section 7-A of the HDRUA Act failing which disciplinary action would be initiated against the defaulting officer.

The Department in its written reply stated as under:

It is pertinent to bring out that whenever there is a clash of provisions in various Acts, the Central Act prevails over the State Act. Once a central legislation has been adopted by the State Government, the State Act cannot override the Central legislation. The relevant Constitutional provision is in Article 254 of the Constitution which is reproduced below:

254. Inconsistency between laws made by Parliament and laws made by the Legislatures of States

(1) If any provision of a law made by the Legislature of a State is repugnant to any provision of a law made by Parliament which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List, then, subject to the provisions of clause (2), the law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail and the law made by the Legislature of the State shall, to the extent of the repugnancy, be void

(2) Where a law made by the Legislature of a State with respect to one of the matters enumerated in the concurrent List contains any provision repugnant to

the provisions of an earlier law made by Parliament or an existing law with respect to that matter, then, the law so made by the Legislature of such State shall, if it has been reserved for the consideration of the President and has received his assent, prevail in that State: Provided that nothing in this clause shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending, varying or repealing the law so made by the Legislature of the State. This position is well settled in numerous cases at Supreme Court level. **Article 254[1]** of the Constitution has been summarized by the Supreme Court in *M. Karunanidhi v. Union of India*[2]. The court said that:

“1. Where the provisions of a Central Act and a State Act in the Concurrent List are fully inconsistent and are absolutely irreconcilable, **the Central Act will prevail** and the State Act will become void in view of the repugnancy.

2. Where however a law passed by the State comes into collision with a law passed by Parliament on an Entry in the Concurrent List, **the State Act shall prevail to the extent of the repugnancy** and the provisions of the Central Act would become void **provided the State Act has been passed in accordance with clause (2) of Article 254.**”

The State Legislation referred to by the CAG is the HDRUA, 1975. The said Act was not reserved for consideration of President nor the Presidential assent taken – hence the provisions of HDRUA, Act 1975 cannot override the provisions of Registration Act, 1908. Therefore the Revenue staff shall be guided by provisions of Registration Act, 1908 irrespective of any State Legislation provisions impinging on Registration of land.

However since the State Legislation was impinging on the Registration activity, Government issued instruction vide memo No. 1258-STR-1-2006/3994 dated 28-4-2006 that NOC be made mandatory at the time of registration to prevent the development of unauthorized colonies. All the Deputy Commissioners of the State were directed vide memo no 195-STR-1-2011/677 dated 18-1-2011 to bring it to the notice of all concerned registering authorities for strict compliance. Hon'ble Punjab and Haryana High Court has also supported the same view vide its Orders dated 1.11.2012 passed in CWP No 14717 of 2012. The order dated 01.11.2012 reads as under:

“We are informed that the Sub Registrars are going ahead with the registration of the sale deeds. The persons who are purchasing the land in unauthorized colonies may not be aware of the orders. Due publicity shall be given by the State of Haryana about the orders and the sub registrars shall also be apprised of the orders. The Sub Registrars are also directed to inform all such purchasers coming before them for registration of the sale deeds about the said orders”.

In pursuance of the order passed by Hon'ble Punjab and Haryana High Court in the matter this department has conveyed the order to all the Registrars and Sub registrars in the State regarding the order of Honorable High Court Punjab and Haryana for strict compliance The said Judgment has been issued to all the Registering authorities of the State to follow strictly. It is also submitted that

Advice of Law and legislative department also supported the same view issued by their U.O.No.816.G (18) Revenue.Op.Br.13/112 Dated 19.03.2013.

The matter has been well settled even at level of High Courts who have themselves directed that Sub-Registrars shall only inform the purchasers about the applicability of HDRUA Act, 1975 and the fact that they are buying land in unauthorized area. Nothing more can be done by Sub-Registrars since there is no provision to refuse registration under the Registration Act, 1908.

The said CAG para has not been accepted by this department vide Memo no 4503-STR-3-2012/13081 dated 26.10.2012 and the Accountant General Haryana was requested that the said para may not be included in the report of C.A.G for the year ended 31 March 2012.

Still, Government in its wisdom has taken action in the matter against 21 Sub Registrars and 28 Joint Sub Registrars who have been charge sheeted under rule 7 of the Haryana Civil Service (Punishment and Appeal) Rules, 1987. The charge sheet against 8 Sub registrars (Tehsildar) and 10 Joint Sub Registrar (Naib Tehsildars) has been dropped on the inquiry report of the Inquiry Officer. In 3 Tehsildars or 3 Naib Tehsildars have been punish under rule 7 of the Haryana Civil Service (Punishment and Appeal) Rules, 1987 cases Inquiry Officers are conducting regular inquiries. The cases of 10 Tehsildars and 15 Naib Tehsildars are pending for decision under the said rule.

It is also submitted that the Town and Country Planning Department is developing software in which all the Mustil/ Khasra Numbers notified under section 7-A of the Haryana Development and Regulation of Urban Areas Act, 1975 are being loaded/feeded. With the help of the said software the HARIS will automatically flag the registration of the instrument of sale and purchaser can be noticed that land being purchased lies in unauthorized area i.e. in the area notified under section 7-A of the said Act and that in such cases the NOC is required.

In view of the Constitutional position, orders of Courts, settled position of repugnancy of State law vis a vis Central legislation and the departmental actions (disciplinary actions and ICT based solutions put into practice) and adequate safeguards have been built into the Registration system and the para needs to be dropped for consideration before the PAC.

The Committee has recommended that the disciplinary proceedings against the Tehsildars/Naib Tehsildars in the 10 cases be got concluded in a time bound manner and action taken report in the matter be submitted to the Committee within a period of three months positively.

[68] 3.5 Misappropriations, losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 - 10	45	53.09			
10 - 15	22	41.63	Misappropriation/ loss of material	54	78.83
15 - 20	15	7.91			
20 - 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4 : Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been

finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

In this Para involving the amount of Rs. 9.28 lakh is related to fraudulent drawl & embezzlement of Government money. It was pointed out by A.G. Haryana, Audit Party during the year 2000 an amount of Rs. 9.28 lakh has been embezzled and misappropriated by Smt. Chand Rani, Bill Clerk O/o SDO (c), Gannaur outstanding against this employee for the recovery.

Para already dropped by PAC in the meeting of PAC held dated 27-08-2013, with the direction that the amount may be got written off from the concerned Department. Accordingly case has been sent to F.D. vide U.O.No. 9554-AR-5-2016/980 dated 13-07-2016 for writing off the said amount. Hence it is requested to Drop the Para.

The Committee has desired to know; i) the officer, whose responsibility was to get the amount written off; ii) why the said officer has not initiated/taken any action to get the said amount written off till date; and iii) why the department has not taken disciplinary action against the said erring officer. Action taken report be submitted to the Committee within a month positively.

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

[69] 3.3.5.1 Disbursement of old age samman allowance to ineligible persons

As per provisions of the scheme, the old age samman allowance was required to be given to a person who is a domicile of the State and had completed 60 years or more. Test check of records revealed that the beneficiaries for granting allowances under the scheme were not identified in accordance with the procedure prescribed under the scheme and the allowances were granted to those who were not the residents of the State or who have not completed the age of 60 years and were not eligible for the benefits. There were a large number of complaints regarding drawal of allowances by the ineligible persons. Therefore, the re-verification of beneficiaries was got conducted by the department during the period between November 2011 and January 2012. During re-verification, 12,176 ineligible beneficiaries who were below 60 years of age or were not the residents of the State were identified. The old age samman allowance amounting to Rs. 15.72 crore were paid to these ineligible beneficiaries during the period ranged between July 1994 and March 2012 (**Appendix 3.10**). This indicated that the identification of beneficiaries at the time of initial survey was not done properly under the scheme.

The payment of allowance to these ineligible beneficiaries was stopped (between November 2011 and March 2012) after recommendations of these committees. But action to recover old age samman allowance of Rs. 15.72 crore paid to 12,176 ineligible beneficiaries was not taken by the department except in case of Ambala district, where an amount of Rs. 0.39 lakh out of Rs. 25.87 lakh was recovered between January and June 2012 after this being pointed by audit.

During a meeting held on 26 July 2012, the Director General, Social Justice and Empowerment Department stated that the efforts were being made to recover the amount. The final action taken in the matter was awaited (December 2012).

The Department in its written reply stated as under:

Before 2011 committees to identify the eligible beneficiaries were constituted by consisting of (in rural areas) District Social Welfare Officer or his representative, Circle Revenue Officer and Medical Officer of Health Department and in Urban Areas was Officer In-charge Municipal Committee or the Executive Officer or Secretary of Municipal Committee and District Social Welfare Officer or his representative and a medical Officer of Health Department. The purpose of constituting these committees was to ascertain the age of 60 years on the basis of personal appearance. This scheme was prevailing from 1987 to 2011 in the State. During this period some of the people were illiterate and some might had been migrated from Pakistan and had no proof/document to prove their age.

In compliance of the orders passed by Hon'ble Punjab & Haryana High Court under Old Age Samman Allowance Scheme, Committees for scrutiny were constituted through Deputy Commissioners in the state at District level. Efforts are being made by concerned District Social Welfare Officers to recover the amount from beneficiaries' ineligible found during checking. Due to different reasons and by submitting wrong facts. Notices have been issued by the concerned District Social Welfare Officers to recover the amount from all ineligible beneficiaries.

It is also mentioned here that in compliance of the orders passed by Hon'ble Punjab & Haryana High Court, to recover the amount from beneficiaries found ineligible orders for recovery @ 12 % interest. Thereafter, the then Director vide his DO letter No. 1010-30 dated 16-01-2013 (copy enclosed) has directed all the Deputy commissioners to recover the amount as soon as possible. Further vide letter no. 2994-3014 dated 27-02-2013(copy enclosed) all the District Social Welfare Officers were directed to recover the amount immediately. Subsequently Financial commissioner & Principal Secretary vide his DO letter no. 25-45 dated 19-03-2013 (copy enclosed) all the Deputy Commissioners directed to effect the recovery by taking up the matter at their personal level and a copy of the same was send to District Social Welfare Officers also. Thereafter another DO letter bearing no. 8966-86 dated 21-05-2013 (copy enclosed) was addressed to all the Deputy commissioners with the request to recover the amount along with interest from all the ineligible beneficiaries and all the absentees. Reminders dated 24-07-2015, 02-05-2016 & 19-05-2016 were also issued to District Social Welfare Officers.

After July 2012 a sum of Rs. 61,49,175/- has been recovered from the ineligible beneficiaries. All District Social Welfare Officers had been directed by this HQ vide letter no. 31469-89 Dated 29.10.2015 that beneficiaries who have obtained pension on the basis of false information, such pensions have to be stopped with immediate effect, and the paid amount must be recovered with 12% interest . However , when such person **in future attain the age of 60 years he may be considered as a fresh case for pension only after payment of full amount with interest to be recovered from them.** The District wise detail is given as under:

Name of District	Total Ineligible Pensioners found during investigation	No. of Pensioners found eligible after approval of headquarter to start pension	No. of Pensioners from whom amount yet to be recovered	Total amount recoverable	No. of Pensioners from whom amount recovered	Total amount recovered till date	Balanced amount to be recovered
1	2	3	4	5	6	7	8
Ambala	156	39	117	1996735	0	0	1996735
Bhiwani	571	33	538	8649900	37	532600	8117300
Faridabad	35	2	33	521088	8	100672	420416
Fatehabd	1154	46	1087	21497226	21	383752	21113474
Gurgaon	122	2 (Died)	120	1680700	3	60813	1619887
Hisar	290	54	233	3983153	3	79004	3904149
Jhajjar	1374	70	1304	6924550	46	272289	6652261
Jind	1113	36	1077	13214578	204	911409	12303169
Kaithal	1479	541	893	20171922	45	713432	19458490

Kamal	335	21	309	3758900	5	55000	3703900
Kurukshetra	169	4	144	2450250	21	328219	2122031
Mewat	2305	210	2095	21788000	14	202443	21585557
Narnaul	0	0	0	0	0	0	0
Palwal	72	11	61	1022789	3	37600	985189
Panchkula	730	187	47	640400	7	78368	562032
Panipat	386	25	361	5228841	2	53940	5174901
Rewari	78	5	73	861250	2	23296	837954
Rohtak	135	0	135	2191500	0	0	2191500
Sirsa	368	0	360	9537480	8	179829	9357651
Sonipat	1354	312	1042	16749550	0	0	16749550
Yamuna Nagar	1583	5	1578	21919889	145	2136509	19783380
Total	13809	1603	11607	164788701	574	6149175	158639526

**Recovery cannot be made from 487 retired employees of HMT as per previous prevailing rules.

The Committee has recommended that vigorous and earnest efforts be made to recover the amount paid to ineligible beneficiaries.

HEALTH AND FAMILY WELFARE DEPARTMENT

[70] 4.1.1(a) *Embezzlement due to inadequate internal control:*

Embezzlement of Rs. 18,45,500 occurred in District Red Cross Society, Mewat at Nuh due to non-observance of the provisions of financial rules in receipt and deposit of service charges levied for issue of registration certificates of vehicles and driving licenses.

The Indian Red Cross Society (IRC) constituted in 1920 receives money and gifts from the public for the purpose of medical and other aid to the sick and wounded and other purposes of like nature during the war and peace time also.

The Punjab Financial Rules (Rule 2.2 and 2.7) as applicable to the Haryana Government and also to Red Cross Societies require a Drawing and Disbursing Officer (DDO) to satisfy himself that all the monetary transactions are entered in the Cash Book as soon as they occur and the same are attested by him. Rule 2.7 of rule ibid provides that in case, an employee, who is not incharge of the Cash Book, receives money on behalf of the Government, he is required to remit the same to the employee having a Cash Book or deposit the amount into the treasury/bank on the same day or in the morning of the next day. The head of the office under Rule 2.2(iii) is also required to verify all the entries including totals in the Cash Book or have this done by some responsible official other than the writer of the Cash Book and initial all entries as correct.

The Government, in contravention of the provisions of the constitution of the IRC, decided (October 2000) to implement the Haryana Registrations Information System (HARIS) through the District Red Cross Societies (DRCS). Accordingly, the work of issue of registration certificates of vehicles under the system was entrusted to the DRCS. The district administration fixed (July 2001) service charges at the rate of Rs. 100 for issuing registration certificate for two wheeler, Rs. 300 for vehicles costing upto Rs. three lakh and Rs. 500 for vehicle costing more than Rs. three lakh. Service charges for issuing driving license were fixed as Rs. 50 per driving license. DRCSs were required to collect the service charges and issue receipts in duplicate to the concerned persons. The amounts so collected were required to be deposited with the bank on the same day or the latest by the next day. The DRCSs were required to maintain district as well as tehsil-wise detailed records of service charges collected on daily, monthly and yearly basis.

Scrutiny (September 2011) under Section 20(1) of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Services) Act, 1971 of the records of DRCS, Mewat at Nuh revealed that at Sub-Divisional Office data entry operators (DEOs) were deployed for collecting service charges on behalf of the DRCS from the general public and for depositing the same with the cashier of the DRCS. Details of amounts collected during a month were never called for by the DRCS from the Sub-Divisional Offices to ensure that amounts of service charges collected from the public were tallied with the amounts deposited by the DEOs. It was also not ensured as to whether the entire money collected by the DEOs was deposited with the cashier or not. Test-check (September 2011) of service charges deposited by two Sub-Divisional Offices (Nuh and Ferozepur Jhirka) revealed that against Rs.34,50,000 collected from the general public as service charges, only Rs. 16,04,500 was deposited with the DRCS, Mewat at Nuh. This resulted in short deposit of Rs. 18,45,500 which tantamounted to embezzlement by the DEOs.

On this being pointed out (September 2011), the Secretary, DRCS, Mewat recovered (September 2011 and November 2011) Rs. 17,41,650 from the concerned officials but Rs. 1,03,850 was still recoverable. The Secretary stated (February 2012) that this amount of Rs. 1,03,850 was paid against the purchase of computers and would be adjusted in due course of time. The reply was not justifiable as the reasons for non-accountal of money in the cash book of DRCS were not given (December 2012). Further, no disciplinary action had been initiated against the officials responsible for the lapses as of December 2012.

In the exit conference, held on 12 October 2012, the Principal Secretary to Haryana Government, Health and Family Welfare Department assured that a committee would be constituted to draft guidelines for accounting of receipt and deposit of service charges and all the Deputy Commissioners would be asked to enforce internal check for proper accountal of receipts in the DRCS. It was also assured that strict action would be taken against the erring officials. Further action was awaited (January 2013).

The Department in its written reply stated as under:

The Secretary, District Red Cross Branch, Mewat-Nuh has informed to this office vide their Letter No. DRCS/2016/1371 dated 15-06-2016 that during the period from 01-04-2009 to 31-08-2011, and amount of Rs. 34.50 Lakh were collected from the general public as service charges by Clerk/Data entry Operator. Against this amount, only Rs. 17,41,650/- were deposited in the account of District Red Cross Society, Mewat. During test check Rs. 18,45,500/- found short deposit. As soon as the matter came into the notice of the this office, both officials name Sh. Juber Ahmed, DEO O/o SDM, F.P. Jhirka and Sh. Girraj, Licence Clerk O/o SDM, Nuh were directed to deposited the short amount immediately. The amount Rs. 17,41,650/- were deposited in the account of District Red Cross Society, Mewat.

The Computers were purchased worth of Rs. 1,03,850/- on urgent basis to avoid inconvenience to the general public as the old computers and accessories were damaged due to fire in the office. The payment was made from cash available with DEO as per direction of SDM, F.P. Jhirka. The bills amounting Rs. 1,03,850/- has now been adjusted against the service charges. Photocopy of adjustment of bills is enclosed at annexure-1. Thus, the whole amount has been recovered.

So far disciplinary action is concerned, it is intimated that Deputy Commissioner-cum-President, DRCS, Mewat has issued warning to Sh. Juber Ahmed not to repeat the same in future. The parent department of Sh. Girraj i.e. Public Health Department was directed to take the departmental action against him and he was immediately relinquished from the charge of licence clerk. Copy of letters is at annexure-2 & 3.

After the above the above said para, this office regularly maintaining the District as well as tehsil wise detailed records of service charges collection on daily, monthly and yearly basis and there is no short deposit thereafter. Cash Book of the above project is maintained and signed by DDO. (Annexure "1 to 7")

The Committee has observed that transfer of an official and/or issuing warning to the official to be careful in future, who committed embezzlement

amounting to Rs.18,45,500/- is not sufficient. The Committee has recommended that the interest on the embezzled amount for whole period be recovered from the officials and criminal case be also got registered against them and action taken report be submitted to the Committee within 30 days.

The Committee has also desired the Deputy Commissioner, Mewat to submit complete information with regard to DITS.

The Committee has further desired the Honorary Secretary, Indian Red Cross Society, Haryana State Branch to submit year-wise and district-wise details of income from DITS within 30 days.

[71] 3.5 Misappropriations, losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 - 10	45	53.09			
10 - 15	22	41.63	Misappropriation/ loss of material	54	78.83
15 - 20	15	7.91			
20 - 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take 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 ended on 31st March, 2012 (State Finance), 7 cases of misappropriation, defalcation etc. has been shown as pending against Health Department. The 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. Defalcation/ Anti Reservation Rs. 26,000/- (EST).
2. Loss of Govt. Rs. 11,66,228.62 during anti-reservation period (Sirsa)
3. Loss/ Shortage of store Rs. 150070.11 Shri Sat Parkash Goyal, Storekeeper, Ambala.
4. Theft in PHC Nathula (Panipat)
5. Theft of typerwriter from distt. Malaria 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, Samalakha Rs. 14744/-

Latest position in this regard to these Para is as under:-

***Theft in CHC Ujhana (Jind) Rs.202656/-**

In the meeting of PAC held on 04/09/2012, it has been desired by the Committee that Para shall be dropped after write off of loss of Rs. 202656/-*. Consequently the amount in question has been written off by the Government vide their office Memo No.-10/12/2011-2HB-II dated 07/04/2014 (copy attached) with the concurrence of Finance Department vide their U. O. No. Latter No. 1/1/2013-1FD-II/6717 dated 20/03/2014 (copy attached) Hence it is requested to Drop the Para.

****Theft of portable Generator in CHC, Samalakha Rs. 14744/-**

This case pertains to the theft of Portable Generator from the Office of SMO, CHC Samalkha, which cost was Rs. 14744/- and out of which Rs. 3686/- were already recovered from employers posted at CHC **Samalakha**. Now as per the recommendation of PAC in the meeting held on dated 04/09/2012 the balance amount of Rs.11058* has been recovered from the concerned employee (**copy attached**). Hence, it is requested to drop this point.

The Committee has desired that the details of recovered amount alongwith other necessary requisite papers be supplied to and be got reconciled the same with the office of Principal Accountant General, Haryana under intimation of the Committee.

EDUCATION DEPARTMENT

[72] 4.3.1 *Non-functioning of terminals installed under EDUSAT programme:*

Lack of monitoring by UTKARSH Society led to non-functioning of 56 per cent terminals installed by spending Rs.90.59 crore under EDUSAT programme besides non-supply of equipment by ISRO, blockade of funds meant for repair of ROTs and non-availability of whereabouts of 93 ROTs.

The Ministry of Human Resources Development, GOI (MHRD) in collaboration with Indian Space Research Organisation (ISRO) had launched (September 2004) a major project for enabling satellite communication network for supporting extensive reach of quality education at all levels through the EDUSAT (a dedicated satellite for education). ISRO was to provide basic equipment like one Hub and 10 Satellite Interactive Terminals (SITs) to every State. Additional SITs and Receive Only Terminals (ROTs) were to be procured by the State Government. The State Government had constituted (June 2005) a Steering Committee of 11 members to take policy decisions and chalk out modalities for setting up of EDUSAT and got registered a society naming UTKARSH (Society) with the objective to make use of EDUSAT for various educational, health, cultural, research programmes, etc. A Memorandum of Understanding (MOU) was signed (April 2006) among MHRD, State Government and ISRO according to which the ISRO was to supply, install and commission the terminals in Government Primary, Senior Secondary Schools, Colleges, Polytechnics, Engineering and Management Colleges, District Institutes of Education and Training, State Council of Education, Research and Training, Head Offices, etc. and operate terminals during the warranty period of three years i.e. upto April 2009. Identification of location for Hub and all receiving ends, getting the site ready for installation, safe custody of items and creating mechanism and required manpower for running and maintenance of the equipment was to be provided by the State Government.

Scrutiny of records (June 2012) of UTKARSH Society revealed that the State Government made payment of Rs.90.59 crore (Rs.89.97 crore by three Directorates of Education Department and Rs. 0.62 crore by Technical Education Department) between 2005-06 and 2007-08 against the proforma invoices raised by ISRO for installation of 10,992 terminals in various educational institutions identified by these departments. However, 10,818 terminals were installed at different educational institutions in the State between May 2006 and October 2008. Out of the remaining 174 terminals, 81 ROTs and audio equipment (valuing Rs.0.69 crore) were yet to be supplied by ISRO as the Society had not finalised sites (June 2012) and whereabouts of 93 ROTs (valuing Rs. 0.58 crore) were not provided by the Society. The system remained functional for a short period and went down in March 2010 due to traffic transfer from EDUSAT to INSAT 4CR by ISRO. Although, the activity of traffic transfer at HUB was completed (May 2010) but the receiving ends remained non-functional till March 2011. A large number of terminals remained non-functional after March 2011 also due to minor faults and requirement of minor repairs.

In order to make the system functional, the Society appointed 21 Junior Engineers (JEs) (one JE for each district) from January 2011 for attending complaints of SITs and ROTs. These JEs visited and compiled monthly technical reports. The report for December 2011 showed that these JEs visited 8,077 terminals out of 10,818 terminals and found that 5,221 (65 per cent) terminals were not functioning due to faulty UPS, dead batteries, faulty minor link equipment, etc. Upto July 2012, 5,779 terminals (56 per cent)

out of 10,282 visited terminals were out of order for want of minor repair and replacement of minor equipment. The Society failed to monitor the working of these equipments for such a long period i.e. since transfer of traffic to another satellite in May 2010 and no suitable measures for making the system functional were taken despite the fact that the terminals required minor repairs, equipment, etc. for which technology was relatively simple and facilities were widely available with local direct to home (DTH) operators. This had not only deprived the students of intended benefits of the programme but also an investment of Rs.47.01 crore was lying unutilised as detailed in Table 3.

Table 3: Details of Terminals remained non-functional as of July 2012

Equipments	Terminals Installed	Terminals visited by the Society in December 2011	Found Non-functional in December 2011	Terminals visited by the Society in July 2012	Found Non-functional in July 2012	Investment lying unutilized (Rs. in crore)
SITs	512	373	328 (88 per cent)	430	341 (79 per cent)	10.71
ROTs	10,306	7,704	4,893 (63 per cent)	9,852	5,438 (55 per cent)	36.30
Total	10,818	8,077	5,221 (65 per cent)	10,282	5,779 (56 per cent)	47.01

(Source: Compiled from the information supplied by the Society)

The physical verification of terminals by Audit, alongwith JEs of the Society, in 34 schools of five districts revealed that the terminals were non-functional for want of minor repairs, non-functioning of batteries/link equipment, interruption in power supply, etc. and in six schools listed in the **Table 4** status of terminals was different from the status given in the technical report.

Table 4: Details of schools where terminals found non-functional during physical verification

Sr. No.	Name of the School	District	Status as per technical report	Actual status found on physical verification
1.	Government Primary School (GPS), Mithapur	Ambala	Fine and working	Non-functional for last three months as theft of equipments and FIR registered three months ago.
2.	Government Senior Secondary School, Mustafabad	Yamunanagar	Fine and working	System non-functional for four months.
3.	GPS, Thana Chappar	Yamunanagar	Fine and working	System non-functional for one year.
4.	GPS, Gadhoula	Yamunanagar	Fine and working	System non-functional for two months.
5.	GPS, GT Pur	Jind	Fine and working	System non-functional for eight months.
6.	GPS, Karkhana	Jind	Single site with ID No. 6332 and in working condition	Two sites installed and both were non-functional for one year.

(Source: Information collected during physical verification)

Two sites shown fine and working in the monthly technical report but found non-functional during the physical verification is also depicted in the photographs given below:

For maintenance of ROTs, the Society had made a onetime payment of Rs.0.70 crore (Rs.700 per school) to all the schools of the State during the year 2007-08 and 2008-09. Out of this, Rs. 0.61 crore were lying unutilised with the schools.

The matter was discussed in detail with the Principal Secretary to Government of Haryana, Secondary Education in exit conference held on 9 November 2012 wherein the Department accepted the lapses and stated that the efforts were being made to monitor the performance of JEs and to procure spare parts. Besides, the Department was planning to hire a private agency for maintenance of whole network.

Thus, the Society failed to address the problems in the network as only 21 JEs were appointed for a huge network of 10,818 terminals in January 2011 that is after three years of installation of terminals and only 4,000 batteries were purchased against the requirement of 16,000 batteries. Due to lack of monitoring by the Society, the objectives of the programme to provide extensive reach of quality education at all levels could not be achieved as 56 *per cent* terminals were still not functioning (November 2012). It also led to non-receipt of equipment costing Rs. 0.69 crore from ISRO due to non-identification of sites by the Society, non-utilisation of funds by schools amounting to Rs. 0.61 crore and non-providing of record relating to whereabouts of 93 ROTs (valuing Rs. 0.58 crore).

The Department in its written reply stated as under:

Primarily the work of installation of EDUSAT Network was started in January-February, 2006 under the direct control of ISRO, Bangalore. ISRO in turn got the work executed from Bharat Electronics Limited (BEL) and MCBS- a Pvt. Enterprise approximately on 50:50 basis i.e. 11 districts were allotted to BEL and balance 9 were allotted to MCBS. Work of HUB and its constituents was got done by BEL alone. It is pertinent to mention here that necessary agreements were got done at the level of ISRO with the said agencies and State Govt. was not having any direct control over the said agencies. However, it was provided in the said agreement that CAMC will be valid for a period of 1+2+3 years, but in February, 2009 i.e. after completion of three years, BEL withdrew from continuing with future CAMC for reasons best known to ISRO and BEL. Various meetings were held with ISRO at Delhi, Ahmedabad and Bangalore in the year, 2009 and 2010 but no concrete results came out regarding CAMC of HUB its constituents, 512 SITs and about 10000 ROTs. Various D.Os letters were sent to Secretary, Space-cum-Chairman, ISRO, Additional Secretary but the matter remained inconclusive. Thereafter, a meeting was held on 14.09.2012 with Director DECU, Ahmedabad and some Private Enterprises like HUGHES Communication India Ltd. & Infinium (India) Ltd. to find out a solution.

Further, it is submitted that, as detailed above, there was no CAMC of HUB as well as field EDUSAT Network after Feb, 2009 and in March, 2010, the total system came to standstill due to shifting of EDUSAT network from one satellite to another at the level of ISRO. It was informed that ISRO will change the frequency and change the parameters by shifting the Edusat traffic to INSAT 4

CR and reconfigure the parameters in the HUB as well as remote sites from the HUB itself. The reconfiguration/migration activities at the HUB was completed by the Scientists/Engineers of ISRO in the month of May, 2010, but the reconfiguration/reorientation activities of ROT/DTH/SIT were not started till December, 2010 by ISRO. Hence, during the said period, daily broadcast from the HUB on ROT/DTH was not made available due to lacking of reconfiguration work. Finally, the migration activity was started in the month of December, 2010 after preliminary discussion by ISRO with its vendors (M/s BEL & M/s MCBS). About 5,000 ROTs were reconfigured in nine districts by M/s MCBS, where the said vendor originally supplied and installed the equipments in the Haryana Edusat Network and completed the job in a period of 3-4 months till April, 2011, but efforts put by ISRO in getting the ROTs migrated through BEL were not materialized and the Haryana Edusat Network was partly migrated/reoriented.

It is specific to mention here that reconfiguration and reorientation required in the field network due to shifting of satellite was got done in 11 districts by UTKARSH Society itself as a consequence of refusal at the level of BEL. It was suggested to utilize the services of Junior Engineers appointed by the Society on contractual basis in the field for migration of ROTs supplied by M/s BEL. ISRO agreed to the proposal and the work of reconfiguration and reorientation activities was completed on the sites supplied by BEL through Junior Engineers of the Society who were newly appointed by providing proper practical training to them by ISRO, BEL & Utkarsh Society. Thus, the said reconfiguration activity was completed in December, 2011 in eleven districts originally installed by M/s BEL.

Further, in view of the discussion and decision taken in the said meeting held on 14.09.2012 regarding CAMC of existing HUB SITs, a draft Request For Proposal (RFP) was received from DECU, Ahmedabad on 19.12.2012 and the said RFP was floated and bids invited. Further, a committee was constituted to examine the said technical bids and financial bids.

A thorough reconciliation was got done with ISRO at Bangalore in Oct, 2010 and as a consequence of the same, the discrepancy of non-supplying 81 ROTs i.e. 51 by MCBS and 30 by BEL was detected. After pursuing the matter vigorously with ISRO, equipments in respect of 30 ROTs have been received and the same have been installed in AAROH Model Schools located in Economically Backward Blocks and the matter regarding the remaining 51 ROT sites is under process/ correspondence with ISRO, Bangalore and DECU Ahmedabad. The matter has been aggressively taken up with ISRO and it is expected that the matter may be closed within the current financial year i.e. 2016-17.

Regarding, non-tallying of 93 ROTs, the matter has been dealt on priority basis and 87 sites were located and got installed in the schools. It is pertinent to mention here that the overall size of the network was @ 10818 during the period Dec. 2011 till Dec. 2013, however with installation of 87 and 30 sites, making the entire network of 10935 EDUSAT sites.

Table 3: Details of Terminals functional as on date is as under:-

Equipments	Terminals Installed	Functional with UPS & Battery	Functional on main supply (except UPS & Battery)	Total functional
SITs	512	65	118	183 (36%)
ROTs	10423	2687	6469	9156 (88%)
Total	10935	2752	6587	9339 (85%)

Further, district wise present status as on 31.03.2016 of the entire network is enclosed.

It is specific to mention here that the major problem for making the EDUSAT sites fully functional in the schools is non-availability of Grid Power Supply during school timings. Though the EDUSAT sites are equipped with online Uninterrupted Power Supply (UPS) for power backup, however, to make the UPS functional, the batteries have to be charged through grid power, which is not available as per requirement. As per the latest status report, 85% EDUSAT sites are functional.

Table 4 : Details of six schools status as on date during physical verification:-

Sr. No.	Name of the School	District	Status as on date
1.	Government Primary School (GPS), Mithapur	Ambala	Working on main power supply
2.	Government Senior Secondary School, Mustafabad	Yamuna Nagar	Working with UPS & Battery
3.	GPS Thana Chappar	Yamuna Nagar	Working on main power supply
4.	GPS Gadhoula	Yamuna Nagar	Working on main power supply
5.	GPS GT Pur	Jind	Working on main power supply
6.	GPS Karkhana	Jind	Working on main power supply

Furthermore, it is true that an amount to the tune of 69.41 Lac was paid @ Rs. 700/- each school in the year 2007-08 and 2008-09, where EDUSAT Network was installed for making necessary repairs of the system at their own level. Till date accounts of only 13.36 Lac have been adjusted and efforts are being made to reconcile the balance amount. Further, the matter has been taken up vigorously with all District Education Officers, District Elementary Education Officers, Block Education Officers and Block Elementary Education Officers in the entire State.

It is specific to mention here that no further payment was made and now the necessary repairs is being got done through the 21 JEs of UTKARSH Society i.e. one in each district, by placing advance @ Rs. 10,000/- each JE directly at their disposal.

Finally, to overcome the issue of non availability of grid power, UTKARSH Society proposed to install Hybrid Solar Power Systems (300 Watt power Solar Panel, 1000 Watt Power Conditioning Unit and 12 Volt/ 180 Ampere-Hour Tubular SMF battery). The anticipated expenditure for installation of Hybrid Solar Power System is approximately Rs. 40.00 Crore. In the first phase, a file is under process for seeking approval of the competent authority to install 3135 Hybrid Solar Power Systems with an anticipated expenditure to the tune of Rs. 12.50 Crore.

The Committee has desired that after physical verification, a status report with regard to the functioning of terminals installed under EDUSAT Programme be submitted to the Committee as well as to the Principal Accountant General, Haryana within a period of three months positively.

[73] 3.5 Misappropriations, losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 - 10	45	53.09			
10 - 15	22	41.63	Misappropriation/ loss of material	54	78.83
15 - 20	15	7.91			
20 - 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

Out of total 35 cases of misappropriation, losses and defalcations etc., 21 cases upto 2002-03 amounting to Rs.13.87 lacs have been dropped by PAC in its meeting held on 03.3.2008 and further 9 cases upto 2005-06 amounting to Rs.3.21 lacs have also been dropped in PAC meeting held on 03.3.2008. Moreover the para No.1.6 of CAG Report for the year ended upto 31.3.2007 (civil), comprising all the pending 5 cases of misappropriation/losses and defalcation has been dropped by PAC in its meeting held on 10.7.2012.

So far as the total 28 pending cases as show in para 3.5 of the CAG report on State Finances for the year ending 31st March, 2012 is concerned, it is submitted that all the 28 cases have been dropped by the PAC in its various meetings as mentioned above. Now out of these 28 cases 13 cases involving an amounting of Rs.10.77 lacs have been closed in the books of PAG after having necessary write off sanction from the Finance Department. In rest of the 15 cases action is being taken by the department to get these cases adjusted in the books of the Principal Accountant General Office (a list of 28 cases with latest position is attached herewith).

Para may be dropped.

The Committee has desired that the amount involved in the remaining cases be got written off by the Finance Department and action taken report in this regard be submitted to the Committee as well as to the office of Principal Accountant General, Haryana.

AGRICULTURE DEPARTMENT

Agriculture Department (Haryana State Agricultural Marketing Board)

[74] 4.3.7 Blockade of funds on construction of incomplete buildings of Agro Malls due to ill planning:

The Haryana State Agricultural Marketing Board started construction of four Agro Malls at Panchkula, Karnal, Panipat and Rohtak without finalising their detailed project reports and drawings with the result that the buildings remained incomplete leading to blocking of Rs. 132.52 crore.

Paragraph 9.5 of Haryana PWD Code 2009 (Paragraph 2.89 of earlier PWD code), stipulates that for every work proposed to be carried out, a detailed estimate based on essential drawings and preliminary structural and service designs must be prepared for sanction of the competent authority. The spirit being that the proposals are technically sound, specifications are appropriate for the service intended, and the estimates are realistic, based on adequate data. Paragraph 10.6.12 of PWD Code further provides that preferably all the architectural and structural drawings should be available at the time of award of the work and if that is not possible, a phased schedule specifying target dates by which complete architectural and structural drawings shall be supplied may be fixed.

In order to provide modern facilities to the consumers where they can get all types of goods required for their daily use under one roof, Haryana State Agriculture Marketing Board (HSAMB) approved (July 2007 to December 2008) construction of Agro Malls in four cities (Karnal, Panchkula, Panipat and Rohtak). The administrative approvals amounting to Rs. 122.62 crore²⁸ to construct four agro malls in these towns were accorded by the Chairman, HSAMB during July 2007 and December 2008. The tenders for the works were invited during April 2008 and February 2009 and the civil works were allotted to various agencies at a total cost of Rs. 90.62 crore²⁹ with completion time of 12 months for every work. After allotment of work, the scope of work in Panchkula was increased by making additional provision of basement and one storey and in Rohtak covered area of agro mall was increased due to provision of additional shops. In Karnal, the rough cost estimate was got approved on plinth area basis due to which the quantities and cost had increased. As such, revised administrative approvals amounting to Rs. 49.80 crore (October 2008) for Panchkula, Rs. 89.53 crore (March 2011) for Rohtak and Rs. 47.28 crore (September 2011) for Karnal were accorded by the Board. Though an expenditure of Rs. 132.52 crore had been incurred on the works in four cities upto October 2012 yet all the buildings were still incomplete (December 2012).

Test check of records relating to construction of malls (March 2012) revealed:

Agro Mall, Panchkula

The Detailed Notice Inviting Tender (DNIT) for the work of construction of Mall building was approved for Rs. 23.97 crore by Chief Engineer, HSAMB, Panchkula, in February 2008 and work was awarded in April 2008. The Board rescinded the agreement in March 2010 and the work was lying abandoned due to non-finalisation of further designs. A total expenditure of Rs. 14.42 crore was incurred on the work (March 2010). Tenders for the balance work were invited in January 2012 and the work awarded to another agency in March 2012 for Rs. 16.55 crore with a completion time of one year.

Audit observed that the work of construction of building was awarded in April 2008 whereas the work of preparing drawing and design was allotted to a separate agency in May 2008. As a prudent practice the detailed design and drawings should have been drawn first and the cost estimates of the construction drawn later on. The work was incomplete (December 2012).

Agro Mall, Panipat

For Agro Mall, Panipat, the work was awarded (September 2008) for Rs. 16.63 crore with time limit of one year. Again the work was awarded without finalisation of design and drawings. The revised drawings were provided to the agency as late as in May 2009, due to which after executing work to the tune of Rs. 1.33 crore, the agency left the work incomplete. A penalty of Rs. 1.66 crore was levied against the agency which was not imposable as there were no means to impose it. Balance work was re-awarded at previous agency's risk and cost (April 2010) for Rs. 10.44 crore. The second agency had executed the work to the tune of Rs. 11.75 crore. The work was still incomplete (December 2012).

Agro Mall, Rohtak

Agro Mall, Rohtak's construction covering an area of 18,288.96 square metres was administratively approved at a cost of Rs. 45.51 crore by the Board. The work was allotted (February 2009) to an agency for Rs. 33.05 crore. The plans were revised and covered area was enhanced from 18288.96 to 31305.11 square metres to construct more shops. The revised administrative approval amounting to Rs. 89.53 crore was accorded by the Board in March 2011 for completion of work by February 2012. An expenditure of Rs. 76.68 crore (including electrical expenditure of Rs. 17.30 crore) was incurred till October 2012 but the work was still incomplete (December 2012).

Agro Mall, Karnal

The work was awarded (September 2008) at a cost of Rs. 16.94 crore with time limit of one year. An expenditure of Rs. 28.34 crore (including electrical expenditure of Rs. 8.86 crore) had been incurred till October 2012 but the work which was required to be completed by September 2009 was still incomplete (December 2012).

Apart from above, Audit observed other shortcomings:

- Non-scheduled items amounting to Rs. 15.42 crore (Panchkula-Rs. 0.63 crore, Karnal-Rs. 1.20 crore and Rohtak-Rs. 13.59 crore) were got executed by the concerned Executive Engineers without obtaining approval of the competent authority.
- Provision of recovery of welfare cess from the construction agencies in terms of Building and Other Construction Work Welfare Cess Act, 1996 was not made, which added the Board with a liability of Rs. 12.74 lakh.

The Principal Secretary, Government of Haryana, Agriculture Department in an exit conference held on 22 November 2012 stated that the conditions of preparation of detailed estimates and design, etc. before award of work were not included in the contracts as Haryana PWD Code was made applicable from November 2009 whereas tenders for the work were finalised before that date. The reply was not based on facts as these conditions already existed in the old PWD code and standard bidding documents. The Department intimated that welfare cess could not be recovered from the contractors

as no clause was incorporated in the agreements as this was made applicable in the Board from April 2008. The reply was not acceptable as levy and deduction of cess was a statutory requirement and was applicable for all construction works in Haryana from February 2007.

Thus, the works were conceived and allotted without finalizing their actual requirements, detailed project reports, approved designs and drawings and assessing the complete scope of work. There was also lack of planning in formulating the projects and contract agreements as the main conditions of levying of penalty on account of non-completion of work in time and deduction of welfare cess were not incorporated in the contract agreements. These led to compromising the financial interests of the Board and resulted into blockade of funds amounting to Rs. 132.52 crore on incomplete buildings and the intended benefits not reaching the target group.

The Department in its written reply stated as under:

Annotated reply of the four Agro Malls i.e. Panchkula, Panipat, Rohtak and Karnal is as follows:

1. AGRO MALL, PANCHKULA:

The work for the construction of Agro Mall was administratively approved for Rs.24.82 crore vide Memo No. 166 dated 26.07.2007 which was subsequently revised to Rs. 49.79 crore vide memo no. 192 dated 08.10.2008 due to increase in floor area and addition of one basement and one storey to increase the FAR ratio for efficient use of the available space. The work was allotted to M/s Singla Construction Company vide Memo No. 1326 dated 10.04.2008 and to be completed within a period of 12 months. However, the work could not be completed within the stipulated time period as M/s Design and Development Forum, New Delhi, responsible for rendering the services of preparing planning & design has not prepared the drawings as per NBC norms and HUDA bye laws. Consequently the contract agreement with M/s Design and Development Forum, New Delhi was terminated. Further a fresh contract agreement with M/s Inner Value, Chandigarh was executed on 11.10.2010.

It is, further added that the Zoning Plan and the revised conceptual plan were got approved on 28.07.2010 and 02.12.2010 respectively. The necessary approval of the architectural drawings were also obtained from HUDA vide memo no. S-7246 dated 30.09.2011. During this process, the earlier agency was finalised on as it is basis & the work was re-allotted to M/S S.G. Constructions, the second agency vide memo no.976 dt.29.03.2012 to be completed within 12 months. The combined Administrative Approval amounting to Rs. 60.44 crore has also been got re-revised vide memo no. CEA-III/NGM/8500 dated 03.07.2014 from the competent authority due to increase in scope of electrical installations and an expenditure of Rs. 47.03 crore including Electrical Works has been incurred. Moreover, the construction of Agro Mall has already been completed on 31.12.2015. As such the portion of work already constructed cannot be termed as abandoned as the same is a part of the constructed building and will be utilized by the beneficiaries. The complete details of shops auctioned with revenue generated and balance to be auctioned is as under:-

Floor	Total no. of shops/area	No. of shops/area already auctioned	No. of shops/area balance	Revenue already generated (Rs. in crore)	Revenue to be generated (Rs. in crore)
Ground	90	89	1	34.08	0.50
First	4536.02 sqm	Nil	4536.02 sqm	Nil	54.23
Second	4550.49 sqm	Nil	4550.49 sqm	Nil	54.40
Third	46	34	12	12.83	12.00
Total				46.91	121.13

However State Government has desired to fix the reserve price of the Agro Malls constructed at four places in Haryana under the chairmanship of concerned Commissioner. The reserve price of Agro Mall Panchkula based on collector rate of land and actual cost of construction comes to Rs. 198.52 crores and reserve price based on prevailing market rates of land and actual cost of construction comes to Rs. 220.58 crores.

In view of the above facts, the expenditure incurred on construction of Agro Malls cannot be termed as unfruitful and blockade of funds on construction of incomplete buildings of Agro Malls due to ill planning as the same has already been completed in all respect and will be auctioned in the near future. So it is requested that the audit para may be considered for settlement.

2. AGRO MALL, PANIPAT:

An Admn. Approval of the project was granted by the competent authority for Rs. 22.29 crore vide memo No. NGM-187 dated 02.06.2008. The work was allotted to M/s Pacific Projects Ltd. vide this office Memo No. 3581 dated 15.09.2008, with the condition to complete the work within twelve months i.e. upto 14.09.2009. An agreement was executed on 15.09.2008 between both the parties for the work of Rs. 16.63 crore (Civil work-). Later on, the scope of work was also revised as per site requirement/condition. All the drawing & design were supplied to the original agency i.e. M/s Pacific Projects Ltd. in time. But the agency after executing work to the tune of Rs. 1.33 crore, failed to complete the balance work within the extended period. Hence, action as per clause-II&III was taken against the agency. After that the work was allotted at the risk & cost of M/s Pacific Projects Ltd to the 2nd agency i.e. M/s Gupta & Co. vide memo No.1250-56 dt. 05.04.2010. Finally, the work was got completed on dt. 15.10.2013 at the risk & cost of previous agency and the total expenditure of Rs. 19.28 crore was incurred on this work. All the Non-Scheduled items have also been got approved from the competent authority. As regards to recover the penalty amount imposed under clause-II&III of the contract agreement from the previous agency and the case is under process in the court of Sh. Kuldip Singh, Sole Arbitrator (Retd. Chief Engineer), Punjab Government, who was appointed as an Arbitrator by the Hon'ble Punjab & Haryana High court. The decision of arbitrator is still pending. The project comprises of 52 shops and five floors having an area of 12600 Sq.ft. per floor and 2 basements for parking. It is pertinent to mention here that an amount of more than Rs. 100 crore would be generated through open auction of shops/spaces against the total expenditure incurred of Rs. 36.00 crore on the project including cost of

land. Hence, the expenditure incurred on this project is justified and fruitful and the project stands already completed and functional in the public interest.

However, State Government has desired to fix the reserve price of the Agro Malls constructed at four places in Haryana under the chairmanship of concerned Commissioner. The reserve price of Agro Mall Panipat based on collector rate of land and actual cost of construction comes to Rs. 50.38 crores and reserve price based on prevailing market rates of land and actual cost of construction comes to Rs. 84.94 crores.

Keeping in view the position explained above, it is requested that the Para may kindly be considered for its settlement.

3. AGRO MALL, ROHTAK:

An Administrative Approval of the project was granted by the competent authority for Rs. 45.41 Crore vide memo No. NGM-197 dated 29.12.2008 and the same was conveyed to the concerned offices accordingly. The work was allotted to M/s Odeon Builders Pvt. Ltd. New Delhi vide this office Memo No. 7426 -35 dated 27.02.2009, with the condition to complete the work within 12 months i.e. upto 26.02.2010. An agreement was executed on 14.05.2009 between both the parties for the work of Rs. 33.06 Crore (Civil work). The agency could not complete the work on due date as the scope of work was increased and as such time period was extended from time to time on the request of the agency. Later on, the competent Authority has decided to increase the scope of work, keeping in view the availability of land and increasing the FAR for efficiently using the land. Accordingly the revised Admn. Approval for Rs. 89.53 crore was obtained vide Memo No. CEA-III-2011/NGM-215 dated 13.09.2011. The detailed estimate was got technically sanctioned from the competent authority. The work was completed on 05.01.2013 in all respect. The total expenditure of Rs. 83.04 Crore was incurred. All the system of the Building/Project are functioning properly. The project is comprising of 282 shops, out of which 76 Nos. Shops have already been auctioned for Rs. 51.55 crores and the auction of the remaining shops is under active progress and will likely to be sold out in due course. Evidently, the expenditure so far incurred on the project was justified and fruitful.

However, State Government has desired to fix the reserve price of the Agro Malls constructed at four places in Haryana under the chairmanship of concerned Commissioner. The reserve price of Agro Mall Rohtak based on prevailing market rates of land and actual cost of construction comes to Rs. 474.38 crores.

In view of the position explained above, it is requested that the para may kindly be considered for its settlement as the project stood already completed and functional in the public interest.

4. AGRO MALL, KARNAL:

An Admn. Approval of the project was granted by the competent authority for Rs. 30.02 crore on lump-sum basis vide memo No. NGM-188 dt.10.06.08. The work was allotted to M/s Singla Constructions vide this office Memo No. 3648-54 dt.17.09.2008, with the condition to complete the work within 12 months i.e.

upto 16.09.2009. An agreement was executed on 04.03.09 between both the parties for the execution of civil work for Rs.16.94 crore. The time period was extended from time to time on the request of the agency. The Revised Admn. Approval for Rs.47.29 crore was obtained from the competent authority on the basis of detailed estimate and provisions actually required as per site condition including public health & electrical work vide Memo No. CEA-III-2011/NGM-214 dated 12.09.2011.

Further it is stated that:-

- All the non-scheduled items executed at site were got approved from the competent authority.
- All necessary deductions were made from the agency in terms of Building & other Constructions work Welfare Cess Act, 1996 and deposited in the respective Heads of Accounts.

The work stood already completed as on 12.02.2014 in all respects. The total expenditure of Rs. 39.38 crore have been incurred which is within the provision of the revised Admn. Approval. Under this project 80 Nos. Showrooms at Ground Floor, open hall area for MNCs at First & second Floor and 46 Nos. offices at Third Floor were constructed. The basement area has a sufficient capacity for parking. The process of auction of the shops/offices etc is under active progress and will likely to be sold in due course. Hence, the expenditure so incurred on the project cannot be termed as wasteful..

However, State Government has desired to fix the reserve price of the Agro Malls constructed at four places in Haryana under the chairmanship of concerned Commissioner. The reserve price of Agro Mall Karnal based on collector rate of land and actual cost of construction comes to Rs. 174.53 crores and reserve price based on prevailing market rates of land and actual cost of construction comes to Rs. 278.88 crores.

In view of the position explained above, it is requested that the para may kindly be considered for its settlement as the project stood already completed and is likely to be auctioned.

The Committee has desired to know the objective of the planning to construct the four Agro Malls at Panchkula, Karnal, Panipat and Rohtak and what is the planning for future for the better utilization of the said four Malls. The status report in this regard be submitted to the Committee within a month positively.

TECHNICAL EDUCATION DEPARTMENT

[75] 5.1.8.1 Budget provision and expenditure :

As laid down in paragraph 5.3 of the Punjab Budget Manual as adopted by the State, the budget estimates of ordinary expenditure should be framed as accurately as possible. All items of expenditure that can be foreseen should be provided for and included under the proper sub-heads. The position of budget provision and expenditure during the last five year is given in **Table 1**.

Table 1: Details showing budget provisions and expenditure during 2007-12

(Rs. in crore)

Year	Original budget	Revised budget	Actual expenditure	Excess(+)/ Saving (-) (per cent) with reference to original budget
2007-08	144.91	112.82	112.95	(-) 22.06
2008-09	156.24	234.27	234.66	(+) 50.19
2009-10	287.61	206.23	206.38	(-) 28.24
2010-11	239.09	261.48	195.26	(-) 18.33
2011-12	222.47	254.30	254.32	(+) 14.32

Source: Appropriation accounts

The variations ranged between (-) 22.06 *per cent* and (+) 50.19 *per cent* in the original budget and actual expenditure. Scrutiny of the records revealed that the Department revised its budgets drastically. Budget was revised due to savings mainly under training programmes, special component for SC categories, stipend to SC students, less release of grant to Chhotu Ram Polytechnic, Rohtak, Vaish Technical Institution, Rohtak, Young Men's Christian Association (YMCA), Faridabad, assistance to non-Government technical colleges and institutes, etc. Actual expenditure exceeded the budget in 2008-09 due to setting up of new Government Polytechnics.

The Department in its written reply stated as under :

The Budget estimates are prepared on the basis of the proposals received from the concerned drawing and disbursing officers. The Original Budget Estimates and Revised Budget Estimates were prepared on the basis of information/ proposals received from the concerned Drawing and Disbursing Officers. There is no variation in the expenditure figures with Revised Budget Estimates during the year 2007-08, 2008-09, 2009-10 and 2011-12. There is nominal variation during the year 2010-11 as there is an expenditure of Rs. 195.26 crores against the provision of Rs. 261.48 crores which is due to vacant teaching posts. Due care and diligence has been taken in preparing the budget estimates, as per provision contained in Budget Manual and in future also due care will be taken in preparing the budget estimates and the last 3 years budget position is as under:-

Year	Original Budget	Modified Budget	Revised Budget	Actual Expenditure
2012-13	307.55	268.10	274.00	203.47
2013-14	373.50	373.50	374.00	296.00
2014-15	491.20	491.20	406.00	360.90

It is also informed that some schemes are running on share basis and 100% Centrally Sponsored Scheme in this regard, it is pointed out that the budget provision has been made in these schemes but the grant has not been released by the Govt. of India during the above said period and due to this reason, the percentage of the expenditure is comes in lower

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that Govt. Technical Institution-wise detailed report be submitted to the Committee at the earliest.

[76] 5.1.8.3. Grants-in-aid :

The Department is also responsible for releasing grants-in-aid to various engineering colleges, universities, etc. Details of grants-in-aid released during 2007-12 are given in **Table 5**.

Table 5: Details of grants-in-aid released during 2007-12

Name of the College/ University		Grants-in-aid released (Rs. in crore)					Total
		2007-08	2008-09	2009-10	2010-11	2011-12	
Guru Jambheshwar University, Hisar		11.00	11.00	10.60	20.00	35.00	87.60
Deen Bandhu Chhotu Ram	Plan	12.00	13.00	15.00	25.00	25.00	90.00
University of Science and Technology, Murthal	Non-plan	5.10	7.86	10.04	10.05	11.48	44.53
YMCA, Faridabad		5.14	7.51	9.06	5.62	6.23	33.56
Chaudhary Devi Lal Engineering College, Panniwala Mota (Sirsa)		6.00	4.00	5.00	6.00	6.00	27.00
Total		39.24	43.37	49.70	66.67	83.71	282.69

Source: Departmental figures.

Rule 8.14 (a) (3) of Punjab Financial Rules provides that the Department before sanctioning a grant to any public body or institution should as far as possible insist on an audited statement of accounts in order to see that grants-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended.

Audit noticed that out of the grants-in-aid of Rs. 27 crore released to Chaudhary Devi Lal Engineering College, Panniwala Mota (Sirsa), during 2007-12, a sum of Rs. 12.22 crore (45 per cent) was lying unutilized as per details given in **Table 6**.

Table 6: Details of unutilised grants-in-aid**(Rs. in lakh)**

Year of sanction	Balance of previous year	Sanction during the years	Total funds available	Expenditure during the year	Balance at the close of the year of
2007-08	(-) 21.59	600	578.41	278.62	299.79
2008-09	299.79	400	699.79	258.48	441.31
2009-10	441.31	500	941.31	321.95	619.36
2010-11	619.36	600	1219.36	256.83	962.53
2011-12	962.53	600	1562.53	340.32	1222.21
Total		2700		1456.20	

Source: Departmental figures.

The savings out of grants-in-aid were either required to be refunded to the Government or were to be adjusted in release of future demands. Audit observed that the unspent amount was neither refunded to the Government nor adjusted in future demands. Tuition fee amounting to Rs. 14.43 crore was also lying with the college in bank accounts with the college.

The Department while releasing grants-in-aid did not take into consideration the expenditure incurred by the institution during the previous years and continued releasing further grants resulting in accumulation of huge funds.

During exit conference, the PS stated that instructions had been issued to this institute as well as all the other polytechnics (cent *per cent* aided) to credit the fee collected in the Government account. As regards the accumulation of funds out of grants-in-aid, it was stated that the developmental activities could not be taken up by the Institute and as such the unspent balances had accumulated. The reply was not convincing as the accumulation of funds could have been avoided, had the Department released grants-in-aid after taking into consideration the funds available with the Institution.

The Department in its written reply stated as under:

As already stated in the comments/reply of the Department, the Grant-in-Aid was released as per request made by the Director/Principal of the said Engg. College for development activities i.e. construction of buildings, creating of infrastructure and payment of the salary to the staff. As the development activities could not be taken up by the Institute and large number of posts are lying vacant as such the unspent balances had accumulated. The concerned Director/Principal has been directed to submit the proposal for Utilization of unspent amount of Grant-in-Aid and further it has also been directed to deposit the amount of interest/Misc. receipts lying with the institute under the receipt head of the Department. It is also informed that no grant-in-aid has been released to the said college, since 2012-13 to till date.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the responsibility of the erring officer(s) be fixed and action taken report be submitted to the Committee by 8th of July, 2016 positively.

[77] 5.1.8.4 Non-adjustment of temporary advances:

The temporary advances should be adjusted immediately after the occasion for which the advances were given. In any case, it should not be allowed to be carried over to next financial year. It was noticed that the institutions were giving temporary advances out of Student Fund to carry out the activities specified in the Student Fund. The concerned staff was required to submit the details of expenditure incurred out of the funds advanced and return the unspent balances if any. In seven test checked districts, it was observed that adjustment bills against advance of Rs. 61.70 lakh (**Appendix 5.4**) had not submitted by the concerned staff upto March 2012.

While admitting the facts, during exit conference, the PS informed that orders had been issued to adjust the advances within one month of the drawal.

The Department in its written reply stated as under:

In this regard, it is intimated that all concerned Principals have been directed to utilize the student fund for the purpose as mentioned in the student fund rules. As observed by audit, all the Principals have also been directed not to carry over the temporary advance for a long period & it should be cleared at the close of the financial year. The compliance of Audit objection has been made as the Govt. Polytechnic, Jhajjar has reduced their temporary advance from Rs. 10.89 lakh to Rs. 5.54 lakh. Govt. Polytechnic, Mandi Adampur has also reduced temporary advance from Rs. 11.50 lakh to 3.13 lakh.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that latest status with regard got to adjustment of temporary advances be submitted to the Committee and same be reconciled with the office of Principal Accountant General, Haryana under the intimation of the Committee.

[78] 5.1.9.1 Delay in setting up of new polytechnics in the State :

As per policy of the State Government, atleast one new polytechnic was to be opened in each district. Accordingly, the State Government planned to set up 22 new polytechnics and a provision of Rs. 115 crore was made in Eleventh Five Year Plan (2007-12). The construction work of 13 polytechnics was taken up with the administrative approval of Rs. 198.73 crore. A sum of Rs. 124.25 crore was released to the executing agencies. Out of this, an expenditure of Rs. 108.43 crore was incurred upto June 2012. Out of 13, buildings of seven polytechnics were targeted to be completed by May 2011 but only three buildings had been completed (June 2012). The work of construction of four polytechnics was still in progress, the delays ranged between 10 to 20 months as on March 2012. The building work of remaining six polytechnics had not yet started (**Appendix 5.6**). The DG stated (December 2012) that the delay was on the part of Public Works Department. The reply was not convincing as the Department should have

pursued the matter to get the works completed within the stipulated period for which initial amounts had already been released.

The Department in its written reply stated as under:

In this regard, it is submitted that :

- The construction work of 7 Govt. Polytechnics namely GP Sanghi/ Lisana / Cheeka/ Sampla / Narwana/ Bhiwani/Meham has already been completed and the respective institutes are functioning from their own campuses.
- Construction work of remaining 4 new Govt. Polytechnics namely GP Umri (Kurukshetra)/ Jattal (Panipat)/ Dhangar (Fatehabad)/ Hathnikund (Yamuna Nagar) has also been completed on 31.5.2016 through PWD B&R and the institutions are being made functional from academic session 2016-17 with the approval of AICTE. Earlier the construction work of these polytechnics were assigned to M/S RITES Ltd. in 2010. However, the construction work of these polytechnics was assigned to PWD (B&R), Haryana as per decision taken by the State Government on dated 9.8.2012
- Under State Plan, construction work of Govt. Polytechnic, Shergarh (Kaithal) and Neemka (Faridabad) has also been completed on 31.5.2016 through PWD B&R, Haryana. However, construction of GP Mandkola (Palwal), GP Indri (Mewat) and GP Malab (Mewat) is on completion stage through PWD (B&R), Haryana and the institutions are likely to be made functional from Academic Session 2017-18 with due approval of AICTE.
- Construction work of Govt. Polytechnic, Nanakpur is in progress through PWD B&R and likely to be completed in 2017.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that after conducting a survey, Polytechnic-wise policy and planning be submitted to the Committee as well as to the office of Principal Accountant General, Haryana.

[79] 5.1.9.2 Construction of Scheduled Caste Hostels :

The State Government had identified that in the process of allocation of hostel facilities on academic merit based criteria, many of the Scheduled Caste (SC) students were deprived of the hostel facilities. Therefore, the Government decided to construct separate hostels for SC students. In these hostels, the priority was to be given to SC students. During the period 2007-12, 12³ new hostels were to be constructed and a sum of Rs. 74.92 crore was released by the Department. Out of these, 10 hostels were to be completed by October 2010 and two hostels were to be completed by April-June 2013. However, eight such hostels had been completed (March 2012). The work of two hostels located at Loharu and Uttawar had not been completed even after delay of 34 and 30 months respectively.

The DG stated (July 2012) that the delay was on the part of Public Works Department (PWD). The reply was not convincing as the Department should have pursued the matter with PWD to get the works completed within the stipulated period so as to provide intended facility to SC students.

The Department in its written reply stated as under:

Construction of scheduled caste hostels.

- In this regard, it is submitted that Out of 12 No. of SC Girls Hostel, the construction work of 10 No. Girls Hostels at namely GP Nathusari Chopta (Sirsa) / Sirsa/ Hisar/ Adampur/ Jhajjar / Sonapat / Ambala / GPW Ambala / Loharu / Uttawar have already been completed and made functional in 2012-13.

- The construction work of SC Hostel at GP Manesar has also been completed and made functional in 2014. However, the construction work of SC Hostel at Nilokheri is on completion stage and likely to be made functional from July, 2016. The delay in construction of SC hostel is on the part of PWD (B&R), Haryana being the State Executing Agency.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the Public Works (Buildings & Roads) Department be impressed upon to complete the construction work of SC Hostel at Nilokheri at the earliest possible and action taken report be submitted to the Committee.

[80] 5.1.9.8 Special coaching for competition/placement for SC Students:

Expression of interest (EOI) for imparting coaching to SC students of Haryana seeking admission to All India Engineering Entrance Examination (AIEEE) and Diploma Entrance Test (DET) 2008 and 2009 were invited by the DG, Technical Education on 8 December 2007 through press notice. The applicant agencies were to fulfill the following criteria :

- Must be in this area for at least three years.
- Must have imparted training of similar nature to at least 500 students. Must have financial turnover of at least Rs. 25 lakh per year.
- Must have qualified and expert faculty.
- Must have arrangement of training facilities at Chandigarh /any or all of district Headquarters of Haryana/Delhi.

The bids were required to be received in two parts viz., technical bids and financial bids. In response to the advertisement, bids from seven⁶ agencies were received. Except for Gita Institute of Management, all the agencies were asked to give presentation before the committee consisting of Additional Director (Examination), Joint Director (Development), Joint Director (Engineering) and Accounts Officer on 21 January 2008. While approving the scheme, PS, Finance Department also advised the department to ensure that the agency engaged for coaching should have a good track record in terms of success rate in previous entrance examinations and should not go by the minimum quotation alone.

Being the lowest tenderer, the work was allotted⁷ (March 2008) to Mastermind Classes (MMC), Chandigarh for conducting DET/ All India Engineering Entrance Examination (AIEEE) course 2008 and Diploma Entrance Test (DET)/AIEEE 2009. Accordingly, agreement was signed with the Service provider on 14 March 2008. After the start of first course for admission to AIEEE/DET 2008, the agreement was revised on

20 June 2008 incorporating the attendance based and rank based payment clause. Two Years Course Programme was also included. According to revised agreement, payments to the service provider were to be made for Focused Crash Course (FCC) (AIEEE/DET): Rs. 2,500 per student, One Year Course Programme (OYCP) (AIEEE/DET): Rs. 12,500 without study material and Rs. 15,500 with study material per student and Two Year Course Programme (TYCP) (AIEEE): Rs. 25,000 without study material and Rs. 28,000 with study material per student. Fifty *per cent* payment of the course excluding cost of courseware was to be released during coaching and the remaining was linked to the rank obtained by the candidates in the competitive examinations.

Records relating to award of work and contract agreement revealed the following irregularities:

(a) Award of contract:

The technical bid as well as commercial bid of Mastermind Classes was not accompanied by documentary evidence such as three years experience certificate, balance sheet, etc. Audit observed that the eligibility criteria of the bidder in terms of experience and turnover were not fulfilled. Further, the bidder did not have service tax registration number which indicated that it was a new company. It was observed that Mastermind Classes was a franchise of Mastermind Classes (MMC), Gwalior. The turnover indicated by the bidder was that of MMC Gwalior and not of MMC Chandigarh. As such, MMC, Chandigarh was not fulfilling the basic conditions of bid.

The Department stated (December 2012) that MMC, Gwalior was corporate office of the MMC, Chandigarh and assured to provide study material and technical knowhow as per franchise agreement, as such, MMC, Chandigarh was considered eligible.

The reply of the department was not acceptable as it was clearly mentioned in the Expression of Interest (EOI) that the service provider should have requisite qualifications. In this case, the bidder did not have experienced qualified teaching staff along with other requirements. The records made available to Audit did not prove that the MMC, Chandigarh was having qualified teaching staff on the date of the submitting EOI. The fact that the MMC, Chandigarh did not have service tax registration number proves that it was a new company.

(b) Deficiencies in contract agreement:

(i) The agreement dated 14 March 2008 was revised in June 2008 and two years course programme was included without assessing the performance of the first course. Agreement neither contained any penal clause nor any security deposit to cover the loss in case of failure to perform as per contract agreement.

The Department stated (December 2012) that to ensure better performance, it was thought fit to add provisions for attendance and rank based payments into the agreement. Accordingly, as per prevailing wisdom at that time, revised agreement with these provisions was signed. The reply was not convincing as performance based payment did not cover the penalty clause.

(ii) Audit further observed that the contract document was not vetted by Additional District Attorney (ADA) or any other legal authority. The Department stated (December 2012) that it was logical that vetting by ADA would have been better (but only obligatory) and in this case competent authority deemed fit to grant approval to the revised

agreement. The reply was not convincing as it is always better to get the contract documents vetted from legal angle.

(iii) The Department agreed to pay the sum of Rs. 3,000 and Rs. 500 for course material for One Year Course Programme and Focused Crash Course (FCC) respectively without specifying the content of material to be supplied to the candidates. As such, the service provider was at liberty to supply any type of material.

(c) Course-wise irregularities:

The Service Provider conducted five courses during April 2008 to March 2011 and was paid a sum of Rs. 15.88 crore⁸. The agency submitted all the bills to DG and the genuineness of the claims was verified by the Directorate but not by the Drawing and Disbursing Officer in the Directorate. The payments were released through Government Polytechnics, Ambala, Nilokheri and Kalpana Chawla Polytechnic for Women, Ambala City. The bills submitted by the service provider were neither scrutinized by the accounts branch at Directorate nor by the concerned polytechnic which released the payments.

The Department stated (December 2012) that the scheme was formulated and conceived at the Head Office and it was deemed appropriate by the competent authority to execute the project in a centralized manner and leaving the clerical exercise of releasing payments to field offices after the same had been verified at Directorate level by adopting a uniform yardstick for releasing interim payments as well as settlement of final accounts as per provisions of the agreement. Reply of the Department was not convincing as the proper scrutiny of the claims was not done by the accounts branch either at Directorate or in the field office which was quite necessary.

The deficiencies in making the payment are discussed as under:

(d) Focused Crash Course 2008:

Focused Crash Course of one month was started in April 2008 for All India Engineering Entrance Examination (AIEEE) and Diploma Entrance Test (DET) 2008. As per registration data, there were 1,128 students for AIEEE coaching and 2,144 for DET coaching. In the bill for payment submitted by the MMC, Chandigarh there were 1,149 students for AIEEE and 3,894 for DET. In every bill submitted by the MMC, Chandigarh number of students varied from one another. Finally, the department entertained the claim of 1,126 students for AIEEE and 7,829 for DET and worked out payment of Rs. 1.84 crore, of which Rs. 1.70 crore was paid. The Department did not enquire the reasons for varying number of students in each bill.

In the final bill submitted (September 2008) by the MMC, Chandigarh on the basis of revised agreement (June 2008), the results of 2,831 students for DET and 664 students for AIEEE were not available which clearly indicated that these students were not candidates for the entrance tests. It was observed that the last date for submission of applications for AIEEE (January 2008) was over before the start of coaching course by MMC. Thus, their admission for coaching was not justified. The department had not allowed result based payment in the final bill in these cases but the payments at the rate of Rs. 1,500 per candidate to 3,495 candidates had already been made. The department also could not provide the list of such candidates whose result was not available. The total payment in these cases worked out to Rs. 52.43 lakh (Service Tax extra), which was not judicious. The department stated (December 2012) that due to adoption of head count method, the list was not obtained and the number of students was frozen according

to physical inspection. The reply is not tenable as physical head count is not a proper method for making payment. The Department should have devised a proper system whereby the name of the students enrolled for coaching, appeared for coaching and those who cleared the entrance examination were available at the coaching centre and the basis on which the payment to the agency was certified.

(e) Regular Course 2009:

The advertisement for the One Year Course Programme (OYCP) DET and AIEEE 2009 appeared in the news papers on 23 July 2008 for the courses starting from 7 August 2008. A sum of Rs. 8.80 crore was paid to the service provider as detailed in **Table 8.**

Table 8 : Details of payments to service provider

Sr. No.	Bill No and Date	Details of payment claimed	Payment claim	Payment made
			(Rs. in crore)	
1.	1/29 December 2008	Cost of courseware 1,848 AIEEE (OYCP) and 5,732 DET (OYCP) students @Rs. 3,000 per student	2.27	1.50
2.	2/7 January 2009	Tuition fee 30 <i>per cent</i> 1,207 AIEEE (OYCP) and 5,732 DET (OYCP) students @ Rs. 3,750 per student = Rs. 260.21 lakh 835 AIEEE (TYCP) students @ Rs. 5,000 per student = Rs. 41.75 lakh Service Tax = Rs. 37.32 lakh	3.39	1.00
3.	3/17 February 2009	Revised the bill showing 830 AIEEE (OYCP), 5081 DET (OYC) and 365 AIEEE (TYCP) students for Rs. 418.16 lakh Less already received Rs. 250 lakh =	1.68	3.05
4.	5 May 2009	Against letter dated 30 April 2009	-	0.50
5.	3/3 March 2009	Tuition fee 10 <i>per cent</i> 830 AIEEE (OYCP), 365 AIEEE (TYCP) and 5,081 DET (OYCP) students @ Rs. 1,250 per student	0.78	Nil
6.	13/3 August 2009	Result based bill 819 AIEEE (OYCP) and 4,703 DET (OYCP) students	3.09	2.75
		Total	11.21	8.80

Note : Claim for balance 10 *per cent* payment was not submitted.

As evident from the above table, the service provider not only increased the number of students but also included the students of two year programme. The department entertained the bills of the service provider for the courses for which no advertisement was given.

The Department stated (December 2012) that the Two Year Course Programme (TYCP) was approved in the agreement. As such, the candidates for the TYCP were admitted. Reply of the department was not convincing as for all the courses except this one, specific permission had been granted by the Department and advertisement was released. In this case, Two Year Course Programme (TYCP) was neither mentioned in the permission accorded to the service provider nor mentioned in the advertisement.

The Department had frozen on 16 February 2009 the number of candidates at 830 AIEEE (OYCP), 365 AIEEE (TYCP), 5081 DET (OYCP), which was accepted by the service provider on the next day (17 February 2009) without any protest and submitted bills for payment. This was indicative of the fact that the number of students was exaggerated by the service provider. The Department stated (December 2012) that the service provider had no other option but to accept because as per the provisions of the agreement, in case of any difference/dispute related to terms and conditions of the agreement, the same was to be referred to the sole arbitrator i.e. DTE which were acceptable, agreeable and final. The Department's reply was not acceptable as any service provider who had admitted higher number of students and had already supplied course material to them would have not accepted less number of students without any protest.

(f) The Department released a sum of Rs. 3.05 crore through Government Polytechnic for Women, Ambala and Government Polytechnic, Nilokheri by using the photocopies of the bill no. 3 dated 17 February 2009 as given in **Table 9**.

Table 9: Details of payments released on the photocopies of the bill

Sr. No.	Details of Service Provider's bill		Details of Payments released on the photocopies of the bill.		
	Bill Number and Date	Amount (Rs. in lakh)	Amount (Rs. in lakh)	Bill no and date	Name of the institution releasing the payment
1	3/17 February 2009	168.15	80.00	504/19 March 2009	GPW, Ambala city.
			75.00	108/28 May 2009	GPW, Ambala city.
			100.00	244/27 August 2009	GP, Nilokheri
			25.00	237/ 9 October 2009	GP, Nilokheri
			25.00	307/24 December 2009	GP, Nilokheri
	Total	168.15	305.00		

Release of payments without obtaining proper bills from the service provider and release of payment in excess of the amount claimed was not justified. The department stated (September 2012) that it was not practically possible to release the invoice based payments as the process of verification and stages of bills raised could not synchronize. The reply was not convincing as the Department should have obtained the bills before making payments.

(g) Crash Course 2009:

The permission to start the crash course for admission to All India Engineering Entrance Examination (AIEEE)/ Diploma Entrance Test (DET) 2009 was granted on 19 March 2009 with a cost ceiling of Rs. 60 lakh. Against this course, the Department made payment of Rs. 33.86 lakh (February 2010). The scrutiny of records revealed that no

advertisement was published in the newspapers by the Department for starting the crash course.

On this being pointed out by Audit, the Department stated (December 2012) that the advertisement was not released as the agreement was valid for three years and the students continued adding through word and mouth publicity. The reply of the department was not acceptable as for all the courses except this course, advertisement was released by the Directorate in the newspapers. Further, against the claims of Rs. 50.56 lakh, an amount of Rs. 33.86 lakh was released as interim payment by the department. No further payment was either claimed by the service provider or released by the department. The department could not submit any supporting records viz., list of centres, list of students and their roll numbers to prove the genuineness of the payment for this course.

(h) Crash Course 2010:

The permission to start the crash course for admission to AIEEE/DET 2010 was granted on 27 January 2010. It was observed that the number of enrolled students as submitted by the service provider and assessed by the department on the basis of inspections varied from time to time as detailed below:

Sr. No.	Basis	Number of students	
		AIEEE	DET
1.	Bill No 1 dated 29 March 2010	1270	8200
2.	Bill No 2 and 3 dated 12 May 2010	853	9825
3.	Inspection by the Department (First during March to May 2010)	203	4395
4.	Inspection by the Department (Second during April and May 2010)	692	11059
5.	Allowed for final payment as per bill of the service provider	685	9852

The Department made payment of Rs. 183.82 lakh as detailed below:

Sr. No	Particulars	Number of students		Payment made (Rs. in lakh)
		AIEEE	DET	
1.	Courseware	685	9852	52.68
2.	50 per cent for course teaching	406	7809	82.15
3.	50 per cent for course teaching on the basis of result	257	3827	36.74
	Service Tax			12.25
	Total			183.82

It would be seen from the above that there were wide variations in the number of students at every stage and finally the service provider could submit the claim for 257 for AIEEE and 3,827 students for DET. The ratio of number of students provided coaching and rank based payment claimed was disproportionate. It is also pertinent to mention that in DET, a total number of 70,507 candidates appeared in the examination and full payment was made to the coaching centre upto the rank of 70,000. The Department had not revised the criteria for performance based payment keeping in view the decrease in number of students for DET.

The DG stated (September 2012) that the agreement was entered in the year 2008 for 3 years when the number of students was 1.3 lakh, thereafter the number of candidates declined sharply to 0.70 lakh which was beyond the control of the department. The reply of the department was not convincing as being the agency for conducting entrance test and admissions for DET, it was well within the notice of the department that number of students was declining sharply and necessary amendments should have been made in the contract agreement before starting the next course.

Since the results of AIEEE and DET were available in respect of very less number of students than the number of students who were provided coaching, the chances of showing more number of students by the MMC to get more payment cannot be ruled out as it involved extra payment of Rs. 73.31 lakh.

In this course also, a sum of Rs. 44.21 lakh was released through Government Polytechnic, Nilokheri against the photocopies of bill No. 4 dated 21 July 2010 for crash course for DET 2010 and AIEEE 2010 as per given in **Table 10**.

Table 10 : Details of payments released on the photocopies of the bill

Sr. No.	Details of Service Provider's bill		Details of payments released on the photocopies of the bill.		
	Bill Number and Date	Amount (Rs. in lakh)	Amount (Rs. in lakh)	Bill no & date	Name of the institution releasing the payment
1	4/21 July 2010	38.89	19.21	441/22 January 2010	GP Nilokheri.
			25.00	177/26 July 2010	GP Nilokheri
	Total	38.89	44.21		

(i) Regular Course 2011:

The permission to start the regular course for admission to AIEEE/DET 2011 was granted (15 December 2010) with a ceiling of 1,500 students for AIEEE and 3,000 students for DTE. The classes were to commence from 22 December 2010 and to conclude before the commencement of AIEEE and DET. As the course was started late, it was reduced to 100 days against one year course of 140 days and accordingly the course fee was reduced to Rs. 8,929 per student. On the basis of the bills submitted for Rs. 4.78¹⁰ crore by the service provider, the department calculated a sum of Rs. 3.57 crore payable to the service provider (on account of courseware and 30 *per cent* of tuition fee for 1,115 AIEEE and 4,889 DET candidates) and released (March 2011) an amount of Rs. 3.21 crore.

The Department calculated the payment on the basis of 4,889 students of DET whereas the service provider was granted permission to enroll 3,000 students for DET. While calculating the amount admissible, this fact was not taken into account. The service

provider was also not asked to intimate the reasons as to why he enrolled students in excess of the prescribed limit. Due to this, the Department released an extra payment of Rs. 87.09¹¹ lakh which was not justifiable.

On this being pointed out, the Department stated (September 2012) that the payment was released after approval of the competent authority (DG). The reply of the Department was not convincing as the excess number of students should have been got regularised from the Government.

The inspections conducted in May 2011 by departmental officers disclosed serious shortcomings in conducting coaching classes such as centres found closed, poor attendance, non-maintenance of teacher-student ratio (1:25), non-providing of courseware to students, etc.

The service provider ultimately left the courses in between (as per 2nd Phase inspection carried out by special team of the Directorate in May 2011). Leaving the course in between by the service provider deprived the weaker students of the benefit of coaching. As such, the entire expenditure of Rs. 3.21 crore was rendered wasteful. The Department had not taken any action against the service provider for leaving the coaching incomplete.

While admitting the facts, during exit conference, the PS stated that detailed investigations were being made in this regard and strict action would be taken against the defaulters. Legal notice had been sent to the firm (11 November 2012) for recovery of the excess amount paid to them. Further, the scheme of coaching had also been discontinued (7 September 2012) as the same was not considered necessary in view of the availability of large number of seats even without qualifying the DET.

Other irregularities

(j) Irregular payment on account of courseware

As per terms and conditions of the agreement, the payments for the courseware were to be released on the basis of actual receipt of enrolled students. The Department released a sum of Rs. 4.73 crore for course material to the service provider as per details given in **Table 11**.

Table 11 : Details of payments released for courseware

Sr. No.	Course	Details	Payments released (Rs. in lakh)
1	Crash course 2008	AIEEE: 1126 and DET: 7,777 students @ Rs. 500	44.52
2	Regular course 2009	AIEEE: 830+365 and DET: 5081 students @ Rs. 3000	188.28
3	Crash course 2009	AIEEE: 144 and DET: 1325 students @ Rs. 500	7.35
4	Crash course 2010	AIEEE: 685 and DET: 9852 @ Rs. 500	52.69
5	Regular course 2011	AIEEE and DET: 6004 students @ Rs. 3000	180.12
		Total	472.96

Source : Departmental records.

Audit noticed that the receipts for courseware were not found to be attached with the bills. The actual payee receipts were also not available with the Department. In the absence of receipt of courseware, the genuineness of the payments could not be verified in audit. The Department stated (December 2012) that the records were obtained from the service provider and were lying with them in about 400 files. The Department also submitted a sample of the receipts to Audit. The reply of the department was not convincing as the department did not have list of students for which payment was allowed to the service provider. As such, the actual payee receipts submitted by the department could not be verified with reference to list of enrolled students. Further, in his Expression of Interest, the service provider had offered to provide genius study material package (15-18 books) for one year course but the department did not verify at any stage that full learning material as agreed to had been provided. This fact was also not included in the agreement. The sample APRs submitted by the department also did not indicate that complete material had been supplied by the service provider.

(K) Unauthorised use of Government infrastructure

As per clause 2 and 3 of agreement (20 June 2008), the service provider was to establish coaching centres at the designated places and submit a list of centres to the DTE which was to issue advertisement in the newspapers for wide publicity. It was observed from the records that the MMC had submitted list of centres of Government schools before the start of each course without taking any approval from Education Department. The advertisement published by the DTE was used as a tool to obtain infrastructure of Government schools for conducting coaching classes for which no rent was paid to the Government. This practice had resulted in extending undue benefit to the service provider and loss to the Government.

On this being pointed out, the Department stated (December 2012) that there was nothing to establish that advertisements were used as tool by the service provider. Secondly, if it was actually the case, it was breach of trust on the part of service provider and a lesson for future in dealing with such matters. Reply of the Department was not convincing as during test check, it was informed by the Principals of the schools that they allowed the conduct of coaching classes on the basis of Technical Education Department's advertisement. Further, it was the responsibility of the department to verify that centres were genuine and were established with proper authorisation of concerned authority i.e. Education Department.

(l) Non-installation of bio-metric system of attendance

As per clause 9 of the agreement, the service provider may explore the possibility of installation of biometric sensor and online monitoring of attendance. But the Department after entering into contract did not ask the service provider to implement this. The Department stated (December 2012) that it was not done as it was not mandatory. The scrutiny of records revealed that the Department never insisted for this issue. Had these checks been applied, many irregularities could have been avoided.

(m) Inspection of centres

In all the courses, the entire admission process of students was left with the service provider and the department had neither made the admissions themselves nor obtained detailed centre-wise list of candidates containing names/addresses and other

particulars of the students taking admission for coaching. Due to non-availability of list of candidates, it could not be verified in audit whether the candidates were genuine and had appeared in the respective competitive examinations. Further, the list furnished by the service provider while claiming the performance based payment, it could not be verified whether the payment was claimed for those candidates to whom the coaching was provided by the service provider.

The inspection of centres conducted during each course by the departmental officers disclosed serious shortcomings such as centres found to be closed, insufficient infrastructure, thin presence of students, variation in number of students enrolled as shown by inspecting officers with that of MMC, Chandigarh. The Directorate had not taken cognizance of these reports as no remedial measures were taken.

The Department in its written reply stated as under :

In this regard, it is submitted that point wise reply is given as under:

1. In response to EOI for imparting coaching to SC students of Haryana for appearing in AIEEE / DET Entrance Exams through an advertisement on 8.12.2007, 7 firms applied including Mastermind Classes (MMC) Pvt. Ltd., Gwalior (Corporate Office);
2. Compliance to requirements of EOI by MMC, Gwalior as per their bid submitted on 20.12.2007 **(Copy Placed at F/E)** was as below:

Requirement of EOI	Compliance to EOI by MMC Gwalior
Must be in the area for at least 3 years	Established in 1993 and having 15 years experience
Must have imparted training of similar nature to at least 500 students	Student Enrollment each year exceeds 20,000 in all the centres. Track Record of successful students: <ul style="list-style-type: none"> • 283 selected in IIT-JEE – 2007 • 274 selected in IIT-JEE – 2006 • 324 selected in IIT-JEE – 2005 • 1564 selected in AIEEE – 2007 • 1507 selected in AIEEE – 2006 • 1382 selected in AIEEE – 2005
Must have financial turnover of at least Rs. 25.00 lacs per year	Average turnover of Rs. 500 lacs each year
Must have qualified and expert faculty	Having a core group of highly dedicated faculty at every centre. <i>The selection and training of faculty at each centre is centralized at Head Office</i> based on wide search and their experience in the industry.

Must have arrangement of training facilities at Chandigarh / any or all of district Head Quarters of Haryana / Delhi	<i>Have already made arrangement with various schools and institutes</i> at 14 locations (Panchkula, Ambala, Chandigarh, Yamunanagar, Kurukshetra, Karnal, Kaithal, Panipat, Hisar, Rohtak, Faridabad, Gurgaon, Jind, Sonipat) for providing the space for imparting coaching as per time plan for 2008/2009.
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3. A committee of officers of the Department was constituted for the presentation by bidders and verification. The presentation for the committee was held on 21.01.2008. Presentation was again made before the then FCTE on 12.2.2008. The committee proposed that lowest bidder i.e. MMC may be considered for award of work. As per the advice of FD vide U.O. No. 79/98/08-3FD-II/483, dated 01.03.2008., state Govt. approved the proposal to give the work of coaching to SC candidates for AIEEE/DET at the lowest rate quoted by MMC Chandigarh and accordingly Agreement was signed on 14.3.2008.

4. The bidder i.e. MMC Gwalior (corporate office) vide its Authority letter dt 16.2.2008 issued by Sh. Praveen Gupta Director, Mastermind Classes Pvt. Ltd., Gwalior informed that ***Mastermind Classes through its Chandigarh Centre applied for the same and qualified in both Technical and Commercial bids.*** Mastermind Classes Chandigarh Centre will operate and control all the activities carried out to provide coaching to SC candidates in the State of Haryana at various locations.

5. Further, vide its Authority letters dt 18.02.09 issued by Sh. Praveen Gupta Director, Mastermind Classes Pvt. Ltd., Gwalior, it was clarified that ***The Project Management Office has been set up at Mastermind Classes Chandigarh Centre.*** All communications should be addressed to our Management office at SCO 221, Sector 36-D, Chandigarh. Mr. Ved Prakash, Project Director is the officer responsible ***to coordinate and implement the project*** successfully. Mastermind Classes Corporate Office will support Mastermind Classes Chandigarh Centre for this project in providing Study Material, Test Papers, stationery and technical Know-How.

6. It is wrong to say that the bidder did not have service tax registration number which indicated that it was a new company. From the perusal of aforesaid paras it is clear that instead of MMC Chandigarh which was a local Project Management Office of MMC Gwalior *to coordinate and implement the project*, the actual bidder was MMC Gwalior and it fulfilled the basic conditions of the bid as verified by the Committee. Actually, as per documents MMC Gwalior was established since 1993 and the Firm already had service tax number. The local center located at Chandigarh, which was authorized to do all the activities on behalf of MMC Gwalior was not having service tax no. at the time of submission of first bill, and hence mentioned 'applied for' against service tax number.

7. Regarding the observation that the bidder did not have experienced/qualified teaching staff along with other requirements, as already stated above that the selection and training of faculty at each centre was

centralized at Head Office based on wide search and their experience in the industry. The quality of teaching is corroborated by the Impact Study Report of an independent consultant submitted in Dec, 2009 which stated as below :

"The details of faculty said to be in position in the four centres is given in Annex III. The faculty in general, is well qualified, being graduates or post graduates and some of them being given B.Ed. and with a number of years of experience. As explained later, they are seen to be doing a good job when judged from the students' feedback and result of the competitive examination"

1. State Govt. approved the proposal to give the work of providing coaching to SC candidates for AIEEE/DET at the lowest rate quoted by MMC and accordingly Agreement was signed on 14.3.2008.

2. However, looking into the inadequacies in the agreement and to ensure better performance by Service Provider, it was thought fit to add provisions for attendance and rank based payments into the agreement. Accordingly, as per the prevailing wisdom at that time, revised agreement with these provisions were signed on 20.6.2008, again with the approval of competent authority. Obviously intentions were good and efforts were made by officers to improve the agreement to best of their abilities.

3. It is agreed that it is always better to get the contract documents vetted from legal angle. In this regard it is submitted that in hindsight we have the benefit of analyzing / concluding what went wrong. That Department was open to improve the scheme implementation is evident from the fact that with a view to assimilate the experiences gained during the project, Impact Study was also got carried out through independent consultant so that necessary corrections / decisions could be made.

4. Regarding the quality of courseware supplied during the coaching, attention is invited to the Impact Study Report submitted by independent consultant in Dec, 2009 which stated as below:

"The book (MMC's own publication) is said to have been developed in accordance with the guidelines issued by The State Board of Technical Education, Haryana. The books seem to have been well written with the large bank of objective and other types of questions. Some students expressed the view that the book needs to be revised to make it more comprehensive and updated. Still this book is said to be a big attraction among students who join for short period when the book is being issued and then abstain from classes. The courseware being to the liking of most students and a big attraction, it can be gainfully exploited as a motivating factor (among students who tend to absent themselves after getting the course material) by splitting it into 2 or 3 (or even more) modules and distribute among students at intervals during the currency of the coaching classes."

Further, the report also stated that:

"The courseware being to the liking of most students and a big attraction, it can be gainfully exploited as a motivating factor (among students who tend to absent themselves after getting the course material) by splitting it into 2 or 3 (or

even more) modules and distribute among students at intervals during the currency of coaching classes."

It is wrong to say that the bills submitted by the service provider were not scrutinized by the accounts branch.

The bills were verified by the Account officer of the Directorate at the time of final settlement of DET / AIEEE. Please refer to Copy of Noting at **NP 105-111 of file No. 318TE(11)08 Vol. I, NP 31-36 of file No. 318TE(11)08 of Vol. III and NP 42-50 of file No. 318TE(11)08 of Vol. III are available at F// F/J & F/K** respectively which clearly proves that payments were released after the scrutiny by Accounts Branch of the Directorate Office.

1. The scheme was launched for the first time. The participating students for DET examination were from mostly rural and semi rural background and their awareness level about welfare schemes were low. The student continued adding by word of mouth publicity and peer participation.

2. Department informed DEOs to convey the scheme through their school network and message travelled at intermittent pace to candidates. It is pertinent to mention that the target group was socially and educationally backward hence the communication reach to these particular strata of society was low.

3. The contention that many of the students who were provided coaching were not the candidates for the Entrance Tests, can be explained easily by the fact that every year registration for DET coaching started in March whereas registration for DET Entrance Exam took place much later in the month of May, upto which time 2 months coaching was almost completed. Thus it was not prudent to adopt the policy of providing coaching to only DET enrolled students as no student would have been eligible for the coaching starting from March/April. It would have defeated the very objective of this welfare scheme for Scheduled Castes.

Factual Illustration: For DET - 2008 coaching commencing w.e.f. 1.4.2008, Registration for the coaching had already started from 24.3.2008 whereas registration for DET entrance examination started *later* from 1.5.2008 to 23.5.2008. This had following ramifications:

- **It was not feasible to allow admissions to only those SC students who had registered for DET entrance exam** because registration for DET entrance examination (w.e.f. 1.5.2008) started much later than the start of registration for coaching (w.e.f. 24.3.2008).

- As DET registration (1.5.2008 to 23.5.2008) commenced after the start of coaching classes (w.e.f. 1.4.2008), **the enrollment of students for free coaching continued even thereafter and no. of beneficiaries kept on changing** during the 2 months coaching programme.

4. It was recorded in the meeting held by DTE on 28.4.2008 that students for DET were reporting even at that stage and it was agreed to enroll them with the date of reporting as date of registration (**NP 35 of file No. 318 TE(11)08 Vol I**)

5. Moreover, it is not necessary that all the participating students of coaching may appear in entrance exam as they may opt for different career options or due to personal reasons may quit studies all together. Hence all the students who avail the free coaching facility may not appear for the entrance exam (DET / AIEEE).

Due to above mentioned reasons, data submitted by the Service Provider regarding the no. of beneficiaries varied from bill to bill.

Under these circumstances, not relying on the data submitted by Service Provider, elaborate inspection mechanism was put in place by the Department. About 400 files containing list of admitted students, admission forms alongwith their testimonials and attendance of the students were submitted by the Service Provider in the Directorate Office. But the list of admitted students obtained from the Service Providers could not be relied upon and **headcount method** through physical verification / inspection was adopted **to avoid any over-payment** as it was observed that many of the students did not attend the classes after enrollment.

Since the payments were to be released at various stages as per the provisions under the Agreement, it was not practically possible to release the invoice based payments as stages of bill raised and the process of verification couldn't synchronize. ***The process adopted was almost independent of invoices raised by the Service Provider.*** Hence, following procedure was adopted for payment:

- *Release of interim payments as no. of candidates claimed in the bill was not relied upon.*
- *Freezing the enrollment on the basis of physical verification as reported by inspecting team.*
- *Verification of attendance & results.*
- *Disbursement of final payment after calculating the total payment and subtracting the interim payments made.*

Head of Department released the payment without headcount method / physical verification, only on the basis of list of students enrolled for coaching, appeared for coaching and those who cleared the entrance examination, as suggested by auditors, it must have resulted in overpayments as all such lists could have been manipulated by the Service Provider. Surprise checking for physical headcount factually verified the students' enrollment for coaching as well as the attendance for coaching. Rank based payments incentives the service provider to ensure the appearance of students in entrance exams.

6. It is not correct that the Department had not allowed result based payment in the final bill for Focused Crash Course 2008.

a) Initially final bill for Rs. 2.5 Cr vide **invoice no. ADV0004 dt 21.10.2008** was submitted by the Service Provider which was checked in detail on the basis of attendance and results parameters as per the provisions of the Agreement dt 20.6.2008. Copy of Noting from **NP 92-99 of file No. 318TE(11)08 Vol. I at F/L** may please be perused.

b) Accordingly, as per the discrepancies pointed out for attendance / results parameters to the Service Provider, he was asked to submit the revised bill.

Revised bill for Rs. 1,69,91,618/- vide **invoice no. 0006 dt 19.11.2008** was submitted by MMC after removing the discrepancies (**placed at F/M**). Noting to this effect is **placed at F/I (NP 110 of file No. 318TE(11)08 Vol. I)**

1. **Claim for balance 10 per cent payment for Regular Course (2009) was not submitted:**

In this regard, please refer to NP 31 of **F/J** (NP 31-36 of file No.318TE(11)08 of Vol. III) as per which final settlement of payment for Regular Course – 2009 was calculated as:

a) **Course Ware :**

Course offered	Students frozen for enrollment	Amount student per	Total Amount
AIEEE OYCP	830	3000	2490000
AIEEE TYCP	365	1500	547500
DET	5081	3000	15243000
G. Total			18280500

b) Tuition Fee Regular Course during conduct of course 50% claim (Pre-result):

Course offered	Students frozen for enrollment	30%	10%	10%	Service Tax @ 10.3
AIEEE OYCP	830	311250 0	10375 00	1037500	534313
AIEEE TYCP	365	136875 0	45625 0	456250	234969
DET	5081	190537 50	63512 50	6351250	3270894
		235350 00	78450 00	1307500 as settled by the Committee	3366812
G. Total					36054312

c) 50% balance tuition fee claim of Regular course (Post-Result):

Course offered	Students frozen for enrollment	Eligible student for payment	Payment Claimed	Service Tax @ 10.3	Total
AIEEE OYCP	830	531	2115875	217935	2333810
DET	5081	4703	28008000	2884824	30892824
G. Total					33226634

Total due payment for Regular Course 2009 = 18280500 + 36054312 + 33226634 = 8,75,61,446.

From the perusal of the above, it is clear that claim for balance 10% was also included in the overall payment of 8.80 Cr for the Regular Course 2009. In fact, it was the balance 10% which was in dispute as can be seen from the Noting at NP 31 (Also discussed in the below mentioned point)

2. Any service provider who had admitted higher number of students and had already supplied course material to them would have not accepted less number of students without any protest

The above averment is not true. As stated above balance 10% was in dispute and the Service Provider made a representation in support of his claim. Refer para 9 at NP 25 (NP 23-30 of file No. 318TE(11)08 of Vol. III placed at F/N) which is reproduced below:

"9. Regarding payment of Part-II i.e. 50% during conduct of coaching in regular one year & two year programme, the 10% payment is in dispute, the reason being during inspections of last leg few of the centres were found closed. The office worked out admissible payment Rs. 13.075 Lacs against claim of Rs.78.45 Lacs. The service provider has made a representation in support of his claim. It is proposed that payment of Rs 78.45 lacs + Rs.8.8035 Lacs as service tax may be put on hold and a committee may examine the representation of service provider to make its recommendation."

The committee so constituted, after hearing M/S MMC on 26.10.2009 and 5.11.2009 restricted the balance 10% claim to Rs. 13,07,500/-.

3. Two Year Course Programme (TYCP) was neither mentioned in the permission accorded to the service provider nor mentioned in the advertisement

The Two Year Course Programme (TYCP) was approved in the agreement. Further, as per NP 3-6 of file No. 318TE(11)08 of Vol. III placed at F/O, after issuing the order to this effect to M/S Mastermind Classes (Refer para 1), the matter including the details of TYCP was submitted for ex-post facto to competent authority which was duly approved.

The position has already been explained in detail against sub-para (d) of CAG Para No. 5.1.9.8.

Data submitted by the Service Provider regarding the no. of beneficiaries verified from bill to bill. Under these circumstances, not relying on the data submitted by Service Provider, elaborate inspection mechanism was put in place by the Department. About 400 files containing list of admitted students, admission forms alongwith their testimonials and attendance of the students were submitted by the Service Provider in the Directorate Office. But the list of admitted students obtained from the Service Providers could not be relied upon and **headcount method** through physical verification / inspection was adopted **to avoid any over-payment** as it was observed that many of the students did not attend the classes after enrollment.

Since the payments were to be released at various stages as per the provisions under the Agreement, it was not practically possible to release the invoice based payments as stages of bill raised and the process of verification couldn't synchronize. ***The process adopted was almost independent of invoices raised by the Service Provider.*** Hence, following procedure was adopted for payment:

- *Release of interim payments as no. of candidates claimed in the bill was not relied upon.*
- *Freezing the enrollment on the basis of physical verification as reported by inspecting team.*
- *Verification of attendance & results.*
- *Disbursement of final payment after calculating the total payment and subtracting the interim payments made.*

Head of Department released the payment without headcount method / physical verification, only on the basis of list of students enrolled for coaching or appeared for coaching, as suggested by auditors, it must have resulted in overpayments as all such lists could have been manipulated by the Service Provider. Surprise checking for physical headcount factually verified the students' enrollment for coaching as well as the attendance for coaching.

Extensive Extensive advertisements about the free coaching to SC students for appearing in Entrance Exams were given by the department in leading Newspapers after regular intervals on 21.3.2008, 3.4.2008, 23.7.2008. Hence either it might just have been a case of inadvertent slip or an advertisement was actually released but is not available in the office record. The fact that 1325 students enrolled for DET - 2009 coaching and 144 students enrolled for AIEEE - 2009 coaching against which total payment of Rs. 38,12,818/- was released, is a testament of the fact that enough awareness was created among the stake holders through print or non-print media. The payments were released through Headcount method only after physical verification of students. The position has already been elaborated against aforementioned sub-paras of CAG Para No. 5.1.9.8

There were wide variations in the number of students at every stage:

The position has already been explained in detail against sub-para (d) of CAG Para No. 5.1.9.8.

1. The scheme was launched for the first time. The participating students from mostly rural and semi rural background continued adding by word of mouth publicity and peer participation.
2. Department informed DEOs to convey the scheme through their school network and message travelled at intermittent pace to candidates.
3. The contention that many of the students who were provided coaching were not the candidates for the Entrance Tests, can be explained easily by the fact that every year registration for DET coaching started in March whereas registration for DET Entrance Exam took place much later in the month of May, upto which time 2 months coaching was almost completed.
4. It was recorded in the meeting held by DTE on 28.4.2008 that students for DET were reporting even at that stage and it was agreed to enroll them with the date of reporting as date of registration (**NP 35 of file No. 318TE(11)08 Vol. I available at F/P**).
5. Moreover, it is not necessary that all the participating students of coaching may appear in entrance exam.

Due to above mentioned reasons, the ratio of number of students provided coaching and rank based payment claimed was disproportionate and data submitted by the Service Provider regarding the no. of beneficiaries varied from bill to bill. But the list of admitted students obtained from the Service Providers could not be relied upon and **headcount method** through physical verification / inspection was adopted **to avoid any over-payment** as it was observed that many of the students did not attend the classes after enrollment.

Since the payments were to be released at various stages as per the provisions under the Agreement, it was not practically possible to release the invoice based payments as stages of bill raised and the process of verification couldn't synchronize. **The process adopted was almost independent of invoices raised by the Service Provider.** Had department released the payment without headcount method / physical verification, only on the basis of list of students enrolled for coaching or appeared for coaching, it must have resulted in overpayments as all such lists could have been manipulated by the Service Provider. Surprise checking for physical headcount factually verified the student's enrollment for coaching as well as the attendance for coaching.

The Department had not revised the criteria for performance based payment keeping in view the decrease in number of students for DET:

In this regard, it is submitted that the conception of the scheme was based upon the prevailing scenario of admission seekers upto 2008. The term of the Agreement was kept as 3 years. In between the short term of 3 years, it was premature to take a hasty decision about a public welfare scheme based upon the swings in the trends of admission seekers as the same could have been a temporary phase. However after 3 year tenure of the scheme, in view of the

established decreasing trends of admission seekers, Impact Study Report of the independent consultant and other experiences gained from the Pre-admission coaching scheme for SC students, it has been decided with the orders of Administrative Secretary of the Department to close the scheme.

As stated by the Principal Secretary, Technical Education during Exit Conference, that strict action would be taken against the defaulters, the concerned officer has been charge sheeted under Rule-7 for erroneously releasing the over payment than the prescribed ceiling and a notice for recovery was served to Ms MMC Pvt. Ltd., Gwalior and MMC Chandigarh vide Letter No. 318 TE (11) 8/2293-94/SC Scholarship Cell dated 19.11.2012 to refund the whole amount of Rs. 3,20,78,760/- paid to them regarding the pre admission coaching to SC students for DET/AIEEE-2011, alongwith interest @ 18% per annum from the date of payment of the amount to the firm till the date of refund. Replies have been received from Ms MMC Pvt. Ltd., Gwalior and MMC Chandigarh. After the detailed comments of the office on the replies submitted by the Service Provider(s), ADA has rendered his legal advice and due action shall be taken with the approval of competent authority.

1. As reported in this sub-para of CAG Report, the records (containing list of enrolled students, admission forms alongwith their testimonials, attendance of the students and APRs of courseware distribution to students) were obtained from the service provider and lying with the department in about 400 files. The Department also submitted sample of the enrollment list, APRs, admission forms and attendance to the Audit team **(placed at F/Q)**.

2. Regarding the averment that the department did not have list of students for which payment was allowed to the service provider, the position has already been explained in detail against sub-para (d) of CAG Para No. 5.1.9.8.

However, the contention that 'because the department did not have list of students for which payment was allowed, the actual payee receipts of courseware submitted by the department *could not be verified with reference to list of enrolled students*', is misplaced as auditors intended to compare APRs with *Enrollment list* and not *Payment list*. Sample of both APRs and enrollment list had already been provided to the Audit team which are hereby again provided **(F/Q)**.

3. Regarding the statement that the sample APRs submitted by the department also did not indicate that complete material had been supplied by the service provider, it is submitted that it can be seen from attached APRs wherein receipt of following modules for DET coaching have been clearly mentioned:

- English Module
- Aptitude Module
- Math Module
- Science Module

Similarly is the case with AIEEE coaching.

Regarding the quality of courseware supplied during the coaching, attention is invited to the Impact Study Report submitted by independent consultant in Dec, 2009 which stated as below:

“The book (MMC’s own publication) is said to have been developed in accordance with the guidelines issued by The State Board of Technical Education, Haryana. The books seem to have been well written with the large bank of objective and other types of questions. Some students expressed the view that the book needs to be revised to make it more comprehensive and updated. Still this book is said to be a big attraction among students who join for short period when the book is being issued and then abstain from classes. The courseware being to the liking of most students and a big attraction, it can be gainfully exploited as a motivating factor (among students who tend to absent themselves after getting the course material).”

It is wrong to state that **the advertisement published by the DTE was used as a tool to obtain infrastructure of Government schools for conducting coaching classes. The position is explained below:**

1) The advertisement for pre-admission coaching to SC students appeared in the leading Newspapers on 21.3.2008 (alongwith the names of coaching centers at Govt. Schools) and registration of SC students for coaching started w.e.f. 24.3.2008. It is wrong to presume that advertisement published by the DTE was used as a tool to obtain infrastructure of Govt. Schools because it is highly improbable that within 2 days (22.3.2008 & 23.3.2008) of advertisement, all the 42 coaching centers throughout Haryana could be approached and their consent obtained unless and until Govt. School authorities had already agreed before the advertisement in Newspapers for use of their infrastructure.

2) Secondly, the Service Provider could not have dared to submit the list of coaching centers on 13.3.2008 in anticipation of their consent later on unless Govt. School authorities had already agreed before the advertisement in Newspapers for use of their infrastructure.

MMC, Gwalior in its bid submitted on 20.12.2007 (**placed at F/E**) clearly stated that **“we have already made arrangement with various schools and institutes** (Panchkula, Ambala, Chandigarh, Yamunanagar, Kurukshetra, Karnal, Kaithal, Panipat, Hisar, Rohtak, Faridabad, Gurgaon, Jind, Sonipat) for providing us the space for imparting coaching as per time plan for 2008/2009”. Hence, it is evident that the Service Provider already had made arrangement / agreement with the Govt. Schools in Dec, 2007 itself before even entering into an Agreement with the Department on 14.3.2008.

It is agreed that the Service Provider should have explored the possibility of installing biometric system of attendance but did not do so probably due to the financial implications of the hardware required and moreover, the department carried out rigorous inspections and imposed cuts in the payments based upon the actual attendance of students on the day of inspection.

1. The position has already been explained in detail against sub-para (d) of CAG Para No. 5.1.9.8

Regarding deficiencies / shortcomings at coaching centers, explanation of Service Provider was asked vide this office letter No. 1625/SC Cell dt 4.5.2011, the reply of which was submitted by MMC Chandigarh vide their letter No. NILL dt 12.5.2011. Copy of Noting in this regard at NP 91-92 of file No. 318TE(11)08 Vol. IV is **placed at F/R**. Subsequently the Service Provider discontinued the coaching programme in between, defeating the very objective of the scheme. Therefore, a notice for recovery was served to Ms MMC Pvt. Ltd., Gwalior (Corporate Office) and MMC Chandigarh (Local Centre) vide Letter No. 318 TE (11) 8/2293-94/SC Scholarship Cell dated 19.11.2012 to refund the whole amount of Rs. 3,20,78,760/- paid to them regarding the coaching for DET/AIEEE-2011, alongwith interest Replies have been received from the Service Provider(s). After the detailed comments of the office on the replies submitted by the Service Provider(s), ADA has rendered his legal advice and due action shall be taken with the approval of competent authority.

Chief Secretary, Govt. of Haryana (Vigilance Department) on dated 27.09.2013 has referred the matter to Vigilance Department, Haryana to conduct the enquiry into the matter. The enquiry report from Vigilance Department is still awaited and further action in the matter on receipt of the said report.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the department to pursue meticulously to get the vigilance inquiry completed at the earliest possible and the action taken report be submitted to the Committee.

[81] 5.1.11.3 Under-utilisation of staff:

The basic principle for appointment of technical staff is to utilize them for teaching purposes. In three institutions, the staff of closed Vocational Education Institutes was merged. Though this staff was drawing salary in the scale of Instructors and Vice-Principals, they were engaged for clerical work. Total salary drawn by them amounted to Rs. 1.03 crore during 2009-12 (**Appendix 5.8**). It was observed that in the absence of vocational training courses in the Polytechnics, they were doing clerical or routine jobs instead of deploying their services in places where the technical posts were lying vacant. This indicated that the department had not planned the utilization of the services of these staff members in a proper manner.

It was observed (June 2012) during audit that Skill Development Initiative Scheme was being run by GOI under which job oriented vocational courses were to be introduced by the institutes. Some of the Government Sector Industrial Training Institutes, viz Ambala, Karnal, Sirsa and private polytechnics were implementing the scheme. Under the scheme, short and long term courses were being run by the institutes wherein students on being successful in the examination get full reimbursement of the fees including examination fee. Though Director, Technical Education Department instructed (December 2009) the Principals of polytechnics under his control to get themselves registered with the GOI as service provider with Regional Directorate of Apprenticeship and Training (RDAT), Faridabad to avail of benefit of the scheme, none of the institutes test-checked had registered themselves for the purpose. Had the scheme been implemented by the polytechnics in the State, the services of surplus teaching staff of

vocational institutions could have been utilized appropriately by deploying them for these courses.

While admitting the audit observation, during exit conference, the PS stated that this staff was less qualified in comparison to the staff required for teaching in the polytechnics as such they have been put on other works.

The Department in its written reply stated as under:

With reference to observations of CAG mentioned in para 5.1.11.3 regarding under utilization of VEI Staff, it is informed that the State Government vide its memo no. 38/41/2007-2TE dated 27.09.2013 has rejected the proposal of the department to declare the VEI staff surplus. The Department has recently undertaken rationalization of the courses in various Govt. Polytechnics and VEI staff as per their qualifications / experience shall be adjusted in the respective polytechnic. Further, the Department is in process of implementing National Vocational Educational Qualification Framework (NVEQF) Scheme of AICTE and VEI staff is proposed to be posted as Coordinators under the Scheme. As coordinators of the NVEQF Scheme, they will also look after the implementation of other ongoing skill development programmes in Polytechnics like Community Development through Polytechnics (CDTP) scheme of GOI and Career Employment Generation Opportunities Scheme (CEGO) scheme of SC welfare Department of the State.

In this regard, it is submitted that a proposal regarding retrenchment of surplus VIE staff was sent to Govt. vide this office Memo No.5707 dated 27.9.2012. The Hon'ble Punjab & Haryana High Court Chandigarh vide their order dated 3.12.2012 has granted status quo in the CWP. Accordingly, the Govt. has been requested by the department vide their memo No. 4876 dated 24.6.2013 to request the Chief Secretary Haryana that no action may be taken regarding retrenchment of VIE Surplus Staff as the Hon'ble Court has granted status quo in the matter.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the interest of the State be protected meticulously.

[82] 5.1.14.1 Internal control

Internal control provides reasonable assurance to the management about the compliance of applicable rules and regulations. The internal control in the Department was inadequate for implementation of the schemes, monitoring of construction works, etc. as discussed in the foregoing paragraphs.

The Department in its written reply stated as under:

The academic affairs of Polytechnics are monitored by the concerned Principal and Directorate. The construction work of new teaching block/ hostels is executed by PWD (B&R) Haryana. The monitoring for construction work is done by department officers and concerned Principals regularly.

Hence, in view of the facts stated above, the para may kindly be dropped.

The Committee has observed that the main objective of the audit is to identify the lapses and deficiencies in the expenditure incurred in various departments of the Government. The Committee has, therefore, recommended that a strong internal audit mechanism be instituted in every department so that all transactions, not necessarily those only test checked by external audit, are looked into so that timely remedial action could be taken to remove the deficiencies so pointed out in the internal audit. The Committee directed that the Finance Department should examine to institute a strong internal audit mechanism by recruiting additional staff to have a separate internal audit cell in each department so that there is no mixing of the role of the Accounts Officer and the internal audit. If needed, in interim it may be outsourced as done for commercial organizations in the State through the chartered Accountant Firms.

[83] 5.1.14.2 Internal Audit:

With a view to improve the overall quality of work and reduce errors/ irregularities, there should be an internal audit system in all Government Departments. Audit observed (June 2012) that there was no dedicated internal audit wing in the Department. There was no internal audit manual also. There was huge pendency of internal audit as depicted in **Table 23**.

Table 23 : Details showing the pendency of internal audit

Year	Planned	Audited	Pendency (in percentage)
		(Number of units)	
2007-08	26	8	18 (69)
2008-09	27	9	18 (67)
2009-10	29	12	17 (59)
2010-11	29	20	9 (31)
2011-12	29	4	25 (86)
Total	140	53	

Source : Departmental figures

As on March 2012, 466 paragraphs of internal audit were outstanding against 29 institutions. The paragraphs were pending from 1999-2000, showing that the institutions were not attending to the audit objections seriously. As such, the internal audit system was not effective in the Department.

Admitting the facts, during exit conference, the PS stated that the internal audit system was being strengthened by requesting more staff.

The Department in its written reply stated as under:

In this regard, it is submitted that internal audit wing is existed in the department. However the said wing is under staff and the work is being carried out by deputing the staff from the field offices and pension cell. The internal audit of all the units could not be performed smoothly due to shortage of staff. For Audit Cell & Pension Cell for Aided Polytechnics/Colleges/University 8 posts as detailed below were sanctioned by the State Govt.:-

Sr. No.	Designation of post created	No. of posts	Staffing Position	Short Fall	Remarks
1.	Accounts Officer	1	1	-	The works of two branches including Audit Cell i.e. Pension Cell & Audit Cell are looked after at present by this cell i.e. by AO/SO/Assistant/DEO
2.	Section Officer	1	1	-	
3.	Assistant	2	1	1	
4.	Clerk/DEO	2	1	1	
5.	Peon	2	1	1	
Total		8	5	3	

It is submitted that up-to 31.03.2016 the position of Audit of Institutions /Universities is as under:-

Total Universities	Institutes/	Audit already done up-to 2014-15	Audit Due/ Pending
31		28	3

The replies of outstanding internal audit paragraphs are being received and reviewed at H.Q. level and also at the time of next audit programmes after verification of record.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has observed that the main objective of the audit is to identify the lapses and deficiencies in the expenditure incurred in various departments of the Government. The Committee has, therefore, recommended that a strong internal audit mechanism be instituted in every department so that all transactions, not necessarily those only test checked by external audit, are looked into so that timely remedial action could be taken to remove the deficiencies so pointed out in the internal audit. The Committee directed that the Finance Department should examine to institute a strong internal audit mechanism by recruiting additional staff to have a separate internal audit cell in each department so that there is no mixing of the role of the Accounts Officer and the internal audit. If needed, in interim it may be outsourced as done for commercial organizations in the State through the chartered Accountant Firms.

[84] 5.1.15.1 Haryana State Counselling Society:

The Society was formed in the year 2007 mainly for the purpose of smooth conduct of admissions and counselling of students for polytechnics and engineering colleges. As per constitution of the Society, the surplus funds were to be utilised in providing scholarships and other student beneficial activities. The Society was self sustaining and was functioning with the help of fees collected for conduct of entrance examination and Counselling which were previously being credited to Government. Position of funds received and expenditure incurred after the formation of Society as per balance sheet was as given in **Table 25**.

Table 25 : Position of funds received and expenditure

Year	Opening balance	Funds received	Total funds available	Expenditure Incurred	(Rs. in crore) Balance at the close of the year
2007-08	Nil	16.86	16.86	10.73	6.13
2008-09	6.13	77.25	83.38	80.16	3.22
2009-10	3.22	59.95	63.17	57.53	5.64
2010-11	5.64	10.76	16.40	8.19	8.21
2011-12	8.21	9.77	17.98	6.00	11.98
	Total	174.59		162.61	

Scrutiny of balance sheet of the Society revealed that the grants-in-aid amounting to Rs. 12.72 crore was released to four institutions. Out of this, Rs. 5.26 crore was lying unspent with the institutions as per details given in **Table 26**.

Table 26 : Statement showing the position of unspent funds

(Rs. in crore)					
Year	Name of the institution	Purpose	Amount given	Expenditure up to March 2012	Balance
2007-08	G.P, Nilokheri	Scholarships	6.34	6.00	0.34
2008-09	GPW, Faridabad	Free books and learning material	3.00	0.71	2.29
2008-09	GP, Ambala	ISO Grading	1.08	0.13	0.95
2008-09	GPW, Ambala	Personality Development and communication skills	2.30	0.62	1.68
		Total	12.72	7.46	5.26

The PS during exit conference stated that all the funds lying undisbursed with the institutions would be called back in case the funds were not required by them.

The Department in its written reply stated as under:

In this regard, it is submitted that against this para position of funds received and expenditure incurred after the formation of the society as per balance sheet was given. The audit has pointed out that the Grant-in-Aid amounting to Rs. 12.72 crores was released to 4 Institutes and out of this a Sum of Rs. 5.26 crores was lying unspent with the Institutions as per table given in the para. In this regard it is submitted that the position as shown in Table 26 of this para is as on September 2011. Now more funds have been utilized by the concerned Principals and as on 31.03.2016, unspent balance is Rs. 3.57 Crore. The details of unspent funds are as under:-

(Rs. in crore)

Year	Name of the	Purpose	Amount Given	Expenditure up-to March, 2016	Amount
2007-08	G.P, Nilokheri	Scholarships	6.34	6.07	0.27
2008-09	GPW, Faridabad	Free books and learning material	2.00 (3.00-1.00 transferred to GP, Ambala)	0.71	1.29
2008-09	GP, Ambala	ISO Grading	2.08 (1.08+1.00 transferred from GPW, Faridabad)	0.98	1.10
2008-09	GPW, Ambala	Personality	2.30	1.39	0.91
		Total	12.72	9.15	3.57

The latest audited funds position of the society is given as under:-

Position of funds received and expenditure					
(Rs. in crore)					
Year	Opening Balance	Fund received	Total funds available	Expenditure Incurred	Balance at the close of the year
2007-08	Nil	16.86	16.86	10.73	6.13
2008-09	6.13	77.25	83.38	80.16	3.22
2009-10	3.22	59.95	63.17	57.53	5.64
2010-11	5.64	10.76	16.4	8.19	8.21
2011-12	8.21	9.77	17.98	6.00	11.98
2012-13	11.98	6.88	18.86	3.94	14.92
2013-14	14.92	5.03	19.95	4.28	15.67
2014-15	15.67	5.52	21.19	3.36	17.83
2015-16	17.83	4.33	22.16	3.35	18.81
Total		196.35		177.54	

Note : The figures of 2015-16 are subject to audit.

It is made clear that there is already pending liability in respect of refundable security receipt from Institutes and income Tax Liabilities. Hence, the balance amount as shown under column closing balance will be utilized in clearing the pending liabilities of the society.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the information as sought for be provided to the office of Principal Accountant General, Haryana under intimation of the Committee.

[85] 5.1.15.2 Financial irregularities :

- **Non-preparation of inventory of furniture**

The Society incurred an expenditure of Rs. 1.16 crore on purchase of new furniture during 2008-12. This furniture was purchased for the entire department. It was also observed that the inventory of furniture had not been prepared. The PS during exit conference admitted the fact and ordered the concerned staff to prepare the inventory immediately.

- **Irregular purchase of learning material**

The Expression of Interest (EOI) for the purchase of books for library was invited in December 2008 through press advertisement. Against this advertisement, nine firms quoted their rates for books of various publications giving discount up to 33 *per cent* and two firms (one of them was M/s Tathastu Services Ambala Cantt) quoted rates for learning material offering 20 *per cent* discount though the department had not invited EOIs for learning material. On the basis of EOIs, the DG empanelled 5 suppliers for supply of books for library.

After finalization of empanelment for library books, the department without inviting fresh EOIs for learning material placed supply order (February 2009) on M/s Tathastu Services, Ambala Cantt for supply of 14,905 sets of learning material to the polytechnics (Government as well as Private) @ Rs. 750 per set less 20 *per cent* discount. A total expenditure of Rs. 0.71 crore was incurred on purchase of learning material.

On being enquired from various institutions, 10 institutions intimated that out of 3,657 sets supplied to them, 2,960 sets were lying undistributed with them due to change in syllabus and average quality of material which was not useful for the students (**Appendix 5.12**). Further, the price of material was not marked on the material, in the absence of which the basis of the price of Rs. 750 arrived at by the Department could not be ascertained.

Thus, the purchase of learning was made without inviting quotations and without having competitive rates. Further, the usefulness and demand of the material was not assessed properly.

The PS during exit conference stated that the matter would be investigated and necessary action taken.

- **Non-conducting of audit of the Society**

As per para 19.2 of the Memorandum of Association of the Society, the audit of the Society was entrusted to Registrar, Cooperative Societies (RCS). It was observed that audit of the society was not conducted by the RCS. On this being pointed out in audit, the department stated (October 2012) that the RCS refused to conduct the audit of the society. Therefore, the Board of Governors of the Society decided (February 2011) that the audit of the Society would be got conducted from the internal audit party of the Directorate of Technical Education Department. However, audit of the Society had not been conducted so far (November 2012).

The Department in its written reply stated as under:

• **Non-preparation of inventory of furniture**

In this regard, it is informed that all the furniture items purchased worth Rs. 1.16 Crores in the year 2008-09 has been entered in the stock register and the same has been issued to the concerned officers/officials for office use.

Hence, in view of the facts stated above, the para may kindly be dropped.

• **Irregular purchase of learning material**

In this connection, it is informed that a committee comprising of the then Additional Director- III, Joint Director (Engg.), Joint Director (IT) and Accounts officer was constituted to process the quotations received vide advertisement released in December, 2008. The committee underwent brain storming within themselves and also obtained suggestions from various academicians and the following consensus emerged:

1. The Department should procure tailor made learning material for degree and diploma level programmes. The learning material may have a format of lecturer series, self explanatory notes, multi choice questions with 3D views, pictorial diagram and it has to be learner friendly.
2. Teachers guide enumerating how to use this material for teaching pedagogy is to be made available.
3. Teachers are to be trained how to teach the particular subject integrating with objectives of teaching of particular subject and testing of outcome after learning.
4. Solution to the queries of the students and teachers through web based portal / E-mail.
5. Looking at the issue in terms of commercial viability, committee looked into price justification of learning material so that all the stake holders get the advantage, appropriate discounts for corporate purchases, free copy rights etc. The part of discount offered may be credited to a corpus which may subsequently be used for faculty development activities. Another part of discount may be passed to the students.
6. The learning material developer may be assigned to offer a comprehensive package including all above mentioned points.
7. For learning material development the institutions may also be motivated.

It is further submitted that although the quotations for purchase of books were invited, two firms namely M/s. Tathastu Services, Ambala Cantt. and ITM, Gurgaon submitted their quotations for learning material. M/s. Tathastu Services was invited for presentation on 21.01.2009 before the above committee. The draft material prepared and presented by the firm was found to be in order. M/s. Tathastu Services also agreed to provide web based query solutions mechanism and also teachers training. The Committee went into the pricing aspects and felt that taking into all the factors like material development/printing/distribution/teachers training web based query solutions mechanism, the same was in order. The committee also proposed that a set of

learning material may be provided to all the students enrolled in the 2nd semester of the Polytechnics, for SC students payment may be made by exchequer out of SC budget and the same was approved by the Govt. on dated 29.01.2009.

Accordingly, learning material was purchased @ Rs. 750/- less 20% discount and supplied to various institutions. Regarding non distribution of sets of learning material, it is submitted that the sets were distributed for one semester and taken back for the benefit of students to be admitted in next academic year. However, the syllabus was changed in the next academic year and the sets could not be distributed.

• Non-conducting of audit of the Society

In this regard, it is submitted that as per decision taken by the Board of Governor of HSTES in 2011, the Audit of the Society is to be conducted by the Internal Audit Party of the Directorate Of Technical Education, Haryana. Due to shortage of staff in the audit Cell, the above said audit work could not be done. The efforts are being made for more effective internal audit system.

Hence, in view of the position explained above, it is requested to kindly drop the para.

The Committee has desired that the responsibility of the officers/officials, who are responsible for irregular purchase of learning materials, be fixed and action taken report be submitted to the Committee within a month.

[86] 3.5 Misappropriations, losses, defalcations, etc. (STATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3 : Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 - 5	23	25.11	Theft	104	82.56
5 - 10	45	53.09			

10 - 15	22	41.63	Misappropriation/ loss of material	54	78.83
15 - 20	15	7.91			
20 - 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4 : Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

As per details given in Appendix 3.5 & 3.6 of Para No. 3.5 at page 171-172, 15 no. cases of Misappropriation, defalcation, theft etc. involving loss of Rs.36.80 lakh. are pending in respect of Technical Education, Haryana. The break up of which is shown as under :-

Sr. No.	Particulars	Name of the Institution	Total loss involved (Rs.)	Year
1	Loss due to theft of Computer items	CRSCE Murthal	92674.00	1998-99
2	Embezzlement of case	G.P.Jhajjar	1138210.52	2001-02
3	Theft in Computer Lab	G.P.Sonepat	61000.00	2002-03
4	Theft of CPU of Printer	G.P.Jhajjar	57433.00	2001-02

5	Theft of Computer	G.P.Jhajjar	651515.00	2002-03
6	Theft from Computer lab	Govt. Poly. Hissar	13275.00	2002-03
7	Theft in computer centre	VTI Rohtak	235333.00	2003-04
8	Theft in store of community development centre	KC GPW, Ambala	0.00	2003-04
9	Theft of AVR	G.P.W.Farid abad	8000.00	2002-03
10	Theft in computer centre	VTI Rohtak	30000.00	2003-04
11	Theft in Computer lab	G.P.Narnaul	954366.00	2003-04
12	Theft in Lecture Block	G.P. Nilokheri	2505.00	1983-84
13	Theft of cash	G.P.Uttawar	350756.00	2005-06
14	Theft of 2 no computer from store	G.P.Uttawar	60854.00	2006-07
15	Embezzlement case	G.P.,Jhajjar	24362.00	2006-07
		Total	3680283.52	

Out of above 15 cases, Para at Sr. No. 1, 3, 7, 10 & 14 has already been dropped by the PAC. In 6 No. cases at Sr. No. 2, 6, 8, 9, 12 & 15, the State Govt. has decided to write-off the embezzlement amount/loss. 1 No. case at Sr. No. 5 are under process in the Department. 1 No. case at Sr. No. 13, Principal Accountant General, Haryana has informed that the matter is under consideration with PAC, the final action in the matter may be taken at their own level. 2 No. cases at Sr. No. 4 & 11 was taken up at Govt. Level & it was decided that firstly the PAC may be requested to recommend to write off the losses in these cases and there after the matter regarding writing off losses will be considered accordingly. The matter has been sent to Secretary Haryana Vidhan Sabha. It is also submitted that all these cases have also been included in the PAC reports. It is therefore requested to drop this para from this report of CAG on State Finance. The detailed position of each para is given in the enclosed Annexure –Y.

The Committee has desired that the latest status of each case be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

INDUSTRIES DEPARTMENT

[87] 3.1 Delay in furnishing utilisation certificates (STATE FINANCES)

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilisation certificates (UCs), for the grants provided for specific purposes, should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Principal Accountant General within a reasonable time, unless a specific time limit is fixed by the sanctioning authority. However, of the 2,376 UCs due for submission in respect of grants and loans aggregating to Rs. 2,951.01 crore, 1,253 UCs for an aggregate amount of Rs. 1,148.60 crore were in arrears for the grants released during 2008-09 to 2010-11. The department-wise break-up of UCs due, received and outstanding as on 31 March 2012 is given in **Appendix 3.1**.

Analysis Appendix 3.1 shows that out of 1,253 outstanding UCs, 598 UCs (48 *per cent*) were outstanding from Rural Development department and 379 (30 *per cent*) were outstanding from Education department. Further 207 UCs for Rs. 264.48 crore were outstanding for the grants released in 2008-09, 264 UCs for Rs. 287.87 crore for the grants released in 2009-10 and 782 UCs for Rs. 596.26 crore for grants released in 2010-11. This not only indicates lack of internal control of administrative departments but also indicates the tendency on the part of the Government to go on disbursing the fresh grants without satisfying themselves about proper utilisation of grants sanctioned earlier.

The Department in its written reply stated as under:

The total amount of Rs.3884.63 lakhs (including Additional Central Assistance grant) was released from 2008-2009 to 2010-2011 to Haryana State Electronics Development Corporation Limited as grant in aid for various schemes under head "2852-Industries-07-Telecommunication & Electronic Industry- 202 Electronics" – Demand No.41. Out of the aforesaid amount, Utilisation Certificates for Rs.3244.10 lakhs have already been sent to the office of Principal Accountant General (Audit) Haryana leaving the balance of Rs.640.53 lakhs. Out of the said amount of Rs.640.53 lakhs, Utilisation Certificates for Rs.294.87 is under process and shall be furnished shortly.

Further, as per directions of the Government of India, interest accrued on the grant in aid amount released by the Govt. of India is also being included in the grant in aid funds and the same is also being utilized for the purpose for which grant was released. Accordingly Govt. of India use to reduce the funds to that extent out of the total project (s) cost. In this way, an amount of Rs.610.93 lakhs has accrued as interest on the amount of Additional Central Assistance grant received from the Govt. of India during these three years and the total amount of Rs.956.59 lakhs (Rs.345.66 lakhs + Rs.610.93 lakhs) is lying with the Department. The said balance amount is meant for the following:-

Sr. No.	Name of Scheme/ Project	Amount (Rs. in lakhs)	Remarks
1.	Capacity Building Phase-1	181.96	Out of the total amount of Rs.182.30 lakhs released, an amount of Rs.58.63 lakhs was utilized, however, the total amount of Rs.181.96 lakhs (including interest accrued thereon) is lying unspent. Govt. of India

			will be requested to grant permission to utilize this amount for the Capacity Building Phase II and if the permission is not granted by the Govt. of India, the amount lying unspent will be returned back along with upto date interest.
2.	State Data Centre	373.79	The amount is proposed to be utilized within next six months for procurement of Servers, payment of electricity bills, payment of AMC and Manpower, O&M Cost to M/s RailTel etc.
3.	Common Service Centre	154.00	This amount was meant for CSC connectivity and the same was released to B.S.N.L. on the directions of Govt. of India for providing the connectivity. But the C.S.C. could not be made operational due to fault of the vendors. The matter has been taken up with the BSNL authorities for refund of the amount. Upon receipt, Govt. of India will be requested to allow to utilize this funds for the current CSCs and if the permission is not granted the amount in question will be returned to the sanctioning authority.
4	State Delivery Service Gateway	246.84	An amount of Rs.381.50 lakhs was released for the project and an amount of Rs.254 lakhs has been utilized and Utilisation Certificate has also been sent. Further an amount of Rs.119.34 lakh has accrued as interest on this amount. Portal has been launched by Hon'ble CM on 2.5.2015, three years operation and Maintenance phase has commenced w.e.f. 20.8.2015 and 10 services have been made live on the said portal on 16.12.2015 Further, about 5 services more are ready for live accordingly the amount of Rs.246.84 lakhs will be utilized within six months.
	Total	956.59	

In view of the reply, para may kindly be dropped.

The Committee has desired that the matter be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

FOREST DEPARTMENT

[88] 3.5 Misappropriations, losses, defalcations, etc. (SATE FINANCES)

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee 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*, the cases of defalcations and losses are required to be reported to the Principal Accountant General.

State Government reported 142 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.46 crore on which final action was pending as of June 2012. 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 and misappropriation/loss as emerged from these appendices is summarised in **Table 3.3**.

Table 3.3 : Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	23	25.11	Theft	104	82.56
5 – 10	45	53.09			
10 – 15	22	41.63	Misappropriation/ loss of material	54	78.83
15 – 20	15	7.91			
20 – 25	22	16.23	Total	158	161.39
25 and above	15	2.49	Cases of losses written off during the year	16	14.93
Total	142	146.46	Total pending cases	142	146.46

Reasons for pendency of cases are listed in **Table 3.4**.

Table 3.4 : Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	2	8.05
ii)	Departmental action initiated but not finalised	70	53.73
iii)	Criminal proceedings finalised but execution of certificate case for the recovery of amount pending	14	8.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in the courts of law	15	38.95
Total		142	146.46

Out of the total loss cases, 73 *per cent* cases related to theft of Government money/store 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 50 *per cent* cases of losses, departmental action had not been finalised and 29 *per cent* cases were outstanding simply for want of orders of the competent authority for recovery or write off of losses. It was further, noticed that out of 142 cases of losses due to theft/misappropriation etc., 119 cases were more than 5 years old and of which 15 cases were more than 25 years old. The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The Department in its written reply stated as under:

There are 15 cases amounting to Rs. 13,21,500 in this para. Latest position of these cases is enclosed herewith. This Para has already been considered in PAC meeting dated 20-07-2016 as para 3.5 in CAG (State Finance) report 2012-13. All the cases of these paras have been settled.

Hence, Para may please be dropped.

Latest Position of cases of Para 3.5 of CAG (State Finance) Report 2013-14

Sr. No.	Case No.	Year	Name of Division	Amount (in Rs.)	Case	Latest Reply
1	59	1982-1983	DFO, Ambala	15,000/-	Loss due to fire in Seonthi RF	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
2	78	1988-1989	DFO, Y/Nagar	18,000/-	Loss due to fire in Bhatt Kalan PL of Kalasia Range	Loss has been written off vide Govt. No 535-ft-1-2016/7972 dated 27-04-2016 (Copy enclosed). Hence, Para may please be dropped.
3	92	1988-1989	DFO, Y/Nagar	25,000/-	Loss due to fire in Compt.No. 6 of Nagli	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
4	94	1988-1989	DFO, Y/Nagar	20,000/-	Loss due to fire in Compt. No.2 of Van Santoor	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
5	98	1988-1989	DFO, Y/Nagar	21,000/-	Loss due to fire in Compt. No.2 of Van Santoor	Loss has been written off vide Govt. No. 164-ft-1-2016/5078 dated 18-03-2016 (Copy enclosed). Hence, Para may please be dropped.

6	119	1988-1989	DFO, Morni, Pinjore	12,000/-	Loss due to fire in Asgarpur	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
7	135	1990-1991	DFO, Y/Nagar	15,500/-	Loss due to fire in RJ-I of Bagpat khillanwala	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
8	206	1993-1994	DFO, SF, Ambala	55,000/-	Loss due to fire in Chhotti Kohri PL	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
9	253	1998-1999	DFO, SF, Bhiwani	2,13,000/-	Theft of cash in SF Division Bhiwani	Complete loss recovered from responsible employee and case has been filed vide PAG, Haryana No. 1122-24 dated 03-03-2016 (Copy enclosed). Hence, Para may please be dropped.
10	256	1999-2000	DFO, Y/Nagar	80,000/-	Loss due to fire in Pammuwala and Thaska PF	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
11	257	1999-2000	DFO, Y/Nagar	4,60,000/-	Loss due to fire in Kathgarh PF	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
12	258	1999-2000	DFO, Y/Nagar	50,000/-	Loss due to fire in Section 4 & 5 of Salehpur and Jhandawala	Loss has been written off vide Govt. No. 3571-ft-1-2016/16445 dated 02-08-2016 (Copy enclosed). Hence, Para may please be dropped.
13	260	1999-2000	DFO, Kurukhshetra	80,000/-	Loss due to fire in Seonthi RF of Thanesar Range	Loss has been written off vide Govt. No. 4172-ft-1-2004/12866 dated 21-07-2004 (Copy enclosed). Hence, Para may please be dropped.

14	262	1999-2000	DFO, Kaithal	1,65,000/-	Theft of cash in Kaithal Division.	Complete loss recovered from responsible employee and case has been filed vide PAG, Haryana No. 1171-72 dated 29-03-2016 (Copy enclosed). Hence, Para may please be dropped.
15	266	2000-2001	DFO, R&T, Pinjore	92,000/-	Loss due to looting incidence from Sh. Dayanand Khichchi, DR, incharge of Research Range, Sohna.	Complete loss recovered from responsible employee and case has been filed vide PAG, Haryana No. 1164-65 dated 28-03-2016 (Copy enclosed). Hence, Para may please be dropped.
			Total	1321500		

The Committee has desired that the latest status of each case alongwith supporting documents be submitted to the Committee and be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

PART-II
DISTRICT GURGAON
for the year ended 31 March, 2012

DISTRICT GURGAON

[89] 3.2 Perspective and Annual Plan:

Audit Scrutiny revealed that the DPC was constituted in November 2007 and the Five year Perspective Plan of the District was prepared. It was, however, observed that the DPC approved the district Plan Scheme without considering the works of other department such as Health, Education, Public Health, Roads, Police, etc. As such, there was no Integrated District Plan.

Audit findings on the functioning of DPC are as follows:

- DPC approved District Development Plan (DDP) without considering the Totality of other available resources, especially on Centrally Sponsored Schemes.
- PRIs did not prepare any five year plan. PRIs did not prepare any AAP. DPC did not exhort them to do so.
- DPC held only six meetings against the requirement of holding 17 meetings during 2007-2012.
- Grant of Rs. 13.86 crore for year 2011-12 for 356 development works was released to the Implementation agencies at the fag end the year i.e. March 2012 due to late convening (January 2012) of the DPC meeting resulting in delay in execution of development works.

Thus, in the absence of an Integrated District Plan and inputs from blocks and GPs for various activities such as Health, Education, Public Health, Irrigation, roads , Police, etc., gaps in various development/programmes within the district remained unidentified with the result that felt needs of the various regions and communities within the district could not be addressed adequately. The DC agreed with the audit findings during the exit conference.

The Department in its written reply stated as under:

The District Plan Scheme had considered the works of other department such as Health, Education, Public Health, Road etc. The list of work is enclosed here with for your perusal and it is clear from the list that the works related to Health, Education, Public Heath, Road etc. has been taken regularly and therefore it is an Integrated District Plan.

1. The other available resources has been taken into consideration, it will be clear from the list of works. For Example MPLADS, Panchayat Funds, HRDF etc. So kindly drop the above point.
2. Now the PRI has started preparing their plans. So kindly drop the point.
3. Now the meetings are regular. So kindly drop the point.
4. Actually the grant was received late from the H.Q so the meeting was convened late, but in future we will take note of it. So the point may be dropped.

Moreover, the maximum proposals of the plan were taken from Blocks, Gram Panchyats & various line departments for various activities to reduce disparities between various regions and communities. We will be more careful in future. So the Para may be dropped.

The Committee has desired that the complete information as to the dates of the meetings of the District Planning Committee during 2007-2017 along with its proceedings as proof, be supplied to the Committee within a period of 30 days.

[90] 4.1 Gaps in fund flow and expenditure incurred:

The details of funds received and expenditure incurred thereagainst in respect of certain significant schemes/activities for the period 2007-12 in the district is tabulated below:

Table 1: Funds provided and expenditure under certain significant schemes/activities

(Rs. in crore)

Name of scheme	Funds provided	Expenditure incurred	Unspent amount
Sarva Shiksha Abhiyan	150.03	143.45	6.58
National Rural Health Mission	21.92	20.97	0.95
District Rural Development Agency			
Mahatma Gandhi National Rural Employment Guarantee Act	4.87	4.86	0.01
Indira Awas Yojna	12.32	12.10	0.22
Total Sanitation Campaign	2.93	2.08	0.85
Pradhanmantri Gram Sadak Yojna	31.83	29.09	2.74
Member of Parliament Local Area Development Scheme	3.64	3.21	0.43
Sawarn Jayanti Gram Swarozgar Yojna	3.87	3.87	Nil
Chief Planning and Development Officer			
District Plan	35.19	17.64	17.55
Central Finance Commission	31.40	21.77	9.63
Total	298.00	259.04	38.96

Source : Departmental figures

Audit analysis revealed that against the provision of Rs. 298 crore, Rs. 259.04 crore was spent and Rs. 38.96 crore remained unspent with the implementing agencies.

Scrutiny of records of the ADC-cum-CEO, DRDA and the test-checked blocks and GPs revealed that the funds were shown as expended as soon as these were released to the next level i.e. the DRDA, showed utilisation of funds as soon as these were released to the blocks and the blocks, in turn, showed utilisation on release to GPs, without ensuring the actual utilisation of funds.

While admitting the facts DRDA stated during the exit conference that funds could not be utilised as the same were received at the fag end of financial year.

Recommendation :

The Government/district administration may consider :

- Putting in place a proper accounting system whereby expenditure are recorded only when they are actually spent under various developmental schemes.

The Department in its written reply stated as under:

It will be not correct to state that the funds were shown as expended as soon as these were released to the next level i.e. to the blocks or G.P. Utilization Certificates are taken from blocks and sent to H.Q. and based only on these U.Cs received from Blocks, funds are treated to be utilized. Moreover, now the payments are made through Funds Transfer Order (FTO) or through Treasury only. It is further stated that funds could not be utilized as the same were received at the end of the financial year. It is now also ensured that expenditure is recorded only when the amount is actually spent under various development schemes.

The Committee has desired that the department to get the copy of the challan reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[91] 5.2.1.5 Physical verification of selected schools:

Physical verification of 28 Primary/Upper Primary schools revealed the following deficiencies in the availability of infrastructure in schools:

Sr. No.	Nature of infrastructure/facility	Availability of infrastructure/facilities	Deficiencies in availability of infrastructure/facility
1.	Class room student ratio (1:40)	Student class room ratio (SCR) was maintained in 25 schools	SCR was not maintained by GPS, Rampura, GGPS, Ghamroj and Bhondsi.
2.	Classes in open verandah	In 26 schools, required number of class rooms were available	Required Number of class rooms was not available in GGPS, Ghamroj and Bhondsi.
3.	Toilet facility and drinking water	These facilities were available in all schools	-
4.	Part time sweeper	Facility was available in 24 schools	Facility was not available in 4 schools- GPS Lala Kherli, Baluda, Garhi Harsaru and GGPS, Garhi Harsaru.
5.	Electricity	Electricity was available in 26 schools	Facility was not available in schools-GGPS, Daulha and GMS, Baluda
6.	Play grounds	Available in 23 schools	Facility was not available in 5 schools- GGPS, Daulha, Ghamroj, Bhondsi, GGMS, Garhi Harsaru and GPS, Badha
7.	EDUSAT	Provided in 23 schools	Not provided in 5 schools-GMS, Wazirpur, Baluda, Daulha, Akhlimpur and GGMS, Garhi Harsharu. Further out of 23 Schools where EDUSAT was available but it was not functional in 20 schools.

Source : Data compiled by audit.

The Deputy District Education Officer admitted the audit findings during the exit conference.

The Department in its written reply stated as under:

1. As per strength of the students, the class rooms are available in GPS Rampura. In GPS Ghamroj and Bhondsi the sufficient land is not available to construct the classroom.
2. The 4 Classrooms are available in GPS Ghamroj. But the extra land is not available to construct the additional classroom in Ghamroj & Bhondsi.
3. Facility Available.
4. GPS Lala Kherli is attached with GHS Lala Kherli, GPS Baluda with GMS Baluda and GPS Garhi Harsaru & GGMS Garhi Harsaru is running in same campus. So common sweeper is doing sweeping work in both schools.
5. The electricity facility work in the said schools is now available.
6. Play ground is not available due to non availability of sufficient land meanwhile a short playground for Kabaddi and Kho-Kho is available and option is also given to school to use the play ground of nearest Govt. school.
7. Due to technical and electricity problems in remote area there was some problems occurred according EDUset problem. Meanwhile for functioning of EDUset in schools a Technical Team was set up in DEO Office to ensure the proper functioning EDUSET.

The Committee has observed that it is a matter of great concern that even today there is no arrangement of electricity in two schools. The Committee has, therefore, recommended that an inquiry be got conducted by the Additional Deputy Commissioner, Gurgaon as to what is the reality and the Committee be intimated accordingly at the earliest possible.

[92] 5.2.1.6 Girls' Education and Scheduled Caste/Scheduled Tribe Children:

DPC is required to make specific planning for education of girls and SC/ST children. Scrutiny of records revealed that DPC, Gurgaon had not planned any concrete policy for the betterment of Girls' education and SC/ST Children and funds were diverted towards other activities as given in Table 12.

Table 12: Details of funds diverted to other activities

Year	Amount (Rs. in lakh)	Remarks
2007-08	11.84	The amount was placed at the disposal of HARTRON for purchase of 34 computers in March 2008. It was observed that the computers had not been supplied by HARTRON as of May 2012.
2008-09	30.00	The expenditure was booked in March 2009 on the advice of State Project Director (SPD) for purchase of sports goods. Thus, the expenditure was not incurred exclusively for welfare of girl students and SC/ST children
2010-11	10.00	The amount was placed at the disposal of Director, Secondary Education (DSE) in March 2011 for purchase of sports goods. The UC had also been submitted by the DSE in November 2011. The sports goods had not been received in the schools of Gurgaon district.

While admitting the audit findings, the District Project Co-ordinator during the exit conference stated that the funds were diverted on the directions of State Project Director.

The Department in its written reply stated as under:

2007-08:

The provision was made for the betterment of Girls Education & SC Children in Plan in the year 2007-08. 34 computers were purchased under Girls education and SC children (innovative activities) by Hartron in compliance of SPD Ref. No. SSA/CA/F-2/37151-37154 dated 31.03.2008. The computers were received in schools- GSSS Carterpuri, GSSS Khor, GSSS Siwari, GSSS Jatola, GSSS Khalilpur, GSSS Bajghera, GSSS Darbaripur, GSSS Harchandpur, GSSS Joniawas. The computers received from HARTON have been entered in stock register on dated 15-03-2008 & 17-03-2008 in DPC office. (Annexure-A)

2008-09:

The provisions were made of Rs. 30 Lac under Girls education and SC in Plan in the year 2008-09. The expenditure was incurred for welfare of Girls students & SC/ST children providing those Sports Goods. The amount was spent for the welfare of Girls and SC/ST Children towards motivation of Sports interest. Now it is being ensured that funds received for welfare of girl students and SC/ST children is used for specific purpose.

2010-11:

As per office record a debit note no. 20357/GC/SSA dt 31.03.11 received from Head quarter panchkula to book an expenditure of Rs. 10.00 lacs under innovative activities **ECCE and SC/ST** and above said material purchased/distributed/supplied at the level of SPD and DSE and all relevant record available in their office. **(Annexure-B Attached)**

Besides above in the year 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 there were many activities like yoga classes, Self defence classes, educational tours etc. were organized for betterment of girls education and SC/ST children's under Girls Education.

The Committee has desired that the verification of all the items purchased be got conducted by making the entry of the same into the stock register at the earliest possible under intimation to the Committee.

[93] 5.2.1.8 Allotment of civil works without requirement:

Proposals for Civil works are made in AWP&B according to the requirement of schools, keeping in view the existing infrastructure. Funds amounting to Rs.32.20 crore were sanctioned for execution of 1,785 works during 2006-12 in the district. Scrutiny of records revealed that proposals of civil works were not planned according to the actual requirement of schools. Funds for civil works amounting to Rs.82.03 lakh were surrendered by 76 schools during 2006-12 citing the reason such as no demand was submitted to the DPC; low enrolment of students in schools; non availability of land and land under litigation. As such, DPC, Gurgaon had not conducted proper survey to assess the requirement/viability for execution of civil works. While admitting the audit findings, the Department stated that civil works were allotted without taking into account actual requirement of schools and proposal for the civil works was prepared on the basis of District Information School Education data.

The Department in its written reply stated as under:

The demand of civil work received from concern school wise submission of annual District Information System for Education (DISE) with countersigned of BEO/BEOO of concern block. After that the report submitted to HQ. Panchkula and on the behalf of DISE SPD office allot the civil work to respective school.

The construction work of 1313 has been constructed and the remaining 76 construction works have not been complete due to non availability of Land in respective school.

The Committee, on perusal of the reply of the department, viewed it very seriously that 76 Schools, wherein land was not available, even then demanded funds for the construction of various civil works in respective schools. The Committee has, therefore, recommended that a detailed inquiry in the matter be got conducted and responsibility of the officer(s) for this fault be fixed under intimation of the Committee within a period of 30 days.

[94] 5.2.1.9 Delay in completion of civil works:

The DPC, Gurgaon allotted 613 civil works to various schools during the period 2008-11. The works were to be executed by School Management Committee (SMC). However, no time limit for completion of works was fixed in the agreement executed between DPC and SMC. Audit observed that out of 613 works, only 437 works were completed and balance 176 works remained incomplete as per details given in Table 13.

Table 13: Position of civil works

Year	Allottee of work	Completed	In-completed
2008-09	205	200	05
2009-10	60	54	06
2010-11	348	183	165
Total	613	437	176

Source : Data furnished by Department

Thus, non-completion of civil works timely had deprived the intended benefit. While admitting the audit findings, the District Project Co-ordinator stated during the exit conference that delay was due to non-availability of labour/ masons and frequent transfer of teachers supervising these works.

The Department in its written reply stated as under:

Pending civil works for the year 2008-09 and 2009-10 i.e 11 components were completed in year 2014-15 and for the year 2010-11 out 165 component, 162 have been completed in 2015-16 and remaining 3 works are incomplete. Departmental enquiry initiated against the liable/defaulters school head of GMS Jasat, GMS Darapur and GMS Palasoli.

The Committee has desired that the latest status/final outcome of the disciplinary proceedings initiated against the school heads responsible for not

taking any initiative to get the civil works completed in a time bound manner, be submitted to the Committee within a period of 30 days.

[95] 5.2.1.11 Village Education Committee/School Management Committee Training:

The Parishad placed (2010-11) a sum of Rs.3.03 crore at the disposal of Director, Elementary Education for imparting training to Village Education Committees (VEC)/ School Management Committee (SMC) in the State. A debit entry of Rs.12.72 lakh was made (March 2011) in the books of DPC, Gurgaon in this regard. However, it was observed that neither training was imparted to members of VEC/SMCs in the district nor were the details of number of participants, venue and schedule of training available with the DPC. In the absence of these relevant records, utilization of these funds could not be ascertained in audit. While admitting the audit finding, the District Project Co-ordinator during the exit conference/School Management Committee at district level. The reply was not convincing as the expenditure was booked by DPC, proper records of training should have been maintained at district level.

The Department in its written reply stated as under:

It is also mentioned here that a sum of Rs. 3.03 Crore was sanctioned for all districts of Haryana, out of 3.03 Crore an amount of Rs. 12.72 lacs was booked under SMC Training Head on the basis of debit note letter no. 8226-28 246/CFA/SSA dated 29.3.2011 of Head quarter panchkula and training was also scheduled and organized through Elementary Education office. So all the related record of training is available at Head quarter Panchkula.

The Committee has desired that following information be submitted to the Committee within a period of 30 days:-

- i) Complete and specific details of the venue of the training and the list of the participants/teachers in the said training;**
- ii) Responsibility of the officers/officials for not maintaining the records in this regard be fixed; and**
- iii) A copy of the surrender certificate of the balance amount be submitted to the office of Principal Accountant General under intimation of the Committee.**

[96] 5.2.1.12 Internal control:

Internal control is a process, which provides reasonable assurance to the management about the functioning of the organization. Audit observed that after release of grants for implementation of the programme, its proper utilization was not watched and proper records of utilization certificates was also not maintained. Moreover, bank balances were not reconciled with reference to balances shown in the cash book. In this regard, following irregularities were noticed in audit:

• **Submission of incorrect utilization certificates:**

A sum of Rs.2.45 crore was provided in 2011-12 for distribution of school uniforms to non-SC boys and girls of classes 1 to 8. Funds were placed at the disposal of each Block Resource Coordinator (BRC). Uniform was to be purchased by the SMC of concerned schools. Audit scrutiny of records revealed that an advance amounting to

Rs.2.45 crore was given on 28 March 2011 to BRCs, out of which Rs.2.41 crore was adjusted on 31 March 2011 by the DPC without obtaining the utilization certificates from concerned schools.

Further scrutiny of records revealed that entire funds were not spent by the schools. Unspent funds amounting to Rs.9.57 lakh (Gurgaon block: 40 schools – Rs.8.59 lakh and Sohna block: 18 schools- Rs.0.98 lakh) were refunded by schools to BRCs but utilization certificate was issued for the entire amount. Thus, incorrect utilization certificate was furnished by BRCs, Gurgaon and Sohna which shows lack of internal control towards submission of utilization certificates.

- **Maintenance of Assets Register:**

As per SSA Manual, a register of assets indicating name of supplier alongwith bill number and date, cost and location of the asset was required to be maintained. Audit, however, observed that no such register was maintained by the DPC/BRC.

While admitting the audit findings, the District Project Co-ordinator assured during the exit conference that required mechanism would be put in place to monitor the utilization of funds and maintenance of assets register.

Recommendation:

The Government/ District Administration may consider:

- Providing basic facilities on priority basis in all schools so that objectives of the programme to attain universalisation of elementary education could be achieved.

The Department in its written reply stated as under:

- As per record, the amount of Rs.2,40,71,600/- was booked under school uniform on 31.03.2011 out of funds released to Blocks Rs. 2,44,83,200/- on 28.03.2011 but the actual utilization certificate was submitted by the Blocks on 21-06-2011 for amounting to Rs. 2,40,71,600/-
- Further the reply is sought from BRC Gurgaon and BRC Sohna regarding unspent amount of Rs. 9.57 Lacs is not received. As and when the reply is received will be intimated accordingly.

Moreover, the balance amount of Rs. 411600/- (Rs.24483200 –Rs.24071600) was refunded by the pataudi and F. Nagar block and as per the additional demand of Gurgaon block the amount of Rs 411600/- was released on dated 30.06.11 The same was also adjusted on the basis of u/c submitted by BRC Gurgaon block. Hence, the entire amount was utilized as per norms. It is also ensured that now the expenditure is booked only after obtaining utilization certificate from the concern.

- Stocks/Property Register is regularly maintained in this office as well as block level offices. The same will be shown to the audit party in next audit.

The Committee, after perusal of the reply submitted by the department, has observed that the utilization Certificates are not matched with the funds released/utilized and recommended that the same be got reconciled and a report in this regard be submitted to the Committee and the office of Principal Accountant General, Haryana at the earliest possible.

[97] 5.4.2 Water quality:

The provision for clean drinking water has been a priority for both the Central and State Government and for improving public health standards to the State. Government fixed norms of 2,400 samples for testing water samples for each laboratory. As per instructions issued (April 2010) by the Department of Drinking Water Supply, GOI, a laboratory can test 300 samples in a month and 3500-4000 in a year. It was also stressed that water from each source should be subjected to test once in a year to chemical testing and two to four times a year to bacteriological testing. On the basis of these orders, State Government increased (May 2010) the target from 2400 to 3500 number water samples for testing per year for each laboratory.

Records of Public Health Laboratories located at Gurgaon and Sohna revealed that against the target of 2400/3500 (2007-08 to 2010-11) and 5850. (2011-12) tests, only 1533 to 3760 test were conducted during 2007-12 as given in table 16.

Table 16: details of sample taken against as per the norms

Year	Sample to be taken as per norms	Actual sample taken	Shortfall/ excess	Percentage shortfall/ excess	Found unfit	Percentage unfit samples
2007-08	2400	1533	(-) 867	(-) 36	303	20
2008-09	2400	2983	(+) 583	(+) 24	298	10
2009-10	2400	3593	(+) 1193	(+) 50	426	12
2010-11	3500	1865	(-) 1635	(-) 47	324	17
2011-12	5850*	3760	(-) 2090	(-) 36	377	10
Total	16550	13734	(-) 2816	(-) 17	1728	13

Source : Departmental figures

***Sohna Laboratory started w.e.f. August, 2011**

Above table indicates that the water samples were not tested in accordance with the fixed norms. Further, out of 13,734 samples tested, water in 1,728 samples was found unfit for human consumption.

Health Department also conducts test of water samples from time to time. As per information supplied by Health Department, 347 bacteriological samples were checked during January 2007 to March 2012, out of which 213 samples (61 *per cent*) were found unfit for human consumption and 60,767 cases of water born disease (Diarrhoea 59,959, cholera 4 and Jaundice/viral hepatitis 804) were noticed in Gurgaon district during January 2007 to March 2012.

Thus, the Department did not ensure conducting tests of adequate number of samples to assure quality of water and instead continued to supply unsafe drinking water to the public. The Department stated during the exit conference that bacteriological contamination was due to leakages of pipelines and also assured that the target of water tasting would be achieved in future.

The Department in its written reply stated as under:

The target for the year 2010-11, 2011-12 has been shown as 3500 No. samples per year where as the target for the year 2010-11 and 2011-12 was fixed for

2400 Nos. samples per annum. Now target has been revised to 3000 no. of samples per laboratory per annum. The year wise total no. of samples tested during the next four years of Gurgaon and Sohna Division is given as under :-

Year	Sample to be taken as per norms	Actual sample taken	Shortfall/excess	%age of shortfall/excess	Found unfit	%age unfit sample
2012-13	6000	8188	-	-	509	6.22
2013-14	6000	7511	-	-	698	9.29
2014-15	6000	7056	-	-	1445	20.48
2015-16	6000	7819	-	-	1274	16.29
Total	24000	30574			3926	12.84

Sometime contamination occurs in the water due to leakage in distribution pipe line, which are rectified immediately and proper chlorination is being done to supply potable water to the consumers. The report regarding No. of samples tested during the year 2012-13, 2013-14, 2014-15 and 2015-16 is attached.

The Committee has observed that out of the total samples of drinking water taken, 20 percent found unfit for drinking, which is far behind the desired target of improvement. The Committee has, therefore, recommended that a detailed report for the year 2015-16 and 2016-17 in this regard be submitted to the Committee within a period of 30 days.

[98] 5.4.3 Non-handing over of tubewell based water supply scheme to Panchayats:

The State Government decided (August 2009) that all one and two tube well based schemes should be handed over to GPs for their upkeep and maintenance. It was decided in October 2010 that the schemes having six tube wells should also be handed over to GPs. Test check of records of P.HED Gurgaon and Sohna revealed that out of 236 such schemes, only 63 schemes were handed over to GPs. The Department stated (November 2012) that GPs are not ready to take over the schemes.

The Department in its written reply stated as under:

Regarding this para, it is submitted that 64 Nos. water supply schemes out of 123 No. schemes of Sohna Division and 10 Nos. water supply schemes out of 48 No. schemes of Gurgaon Division has been handed over to the village Gram Panchayats. Balance villages can't be handed over being canal based water supply and the villages falling under the jurisdiction of Municipal Corporation Gurgaon can't be handed over. Some Gram Panchayats are not interested in taking over the water supply schemes. Moreover if all the schemes are handed over to village Panchayats, the existing field staff working on water supply schemes will become surplus. So all the schemes which were feasible, has already been handed over to the Gram Panchayats, hence the para may be dropped.

The Committee has desired that either the Scheme with regard to the handing over the tubewell based water supply scheme to Panchayats be implemented in its true spirit and manner or the same be got amended if there is serious problem in

implementing the same. This advice of the Committee be brought in the notice of the Department/ Government. The Committee has desired that clean and safe drinking water be made available in sufficient quantity.

[99] 5.4.5 Non-recovery of water and sewerage charges:

State Government prescribed rates of water fees chargeable for supply of water and providing sewerage facilities. An amount of Rs.147.44 lakh (Gurgaon Division: Rs.127.93 lakh and Sohna Division: Rs.19.51 lakh) was outstanding against various consumers up to March 2012. Further, Rs.8, 47 lakh have been recovered by PHED Gurgaon as of January 2013.

Further, a total of 20,454 connections were released under Indira Gandhi Drinking Water Supply Scheme to Scheduled Castes households in rural area during 2007-12. These cases were not added to consumer ledgers and bills were not raised against them, which resulted in loss of revenue amounting to Rs. 79.59 lakh to the State exchequer as detailed given in Table 17.

Table 17 : Details showing the bills for water charges not raised.

Number of connections	Period	Months	Rate per month (in Rs.)	Amount (in Rs.)
60	April 2007 to March 2012	60	10	36,000
9079	April 2008 to March 2012	48	10	43,57,920
7290	April 2009 to March 2012	36	10	26,24,400
3813	April 2010 to March 2012	24	10	9,15,120
212	April 2011 to March 2012	12	10	25,440

Source departmental figures

The Department assured during the exit conference that proper action would be taken to recover the outstanding water charges.

The Department in its written reply stated as under:

It is submitted that revenue collection for water supply and sewerage during the year 2011-12 under the jurisdiction of Gurgaon division was beyond 90% which is not a poor collection. Now Water Supply of Gurgaon Town has been handed over to the Municipal Corporation Gurgaon (MCG) w.e.f. 01/10/2013. The arrear is to be recovered by MCG.

Moreover, the Government has waived off water charges and arrears of water charges of all consumers (including SC and General category households) for the rural areas up to 31/03/2015, as conveyed vide Engineer-in-Chief, Haryana Public Health Engg. Department Panchkula Memo. No. 21272-1342- PHE/ Plg dated 10.03.16 (copy attached). Now regular billing is being done in rural area.

The Committee has desired that upto date reply showing the details of total amount to be recovered, recovery made and outstanding recovery be submitted to the Committee within a period of 30 days.

[100] 5.7.1 Construction of haats:

The GOI decided (February 2009) to create permanent marketing centres at village, district and State levels to help Self Help Groups/ Swarozgaries to promote marketing of their products. An amount of Rs. 22.50 lakh was released (March 2010) to the EE (PR) Gurgaon for construction of Haats for Self Help Groups (SHGs) in Farrukh Nagar and Pataudi Blocks. Haats had not constructed (May 2012) and an amount of Rs. 21.85 lakh was lying unutilized.

The Department stated during the exit conference that construction work could not be started due to non-availability of suitable land. However, funds had been released to other villages where suitable land was available.

The Department in its written reply stated as under:

It is submitted that a sum of Rs. 22.50 Lacs was received from the Govt. of India, Ministry of Rural Development, New Delhi for construction of Village Haat in the three villages. Whole amount was released to the Executive Engineer Panchayati Raj, Gurgaon for construction of Village Haat in Gram Panchayat Ransika and Bhora Khurd of Block Pataudi and Gram Panchayat Dhanawas of Block Farrukhnagar, after receipt of resolution from the concerned GP. But the Executive Engineer Panchayati Raj has informed that the land is only available at Gram Panchayat Ransika and Dhanawas. The Executive Engineer Panchayati Raj, Gurgaon has constructed the Village Haat in Gram Panchayat Ransika. The Executive Engineer Panchayati Raj, Gurgaon has refunded a sum of Rs. 7.50 Lacs to this office which was released to the Block Development and Panchayat Officer, Farrukhnagar who has started the construction work in Gram Panchayat Dhanawas and the work is in progress which is not completed due to want of remaining amount of Rs. 7.50 Lacs which is still awaited from the Government. The allotment of Village Haat Ransika, to the Self Help Group (SHG) members is in process.

The Committee has observed that the funds for the construction of Village Haats were received in the year 2009 and the construction has been completed in 2015. The Committee has, therefore, recommended that the responsibility of the officer(s) for this inordinate be delay fixed within a period of 30 days under intimation of the Committee.

[101] 5.8.1 Incorrect reporting of expenditure

Against the availability of Rs. 12.32 crore, an amount of Rs. 12.10 crore was shown as spent on the scheme during 2007-12. Scrutiny of records of Gurgaon and Sohna blocks revealed that though the funds received had been shown as utilised in the statement of respective years sent to Government during 2007-12, there were unspent balances of Rs. 9.58 lakh, Rs. 66.19 lakh, Rs. 24.05 lakh, Rs. 36.17 lakh and Rs. 62.55 lakh as on 31 March 2008, 2009, 2010, 2011 and 2012 respectively in these blocks. This shows reporting of incorrect expenditure to the Government.

The DRDA stated during the exit conference that the funds were received at the fag end of financial year and were shown as utilised in the reports in anticipation of the utilisation. Reply was not tenable as figures of actual utilisation were required to be submitted to the Government.

The Department in its written reply stated as under:

It is correct that against the availability of Rs.12.32 Crore, an amount of Rs.12.10 Crore was shown as spent on the scheme during 2007-12. It is cleared here that this office entered expenditure only after the receiving of utilization certificates from the blocks. The main reason of unspent balances in blocks is that the amount of grant was received in the month of March. Now all accounts of the blocks have been closed and the unspent balances/unutilised funds of the blocks have been sent to the headquarter as per their directions. Now under the IAY Scheme all the installments have been released through EFMS only.

Keeping in view the above facts and circumstances, it is requested that para may be settled.

The Committee has recommended that i) responsibility of the officer/official be fixed for mis-reporting; & ii) unspent amount be deposited in the relevant Govt. head and action taken report be submitted to the Committee as well as office of PAG, Haryana within a period of 30 days positively.

[102] 5.8.3 Non-completion of dwelling units:

As per the guidelines, dwelling units were to be completed within two months from the release of first installment. As per reports sent to the Government, all the dwelling units were shown as completed whereas scrutiny of the records of the BDPOs of Sohna and Gurgaon revealed that 33 beneficiaries to whom Rs. Seven lakh was released, had not completed their dwelling units as of April 2012 after a lapse of 8 to 58 months.

BDPOs did not take any action to get these houses completed. This reflects the poor monitoring of the scheme at the block level.

While admitting the audit findings the Department stated during the exit conference that 32 of the incomplete dwelling units had now completed by beneficiaries.

The Department in its written reply stated as under:

It is submitted that 33 beneficiaries of Gurgaon & Sohna Block to whom Rs. 7.00 lacs was released, now 32 beneficiaries have completed their houses. The houses of these beneficiaries are physically checked by the concerned BD&POs. However, house of one beneficiary is still not completed so far, being reason that one person namely Sh.Vasudev s/o Mawasi R/o Village-Khoh has expired after getting 1st installment under IAY and his wife has left the village and it is not traceable.

The Committee, after perusal of the reply, has observed that incorrect/manipulated report is being submitted with a view to mislead the Committee. The Committee has, therefore, recommended that a detailed inquiry be got conducted and responsibility of the officers; i) responsible for non-completion of dwelling units, ii) responsible for manipulating the incorrect report; and iii) the earlier inquiry officer who is responsible for submitting factually incorrect inquiry report, be fixed under intimation of the Committee.

[103] 5.8.4 Benefit given in contravention of the guidelines:

As per guidelines, the amount was not to be released to the beneficiaries in lump sum. Accordingly, DRDA was releasing the amount in two installments depending upon the progress of work. During physical verification, it was observed that benefit of Rs.45000 was given to a person in Sohna block who already had a pakka house. In another case, Rs.35000 was paid in 2009-10 to a beneficiary who had not started the construction of house (April 2012).

The Department agreed with the audit findings during the exit conference

The Department in its written reply stated as under:

It will be not correct to state that the benefit of Rs.45000/- given to the beneficiary who has already pakka house and in another case beneficiary has not constructed the house. The houses of both the beneficiaries are physically checked by the BDPO, Sohna it has been found that beneficiary has a Kacha house and further in another case beneficiary of village Ghangola has constructed the house.

The Committee, after perusal of the reply of the department, has observed that it seems that the incorrect status with regarding to both the houses is being submitted with a view to mislead the Committee. The Committee has, therefore, recommended that an inquiry in the matter be got conducted by the concerned Sub Divisional Officer (Civil) to fix the responsibility of the defaulting officers/officials in the matter and strict disciplinary action be initiated against them under intimation of the Committee within a period of 30 days.

[104] 5.8.5 Allotment of houses:

Scheme guidelines provide that allotment of the dwelling units should be in the name of female member of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife. Audit scrutiny of the sampled blocks revealed that 146 dwelling units were allotted to the male beneficiaries during 2007-12 in contravention of the guidelines of the scheme. While admitting the audit findings, the Department stated during the exit conference that due to cumbersome process of allotment of funds female members of beneficiary households did not come forward for availing benefits under the scheme. The Audit recommends that allotment of dwelling units should be made in the name of female beneficiaries as per scheme guidelines

The Department in its written reply stated as under:

It is submitted that efforts are made to allot the dwelling units in the name of female members of the beneficiaries or in the joint name of husband and wife. However, in some cases, the persons make personal request with the BDPO that their female member is not able to open her account and funds may be released in his name. Now all the installment under IAY Scheme is being released to the female beneficiaries except in case of man whose wife has been expired.

The Committee has observed that nobody has been empowered to amend the policy of the Government. Here in this case 146 persons (male) have been allotted houses against the scheme guidelines which provide that allotment of the dwelling units should be made in the name of female member of the beneficiary household. It is impossible that in all the 146 cases, they had neither wife nor female member

in the family. The Committee has, therefore, recommended that an inquiry be got conducted to fix the responsibility of the officer(s)/official(s) for allotting houses against the scheme guidelines under intimation of the Committee within a period of 30 days.

[105] 5.9.3 Common irregularities noticed in Panchayati Raj Institutions:

Audit analysis revealed the following irregularities in PRIs.

- As per provisions of section 26 of the Haryana Panchayati Raj Act, 1994, (the Act), a GP should prepare a map of abadi deh in the Sabha area showing therein, the boundaries of buildings, public streets and other public open spaces, No such map had been prepared by 11 out of 21 GPs selected for test check.
- As per Government instructions (August 2006), block level and Village level vigilance committees were to be constituted for keeping vigil over the execution of works. No such committees were constituted in the test checked blocks/GPs.
- As per Government guidelines (September 2007), third party inspection of development works executed by the GPs was to be got conducted. However, no such inspection except village Daulha was got conducted by any of GPs test-checked.

Compliance of the provisions of the Panchayati Raj Act and Govt. instructions need to be ensured. While admitting the audit findings, the Department assured during the exit conference that all the irregularities pointed out by Audit would be complied with in future.

The Department in its written reply stated as under:

- It is submitted that on that time Abadi Deh Maps were not available in PRI but now necessary directions have been issued to all the BDPOs and PRIs to prepare Map of Abadi Deh. Preparation of Maps are in progress.
- At that time Government issued instruction for Block Level Vigilance Level Committee for PRIs but PRIs not aware about these instructions. But now all PRIs vigilance committee at Block level and Village Level has been constituted for monitoring the work executed by PRIs.
- Third Party Inspection was not conducted by all GPs on that time but now all GPs have been instructed and 3rd Party inspection is being carried out.

The Committee has desired that the work of preparation of the maps of abadi deh in each village be got completed at the earliest in a time bound manner under intimation of the Committee.

The Committee has also observed that a mechanism of third party inspection by the social audit committee of the development works executed by the Gram Panchayats may be developed and if need be, the arrangement of the services of any technical expert may be made at its own level.

[106] 6.1.1 Physical verification:

The State Government is responsible for regular maintenance of roads. The condition of roads was physically verified in 21 villages out of which 11 roads were found

to be unsatisfactory as there was water logging which causes immense difficulties to vehicular traffic:

The department while admitting the audit findings during the exit conference assured that regular maintenance of roads would be done in future.

Department in its written reply stated as under :

It is submitted that 11 nos road detailed below pointed out by Audit that the water logging were found. The rectification of the water logging could not be done earlier in 2011-12 due to paucity of funds for maintenance works.

Sr. No.	Name of road
1	Harchandpur
2	Abheypur
3	Dhunela to Berka
4	Nimot Ballabhgarh
5	Ghangola
6	Bilaka
7	Rampura
8	Hayatpur to Kankrola
9	Garhi Hasaru State road
10	Badha road
11	NH-8 to Tauru (village Navrangpur km 0 to 7.00).

All the roads mentioned in audit already been strengthened in the work programme for the year 2015-16 and 2016-17 approved by the Head office B&R Department Chandigarh.

Now after strengthening of above roads there is no water logging. Hence the department already acted as per direction of the audit and defects of water logging rectified. So the audit para may please be dropped.

The Committee has recommended that the matter be got examined as to when three roads were constructed, what was the liability of the contractor & by what time. Responsibility of the officer(s) in the matter be fixed and strict disciplinary action be initiated again the defaulter(s) under intimation of the Committee within a period of 30 days.

[107] 6.1.2 Excess expenditure over estimate:

Financial rules provide that no expenditure should be incurred without technical sanction for estimate. Excess expenditure over estimate should be got approved from the competent authority. Test check of records of Provincial Division (B&R) in the district revealed that as against the approved estimated cost of Rs. 91.38 Lacs an amount of Rs. 194.75 Lacs was incurred on three works. An expenditure of Rs. 103.37 Lacs was incurred in excess of sanctioned estimate (Appendix III). The revised estimate for these works had not been prepared as of February 2012. The Department stated during the exit

conference that excess expenditure over estimate would be got regularized from the competent authorities shortly.

The Department in its written reply stated as under:

It is submitted that it was not true that the expenditure of Rs. 194.75 Lacs incurred against the approved estimated cost of Rs. 91.38 Lacs as pointed out by Audit during inspection. In fact the total expenditure comes to Rs. 87.10 Lacs of both Divisions against the approved estimate cost of Rs. 63.70 Lacs (PD-1 Gurgaon Rs. 23.78 Lacs & PD-2 Gurgaon Rs. 39.92 Lacs).

It is also added that the expenditure shown against Division No. 2 amounting to Rs. 51.65 Lacs and against Division No. 1 Rs. 98.02 Lacs not correct as during 10/2010 the office of Provincial Division No. 2 Gurgaon was closed and the balances of the same had been carried over by this Division. In the figure shown against Division No. 1 Gurgaon amounting to Rs. 98.02 Lacs expenditure of Division No. 2 Gurgaon amounting to Rs. 51.65 Lacs also included. As far as the work of A/M of Gurgaon Bahadurgarh road (Chandu to Iqbalpur road from km 0 to 5.76 Gurgaon Distt.) concerned the expenditure incurred amounting to Rs. 45.08 Lacs against the estimate sanctioned of Rs. 27.68 Lacs. The revised estimate covering the excess expenditure will be prepared and got revised from the competent authority. This office made correspondence with head office Chandigarh through proper channel but the same could not be reclined earlier. The excess expenditure was because of regular repair on the border roads due to heavy traffic flow which were to be maintained at any cost. It is assured that the matter will be resolved shortly. The further progress in this matter will be intimated in due course of time.

The Committee has observed that the officers have used the Govt. funds as per their sweet will which is not fair. The Committee has, therefore, recommended that the matter be got inquired into by the Deputy Commissioner to fix the responsibility of the defaulting officer(s) under intimation of the Committee within a period of 30 days.

[108] 6.2.2 Non-revision of list of BPL/AAY beneficiaries:

The Government was required to update the data of eligible BPL and AAY beneficiaries every year. The data of BP/AAY beneficiaries had not been revised after September 2008. As per the survey conducted (October 2008) by GOI. The number of BPL families including AAY was 0.22 lakh in the district whereas DRDA and District Urban Development Agency DUDA) had identified 0.36 lakh BPL families in the district during their survey conducted in September, 2008. Since, there was a wide variation, a fresh review and checking of the households of beneficiaries was required to be done as this involved a subsidy of Rs. 3.15 Crore from September 2008 to March 2012 as given in Table 22.

Table 2.2 Financial Implication of subsidy under BPL and AAY

Year	Quantity of wheat (In MT)	Provision made in State Budget (Rs. in Lakh)	Expenditure Incurred (Rs. in Lakh)
2008-09 (September, 2008 to March, 2009)	2596	58.19	53.56

2009-10	4253	94.78	86.24
2010-11	4263	94.78	86.46
2011-12	5496	88.77	88.77
Total	16608	336.52	315.03

Sources: Data obtained from DFSC Gurugram.

Audit observed that had the review been conducted annually, ineligible BPL families would have been detected initially and payment of subsidy to them would have been avoided. A survey conducted by the Department on the directions (July 2011) of Punjab and Haryana High Court, brought out (October 2011) 7,112 ineligible card-holders in urban areas and 1,293 in rural areas in the district. Government directed (March, 2012) all the Deputy Commissioners to give adequate opportunities to the ineligible families before deletion of their BPL cards and then submit the report regarding deletion of ineligible BPL families latest by 22 March 2012. The Department had, however, not updated (May 2012) the data of BPL card-holders as per the survey conducted in October 2011. The Department admitted the audit findings during the exit conference.

The Department in its written reply stated as under:

It is submitted that the survey was conducted by the DRDA/DUDA for identification of BPL/AAY families in the district and the list of BPL families was finalized after that survey. Thereafter, the AAY/BPL ration cards were issued to the beneficiaries by the department whose names were included in the BPL list and the ration was distributed to the beneficiaries as per the scale and rate fixed by the Government. Initially, the survey was conducted in 2008 and number of BPL families including AAY was 0.22 Lac in the District but after the protest of the public, the State Government divided BPL families in two categories namely; State Below Poverty Line (SBPL) and Central Below Poverty Line (CBPL). The subsidy related to SBPL category was to be borne by the State Govt. and subsidy related to CBPL category was to be borne by the Central Govt. Therefore, a new survey was got conducted by the State Govt. according to the norms fixed by the State Govt. In this survey, the numbers of BPL families were increased from 0.22 Lakh to 0.36 Lakh. The BPL/AAY ration cards were prepared only on the basis of survey conducted by the teams constituted by the DRDA/DUDA. According to the list provided by the office of Additional Deputy Commissioner, Gurgaon, 46087 families were eligible for the AAY and BPL categories. However, only 37051 ration cards under the categories AAY, SBPL and CBPL were issued by the department. The ration was issued to the beneficiaries of these categories accordingly. However, this process was challenged in the Punjab and Haryana High Court and after the direction of the Hon'ble High Court, the survey was conducted again in July, 2011 by DRDA/DUDA and sent the list to the District Food & Supplies Controller, Gurgaon during the month 9/2012 and accordingly 1731 ineligible ration cards were deleted and the data of BPL cardholders was upgraded by the department.

The Committee has recommended that the status report in the matter as to how many officers have been held responsible for issuing BPL/AAY cards to the ineligible families in the district and what action has been taken against those

defaulting officers be submitted to the Committee within a fortnight.

[109] 6.2.4 Fair price shops:

The number of fair shops in the district is given in Table 2.3

Table 2.3 Details of Fair price shops in the district during 2008-12

Fair Price Shops	2008	2009	2010	2011	2012
Rural	132	125	125	124	131
Urban	34	53	53	58	59
Total	166	178	178	182	190

Source: Data obtained from DFSC, Gurgaon.

As per State Government's decision (November 1992), one FPS was to be set up in each village so that consumers could avail the facility at their doorstep. Further, as per State Government orders (September 2005), not more than 1,200 ration cards were to be allotted to any FPS. In contravention of above orders, ration cards between 1,208 and 2,423 were allotted to 28 FPS. Against the requirement of 291 FPS. (one each for 291 villages in the District) there were only 131 FPS in rural areas as on March 2012, which shows that the intended facility of FPSs was not available in all villages of the district. The number of ration cards increased from Rs. 1.24 lakh in 2008 to 1.78 lakh in 2012 in rural areas, the number of FPSs decreased from 132 in 2008 to 131 in 2012 which clearly shows that PDS items were not made available to the beneficiaries at their villages.

While admitting the audit findings, the Department stated during the exit conference that very few people were coming for opening of FPSs as the margin earned by them was very low.

The Department in its written reply stated as under:

It is submitted that the margin given to ration depot holders under TPDS scheme was very low due to which very few people were interested in running the Fair Price Shops. The Panchayat of the villages were contacted by the official/officers of DFSC, Gurgaon that they should motivate the suitable person for running of Fair Price Shops. The Panchayat resolutions for opening of ration depot in their respective villages were invited but the villagers as well as Panchayat shown little interest in this regard. The large number of villages of this district were comprising of very few ration cards of BPL and AAY families. The ration to the APL families was almost stopped by the Government and the number of BPL/AAY families were so small that the running of independent ration depot was not feasible. In view of the more expenditure than the income the volunteers could not come forward. Under compulsion, these small villages were attached with nearby village with the directions to distribute the essential commodities in the respective villages so that the beneficiaries may not face any problem. Every effort was made to implement the directions of the Commission/Government in letter and spirit.

The Committee has recommended that re-distribution and re-allocation of Fair Price Shops be made in proportionate to the ration card holders as per the Govt. instructions and compliance report be submitted to the Committee within a period of 30 days.

[110] 7.1.6 Challans for violation of traffic rules:

For violation of traffic rules, vehicles are challaned under Motor Vehicles Act, 1988. There is a provision of enhanced penalty for a repeated violation under the Act. It was observed that there was no system in place to obtain the detail of challans decided by the Naib Court.

A test check of the records of traffic police branch of Gurgaon police revealed that 1,53,057 challans for violation of traffic rules were sent to the Naib Court during 2007-12. The details of their disposal were not available with the traffic branch. As, a result, the enhanced penalty could not be imposed for repeated traffic violations. While admitting the audit findings the Department stated during the exit conference that Courts had been requested to provide data regarding disposal of traffic challans so that enhanced penalty could be imposed for repeated violations.

The Department in its written reply stated as under:

Matter was taken with Naib Court and it reviled that Magistrial fine amount was deposit in Magistrial Head 0070. And a proposal of case has been taken up with director General of Police of Haryana to prepare a Software for such type of challan cases disposed off by the court. So that enhanced panality could be imposed repeated violation.

The Committee has desired that the complete details of the challans sent to the Court from time to time in the year 2007 and onwards be submitted to the Committee within a period of 30 days.

PART – III
REVENUE SECTOR
for the year ended 31 March, 2012

EXCISE AND TAXATION DEPARTMENT

[111] 1.4 Analysis of arrears of revenue in terms of total outstanding and outstanding for more than 5 years

The arrears of revenue as on 31 March 2012 in respect of some principal heads of revenue as reported by the departments was Rs.3,982.60 crore of which Rs. 2,864.27 crore were outstanding for more than five years as mentioned below :

(Rs. in crore)

Sr. No.	Heads of revenue	Amount outstanding as on 31 March 2012	Amount outstanding for more than five years as on 31 March 2012	Remarks
1.	Taxes on sales, trade/VAT etc.	3,405.08	2,583.52	Recovery of Rs. 600.03 crore were stayed by the High Court and other judicial authorities, Rs. 8.89 crore was stayed due to the order of the Government. Rs. 22.01 crore were held up due to the dealers becoming insolvent, Rs. 36.03 crore were proposed to be written off, Rs.224.35 crore were held up due to rectification, review and appeal. Recovery of Rs. 133.00 crore was outstanding due to cases pending with the official liquidator/Board of Industrial and Financial Reconstruction (BIFR). Recovery of Rs. 18.20 crore was being made in instalments. Balance amount of Rs. 2,362.57 crore was at different stages of action.
2.	State excise	119.19	76.53	Recovery of Rs. 12.59 crore were stayed by the High Court and other judicial authorities, Rs. 69.04 lakh was likely to be written off. Recovery of Rs.1.98 crore was outstanding due to cases pending with the official liquidator/BIFR. Recovery of Rs. 3.94 crore was being made in instalments. Rs. 15.66 crore and Rs. 9.72 crore were due to Inter State and Inter district arrears respectively. Balance amount of Rs. 74.61 crore was outstanding at different stages of action.
3.	Taxes and duties on electricity	129.28	80.66	Rs. 1 crore was recoverable from M/s Haryana Concast, Hisar, Rs. 38 lakh from M/s Rama Fibers, Bhiwani; Rs. 30 lakh from M/s Dadri Cements, Charkhi Dadri and Rs. 16 lakh from M/s Competent Alloys, Ballabhgarh. The remaining amount of Rs.127.44 crore was pending towards the consumers of Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)/Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL).

The position of arrears of revenue at the end of 2011-12 in respect of other departments were not furnished (October 2012) despite being requested (August 2012).

The department in its written reply stated as under:

The arrear of revenue as on 31.03.2012 in respect of heads of revenue related to Excise & Taxation Department amounts to Rs. 3803.45 crore. Out of this amount Rs. 891.30 crore have been recovered upto 30.06.2016. Out of balance outstanding amount of Rs. 2921.08 crore, Rs. 688.46 crore is under stay,

Rs. 175.36 crore is under liquidation, Rs. 47.40 crore is to be writing off Rs. 92.30 crore is interstate, Rs. 34.02 crore is inter district Rs. 125.77 crore in case where property is attached and Rs. 2.57 crore is in cases in which installments have been fixed. Accordingly, net recoverable amount is Rs. 1747.20 crore as per details given below:

Sales Tax

The para is based on information supplied by the department to the P.A.G. (Audit), Haryana. Out of total arrear in revenue of Rs. 3405.08 Crore. Rs. 845.95 Crore stands recovered upto 30.06.2016 leaving a balance of Rs. 2559.13 Crore. The breakup of balance arrear are given below:-

Sr. No.		(Amount in Crores)
1	Under Stay	577.56
2	Under Liquidation	175.36
3	Inter state arrear	77.61
4	Inter Distt. Arrear	22.85
5	For writing off	47.11
6	Property attached	117.76
7	Under installment	1.59
8	Net recoverable	1539.29
	Total	2559.13

Excise:

The para is based on information supplied by the department to the Principal Accountant General (Audit), Haryana, Chandigarh. Out of total arrear in revenue of Rs. 119.19 crore, Rs. 7.36 crore stands recovered upto 30.06.2016, leaving a balance of Rs. 112.76 Crore. The breakup of balance arrear are given below:-

(Amount in Crore)

1.	Under Stay	3.63
2.	Under instalment	0.56
3.	Under liquidation	0.11
4.	Inter State	16.02
5.	Inter District	10.40
6.	Writing Off	0.46
7.	Property attached	7.85
8.	Net recoverable	72.80
	Total	111.83

Passenger and Goods Tax

Out of total arrear in revenue of Rs. 60.18 Crore, Rs. 33.39 Crore stands recovered upto 30.06.2016 leaving a balance of Rs. 26.79 Crore. The breakup arrear are given below :-

Sr. No.		(Amount in Crore).
1	Interstate	0.76
2	Net recoverable	26.03
	Total	26.79

LADT

Out of total arrear in revenue of Rs. 208.86 Crore, stands balance. The breakup of balance arrear are given below:-

Sr. No.		(Amount in Crore)
1	Under stay	107.37
2	Net recoverable	101.49
	Total	208.86

Entertainment Duty

Out of total arrear in revenue of Rs. 10.14 Crore, Rs. 4.60 Crore stands recovered upto 30.06.2016 leaving a balance of Rs. 5.54 Crore. The breakup of balance arrear are given below:-

Sr. No.		(Amount in crore)
1	Writing off	0.01
2	Net recoverable	5.53
	Total	5.54

The Committee has observed that the arrears of revenue has been increasing day by day and recommended that the Department should evolve an effective mechanism to recover the arrears of revenue in a time bound manner by creating a recovery cell in the department; and the officers/officials to be posted in the recovery cell be made responsible for taking effective steps for collecting the arrears promptly to augment the Government revenue.

[112] 1.6 Evasion of tax

The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and demands raised as reported by the department concerned are mentioned below:

Heads of department	Cases pending as on 31 March 2011	Cases detected during 2011-12	Total (2+3)	Number of cases in which assessments/ investigation completed and additional demand including penalty etc. raised during the year 2011-12		Number of pending cases as on 31 March 2012
				No. of cases	(Rs. in lakh)	
Taxes on sales, trade/ VAT etc.	97	2,135	2,232	2,177	442.75	55
State excise	823	2,717	3,540	2,719	86.91	821
Taxes on goods and passengers	903	9,297	10,200	9,047	709.87	1,153

The other departments did not furnish the details (October 2012), despite being requested (August 2012).

The department in its written reply stated as under:**Sales Tax**

Out of 55 cases, all cases have been disposed off by creating an additional demand of Rs. 204.87 lacs, out of which an amount Rs. 194.57 lacs stand recovered, leaving a balance of Rs. 10.30 lacs. Efforts are being made to recover the balance amount.

Excise:-

Out of 821 cases, 255 cases have been disposed off by creating an additional demand of Rs. 2.73 lacs, out of which an amount of Rs. 1.72 lacs stand recovered, leaving a balance of Rs. 1.01 lacs. Remaining 566 cases are still under process, All concerned DETCs have been directed to dispose off these cases at the earliest.

PGT

Out of 1153 cases, 872 cases have been disposed off by creating an additional demand of Rs. 24.53 lacs, out of which an amount Rs. 7.13 lacs stand recovered, leaving a balance of Rs. 17.40 lacs. Remaining 281 cases are still under process. All concerned DETCs have been directed to dispose off these cases at the earliest.

The Committee has desired that all pending cases be disposed off in a time bound manner and effective steps be taken to collect the arrears promptly to augment the Government revenue.

[113] 1.8.3 Non-production of records to Audit for scrutiny:

The programme of local audit parties of VAT receipts in the offices of Deputy Excise and Taxation Commissioner (DETC) is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit to the Department to enable them to keep the relevant records ready for audit scrutiny.

During 2011-12, 422 VAT assessment cases pertaining to three DETCs were not made available to audit. Thus, VAT assessment cases involving revenue of Rs. 182.74 crore could not be checked in audit. Break-up of these cases are given below:

Name of DETC	Year in which it was to be audited	Number of assessment cases not audited	Number of cases in which revenue involved could be ascertained	Revenue involved (Rs. in crore)
Faridabad (East)	2011-12	338	338	110.29
Faridabad (West)	2011-12	74	74	70.78
Panipat	2011-12	10	10	1.67
	Total	422	422	182.74

The department in its written reply stated as under:

It is submitted that from time to time instructions have been issued to the DETCs for production of record at the time of audit. In some cases, files are sometimes lying with JETC (Range) & DETC (Inspection). However, the concerned Dy. Excise and Taxation Commissioners have intimated that the relevant necessary record was shown to the A,G, (Audit) party, on their next visit. It is a continuous cycling process wherein the record/files are produced at the time of audit in successive years. Keeping in view the reply above, it is requested that the para may please be dropped.

The Committee has desired the Department to reconcile the facts of this para with the office of Principal Accountant General, Haryana under intimation of the Committee.

[114] 2.1.6 Arrears in assessments

The details regarding opening balance of cases of assessment, cases becoming due, cases disposed of and closing balance of assessment of cases at the end of each year during 2007-08 to 2011-12 as furnished by the Excise and Taxation Department in respect of Taxes/VAT on sales, trade are mentioned in the succeeding table:

Year	Opening balance	Cases due for assessment during the year	Total	Cases deemed assessed/regularly assessed during the year	Balance cases at the close of the year	Percentage of cases finalised to total cases (Col. 5 to col. 4)
1	2	3	4	5	6	7
2007-08	2,16,871	1,81,128	3,97,999	1,75,124	2,22,875	44
2008-09	2,22,875	1,83,153	4,06,028	1,64,132	2,41,896	40
2009-10	2,41,896	2,34,839	4,76,735	1,89,476	2,87,259	40
2010-11	2,87,259	2,13,687	5,00,946	2,09,140	2,91,806	42
2011-12	2,91,806	2,35,799	5,27,605	2,36,822	2,90,783	45

We observed that the number of pending cases in respect of sales tax/VAT increased from 2,16,871 cases at the beginning of 2007-08 to 2,90,783 (34 *per cent*) at the end of 2011-12. The percentage of sales tax/VAT assessment cases deemed assessed/regularly assessed to total cases during the period 2007-08 to 2011-12 ranged between 40 to 45 *per cent*.

The Government may advise the Department to take necessary steps for early disposal of these pending assessment cases to augment Government revenue.

The department in its written reply stated as under:

In the C.A.G. report for the year 2011-12, there were 2,90,783 cases shown pending for assessment, out of which 2,90,615 cases have been disposed off up to 30.06.2016 leaving a balance of 168 cases. Efforts are being made to get the balance cases cleared as soon as possible. District wise balance case are as under:-

Sr.	Name of Distt.	Present Pending
1	Bhiwani	8
2	Fatehabad	40
3	Jind	61
4	Karnal	55
5	Panipat	4
	Total	168

These cases are of HGST period and most of them are pending due to litigation.

The Committee has desired that all cases pending for assessment be disposed off within a period of three months under intimation of the Committee. The Committee has also desired that the state interest in the cases pending in the Courts, be protected meticulously.

[115] 2.1.9.1 Position of Inspection Reports

The table below provides details of number of units audited, value of objections pointed out during the course of audit, cases accepted and the recovery made there against during the period from 2006-07 to 2010-11.

(Rs. in crore)

Year	Units audited			Cases accepted		Recovery made during the year		Percentage of recovery to amount accepted
	Number	Number of cases objected	Amount	Number	Amount	Number	Amount	
2006-07	43	974	395.96	147	1.84	88	0.83	45
2007-08	47	1,232	176.04	145	2.44	77	1.44	59
2008-09	46	863	208.32	106	8.48	61	0.81	10
2009-10	33	667	217.05	102	32.59	36	0.39	1
2010-11	32	775	976.56	182	149.39	54	1.67	1
Total	201	4,511	1,973.93	682	194.74	316	5.14	3

We observed that the recovery in respect of accepted cases during the years 2006-07 to 2010-11 was only three *per cent*.

The department in its written reply stated as under:-

As per information supplied by Principal Accountant General (Audit), Haryana the latest position in this regard is as under:-

Year	Units audited		Para/Amount Settled or recovered		Balance		%age
	Para	Amt	Para	Amt	Para	Amt	
2006-07	974	395.96	896	184.74	78	211.22	46.66
2007-08	1,232	176.04	1160	158.46	72	17.58	90.01
2008-09	863	208.32	723	175.85	140	32.47	84.41
2009-10	667	217.05	554	102.02	113	115.03	47.00
2010-11	775	976.56	644	891.85	131	84.71	91.32
Total	4,511	1,973.93	3977	1512.92	534	461.01	76.65

Thus the average percentage of recovery/settlement of paras is 76.65%, which is quite high.

The Committee has desired that the Department should reconcile the facts of this para with the office of Principal Accountant General, Haryana under intimation of the Committee.

[116] 2.2.10 Non-levy of Tax/Penalty for misuse of form VAT D-1

Section 7 (3) of HVAT Act lays down that where taxable goods are sold by one dealer to another dealer, tax is leviable at a concessional rate of four *per cent* if the purchasing dealer furnishes a declaration in form VAT D-1 certifying that the goods are meant for use in manufacturing of goods for sale. Further, if an authorised dealer, after purchasing any goods, fails to make use of the goods for the specified purpose, the AA may impose upon him by way of penalty, under Section 7 (5) of HVAT Act, a sum not exceeding one and a half times the tax which would have been levied additionally. However, no penalty would be imposed if the dealer voluntarily pays the tax which would have been levied additionally under Section 7(1) (a) of HVAT Act, alongwith returns for the period when he failed to make use of the goods purchased for the specified purpose.

Test check of records of office of 10 DETCs revealed that 62 works contractors who did not opt to pay lump sum in lieu of tax, had purchased goods/material valued at Rs. 47.02 crore against form VAT D-1 for use in construction of Buildings/Roads etc. during 2006-07 to 2009-10. The contractors had constructed buildings, roads etc. which were not covered under the definition of Goods being immovable property. The contractors violated the condition stipulated in the certificate given on form VAT D-1. Hence the contractors were liable to pay additional tax and penalty under Section 7 (5) of HVAT Act. The AAs while finalising assessments in 103 cases between July 2009 and March 2012 failed to levy additional tax and penalty. This resulted in non-levy of additional tax of Rs. 4.00 crore and maximum penalty of Rs. 6.00 crore.

The Department accepted the observation during exit conference.

The department in its written reply stated as under:

In reply to Audit objection it is submitted that as per provisions of Section 7(3) of the HVAT Act, 2003, if goods purchased against Form D-1 are not used for the specified purpose, penal action is taken by the assessing authority u/s 7(5) of the HVAT Act. The quantum of the penalty is upto 1 ½ times of the tax which would have been levied additionally i.e. the rate of tax on goods purchased for specified purpose is 4% against D-1 Form and if the same goods are not used for specified purpose, tax would be assessed on such purchases at the general rate of tax i.e. 13.125%. The dealer is supposed to pay additional/differential rate of tax.

The observations of the audit have been accepted by the department. This para covers objections in eighty seven (87) cases. All the dealers are contractors and deals in works contract. All the cases have been taken up in revision. Out of eighty seven (87) cases, seventeen (17) cases have already been revised. Thirty seven (37) revision cases are under proceedings and would be decided within a short period. Remaining thirty three (33) cases are time barred pertaining to the years 2005-06, 2006-07 and 2007-08.

Ambala**1. M/s Parmod Kumar Garg, Govt. Contt., TIN no. 06491038216, A.Y 2006-07.**

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

2. M/s Rajinder Kumar and Co., TIN no. 06721044152 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1754 Dated 24.6.2016.

3. M/s Om Jagdish Builders., TIN no.06601044121 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

4. M/s Mukesh Kumar Gupta, TIN no. 06631034744 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly

authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

5. M/s Mukesh Kumar Gupta, TIN no. 06631034744 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1757 Dated 24.6.2016.

6. M/s Raj Construction Co., TIN no. 06671038214 A.Y. 2006-07 and 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

7. M/s DP & Co, TIN no. 06431038152, A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use

of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

8. M/s DP & Co, TIN no. 06431038152, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1862 Dated 1.7.2016.

9. M/s Anil construction Co., TIN no.06061034621 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1859 (W-5) Dated 1.7.2016.

10. Ashwani Kumar Contractor, TIN no. 06291022127 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1861 Dated 1.7.2016.

11. Ashwani Kumar Contractor, TIN no. 06291022127 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1858 Dated 1.7.2016.

12. M/s Parmod Garg contractor, 06491038216, A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1860 (W-5) Dated 1.7.2016.

13. M/s Rakesh Gupta & Brother, TIN no. 06331045579, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1855 Dated 1.7.2016.

14. M/s Rakesh Gupta & Brother, TIN no. 06331045579, A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1863 /Dated 1.7.2016.

15. M/s Arsh Builders, TIN no.06521038248 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and

Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

16. M/s Arsh Builders, TIN no.06521038248 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1856 Dated 1.7.2016.

17. M/s Dhingra Builders, TIN no. 06161034469, A.Y. 2006-07 and 2007-08.

18. M/s A.K. Construction Co. TIN No. 06491031038, A.Y 2007-08 and 2008-09.

(Reply of Sr. No. 17 and 18)

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

19. M/s A.N. Builders TIN no. 06541038237 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1753 Dated 24.6.2016.

20. M/s Bhagwan Das and Sons, TIN no. 06421025305 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1751 Dated 24.6.2016.

21. M/s Handa Enterprises, TIN no. 06141025168 A.Y. 2007-08.

The case has been sent to the Deputy Excise & Taxation Commissioner(ST)-cum Revisonal Authority, Ambala vide memo No.1755 dated 24.6.2016 for taking suo- moto action.

22. M/s Handa Enterprises, TIN no. 06141025168 A.Y. 2008-09

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1752 Dated 24.6.2016.

23. M/s Sham Sunder, TIN no. 06911025084 A.Y. 2006-07

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

24. M/s Sham Sunder, TIN no. 06911025084 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1833 Dated 29.6.2016.

25. M/s Sham Sunder, TIN no. 06911025084 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1817 Dated 29.6.2016.

26. M/s V.K. Constructive Builders, TIN no. 06741025129, A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped

27. M/s V.K. Constructive Builders, TIN no. 06741025129, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1799 Dated 28.6.2016.

28. M/s V.K. Constructive Builders, TIN no. 06741025129, A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1798 Dated 28.6.2016.

29. M/s Bal Singh & Sons, TIN no. 06051044181 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1866 Dated 1.7.2016.

30. M/s Bal Singh & Sons, TIN no. 06051044181 A.Y. 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

31. M/s Kapil Kumar Khattar, TIN no. 06611038247 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it

is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

32. M/s Kapil Kumar Khattar, TIN no. 06611038247 A.Y. 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

33. M/s Kapil Kumar Khattar, TIN no. 06611038247 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1865 Dated 1.7.2016.

34. M/s Suresh Kumar Gupta, TIN no. 06041025126 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

35. M/s Suresh Kumar Gupta, TIN no. 06041025126 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1801 Dated 28.6.2016.

36. M/s Suresh Kumar Gupta, TIN no. 06041025126 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Ambala vide No.1800 Dated 28.6.2016.

37. M/S Mangal Construction Co., TIN no. 06151044223, A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

38. M/S Mangal Construction Co., TIN no. 06151044223, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1857 Dated 1.7.2016.

39. M/s Arsh Builders, TIN No. 06521038248, A.Y. 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

40. M/s Krishan Kumar Goel, TIN no. 06261044211 A.Y. 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

41. A.N. Builders TIN No. 06541038237 A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1750 Dated 24.6.2016.

42. M/s Chaudhary Enterprises, TIN no. 06781045477 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.1756 Dated 24.6.2016.

43. M/s Isher Infrastructure & Development Pvt Ltd., Ambala TIN No. 06111045797, A.Y. 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

44. M/s S.S. Associates, Ambala, TIN no.6041033080 A.Y. 2005-06.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

45. M/s S.S. Associates, Ambala, TIN no.6041033080 A.Y. 2006-07 and 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

46. M/s S.S. Associates, Ambala, TIN no.6041033080 A.Y. 2008-09.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.2019 Dated 27.6.2016.

47. M/s Competent Const Ambala, TIN no. 06611040284 A.Y. 2006-07 and 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly

authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

48. M/s Parmod Kr Contractor, Ambala TIN no. 06821039635, A.Y. 2007-08 and 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

49. M/s Happy Dimple Engg Works, Ambala TIN no. 06581024150 A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it

is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

50. M/s Hi-Tech Builders, Ambala TIN no. 06161029522 A.Y. 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

51. M/s Garg Brothers, Ambala TIN no. 06201029015, A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

52. M/s Garg Brothers, Ambala TIN no. 06201029015, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.2040 Dated 28.6.2016.

53. M/s Shanti Contr., Ambala TIN no. 06401024443, A.Y. 2006-07.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

54. M/s Shanti Contr., Ambala TIN no. 06401024443, A.Y. 2007-08.

The case has been sent to The Deputy Excise & Taxation Commissioner(ST)-cum-Revisonal Authority, Ambala vide No.2041 Dated 28.6.2016.

55. M/s Hi-tech Drillers, Ambala TIN no. 06131040645 A.Y. 2007-08 and 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

56. M/s Bliss Ind, Ambala TIN no. 06681009933, A.Y. 2006-07 to 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer

may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

57. M/s Laxmi Builders, Ambala TIN no. 06571029830 A.Y. 2006-07 and 2007-08.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

58. M/s Grover Appliance, Ambala TIN No.06751029246 A.Y. 2008-09.

The Remand Case finally heard on 05-07-2016 and vide Order dated 05-07-2016 held that submersible pumps when not used for agriculture purpose are not exempt for levy of tax.

59. M/s Aggarwal Traders, Bhiwani, TIN No. 06381109232, A.Y. 2008-09.

In this case it is intimated that the objection raised by the audit party is not admitted. The dealer is not work contractor. He is doing the work with electricity department for supplying electricity by erecting PCC Poles with conductor (wire) and other material. He is authorized to purchase the goods against VAT D-1 as per section 7(4) (A) (4) of the HVAT Act, 2003. Hence the para may please be dropped.

60. M/s Country Builders Pvt. Ltd., TIN No. 06461217440, Faridabad (East) A.Y. 2007-08.

In this case it is intimated that the The audit has pointed out that the dealer had purchased material worth Rs. 3896050-00 against declaration in form VAT D-1 whereas the dealer being a regular works contractor was not entitled to purchase material at concessional rate against D-1. The audit has proposed for taking action under section 7(5) of the Haryana Value Added Tax Act, 2003. The assessment case was taken up in revision by the DETC (ST) East cum-Revisional Authority to examine the legality and propriety of the order. This issue was also examined by the Revisional Authority and observed in the order that "only lump sum contractor shall be "Deemed Manufacturer" and entitled for purchase of goods for use in execution of the contract against form VAT D-1 at concession at rate of tax. This means that works contractor who has not opted for scheme of lump sum payment of tax is not a manufacture and thus has to be considered as a "Trader". Since there is specific rule in HVAT Act/Rules, the judgments cited by the counsel are not applicable to this case.

Further, according to the proviso the Section 7(5) of HVAT Act, no penalty shall be imposed where an authorized dealer voluntarily pays the tax with the returns for the period. Since this dealer has not paid the differential amount of tax along with the returns, he rendered himself liable for penal action u/s 7(5) of HVAT Act, 2003. In view of these provisions, the dealer is liable for penal action."

The Revisional Authority vide his order dated 21.11.2014 remanded the case to the Assessing Authority for taking action in view of the above observations. The dealer preferred an appeal before the Hon'ble Haryana Tax Tribunal, Haryana against the order dated 21.11.2014 of the Revisional Authority which is listed as STA No. 64/15-16 in the Tribunal. The matter is pending adjudication before the Haryana Tax Tribunal. In view of the above the para may please be dropped.

61. M/s Country Builders Pvt. Ltd., TIN No. 06461217440, Faridabad (East) A.Y. 2008-09.

In this case it is intimated that the audit has pointed out that the dealer had purchased material worth Rs. 5295646-00 against declaration in form VAT D-1 whereas the dealer being a regular works contractor was not entitled to purchase material at concessional rate against D-1. The audit has proposed for taking action under section 7(5) of the Haryana Value Added Tax Act, 2003. The assessment case was taken up in revision by the DETC (ST) East cum-Revisional Authority to examine the legality and propriety of the order. This issue was also examined by the Revisional Authority and observed in the order that "Admittedly the dealer is a works contractor and assessment thereof has been framed as normal regular contractor after allowing various deductions. There are two type of works contractor under the Act –one who has opted for lump sum under Rule 49 of the Rules (Lump sum Contractor) and other is non lump sum contractor. For the purpose of entitling the lump sum contractor to make purchases of goods for use in execution of the work contract on the

authority of 'C' and 'VAT D1' the lump sum contractor are defined 'deemed to be a manufacturer' Rule 49(5) of the Rules which means that only the lump sum contractor can be regarded as deemed manufacturer that too for a limited purpose and natural corollary of these connotation is that the non lump sum contractor is not a manufacturer even for the limited purpose also. Had the dealer been a manufacturer then the sale price in his case would have been inclusive of all expenses and the dealer would not have been entitled for any kind of deduction like labour, service etc as is admissible to a works contractor. In the case of works contractor the goods are taxed as such which either may be transferred in the same form or any other form. All these are indicative of the fact the status of the non lump sum works contractor is of a trader and a trader can not purchase goods at concessional rate of tax as per the scheme of the Act. The other contention questioning the issuance of declaration by the assessing authority does not hold ground because wrong issuance of declaration by the assessing authority does not confer any right on the dealer to misuse them. And the dealer can not take benefit from the error or mistake of any assessing authority is settled law. The declarations are required to be used as stipulated under the Act and Rules framed there under not as per the convenience of the dealer and any deviation there from attracts penalty. This shows that besides, under the scheme of the Act (as per schedule 1 appended to the Rules), for the purpose of levy of tax works contractor is to be treated as a trader. The judgments cited by the dealer nowhere authorize the dealer to use the goods for a purpose other than those specified in the declaration form i.e. VAT-D1. It is abundantly clear that the dealer did not use the goods for the purpose specified from Clause (i) to Clause (vi) given in the VAT D-1 and gave a false certificate. The above discussion leads to the conclusion that the dealer has contravened provisions of section 7(4) of the Act and rendered himself liable for penal action under section 7(5) of the Act. As name of goods purchased against VAT D1 could not be ascertained from the returns and also the rate of tax on such goods otherwise leviable, the assessing authority concerned is directed to verify the same from the record of the firm for taking necessary action."

The Revisional Authority vide his order dated 03.06.2015 remanded the case to the Assessing Authority for taking action in view of the above observations. The dealer preferred an appeal before the Hon'ble Haryana Tax Tribunal, Haryana against the order dated 03.06.2015 of the Revisional Authority. The matter is pending adjudication before the Haryana Tax Tribunal. In view of the above the para may please be dropped.

62. M/s Laxmi Electrical Contt. & Engg., Faridabad (East) TIN No. 06491219024, A.Y. 2008-09.

In this case it is intimated that the dealer is a trader as well as works contractor. As works contractor the dealer has opted for payment of lump sum in lieu of tax. Being lump sum contractor, the dealer can make purchases at lower rate of tax against VAT D-1 forms. Being a trader, the dealer has effected purchases from VAT dealers from within the State and outside the State of Haryana. However,

the assessment file has been re-examined and found that the dealer as trader had made purchases of Rs. 600000/- against VAT D-1 forms and not of Rs. 1209670/- as pointed out in the audit. The assessing authority vide his re-assessment order dated 31.10.2012 has subjected the dealer to penalty of Rs. 51000/- for the purchases made at lower rate against D-1. After adjusting the penal amount of Rs. 51000/- against the excess carry forward, the additional demand in the re-assessment order quantified out to be Rs. 10894/-. The copy of order and TDN has been issued and served upon the dealer. The same has been recovered from the dealer vide DD No. 099302, dated 26.02.2014 of Axis Bank Ltd. Proof of deposited demand also placed on file. In view of this, the audit objection may please be dropped.

63. M/s Piyush Developer P.Ltd., Faridabad (East) TIN No. 06071220613., A.Y. 2007-08.

In this case it is intimated that In this case it is intimated that in order to meet the ends of the natural justice and to promotion opportunity of being heard to the dealer. Notice was issued to the dealer and reassessment was framed upon perusal of documents it has been observed that dealer purchased stone grit Rs. 387392/-@4%. Hence, difference of rate @8.5% has been charged and penalty under section 7(5) levied. Thereby creating an additional demand of Rs. 110289/- order of the Assessing Authority has been quashed by Jt. ETC (Appeal) on the ground of "due to non issuing of reassessment notice and reassessment was framed after fifteen months, which was time barred., In view of this the audit para may please be dropped.

64. M/s Dhingra Const. Co., Gurgaon (East) TIN No. 06541821318, A.Y. 2006-07.

In this case, it is intimated that the assessee company not opted for lump-sum scheme but for regular dealer scheme and was assessed to tax for the A.Y 2006-07 as per provisions of the Act and following the guidelines laid down by Hon'ble Apex Court in case of M/s Gannon Dunkerley & Co. and others Vs. State of Rajasthan & others 88 STC 204 (SC).

Audit has raised the objection that the assessee (contractor) can not purchase the raw material at the strength of VAT D-I form because only the contractors under the lumpsum scheme can effect the purchases against the declaration as per Rule 49(5) of the HVAT Act, 2003. Further, as the contractor was not liable to effect these purchases at concessional rate of tax, thus is liable to be proceeded against for penal action under section 7(5) of the HVAT Act.

It shall be pertinent to discuss the provisions and the scheme of the Act in relation to the works contractors as laid down in the HVAT Act/ Rules madder there under:-

Clauses(i) of Form of declaration in form VAT D-I of VAT DI Rules read with provisions of rule 17(1) of the HVAT, Rules, 2003, it has been categorically mentioned;

(i) use in the manufacturing of goods including packing of goods manufactured by me/us for sale. The assessee dealer is engaged in the activity of manufacture and thus is covered under clause(i) of VAT DI Rules.

“Manufacture” means processing of goods resulting into production of different commercial goods including by products and waste products.

Further, sub clause (ze) of section 2 of HVAT Act, which is reproduced as under:

“ sale” means any transfer of property in goods for cash or deferred payment or other valuable consideration except a mortgage or hypothecation of or a charge or pledge on goods and includes:

Sub Clause (ii)-“ The transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract.”

As per sub clause (i) of VAT D-1 can be used for the purpose of manufacturing for sale and as per definition of sale involved in the execution of works contract dealer is covered under the provisions of deemed sales and paying the tax on the transfer of property in goods used in the execution of works contract.

Hon'ble Financial & Principle Secretary Govt. of Haryana, Excise & Taxation Department under section 56(3) in the case of M/s Shree Industries, Faridabad vide clarification dated 18-06-2007 has held that a manufacturer will be entitled to purchase the goods specified in his registration for use in the manufacture of goods for sale after paying to seller VAT @ 4% on furnishing declaration in form VAT D-I to a seller if the tax other wise leviable is higher than 4%.

This clarification has been relied upon the judgment of STC-63 (SC), 96-STC-211 (SC), 6-STC-379 (SC).

The Hon'ble Financial Commissioner in the last para page 2 of the clarification has further held;

“provision of Section 7(4) of the HVAT Act read with rule 17(1) authorizes in manufacturer to purchase goods required for use in manufacture at concessional rate after furnishing a declaration in form VAT D-I.”

In this instant case VAT D-I is used for purchasing rori, bajri, crusher etc. i.e raw material and then it is converted into hot ready mix, concrete mix etc. For use in road construction and hence a different commodity is produced by mixing various ingredients and is thus a manufacturer and hence covered in clause (i) of VAT D-I Rules 17(I) of the HVAT Rules 2003.

The above contention that the contractor is a manufacture is further supported by the judgment of Hon'ble High Court of Kerala in case of M/s DLF LAING O ROUKE (India) Ltd. Vs. State of kerala in CWP No. 38109 of 2007 based on the case of Assistant Commissioner (intelligence) Vs Nandanam Construction Company 1999(115) STC 427 in which a constitution bench of the Supreme Court while examining this very question in the context of section-6A (ii) (a) of

the Andhra Pradesh General Sales Tax Act, 1957 has upheld that the activity of a works contractor engaged in building contracts amounts to manufacture. Similar view was taken in case of M/s Ajgantha Colour Lab Vs. Additional Sales Tax Officer-III Kozhikode (2009) 118 STC, 1 where division bench of Kerala High Court held that a dealer engaged in works contract was entitled to registration under the CST, Act and he can not be denied the use of 'C' forms for effecting inter state purchases.

Hon'ble Supreme Court of India in the case of State of U.P and others Vs. P.N.C, Construction Co. Ltd. and others reported as 9 VSTC page 115 Relevant Page 116, where Hon'ble Supreme Court has held affirming the decision of the High Court, that withdrawal of the recognition certificate was erroneous, as it was contrary to the definition of "sale" in section 2(h) of the U.P Trade Tax Act, 1948, which included the transfer of property of goods whether as goods or in some other form, and applied to transfer of goods involved in the execution of a work contract."

In view of the above discussed facts and in the light of various judgments it is established that a contractor is a manufacturer and is entitled to make purchases of the goods at concessional rate of tax using the 'C'/VAT D-I forms being a manufacturer. However, there is specific mention in clause(vi) of declaration in form VAT D-I of the lumpsum contractors for the use of VAT D-I form for the purchases but no where in the Act a works contractor who has not opted for lumpsum scheme been denied the use of the said form for the purchases at the concessional rate of tax as the same is covered under clause (i) of the declaration in form VAT D-I Rule 17(i) of the HVAT Rules, 2003.

In view of the above discussed facts and circumstances the audit para needs to be dropped.

65. M/s C & C Construction Ltd., Gurgaon (West) TIN No. 06541925787, A.Y. 2008-09.

In reply to the audit para it is submitted that the dealer is engaged in the business of trading, export of goods and the execution of works contract i.e. construction of Roads & Bridges etc. The dealer Co. entered into an agreement with M/s Case Components Ltd. who awarded the work of Civil Electrical & Plumbing work of Ware House at Village Hasanpur, Darbaripur, Gurgaon to M/s C & C Construction Ltd. The dealer company opted for lumpsum payment of tax in lieu of VAT as prescribed u/s 9 r/w Rule-49 of the HVAT Act, Rules, 2003 under the composition scheme. The dealer executed the works contract & received payments amounting to Rs. 91815696/- from the contract during the year 2008-09. TDS of Rs. 3797460/- @ 4 % had been deposited by the contractee on 16.4.2009. Proof of WCT deposited placed on file.

In view of the above facts audit para is not admitted & may be dropped.

66. M/s Hisar Const. Co., Hisar TIN No. 06631534294, A.Y. 2007-08.

In this case, it is intimated that the dealer firm is engaged in the execution of works contract and earlier opted to pay lump sum @4% as provided under Rule

49(1) of HVAT Rules, 2003 but later on the company expressed his intention to opt out of the scheme of payment of lump sum in lieu of the tax payable under the Act w.e.f. 1.10.2005 as provided under section 9(3) read with Rule 49(8) of the HVAT Rules, 2003. Thus, in view of the provisions contained in rule 49(8), the dealer company is not liable to pay tax lump sum tax in respect of the contracts awarded to him after 01.10.2005 but in respect of the other contracts awarded to the company before 01.10.2005 and executed during the current year the company has to pay lump sum tax in lieu of the tax payable under the H.V.AT. Act. As per details submitted by the dealer company and already mentioned in the assessment order, the company has received payments worth Rs. 2,78,95,402/- in respect of the contracts awarded before 01.10.2005 and executed during the current year i.e. 2007-08 the dealer was liable to pay lump sum tax. Therefore, the version of the Audit Party the dealer not opted for payment of lump sum in lieu of tax is not correct. So, being a lump sum dealer, he was also authorized to make purchases against VAT D-1. The purchases as mentioned in the audit memo pertains to the lump sum work and not regular work. No goods of purchases against VAT D1 for consumption in regular works contract have been made by the dealer firm. For regular work, the dealer company has purchased goods at the full rate of tax and not on concessional rate of tax. The audit party can examine the file again.

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

67. M/s ANS Const. Co. Ltd., Kaithal TIN No. 06382107750., A.Y. 2007-08 and 2008-09.

68. M/s Satyam Co-op cum labour const. society., TIN No. 06682108070., Kaithal A.Y. 2007-08 and 2008-09.

(Answer of Sr. No. 47 and 48) In this case it is intimated that the updated reply of the para could not be prepared as the files of firms were handed over to the Haryana Vigilance as per order of the Hon'ble Punjab & Haryana High Court. This office has written letter bearing No. 2014-15 dt. 21.06.2016 to S.P. State Vigilance Bureau Ambala to supply the photocopy of files and for which staff has been deputed to procure the photocopies of indicated files. The reply shall be sent on receipt of files.

69. M/s Garg Const. Co., Kurukshetra TIN No. 06222315709, A.Y. 2008-09 and 2009-10.

For the year 2008-09

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and

Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

For the year 2009-10

The case has been sent to the Dy. Excise and Taxation Commissioner –cum-Revisional Authority for considering the matter and taking appropriate action. The Revisional Authority has revised the order vide order no. 23-B/09-10, dt. 22.06.2015 and sent back to Assessing Authority to decide the case regarding whether the purchase of goods on the strength of D-1 declarations has contravened the provision of section 7(2) (3) (4) of HVAT Act, 2003. The Assessing Authority has remanded the case and penalty has been imposed of Rs. 10000/- u/s 7(5) of the Act ibid. In view of the above stated facts, it is requested that the para may be dropped.

70. M/s Marvel Contractor India Pvt Ltd., Kurukshetra TIN No. 06662317116, A.Y. 2008-09.

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax , 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

71. M/s R.N. Jain, Govt. contractor., Kurukshetra TIN No. 06042315711 A.Y. 2008-09.

In this connection, the case was sent to Jt. Excise & Taxation Commissioner (Range) for taking Suo-motu action. The case was remanded back to the concerned Assessing Authority by the Jt. Excise & Taxation Commissioner (Range) Ambala vide order dt. 12.09.2013. The Dy. Excise & Taxation Commissioner (Sales Tax)-Cum-Revisional Authority vide his order dt. 05.03.2014 imposed the penalty of Rs. 10000/- u/s 7(5) of HVAT Act, 2003. The amount has been paid on 07.07.2014 by the dealer. In view of the above the para may please be dropped.

72. M/s Amrit Lal Nagpal Contt., Kurukshetra TIN No. 06212315151 A.Y. 2008-09 and 2009-10.

For the year 2008-09

In this case, it is intimated that the case has been sent to Dy. Excise & Taxation Commissioner (ST) Cum-Revisonal Authority. Kurukshetra for taking Suo-motu action vide officer memo no. 2139/ETO (W-2) dt. 28.06.2016.

For the year 2009-10

The case was sent to the Joint Excise and Taxation Commissioner (Range), Ambala vide memo. no. 1835/CC-1, dated 19.7.2013 for taking suo-motu action. The Revisional Authority vide order dt. 06.01.2014 has remanded the case. Remand case of the dealer has been decided and penalty amounting to Rs. 10000/- has been imposed u/s 7 (5) of HVAT Act, 2003 and the same has been deposited by the dealer vide TR No. 60, dt. 22.04.2014.

73. M/s Satpura Construction Co., Kurukshetra TIN No. 06442317237 A.Y. 2008-09.

The case has been sent to the Dy. Excise and Taxation Commissioner –cum-Revisional Authority for considering the matter and taking appropriate action. The Revisional Authority has revised the order vide order no. 46-C/08-09, dt. 26.03.2014 and sent back to Assessing Authority to decide the case regarding whether the purchase of goods on the strength of D-1 declarations has contravened the provision of section 7(2) (3) (4) of HVAT Act, 2003. The Assessing Authority has remanded the case and penalty has been imposed of Rs. 2000/- u/s 7(5) of the Act ibid. In view of the above stated facts, it is requested that the para may be dropped.

74. M/s Arjun Buildtech., Kurukshetra TIN No. 06202317660 A.Y. 2009-10.

The case has been sent to the Dy. Excise and Taxation Commissioner –cum-Revisional Authority for considering the matter and taking appropriate action. The Revisional Authority has revised the order vide order no. 29-A/09-10, dt. 11.02.2014 and sent back to Assessing Authority to decide the case regarding whether the purchase of goods on the strength of D-1 declarations has contravened the provision of section 7(2) (3) (4) of HVAT Act, 2003. The Assessing Authority has remanded the case and penalty has been imposed of Rs. 10000/- u/s 7(5) of the Act ibid vide order no. 209/A/09-10, dt. 10.09.2015. In view of the above stated facts, it is requested that the para may be dropped.

75. M/s Rohtash Kumar Contt., Kurukshetra TIN No. 06762316770, A.Y. 2008-09 and 2009-10.

For the year 2008-09:

It is submitted that there is no revenue loss because the dealer purchased goods against from VAT D-1 and paid tax @ 4% and accordingly claimed input

tax credit in the returns. The dealer used the said forms which were duly authenticated by the different Assessing Authorities. Assuming that if the dealer may not have used D-1 forms then general rate of tax @ 12.5% is to be charged on purchases and the same amount is to be claimed as input tax credit. In such circumstances there is no revenue loss to the department. It is also submitted that nowhere in the Haryana Value Added Tax, 2003 and Haryana Value Added Tax Rules 2003, the regular contractor is barred for use of form D-1, It is clearly laid down that works contractors include manufacturing activity in section 2(zf) of the Haryana Value Added Tax Act, 2003. Moreover, it is submitted that no action u/s 7(5) of the Haryana Value Added Tax Act, 2003 can be taken as the case has become time barred.

In view of the above stated facts as there is no loss of revenue to the Govt. Department. The para may please be dropped.

For the year 2009-10.

The case has been sent to the Dy. Excise and Taxation Commissioner –cum-Revisional Authority for considering the matter and taking appropriate action. The Revisional Authority has revised the order vide order no. 23-A/09-10, dt. 22.06.2015 and sent back to Assessing Authority to decide the case regarding whether the purchase of goods on the strength of D-1 declarations has contravened the provision of section 7(2) (3) (4) of HVAT Act, 2003. The Assessing Authority has remanded the case and penalty has been imposed of Rs. 10000/- u/s 7(5) of the Act ibid. In view of the above stated facts, it is requested that the para may be dropped.

76. M/s Amar Singh Rahi Contt., Kurukshetra TIN No. 06632316211 A.Y. 2008-09.

The case has been sent to the Dy. Excise and Taxation Commissioner –cum-Revisional Authority for taking suo-motu action. The Revisional Authority remanded back the case to the Assessing Authority vide his order dt. 26.03.2014. Now the case has been decided and additional demand amounting to Rs. 10000/- has been created on this point. Tax against demand is deposited by the dealer. Hence the para may please be dropped.

77. M/s Rahi Const., Kurukshetra TIN No. 06542316212, A.Y. 2008-09.

The case has been sent to the Dy. Excise and Taxation Commissioner (ST) – cum- Revisional Authority, Kurukshetra for taking suo-motu action relating to purchases on form D-1 vide letter dated 10.06.2016. Final reply will be sent as and when the case will be decided by the Revisional Authority.

78. M/s Krishan Chand Contt., TIN No. 06212316733, Kurukshetra A.Y. 2007-08.

The case has been sent to the Dy. Excise and Taxation Commissioner-cum-Revisional Authority, Kurukshetra The Revisional Authority remanded the case to the Assessing Authority vide the direction to initiate proceeding u/s 7(5) of

HVAT Act, 2003. The Assessing Authority disposed off the demand case and levied penalty amounting to Rs. 10000/- u/s 7 (5) of HVAT Act, 2003. The dealer has deposited Rs. 10000/- vide GRN No. 0019437787 dt. 13.06.2016.

79. M/s Sharma Electrical Works., Kurukshetra TIN No. 06702302932, A.Y. 2008-09 & 2009-10.

For the year 2008-09:

In this connection, it is submitted that the case was sent to Jt. Excise & Taxation Commissioner (range) Ambala for taking Suo-motu action. The Revisional Authority vide order dt. 12.09.2013 remanded the case to the Assessing Authority to examine the issue in detail as to levy of tax, interest and penalty according to the provision of law after affording reasonable opportunity to the dealer. Accordingly, a notice was issued to the dealer to show cause as to why penalty u/s 7(5) of HVAT Act, 2003 may not be imposed as the dealer was not authorized to use the declaration forms VAT D-1. During proceeding of remand case, it has been observed that the dealer did not use any form VAT D-1 against the raw material use in the work contract. The dealer is also manufacturing the alternator and stabilizer and the dealer used VAT D-1 only to purchase of raw material used in manufacturing which is very clear in rule 49(1) of HVAT Act, 2003. After due verification, noticed issued on this point has been vacated by DETC –Cum-Assessing Authority, Kurukshetra vide order dt. 31.01.2014.

For the year 2009-10

In this connection, it is submitted that the case was sent to Jt. Excise & Taxation Commissioner (range) Ambala for taking Suo-motu action. The Revisional Authority vide order dt. 13.12.2013 remanded the case to the Assessing Authority to examine the issue in detail as to levy of tax, interest and penalty according to the provision of law after affording reasonable opportunity to the dealer. Accordingly, a notice was issued to the dealer to show cause as to why penalty u/s 7(5) of HVAT Act, 2003 may not be imposed as the dealer was not authorized to use the declaration forms VAT D-1. During proceeding of remand case, it has been observed that the dealer did not use any form VAT D-1 against the raw material use in the work contract. The dealer is also manufacturing the alternator and stabilizer and the dealer used VAT D-1 only to purchase of raw material used in manufacturing which is very clear in rule 49(1) of HVAT Act, 2003. After due verification, noticed issued on this point has been vacated by DETC –Cum-Assessing Authority, Kurukshetra vide order dt. 31.03.2014.

80. M/s Sahyog Constructions., Kurukshetra TIN No. 06502315749, A.Y. 2007-08.

In this case, it is intimated that penalty u/s 7 (5) of HVAT Act, 2003 has already been imposed vide order dt. 26.03.2014 amounting to Rs. 10000/- and same has been recovered on dt. 18.09.2014. Hence, para may please be dropped.

81. M/s Ajay Jain Govt. Contractor., Rohtak TIN No. 06242825142, A.Y. 2007-08.

With reference to your audit memo under reference it is intimated that the case was taken up in suo-moto revision by DETC-cum-Revisonal Authority. Case was remanded to Assessing Authority to take penal action. Assessing Authority vide his order dated 28-06-2013 created a demand of Rs. 2,61,600/-. Dealer then requested to adjust the demand against his refund of Rs. 11,10,205/- for the assessment year 2010-11. The Assessing Authority adjusted the amount from the refund of Rs. 11,10,205/- & issued RAO of Rs. 8,48,605/- vide order dated 16-03-2014. Hence the audit para may be dropped.

82. M/s Hari Das Construction Co. Pvt. Ltd., Rohtak TIN No. 06722825751 A.Y. 2007-08.

In reply to audit para, it is submitted that the dealer is a trader as well as works contractor but he had engaged only in trading activity. He is not a lump-sum contractor. The liability of the dealer began w.e.f 17-09-2008 and this case pertains to the year 2008-09 and not 2007-08 as mentioned in the audit para. As per office record the dealer has not been issued any VAT D-1 form. A certificate dated 14-06-2016 to this effect has been obtained from Nazir/ dealing hand of this office and placed on file. The dealer purchased Rodi, Rodi mixture from the dealers of Bhiwani Distt. where tax @ 4% was charged. In the assessment year, the input tax benefit has been allowed only @ 4% on purchases. Original tax invoices are on the file. Tax default, if any lies on the part of dealers of Bhiwani Distt who are sellers in this case. As no VAT D-1 has been issued to the dealer hence there is no misuse of VAT D-1. Hence, the audit para may please be dropped.

83. M/s Kalra construction Co., Rohtak TIN No. 06882822171, A.Y. 2008-09.

In reply to the audit objection it is submitted that the assessee company did not opt for lump-sum scheme but for regular dealer scheme and was assessed to tax for the A.Y 2008-09

Audit has raised the objection that the dealer is a work contractor. Scrutiny of the case file has revealed that the dealer had purchased material worth Rs. 1,97,183/-/- against declaration in form VAT D-I. Dealer being a Works contractor (not opted for payment of lump sum in lieu of tax), he is not authorized to use declaration form VAT D-I. This ease is taken by Revisional Authority, Rohtak and passed the order on 25.06.2014 to take penal action u/s 7(5) of HVAT Act. The A.A. issued notice to the dealer for 15.07.14 for misuse of VAT D-I. Finally the case was decided on 29.08.2014 by A.A. & imposed the tax and penalty Rs.51030/-. Tax and penalty Rs.51,000/- adjusted in his R.A.O. of Rs.488213/- for A.Y.2008-09. Copy of order is enclosed for your reference. Hence para may be dropped please.

84. M/s Ramesh Chander Contt., TIN No. 06162913359, Sirsa A.Y. 2008-09.

85. M/s MX Pave India., Sirsa TIN No. 06372916493 A.Y. 2008-09.

86. M/s MX Pave India., Sirsa TIN No. 06372916493 A.Y. 2009-10.

87. M/s Ridhi Sidhi Electric & Enggs. Contractor., Sirsa TIN No. 06862915981, A.Y. 2008-09.

(reply of Sr. No. 64 and 67):

In reply to audit memo it is submitted that the case was taken up in the revision by the Revisional Authority who has remanded the case to the Assessing Authority for imposition of penalty U/s 7(5) for misuse of VAT D-1 form. Penalty u/s 7(5) has been imposed in both of the cases. In view of the above stated facts, it is requested, that the para may be dropped.

The Committee viewed it seriously that the observations of the audit after having been accepted in 87 cases by the Department, only 17 cases have been revised so far, 33 cases are time barred pertaining to the years 2005-06, 2006-07 & 2007-08 and remaining 37 cases are yet under process of revision.

The Committee has desired that the all the pending cases be decided within a period of two months under intimation of the Committee.

[117] 2.2.12.3 Material supplied by contractee to contractor

Section 2 (ze) (ii) of the HVAT Act provides that the transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract, where such transfer, is for cash, deferred payment or other valuable consideration such transfer shall be deemed to be a sale of those goods by the person making the transfer. Under the provisions of HVAT Act, tax is leviable at every stage and deemed sale is also taxable in the hands of the contractor. A works contractor may either pay lump sum in lieu of tax at the rate of four per cent of gross receipts of works contract or pay tax on the value of goods transferred in the execution of works contract. In view of judgement of Hon'ble Supreme Court in the case of Karyapalak Engineer and others (2004) 136 STC 641 (SC-FB), material supplied by contractee to contractor and recovery of which is made through bills is sale.

During test check of records of office of four DETCs, we noticed that six contractees supplied material valued as Rs. 3.63 crore to their works contractors during 2007-08 to 2008-09. The AAs while finalising assessments in nine cases between December 2010 and March 2012 allowed deduction and did not levy tax on material supplied by contractees for use in execution of works contract, value of which was recovered through running bills. Thus, allowing inadmissible deduction resulted in underassessment of VAT of Rs. 0.45 crore.

The Department agreed to the audit contention during exit conference.

The department in its written reply stated as under:-

1. M/s Kassin Vikas Co-Op L/c society, Kaihtal, TIN No. 06592108653, A.Y. 2009-10.

In this case it is intimated that the file has been taken for Suo-motu action by DETC (I)-Cum-Revisonal Authority and the Revisonal Authority had disallowed the deduction of Rs. 817066/- and taxed @12.5% vide D. No. 489/09-10 dt. 12.04.2016. Hence the para is liable to be dropped.

The Committee has desired that recovery from the dealer be made at the earliest under intimation of the Committee.

[118] 2.2.15 Other interesting cases:

During test check of records of office of six DETCs, we noticed that the AAs while finalising assessment between January 2010 and February 2012, assessed less tax, allowed excess ITC and assessed less GTO of 10 contractors in 13 cases for the years 2006-07 to 2010-11. This had resulted in underassessment of tax as Rs. 2.72 crore (including refund of excess amount of Rs. 0.02 crore for 2007-08 and penalty of Rs. 0.05 crore), as per details below:

(Rs. in crore)

Sr. No.	Name of DETC	Tax			Remarks
		leviable	Levied	Short	
1	Faridabad(E)	0.97	0.58	0.39	In 3 cases of 2 works contractors, tax was leviable on material valued at Rs. 10.49 crore transferred in execution of works contract but levied on Rs. 6.90 crore
2	Kurukshetra	0.33	0.25	0.08 0.06 (Intt)	The contractor was allowed deduction of loss of Rs. 0.64 crore from material to be taxed but this was not allowable as loss is to be adjusted towards expenses and material transferred in execution of works contract is to be taxed in full.
3	Ambala	0.22	0.19	0.03	The contractor was allowed deduction of loss of Rs. 0.83 crore from material to be taxed but this was not allowable as loss is to be adjusted towards expenses and material transferred in execution of works contract is to be taxed in full.
4	ETO Dabwali	0.18	0.00	0.18 0.54 (penalty)	In 2 cases, the contractor concealed his turnover and filed wrong returns which were accepted by AAs. Hence tax and penalty u/s 38 is leviable.
5	Kaithal	0.63	0.43	0.20 0.25 (ITC)	The contractor was allowed irregular refund of Rs. 0.45 crore as the contractor had opted to pay lump sum in lieu of tax w.e.f. 1.4.10 but tax was assessed on material transferred in execution of works contract during the year.
Input Tax Credit					
		Allowed	Allow-	Excess	

Sr. No.	Name of DETC	Tax			Remarks		
		leviable	Levied	Short			
			able				
6	Faridabad(E)	0.25	0.11	0.14 0.11 (Intt)	The contractor opted to pay lump sum in lieu of tax w.e.f 1.4.08 and on 31.3.08 material involving ITC of Rs. 0.14 crore was in stock which was not allowable for being used in lump sum contract.		
7	Faridabad(E)	0.35	0.02	0.33 0.26 (intt)	The contractor paid lump sum in lieu of tax on works contract hence no ITC was allowable on purchase of material used in such works contract.		
Gross Turn Over							
		Assess-able	Tax	Asses-sed	Tax	Excess tax	
8	Faridabad(E)	7.50	0.30	6.97	0.28	0.02	During 2008-09 the contractor was allowed irregular refund of Rs. 0.04 crore (including Rs. 0.02 crore for 2007-08) and excess of tax of Rs. 0.03 crore was carried forward without explaining reasons for taking lesser GTO.
		6.16	0.25	5.38	0.22	0.03	
9	Gurgaon (W)	11.48	0.46	8.94	0.36	0.10	As per affidavit of contractor, GTO was to be taken as Rs. 10.48 crore but wrongly taken as Rs. 8.94 crore (as per P&L a/c) resulting in irregular excess benefit of carry forward of tax of Rs. 0.10 crore.

The Department admitted the lapse during exit conference.

The department in its written reply stated as under:-

The discrepancies pointed out in 13 cases of the contractors broadly involves following legal issues:

- (i) ITC on purchases was not allowable to lump sum paying contractors whereas the ITC was allowed to such contractors;
- (ii) Deduction of tax from the total receipts was allowed while subjecting the consideration to lump sum tax whereas the total consideration including the tax element should have been subjected to lump sum;
- (iii) Transfer of properties in execution of works contract was more but tax in the assessment was levied on less amount by allowing wrong deductions of inadmissible expenses like loss etc;

The observation of the audit as mentioned at (i) is strictly in conformity to the provisions of law and ITC should not have been allowed. Regarding the issue at No. (ii) the valuable consideration if inclusive of tax then deduction of tax is to

be allowed for the purpose of quantification of lump sum because as per explanation added to Rule 33(2) of VAT Rules 2003 the valuable consideration would not include tax if any forming part of the consideration. So this can be determined or ascertained on factual verification of the agreements etc. The observation of the audit that the deduction of loss is not admissible while arriving at the taxable turnover in case of works contract is correct academically but in the case wherein it was pointed as loss is infact not loss rather it was work in progress. Rest of the objections under this heading is of fact finding nature like concealment of turnover etc. Corrective actions like revision, rectification where needed has been taken in almost cases.

Case wise reply of all paras depending upon the fact and circumstances of each case is detailed as under.

1. M/s Country Builders Pvt. Ltd., FBD (E) TIN No. 06461217440, A.Y. 2007-08.

In this case, it is intimated that the deemed sales on the basis of the material purchased by the dealer during the year should have come Rs. 3,79,51,513/- whereas the Assessing Authority had determine the deemed sales (taxable turnover) as Rs. 1,74,61,718/- in the Assessment order and resulted into under-assessment of tax. In this context it is submitted that the DETC-cum-Revisional Authority, Faridabad had taken up the case in the revision to examine the legality and propriety of the order dated 21.03.2011. This issue was also examined by the Revisional Authority and observed that *"the dealer has made purchases during the year as under:-*

Inter State Purchases as per LP-3	: 12519618-00
Local Purchases @ 4%	: 9226481-00
Local Purchases @ 12.5%	: 6070820-00
Other Purchases	: 1011127-00
Total Purchases	: 28828046-00

Besides these purchases, the element / amount of cartage inward and profit is to be added except consumable store to arrive at quantum of taxable turnover. The Assessing Authority has assessed turnover of Rs. 17461718/- which is not in accordance with the provisions of law.

Further, the Hon'ble Supreme Court of India in case of M/s Gannon Dunkerley Co. Vs State of Rajasthan exported as (1993) 88 STC 204 SC (page 234-35) laid down broad parameters and held that entire works contract considerations have to be taken is account and deduction of the charges towards labour and services be allowed to arrive at the taxable / turnover sale. The Assessing Authority has failed to determine the taxable turnover as per law as discussed."

The Revisional Authority remanded the case to the Assessing Authority vide orders dated 21.11.2014. The dealer has challenged the orders of the Revisional Authority before the Haryana Tax Tribunal which is pending

adjudication before the Tribunal. In view of the above the para may please be dropped.

2. M/s Country Builders Pvt. Ltd., FBD (E) TIN No. 06461217440, A.Y. 2008-09.

In this case it is intimated that the deemed sales on the basis of the material purchased by the dealer during the year should have come Rs. 2,79,45,152/- whereas the Assessing Authority had determine the deemed sales (taxable turnover) as Rs. 2,38,74,603/- in the Assessment order and resulted into under Assessment of tax. In this context it is submitted that taxable turnover in the Assessment order was arrived at after allowing various deductions. The DETC-cum-Revisonal Authority, Faridabad had taken up the case in the revision to examine the legality and propriety of the order dated 08.02.2012. This issue was also examined by the Revisional Authority and observed that *"The other illegality from which the assessment order suffers is wrong deduction while arriving at the taxable turnover. The counsel of the firm has emphasised that deduction as admissible in composite works contract have been allowed by the assessing authority in the assessment order and needs no interference at this stage. But perusal of the assessment order reveals otherwise. It has been noticed that the assessing authority has allowed deduction of Rs. 1,91,94,348/- on account of indirect expenses and counsel of the firm has explained that indirect expenses includes establishment expenses, administrative expenses, financial expenses etc. It settled law that in a composite works contract which involves supply of material as well as supply of labour and services, cost of establishment etc would have to be apportioned between the part of the contract involving supply of material and part involving supply of labour and services. That same is the position with other deductions which are not discussed in detail in this order for the sake of brevity. This requires to be looked into afresh keeping in view various judgments on the issue and the provisions of the Act and the rules."*

The Revisional Authority remanded the case to the Assessing Authority vide orders dated 03.06.2015. The dealer has challenged the orders of the Revisional Authority before the Haryana Tax Tribunal which is pending adjudication before the Tribunal. In view of the above the para may please be dropped.

3. M/s Unitech Ltd, FBD (E) TIN No. 06981210558, A.Y. 2007-08.

The audit has pointed out that the dealer was a regular works contractor and interstate purchases of Rs. 1,40,12,940/- made during the year had not been subjected to tax by the Assessing Authority in the assessment order which resulted under assessment of tax of Rs. 13,46,802/-. The case was taken up in the revision by the then DETC (ST) –cum-Revisonal Authority to examine the legality and propriety of the order dated 25.02.2010 of the Assessing Authority. The Revisional Authority vide its order dated 25.02.2013 revised the original order and levied tax on the interstate purchases. The Revisional Authority has created an additional demand of Rs. 20,04,440/- and Rs. 2,88,012/- under the

HVAT Act and CST Act respectively Aggrieved by the orders of the Revisional Authority, the dealer has filed an appeal before the Haryana Tax Tribunal and the same is pending adjudication before the Tribunal and the case is listed as STA No. 444-445 of 2013-14. In view of the above facts the para may please be dropped.

4. M/s Isher Infra & Dev, P Ltd, Ambala, TIN No. 06111045797, A.Y. 2008-09.

In reply to audit para it is stated that the case has been sent for taking Suo-motu action in the matter to the Dy. Excise & Taxation Commissioner –cum-Revisional Authority, Ambala vide endst. No. 1579, dated 14.06.2016. The result of the same will be communicated later on.

5. M/s Diamond Construction Co., Kaithal, TIN No. 06592108556, A.Y. 2010-11.

In this case it is intimated that the updated reply of the para could not be prepared as the files of firms were handed over to the Haryana Vigilance as per order of the Hon'ble Punjab & Haryana High Court. This office has written letter bearing No. 2014-15 dt. 21.06.2016 to S.P. State Vigilance Bureau Ambala to supply the photocopy of files and for which staff has been deputed to procure the photocopies of indicated files. The reply shall be sent on receipt of files.

6. M/s Piyush Developers Pvt. FBD (E), TIN No. 06071220613, A.Y. 2007-08.

In this case it is intimated that in order to meet the ends of the natural justice and to promotion opportunity of being heard to the dealer. Notice was issued to the dealer and reassessment was framed upon perusal of documents it has been observed that dealer purchased stone grit Rs. 387392/-@4%. Hence, difference of rate @8.5% has been charged and penalty under section 7(5) levied. Thereby creating an additional demand of Rs. 110289/- order of the Assessing Authority has been quashed by Jt. ETC (Appeal).

In view of this the audit para may please be dropped.

The Committee has desired that State interest be protected meticulously and responsibility of the Assessing Authorities, who are responsible for making incorrect assessment and/or for not taking action in time, be fixed under intimation to the Committee.

[119] 2.3.1 Underassessment of tax due to application of incorrect rate of tax

The rates under Haryana Value Added Tax Act, 2003 (HVAT) have been prescribed as per Schedules A to G. However, under section 7 (1) (a) (iv) of the HVAT Act, any commodity other than the commodities classified in any of the schedules, is taxable at the rate of 12.5 *per cent* w.e.f. 1.7.2005. Further interest is also leviable under section 14(6) of the HVAT Act in case of default in payment of tax.

During test check of the assessment record of the office of DETC, (ST) Faridabad (West), we noticed in July 2011 that a dealer sold Railway Track Machines for Rs. 59

crore during the year 2007-08. These Machines were used for repair and maintenance of railway track for the movement of trains safely and cannot be used for carrying the passenger or goods etc. The AA while finalising the assessment in December 2010, levied value added tax at the rate of four *per cent*, instead of correct rate of 12.5 *per cent* as applicable in respect of unclassified item. This had resulted in under assessment of tax amounting to Rs. 5.01 crore and interest of Rs. 3.81 crore thereon.

After we pointed out the case in July 2011, the AA, Faridabad (West) stated in July 2011 that the main function of this machine was repair and maintenance of Railway Tracks and hence it was covered under Entry No. 62 of Schedule 'C' of VAT Act. The reply of AA was not in consonance with the instructions contained in the HVAT Act, 2003 and the clarification issued on 30 March 2006 by the Financial Commissioner & Principal Secretary, Government of Haryana, Excise and Taxation Department in the case of JCB India Ltd in which it was stated that only such machinery would qualify to be covered under the entry plant and machinery, which is used in a plant for production of goods or services on an industrial scale, anything other than those would attract tax at 12.5 *per cent*.

During exit conference the Department accepted the audit observation.

The department in its written reply stated as under:

It is submitted that the observations of the audit have proposed to levy tax at the general rate of tax i.e. 12.5% w.e.f. 01.07.2005 on the sale of 'Railway Track Machine' by M/s Plasser India Ltd., Faridabad because the commodity manufactured by the firm are not covered in any Entry of Schedule 'C' hence unclassified item leviable to tax at the rate of 12.5%.

The observations of the audit have been accepted and the assessment case for the year 2007-08 has been taken up for revision and will be decided within a short period.

M/s Plasser (India) Pvt. Ltd., Faridabad (W), TIN No. 06521303547, A.Y. 2007-08. (D.P. -9).

In this case, it is intimated that the case file has been taken by Dy. Excise & Taxation Commissioner (Inspection)-Cum-Revisonal Authority, Faridabad for revision of the assessment order as per the provisions of Section 34 of HVAT Act, 2003. The notice for this purpose, dated 10.06.2016. was served upon the dealer on same day. The final decision taken in this regard will be intimated to the audit in due course.

The Committee has desired that the matter be sorted out/decided within a period two months under intimation to the Committee.

[120] 2.3.2 Non-levy of value added tax on sale of Guar Gum

The rates under HVAT Act have been prescribed as per Schedules A to G. However, under Section 7 (1) (a) (iv) of the HVAT Act, any commodity other than the commodities classified in any of the schedules, is taxable at the rate of 12.5 *per cent* w.e.f. 1 July 2005.

During test check of the records of office of the ETO (Sales Tax), Mandi Dabwali (Sirsa) in April 2010, we noticed that dealer sold Guar Gum valued at Rs. 2.18 crore during the year 2007-08 and claimed the goods as tax free. The AA while finalising the assessments in January 2010 allowed the deductions treating it as tax free goods under Schedule 'B' of the HVAT, Act. However, Guar Gum, being non-specified in any schedule, was taxable at the rate of 12.5 *per cent*. This had resulted in non-levy of VAT amounting to Rs. 27.23 lakh.

After we pointed out the case in April 2010, ETO Dabwali stated in February 2012 that the case had been sent to the revisional authority for taking suo motu action.

During exit conference the Department accepted the audit observation and directed the concerned officers to look into the matter for necessary action.

The department in its written reply stated as under:

M/s Ambaji Gums, Mandi, Dabwali, (Sirsa), TIN No. 06542916060, A.Y. 2007-08 (D.P. -13 R).

In reply to the audit objection, it is submitted that the case was sent to the Revisional Authority for tasking Suo-motu action and the Revisional Authority has remanded the case to the Assessing Authority for making fresh assessment.

The Committee has constituted a Sub-Committee consisting of the following to report to the Public Account Committee after physical verification of the matter:-

- 1. Shri Parminder Singh Dhull, MLA;**
- 2. Dr. Pawan Kumar Saini, MLA; and**
- 3. Shri Vidya Sagar, Joint ETC, Excise & Taxation Department.**

[121] 2.4.1 Evasion of tax due to suppression of sales

Under Section 38 of the HVAT Act, if a dealer has maintained false or incorrect accounts or documents with a view to suppress his sales, purchases, or stock of goods, or has concealed any particulars or has furnished to or produced before any authority any account, return, document or information which is false or incorrect in any material particular, such authority may direct him to pay by way of penalty, in addition to the tax to which he is assessed or liable to be assessed, a sum thrice the amount of tax which would have been avoided had such account, return, document or information as the case may be, been accepted as true and correct. In order to prevent the tax evasion by fraudulent means, VAT provides for introduction of Tax Information Exchange System (TINXSYS) for proper tracing of inter-state sales transactions. Further, with a view to detect evasion of VAT by claiming fraudulent ITC by issuing forged tax invoices or fictitious accounting of goods neither purchased nor sold etc., the ETC issued instructions in March 2006 for cross verification of all purchase/sale transactions totaling more than Rs. one lakh from a single VAT dealer in a year.

During test check of the records of the office of DETC (ST), Faridabad (East), we noticed in December 2009 and June 2010 that two dealers had not included sales of Rs. 6.08 crore made to four dealers in their tax returns. Further, one dealer had also not reflected purchase of Rs. 1.63 crore made against 'C' form. Although, the sales of Rs. 1.50 crore to one dealer had been noticed in September 2007 by the Department yet no action was initiated by the AA against the defaulting dealer for levying the tax and penalty, while finalising the assessment for the year 2005-06 in March 2009. Failure of the AAs to cross verify the transactions of sales and purchases despite ETC directions of March 2006, led to suppression of sales of Rs. 7.88 crore which consequently led to evasion of VAT of Rs. 31.51 lakh. Besides, penalty of Rs. 94.53 lakh was also leviable on suppression of sales and purchases.

After we pointed out the cases in December 2009 and June 2010, the AA Faridabad (East) stated in May 2012 that in one case re-assessment has been framed in August 2010 levying tax of Rs. 16.99 lakh on suppressed sales and imposing penalty u/s 38 for Rs. 50.98 lakh, out of this Rs. 2 lakh has been recovered so far. In second case, the AA stated in May 2012 that the Registration certificate of the dealer had been cancelled w.e.f. 31 March 2006 and no return was filed by the dealer for the year 2006-07. The reply of the AA was not correct as this dealer had made sales in 2006-07 and was therefore liable to pay tax on that. However, during exit conference the Department accepted the audit observation and directed the concerned officers to look into the matter for necessary action.

The department in its written reply stated as under:

The observations of audit in two cases, is listed under this heading, involves suppression of sales and purchases and the issue is regarding levy of tax and penalty under section 38 of the Haryana Value Added Tax 2003. It is admitted legal position that tax and penalty under section 38 of the Act is leviable if any dealer maintains false and incorrect accounts with a view to suppress sales and purchase.

However the para wise reply of cases depending upon the fact and circumstances of each case is detailed as under.

1. M/s Grima Sales Corporation, TIN No. 06671217567, A.Y. 2005-06.

In reply to the audit objection, it is submitted that the case was remanded by HTT. Notice inform N2 was issued and served upon the Counsel of the firm Mr. Subhash Sharma. Thereafter memo notices were issued for 31.3.2015 and 22.5.2015 but none present inspite of proper service of the notices. The case finally decided ex-parte vide AA order dated 22.5.2015 creating an additional demand of Rs. 4,11,38,522/- (copy enclosed). The dealer has filed an appeal against the order before worthy Jt. ETC (Appeal) Faridabad vide appeal No. 153/2015-16VAT.

In view of the above facts and circumstances, the para may kindly be dropped.

2. Om Trading & Manufacturing Co., Faridabad (E), TIN No. 06801217350, A.Y. 2006-07.

In reply to the audit memo, it is submitted that the Prop. of M/s Om Trading & Mfg, Co., Faridabad had applied for cancellation of his Registration Certificate/TIN under both the Acts vide application dated 26.06.2008. Thereafter, the registration certificate of the firm was cancelled by the then ETO-cum-Assessing Authority vide his order dated 18.05.2011 w.e.f. 31.03.2006. No return for the year 2006-07 was filed by the dealer. The whereabouts of the dealer is not known so it could not be ascertained whether the dealer made sales to Ms Grand Prix Fab Ltd., holding TIN 06161309270 and M/s M. L. Enterprises, Faridabad holding TIN 06191325210 or the purchasers have shown the purchases from the dealer just as to claim ITC.

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

The Committee has desired that the interest of the State be protected meticulously.

[122] 2.4.2 Evasion of tax due to misuse of Form 'F':

As per Section 6A of the CST Act, transfer of goods from one State to another place of business in another State is exempt from levy of tax on production of 'F' forms and if any dealer fails to prove to the satisfaction of AA claim of transfer of goods, then the movement of such goods shall be deemed for all purposes of this Act to have been occasioned as a result of sale. The ETC issued instructions in March 2006 that in the cases of specific traders (selected for scrutiny) all transactions totaling more than Rs. one lakh from a single VAT dealer in a year should be cross verified to detect evasion of VAT. Further, penalty was also leviable under section 38 of HVAT Act.

During test check of the assessment records of the office of DETC (ST), Kaithal and Kurukshetra in August 2009 and March 2011, we noticed that declaration forms 'F' were found suspicious against which three dealers claimed deduction of consignment sale of goods valued as Rs.1.19 crore on concessional rate of tax during 2005-06 and 2006-07. The AAs, while finalising the assessment in September 2008, November 2009 and January 2010, allowed the deduction. Failure on the part of AAs to scrutinise the claim and cross verify the transaction, as required in the ETC's instructions dated 14 March 2006 resulted in incorrect allowing of deductions which consequently led to evasion of tax Rs. 9.48 lakh. In addition penalty was also leviable for evasion of tax.

After we pointed out these cases in August 2009 and March 2011 to DETC (ST) for verification of 'F' forms from the concerned State. AA Kurukshetra stated in January 2012 that on verification, these forms were not found issued by the concerned authority and these cases had been sent to the Revisional authority in August 2011 for taking suo-moto action. In another case, the AA Kaithal stated in March 2012 that case had been sent to Revisional authority for taking suo moto action.

During exit conference the Department accepted the audit observation and the Principal Secretary directed to issue instructions to the concerned Assessing Authorities to proceed against the dealers by opening their cases for re-assessment and recovery of legitimate revenue.

The department in its written reply stated as under:

1. M/s Shri Krishna Trading Co. Kurukshetra, TIN 06122314794, A.Y. 2006-07.
2. F- form no. 03Q/514213
3. –Do- 03Q/514214,
4. –Do- 03Q/514215
5. –Do- 03Q/514216.

In this case it is intimated that a letter was written to the Sales Tax Authority, Delhi for verification of 'F' forms vide this office letter dated 1213/CC-I, dated 20.6.11. It has been intimated vide their letter dated 21.6.2011 that these forms have not been issued to them from their office. In view of these facts the case has been sent to the Joint Excise and Taxation Commissioner (Range), Ambala vide this office memo. no. 1757/CC-I, dated 1.8.2011 for taking suo-moto action. During Revisional proceedings dealer produced other 'F' forms before the Jt. E.T.C(Range), Ambala. The Revisional Authority remanded the matter to the undersigned vide his order dated 22.8.2012 to entertain the 'F' forms, now produced, if found genuine, otherwise liability of Rs. 2,42,274/ be fastened against the dealer. The 'F' forms now produced have not been found genuine hence additional demand 2,42,274/- has been created vide my orders dated 31.12.2012. Rs. 242274/- has been adjusted from the excess amount for the assessment 2010-11 vide order of Assessing Authority dt. 21.06.2013. Hence, the para may please be dropped.

The Committee has desired that FIR be got registered against the dealers who are responsible for evasion of tax for misuse of Form F within a period of one month under intimation to the Committee.

[123] 3.1.3 Analysis of arrears of revenue:

The arrears of revenue as on 31 March 2012 in respect of State Excise amounted to Rs. 119.19 crore of which Rs. 76.53 crore were outstanding for more than five years. The following table depicts the position of arrears of revenue during the period 2007-08 to 2011-12: (Rs. in crore)

Year	Opening balance of arrears	Amount collected during the year	Closing balance of arrears	State Excise receipts	Percentage of column 4 to column 5	Percentage of realisation of arrears (Col. 3 to col. 2)
1	2	3	4	5	6	7
2007-08	42.26	2.57	52.31	1,378.81	4	6
2008-09	52.31	8.36	46.61	1,418.53	3	16
2009-10	46.61	2.75	84.96	2,059.02	4	6
2010-11	84.96	1.12	107.81	2,365.81	5	1
2011-12	107.81	0.67	119.19	2,831.89	4	1

We observed that arrears of revenue had increased from Rs. 42.26 crore at the beginning of the year 2007-08 to Rs. 119.19 crore (182 *per cent*) at the end of the year 2011-12. The percentage of realisation of arrears to the arrears at the beginning of the

year ranged between one and 16 *per cent* during the years 2007-08 to 2011-12. Though the actual receipts increased by 105 *per cent* (from Rs. 1,378.81 crore in 2007-08 to Rs. 2,831.89 crore in 2011-12).

The Government may advise the Excise and Taxation Department to take effective steps for collecting the arrears promptly to augment Government revenue.

The department in its written reply stated as under:

The para is based on information supplied by the department to the Principal Accountant General (Audit), Haryana, Chandigarh. Out of total arrear in revenue of Rs. 119.19 crore, Rs. 7.35 crore stands recovered upto 30.06.2016, leaving a balance of Rs. 111.84 Crore. The breakup of balance arrear are given below:-

(Amount in Crore)

1.	Under Stay	3.63
2.	Under liquidation	0.11
3.	Under instalment	0.56
4.	Inter State	16.02
5.	Inter District	10.41
6.	Writing Off	0.46
7.	Property attached	7.85
8.	Net recoverable	72.80
	Total	111.84

The Committee has observed that the arrears of revenue have been increasing day by day and recommended that the Department should evolve an effective mechanism to recover the arrears of revenue in a time bound manner by creating a recovery cell in the department; and the officers/officials to be posted in the recovery cell be made responsible for taking effective steps for collecting the arrears promptly to augment the Government revenue.

[124] 3.2.1 Non-realisation of differential license fee on re-auction:

Under the Haryana Liquor License Rules, 1970 (HLL Rules), read with the State excise policy for the years 2009-10 and 2010-11, every successful allottee of retail licensed liquor outlet, shall be required to deposit a security amount equal to 20 per cent of the annual license fee of the licensed outlet, out of which 5 per cent of the license fee has to be deposited on the day of draw of lot, 5 per cent within 7 days of the allotment/draw of lot or before 31 March of the respective year, whichever is earlier and remaining 10 per cent by the 7th April of the respective year. The balance 80 per cent shall be payable in nine equated monthly instalments starting from April to December of the respective year. In case, the allottee fails to make payment of security deposit equal to 20 per cent of annual license fee and defaults in payment of nine equated instalments of license fee along with interest, the licensed outlet shall cease to be in operation on the first day of the following month and shall ordinarily be sealed by the DETC (Excise) of the

respective district. In such events, 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 M-2 registers for watch of payment of license fee in the offices of DETC (Excise), Bhiwani, Kaithal and Panipat between December 2010 and February 2012, we noticed that 17 retail outlets were auctioned for Rs. 6.92 crore for the years 2009-10 and 2010-11. Of the total license fee of Rs. 6.92 crore, the allottees deposited security and monthly license fee amounting to Rs. 2.95 crore and failed to deposit the balance amount of Rs. 3.97 crore. The Department cancelled their retail liquor outlets and forfeited the entire amount of security. These retail outlets were re-auctioned/re-allotted between September 2009 and February 2011 for the remaining period for Rs. 1.30 crore at the risk and cost of original licensees. The Department, did not initiate any action to recover the differential amount of license fee of Rs.2.67 crore (Rs. 3.97 crore - Rs. 1.30 crore) from the original allottees. This resulted in non-realisation of Government revenue of Rs. 2.67 crore.

After we pointed out these cases between December 2010 and February 2012, DETCs (Excise), Kaithal and Panipat stated that recovery certificates would be issued and DETC (Excise), Bhiwani stated that efforts would be made to recover the outstanding amount. We have not received further progress report on recovery (October 2012).

The matter was reported to the Government between January 2011 and July 2012; the Government accepted the audit observation during the exit conference held in October 2012.

The department in its written reply stated as under:

In this para out of total amount of Rs. 2.67 Crore, an amount of Rs. 1.00 Lakh wrongly shown due to clerical error. Balance amount of Rs. 2.66 Crore are still under process and the concerned DETC have been directed to recover the License fees/ Interest at the earliest.

The Committee has observed that as this para relates to a very old case, the Department may get the latest position of this para and report to the Committee.

[125] 3.2.2 Non/short recovery of interest

Under the Haryana Liquor License Rules, 1970 (HLL Rules), read with the State excise policy for the year 2010-11 provide for payment of monthly instalments of license fee by the 20th of each month by the licensee/allottee holding license for retail outlets for vending Country Liquor and Indian made Foreign Liquor. Failure to do so renders him liable to pay interest at the rate of one and half *per cent* per month for the period from the first day of the month to the date of payment of the instalment or any part thereof. If the licensee fails to deposit the monthly instalment in full along with interest by the end of the month, the licensed outlet shall cease to be in operation on the first day of the following month and shall ordinarily be sealed by the District Excise and Taxation Commissioner (Excise) {DETC (Excise)} of the respective district.

During test check of M-2 registers for watch of payment of license fee in four offices of DETC (Excise) in October and November 2011 for the year 2010-11, we

noticed that 97 licencees had paid the monthly instalments of license fee amounting to Rs. 34.28 crore for the period between April 2010 and March 2011 after the prescribed due dates. The delay ranged between 21 to 151 days. The DETC (Excise), however, did not initiate any action to cease/seal the vends for non-deposit of monthly instalments by the end of the month and to levy interest for delayed payments of license fee. This resulted in non-levy of interest of Rs. 1.06 crore.

After we pointed out these in October and November 2011, DETC (Excise) Gurgaon stated in January 2012 that efforts would be made to recover the outstanding amount of Rs. 34.64 lakh. DETC (Excise) Kurukshetra stated in September 2012 that an amount of Rs. 82,438 had been recovered in two cases and efforts would be made to recover the outstanding amount of Rs. 1.15 lakh. DETC (Excise) Rewari stated in October 2012 that an amount of Rs. 4.09 lakh had been recovered in three cases. We had not received further progress of recovery of interest in case of other DETCs and reply from DETC (Excise), Faridabad (October 2012).

The matter was reported to the Government between December 2011 and July 2012; the Government accepted the audit observation during the exit conference held in October 2012.

The department in its written reply stated as under:

In this para an amount of Rs. 105.80 lacs was pointed out by Principal Accountant General (Audit), Haryana and out of which Rs. 17.64 lacs has been recovered leaving a balance of Rs. 88.16 lacs. Efforts are being made to recover the balance amount. The concerned DETC have been directed to make the recovery at the earliest.

The Committee has desired that sincere efforts be made to effect the recovery at the earliest possible under intimation to the Committee.

[126] 3.2.3 Non/short recovery of license fee and interest:

Under the Haryana Liquor License Rules, 1970 (HLL Rules) read with State Excise Policy for year the 2010-11, provide for payment of monthly instalment of license fee by the 20th of each month by the licensee/allottee holding license for retail outlets for vending country liquor (CL) and Indian made foreign liquor (IMFL). Failure to do so renders him liable to pay interest at the rate of one and a half *per cent* per month for the period from the first day of the month to the date of payment of the instalment or any part thereof. If the licensee fails to deposit the monthly instalment in full along with interest by the end of month, the licensed outlet shall cease to be in operation on the first day of the following month and shall ordinarily be sealed by the Deputy Excise and Taxation Commissioner (Excise) {DETC (Excise)} of the respective district.

During test check of the records of payment of license fee of the office of Deputy Excise and Taxation Commissioner (Excise), Gurgaon in October 2011 for the year 2010-11, we noticed that retail liquor outlets for sale of CL/IMFL were allotted to 10 licensees for Rs. 7.34 crore. The licensees failed to pay the monthly instalment of license fee for the year 2010-11 in full by the prescribed dates. Of the total license fee of Rs. 7.34 crore, the licensees had paid only Rs. 6.41 crore. Thus, the allottees did not deposit the balance amount of Rs. 93 lakh. The DETC (Excise), however, did not initiate

any action to seal the vends for non-deposit of monthly instalment in full by the end of the month and levy interest for belated payment of lincense fee. This resulted in non/short recovery of license fee of Rs. 1.02 crore (including interest of Rs. 9.45 lakh).

After we pointed out these cases in October 2011, DETC (Excise), Gurgaon stated that proceedings for recovery had been initiated. We had not received further progress report on recovery (October 2012).

The matter was reported to the Government in December 2011; the Government accepted the audit observation during the exit conference held in October 2012.

The department in its written reply stated as under:

Out of total 10 cases an amount of Rs. 1.02 Crore are still under process and the concerned DETC have been directed to recover the License fees/ Interest at the earliest.

The Committee has desired that sincere efforts be made to make the recovery at the earliest possible under intimation to the Committee.

[127] 5.1.3 Analysis of arrears of revenue

A: Passengers and goods tax

The arrears of revenue relating to PGT as on 31 March 2012 amounted to Rs. 60.18 crore out of which Rs. 15.29 crore (25 *per cent*) were outstanding for more than five years. The following table depicts the arrears of revenue during the period 2007-08 to 2011-12:

(Rs. in crore)

Year	Opening balance of arrears	Amount collected	Closing balance of the arrears	Actual receipts	Percentage (Col. 3 to Col. 2)	Percentage of closing balance of arrears to actual receipts (Col. 4 to Col. 5)
1	2	3	4	5	6	7
2007-08	51.97	22.28	48.55	379.39	43	13
2008-09	48.55	11.52	58.08	370.29	24	16
2009-10	58.08	16.88	64.50	391.45	29	16
2010-11	64.50	13.96	59.41	387.14	22	15
2011-12	59.41	23.14	60.18	429.32	39	14

We observed that arrears of revenue of PGT had increased from Rs. 51.97 crore at the beginning of the year 2007-08 to Rs. 60.18 crore (16 *per cent*) at the end of the year 2011-12. The percentage of realisation of arrears to the arrears outstanding at the beginning of the year ranged between 22 and 43 *per cent* during the years 2007-08 to 2011-12.

The Government may advise the Excise and Taxation Department to take effective steps for collecting the arrears promptly to augment Government revenue.

B: Taxes on vehicles:

The Department intimated that there was an arrear of revenue of Rs. 0.84 crore as on 31 March 2012. The following table depicts the arrears of revenue during the period 2007-08 to 2011-12:

(Rs. in crore)

Year	Opening balance of arrears	Amount collected	Closing balance of the arrears	Actual receipts	Percentage (Col. 3 to Col. 2)	Percentage of closing balance of arrears to actual receipts (Col. 4 to Col. 5)
1	2	3	4	5	6	7
2007-08	3.20	0.44	2.76	233.79	14	1.18
2008-09	4.15	0.61	3.54	239.30	15	1.48
2009-10	3.40	0.42	2.98	277.07	12	1.08
2010-11	1.30	0.11	1.19	457.36	8	0.26
2011-12	0.92	0.09	0.84	740.16	10	0.11

We observed that arrears of revenue of Taxes on vehicles had decreased from Rs. 3.20 crore at the beginning of the year 2007-08 to Rs. 0.84 crore (26 *per cent*) at the end of the year 2011-12. The percentage of realisation of arrears to the arrears outstanding at the beginning of the year ranged between eight and 15 *per cent* during the years 2007-08 to 2011-12.

The department in its written reply stated as under:

Passenger and Goods Tax:

The para is based on information supplied by the department to the P.A.G. (Audit), Haryana. Out of total arrear in revenue of Rs. 60.18 Crore. Rs. 33.39 Crore stands recovered upto 30.06.2016 leaving a balance of Rs. 26.79 Crore. The breakup of balance arrear are given below:-

Sr. No.		(Amount in Crores)
1	Inter state	0.76
2	Net recoverable	26.03
	Total	26.79

The Committee has recommended that an officer of Excise & Taxation Department be deputed with the officer of the Transport Department during passing so as to collect the tax promptly to augment Government revenue.

[128] 5.2.9 Absence of instructions regarding auto rickshaws

As per procedure prevalent in the Department, levy and collection of passengers tax was the responsibility of DETC (PGT) of the concerned district while road tax was levied and collected by the RTA concerned. As per instructions issued in January 2009

responsibility for levy and collection of passengers tax including road tax was entrusted to RTA of the district concerned. RTA was further directed to deposit the element of passengers tax under PGT head.

Test check of records of the office of DETCs revealed that details of the owners of such registered auto rickshaws which had arrears of passengers tax to be paid were not transferred in eight out of the 10 districts. However, details of arrear outstanding were sent to the respective RTAs by the DETC Kurukshetra and Jagadhari between January 2010 and June 2011 but no action was taken by the RTAs.

The Department in exit conference (October 2012) accepted the viewpoint of audit and assured for remedial action.

The department in its written reply stated as under:

List of arrears pertaining to auto rickshaw of all districts in the state has already been sent to Regional Transport Authorities (RTAs).

The Committee has desired that after reconciliation, the complete list of arrears pertaining to auto rickshaw sent to all Regional Transport Authorities, mentioning therein the date of sending to the respective RTAs, be submitted to the Committee at the earliest.

[129] 5.2.11 Deficiency in Rules

PGT Rules prescribe the rates of Passenger Tax to be charged from owners of five seater taxies and seven to 12 seater maxi cabs. However, there is no provision in the Act to charge the tax on six seater maxi cab/taxi.

We noticed that passengers tax on six seater maxi cab/taxi was being charged at the rate of Rs. 100 per month per seat i.e. Rs. 1,800 per quarter in eight district offices. DETC, Gurgaon charged tax on six seater taxi at the rate of Rs. 1,800 per quarter and Rs. 2,100 per quarter while DETC, Hisar charged at the rate of Rs. 2,700 per quarter. The Department had not issued any instructions for levying Passengers Tax on this category of vehicles.

The Department admitted the facts during exit conference.

The department in its written reply stated as under:

In reply to audit objection at para no. 5.2.11, it is submitted that as the provisions of Rule 9 (1) of Punjab PGT Rules, 1952, no rate of tax for six seater vehicle is prescribed. As there was no manufacturing of six seater vehicles for the last few years, the suggestion of audit has been considered and necessary amendment regarding levy of tax on six seater vehicles is under process.

The Committee has recommended that necessary amendments in the relevant Rules be got made within a period of three months under intimation of the Committee as well as to the office of Principal Accountant General office, Haryana.

[130] 5.2.12 Non-registration of vehicles:

Section 9 of the PPGT Act requires that the owner of a motor vehicle should register his vehicle with the assessing authority of the district concerned within fifteen days of the date of purchase of motor vehicle or the date of incurring the liability to pay the tax under the Act, whichever is earlier. In case of default, interest and penalty are leviable under the Act.

5.2.12.1 The PAC of Haryana Vidhan Sabha in its 67th Report on the Report of the Comptroller and Auditor General of India for the year 31 March 2006 (Revenue) had directed that all out efforts be made to recover the balance amount and the Committee informed accordingly.

Despite these recommendations, we noticed during test check of records of registration maintained in nine DETCs, 368 vehicles escaped from paying passenger tax but were registered with RTA. The evasion of passenger tax amounted to Rs. 91.93 lakh.

5.2.12.2 We further noticed that in seven districts, out of 2,453 school buses only 1,148 buses were registered. 1,305 buses were neither registered nor brought into account in the books of DETC offices from April 2006 to March 2011. Loss on this account to the State exchequer could not be ascertained as no survey was conducted to ascertain the amount of bus charges collected from the students. Matter was also not taken up with the concerned RTAs by the DETCs. Four DETCs stated that matter would be taken up with the RTAs. Further progress report and reply from remaining three DETCs were awaited (October 2012).

During the exit conference held in October 2012, the Principal Secretary, Excise and Taxation Department stated that vehicle owner can get his vehicle registered anywhere in the State. The reply is not tenable as vehicle owner has to apply for registration under the PPGT Act to the assessing authority of the district concerned.

We are of the opinion that absence of co-ordination between DETCs and RTAs office resulted in evasion of tax.

The department in its written reply stated as under:**5.2.12.1**

Out of total 368 cases involving an amount of Rs. 135.92 lacs, Rs. 49.34 lacs has been recovered in 90 cases. Efforts are being made to recover the balance amount of Rs. 86.58 lacs.

5.2.12.2

Higher authorities have requested to the Transport department to make NOC of this department mandatory before the issue of fitness certificate of the vehicle by Regional Transport Authorities (RTAs).

The Committee has recommended that a complete list of district-wise school buses be prepared mentioning therein the details of outstanding tax; reasons for outstanding tax and ensure the recovery of outstanding amount/tax within a period

of six months under intimation to the Committee as well as office of Principal Accountant General, Haryana.

[131] 5.2.13 Non/short realisation of passengers tax:

5.2.13.1 Maxi seater cab and taxi car:

Under Section 9 of the PPGT Act and rules framed thereunder, passengers tax on five seater taxi car is leviable at the rate of Rs. 3,000 per annum and on seven to 12 seater maxi cab at the rate of Rs. 100 per seat per month. Tax is payable in equal quarterly instalments within 30 days of the commencement of the quarter to which payment relates. In case of default, penalty and interest are leviable.

During test check of the records of 10 offices of DETC (PGT), we noticed that passengers tax in respect of 309 maxi seaters and taxi car had not been paid by the taxi owners. No demand notices had been issued. This resulted in non/short realisation of tax of Rs. 69.95 lakh was including interest of Rs. 20.07 lakh.

The Department in exit conference (October 2012) agreed to the audit observation.

The department in its written reply stated as under:

Out of total 313 cases involving an amount of Rs. 70.56 lacs, Rs. 2.82 lacs has been recovered in 31 cases. Efforts are being made to recover the balance amount of Rs. 66.43 lacs.

The Committee has recommended that recovery be made in all the cases within a period of six month under intimation to the Committee, otherwise Committee will be compelled to take stern action against the officers/officials responsible for not making recovery in the cases.

[132] 5.2.13.2 Transport co-operative societies buses

Under the scheme of privatisation of passenger road transport, the permit holder of the buses plying on link routes of the State are required to pay lump sum passengers tax, based on the seating capacity of the bus monthly at the rate of Rs. 12,000 for 52/54 seater and Rs. 6,000 for 30 seater bus 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 seater bus with effect from March 2007. In case of default, penalty and interest are leviable under the Act.

Test check of the records of four offices of DETC (PGT) for the period 2009-10 to 2010-11 revealed that in 11 cases, the owners of the co-operative societies buses did not deposit the monthly passenger tax either in full or in part during the years 2009-10 and 2010-11. There was nothing on record to show that the Department had raised the demand to realise tax from the defaulting societies. This resulted in non/short realisation of tax of Rs. 19.79 lakh (including interest of Rs. 2.71 lakh).

During the exit conference (October 2012), the Department agreed to the audit observation.

The department in its written reply stated as under:

Out of total 11 cases involving an amount of Rs. 19.79 lacs, Rs. 10.89 lacs has been recovered in 4 cases. Efforts are being made to recover the balance amount of Rs. 8.90 lacs.

The Committee has recommended that recovery be made in all the cases within a period of six months under intimation to the Committee, otherwise Committee will be compelled to take stern action against the officers/officials responsible for not making recovery in the cases.

[133] 5.2.13.3 City bus operators

Section 9 (2E) of the PPGT (Haryana Amendment) Rules, 2004, as inserted with effect from 24 February 2004, provides that 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 buses at Rs. 4,200 and Rs. 7,000 per month respectively. Ordinary full body buses having compressed natural gas as fuel are levied passenger tax at the rate of Rs. 8,000 per month.

Test check of the records of offices of DETC (PGT), Faridabad (East) and Gurgaon revealed that 23 private bus operators who were granted permits for plying buses in city areas did not deposit the monthly passengers tax for different period between April 2010 and March 2011. The Department did not take action to realise the tax from the defaulting bus owners. No demand notices were issued by the Department. This resulted in non/short realisation of tax of Rs. 11.18 lakh including interest of Rs. 1.19 lakh.

The Department in the exit conference agreed to the audit observation.

The department in its written reply stated as under:

Out of total 23 cases involving an amount of Rs. 11.18 lacs, Rs. 1.39 lacs has been recovered in 4 cases. Efforts are being made to recover the balance amount of Rs. 9.79 lacs.

The Committee has observed that it is a test check of only four districts. The Committee has desired that position of all districts be compiled upto the year 2012 within a period of two months under intimation to the Committee. It has also been desired that after reconciliation, the Committee be also informed as to whether any permit has been issued after 2009.

[134] 5.2.14 Non-recovery of Goods Tax

Goods tax is leviable in lump sum on public or private carriers used at the prescribed rates on the basis of registered load as per Motor Vehicles Act, 1988. In terms of Section 22 of the PPGT Act, 1952 read with Rule 9 of the PPGT Rules, 1952, the rates are Rs. 4,000 per annum (not exceeding 16.2 tons), Rs. 5,600 per annum (exceeding 16.2 tons but not exceeding 25 tons) and Rs. 12,000 per annum (exceeding 25 tons).

Test check of the records of 10 DETC offices revealed that in a sample size of 10,321 cases obtained by random sampling method, goods tax of Rs. 4.33 crore including interest of Rs. 1.18 crore were not received in 2,630 cases. However, no demand notices were issued and the assessing authority failed to review demand and collection registers (DCRs).

The Department in exit conference (October 2012) agreed to audit observation and assured that recoveries would be made.

The department in its written reply stated as under:

Out of total 2630 cases involving an amount of Rs. 433.29 lacs, Rs. 92.03 lacs has been recovered in 639 cases. Efforts are being made to recover the balance amount of Rs. 341.26 lacs.

The Committee viewed it seriously that for making recovery, even demand notices have not been issued. The Committee has desired that responsibility be fixed of the officers/officials, who are responsible for not issuing demand notice for making recovery; and of the officers/officials in whose jurisdiction, highest recovery is pending under intimation to the Committee.

[135] 5.2.15 Non/short recovery due to non-assessment of cases

PPGT Act envisages that if the assessing authority is satisfied without requiring the presence of the owner or the production by him of evidence that the return furnished under rule in respect of any period are correct and complete, it may at any time during the year and shall at the close of the year or after the closure of business if it takes place during the year, assess the amount of tax due from the owner on the basis of such returns. Further, if at the close of the year or at any time during the year, the assessing authority without requiring the presence of an owner or the production of evidence by him is not satisfied with the returns furnished or the tax paid in respect of any period, by him, it shall serve on such owner, a notice requiring him on date and at place be furnished therein, either to attend in person or cause to be produced any evidence on which such owner may reply in support of such returns.

We noticed in offices of DETCs Ambala, Gurgaon and Rewari that Passenger Tax worth Rs. 21.05 lakh besides interest of Rs. 13.23 lakh was not recovered in 81 cases out of 560 cases assessed. No demand notices were issued by the Department.

The Department concurred and assured recovery would be made.

The department in its written reply stated as under:

Out of total 81 cases involving an amount of Rs. 34.28 lacs, Rs. 5.32 lacs has been recovered in 28 cases. Efforts are being made to recover the balance amount of Rs. 28.96 lacs.

The Committee viewed it seriously that for making recovery, even demand notices have not been issued. The Committee has desired that responsibility be fixed of the officers/officials, who are responsible for not issuing demand notice for

making recovery; and of the officers/officials in whose jurisdiction, highest recovery is pending under intimation to the Committee.

[136] 6.1.1 Result of audit

Test check of the records in departmental offices relating to Excise and Taxation Department (Entertainment duty), Power (Taxes and duties on electricity), Mines and Geology, Industries and Land Revenue conducted in audit during the year 2011-12 revealed under assessments of tax and loss of revenue amounting to Rs.3.81 crore in 4,433 cases which broadly fall under the following categories:

(Rs. In cores)

Sr. No.	Category	Number of cases	Amount
A: Excise and Taxation Department (Entertainment duty)			
1.	Non-recovery of entertainment duty	21	0.04
B: Power Department (Taxes and duties on electricity)			
1.	Miscellaneous irregularities	4,171	0.09
C: Mines and Geology and Industries			
1.	Non-recovery of interest on date deposit of contract money	12	3.21
2.	Non-recovery of royalty and interest	137	0.44
Total		149	3.65
D: Land Revenue			
1.	Misellaneous irregularities	92	0.03
Grand total		4,433	3.81

During the course of the year 2011-12, the department accepted under assessment and other deficiencies of Rs.4.14 crore involved in 4,290 cases, out of which Rs.3.66 crore involved in 4,271 cases were pointed out during 2011-12 and the rest in earlier years. The department recovered Rs.53.52 lakh in 42 cases during the year 2011-12, out of which Rs.5.65 lakh involved in 23 cases relate to the year 2011-12 and the rest in earlier years.

An illustrative case involving Rs.3.84 crore is mentioned in the following paragraphs.

The department in its written reply stated as under:-

Out of total 21 cases involving an amount of Rs. 4.45 lacs has been reviewed with following results:-

Number of cases	Amount pointed out by Audit (Rs. In Lacs)	Result of review
1	0.40	Settled without demand
21	4.05	Cases were under process
22	4.45	

The Committee has desired that sincere efforts be made to make the recovery to augment the State revenue.

REVENUE DEPARTMENT

[137] 4.2.1 *Evasion of stamp duty due to undervaluation of immovable property*

Section 27 of the IS Act as applicable to the State of Haryana, provides that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of duty with which it is chargeable, should be fully or truly set forth therein. Further, Section 64 of the 1S Act provides that any person who, with intent to defraud the Government, executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth, is punishable with a fine which may extend to Rs. 5,000 per instrument.

During test check of the records of 111 registering offices between December 2010 and June 2011, we noticed that 30 conveyance deeds were registered between April 2009 and June 2011 on account of sale of immovable properties. The total value of properties set forth in all these conveyance deeds was Rs. 6.51 crore. Cross verification of these deeds with the agreements executed between the concerned parties between May 2008 and December 2010 revealed that the total sale value of agreements worked out to Rs. 12.88 crore. Thus, the conveyance deeds were got executed and registered at a consideration less than what had been agreed to between the parties. Undervaluation of immovable properties in conveyance deeds resulted in evasion of SD of Rs. 23.92 lakh. In addition penalty not exceeding Rs. 1.40 lakh was also leviable for incorrect information in the document.

After we pointed out these cases between December 2010 and June 2011, SR Rania stated in September 2011 that the Collector had ordered between December 2009 and May 2010 for deposit of SD amounting to Rs. 1.98 lakh including penalty of Rs. 10,000. SRs Ballbhgarh Jind, Pillukhera, and Sohna stated in January 2012 that the cases had been referred to the Collector in February 2010 under Section 47 A of the Act for final decision for the outstanding amount of Rs. 9.33 lakh. SR Sirsa stated in January 2012 that efforts would be made to recover the outstanding amount of Rs. 4.68 lakh. We have not received report on recovery and action taken to levy penalty and reply from the remaining five SRs for the outstanding amount of Rs. 8.03 lakh (October 2012).

We reported the matter to the Government in May 2012. During exit conference held in January 2013 the Additional Chief Secretary, Revenue Department agreed to the audit observation and assured to take corrective/preventive steps.

The department in its written reply stated as under:

This para relates to Evasion of Stamp Duty due to under valuation of immovable property on the basis of agreement to sell amounting to Rs. 23.92 lacs in 30 cases concerning to Sub Registrars Alewa, Ballabhgarh, Dabwali, Jind, Narwana, Pillukheda, Pataudi, Rania Safidon, Sirsa, and Sohna. The latest position of this para is as under:-

		No. of cases	Amt (in lakh)
1	Amount Recovered by the department.	15	6.79
2	Amount dropped by Collectors	4	1.10
3	Amount dropped by A.G.	-	-
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	4	5.11
5	Amount pending for recovery	7	10.92
	Total	30	23.92

Out of above 30 cases amounting to Rs 23.92 lakh deficiency of stamp duty was pointed out by the Accountant General audit party during the year 2009-10 in the office of the Sub Registrars Alewa, Ballabgarh, Dabwali, Jind, Narwana, Pillukheda, Pataudi, Rania, Safidon, Sirsa, and Sohna. The Deputy Commissioners Faridabad, Gurgaon, Sirsa, Jind of the state have been impressed upon vide D.O. letter dated 30.05.2016, 19.07.2016 and dated 12.08.2016 from the Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue to look into the matter at personal level and to instruct the concerned Collector to decide these cases on priority basis to expedite early decision. A meeting was also held under the chairpersonship of Additional Chief Secretary and Financial Commissioner Revenue at the level of Divisional Commissioners Gurgaon and Ambala Division in which the said matter was also discussed and directions were given in the meeting for expediting disposal of cases pertaining to stamp duty and registration fees pending before the Collectors under their control.

The Committee has desired that district-wise list of pending cases under Section 47-A in the State, mentioning the audited amount involved therein, details of recovery made and outstanding recovery be supplied to the Committee within a period of one month.

[138] 4.2.2 Non-levy of stamp duty on plant and machinery

Under Section 2 (10) of the IS Act, "Conveyance" includes a conveyance on sale and every instrument by which property whether movable or immovable is transferred. As per instructions issued by the Government in August 2003, Conveyance deed includes sale of business including land, building and machinery which was installed permanently on land for running the business, machinery would be treated as immovable property for ascertaining value of property for SD.

During test check of the records of the office of Sub Registrar (SR), Karnal in June 2011 for the year 2010-11, we noticed that a vendee purchased a factory land, building, plant and machinery for a consideration of Rs. 7.80 crore (land and building: Rs. 4.19 crore and plant and machinery: Rs. 3.61 crore) in an auction conducted by the official liquidator attached to the Punjab and Haryana High Court at Chandigarh. While executing the conveyance deed in March 2011, SD of Rs. 20.94 lakh was paid on the cost of land and building but the Registering Authority did not levy SD of Rs. 18.06 lakh on Rs. 3.61 crore of the cost of plant and machinery. This resulted in short levy of SD of Rs. 18.06 lakh.

After we pointed out the case in June 2011, the SR Karnal stated in January 2012 that the case had been referred to the Collector in August 2011 under Section 47-A of the IS Act for final decision. We have not received further progress report on recovery (October 2012).

Similar case was also noticed during the year 2006-07 in Rohtak district involving Rs. 6.63 lakh in respect of cost of plant and machinery but no recovery had been made till date.

We reported the matter to the Government in April 2012. During exit conference held in January 2013 the Department agreed to the audit observation and assured to take corrective action.

The department in its written reply stated as under:

This para relates to Non levy of stamp duty amounting to Rs. 18.06 lacs in one case concerning to Sub Registrar Karnal on plant and machinery which is covered under the definition of immoveable property under section 2(6) of the Registration Act, 1908. The case has been decided by the Collector on 6.3.2013. Strenuous efforts are being made by the Collector for recovery under section 48 of the Indian Stamp Act, 1899 as an arrear of land Revenue.

Recently D.O.letter dated 12.08.2016 from Additional Chief Secretary and Financial Commissioner Revenue has been issued to all the Divisional Commissioners of the State for expediting the disposal of such cases pertaining to determination of proper stamp duty and fees so chargeable and recovery thereof.

The Collector has declared the deficiency of Rs. 6.63 lakh in this case vide his order dated 24.11.2011 and the Divisional Commissioner Rohtak has upheld the decision of the Collector vide his order dated 09.10.2013 in the appeal filed by the party. The Deputy Commissioner Rohtak is constantly being directed to get the recovery determined by the collector.

The Committee has desired that the recovery of the outstanding amount be made within a period of one month under intimation to the Committee.

[139] 4.2.3 Evasion of stamp duty due to misclassification of documents

Under the provisions of the Section 2 (10) of the IS Act, as applicable to the State of Haryana, 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 (SD) becomes leviable under the IS Act.

During test check of the records of the office of Sub Registrar (SR) Gurgaon, for the year 2010-11 in June 2011, we noticed that two instruments conveying possession and transfer of property valued at Rs. 2.15 crore to the vendees were executed between February and March 2011. In all the cases, the vendors received full amount in lieu of the property sold and the possession of immovable property was also handed over to the

purchasers. The deeds were liable to be treated as conveyance deeds and SD of Rs. 10.77 lakh was leviable. However, the registering authority misclassified these documents and registered the deeds as Agreements to sell charging SD of Rs. 110 which was incorrect. This resulted in evasion of SD of Rs. 10.77 lakh.

After we pointed out these cases in June 2011, SR, Gurgaon stated in January 2012 that the cases had been sent to the Collector in September 2011 under Section 47-A of the Act for decision. We have not received any report of recovery (October 2012).

We reported the matter to the Government in April 2012. During exit conference held in January 2013 the Department agreed to the audit observation and assured to take corrective action.

The department in its written reply stated as under:

This para relates to Evasion of stamp duty due to misclassification of documents on the basis of agreement to sell with possession with full amount of consideration in 2 cases amounting to Rs.10.77 lacs concerning to the office of Sub registrar Gurgaon in which strenuous efforts are being made by the sub registrar office Gurgaon for recovery.

The concerned Deputy Commissioners and Divisional Commissioner Gurgaon has been impressed upon vide D.O. letter dated 30.05.2016 and 19.07.2016 to look into the matter at personal level and to instruct the concerned authorities to decide these cases 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.

Recently D.O.letter dated 12.08.2016 from Additional Chief Secretary and Financial Commissioner Revenue has been issued to all the Divisional Commissioners of the State for expediting the disposal of such cases pertaining to determination of proper stamp duty and fees so chargeable and recovery thereof.

The Committee has desired that the recovery of the outstanding amount be made within a period of two months under intimation to the Committee.

[140] 4.2.4 Short levy of stamp duty and registration fee due to misclassification of documents:

Section 2 (10) of the IS Act, provides that 'conveyance' includes conveyance on sale and every instrument by which property whether movable/ immovable is transferred inter vivos and which is not otherwise specifically provided for by schedule 1-A of the Act. Further, Section 54 of the Transfer of Property Act, 1882 defines "sale" as transfer of ownership in some property on payment of price or on promise of price being paid or part of the price is paid and part promised. The classification of an instrument depends upon the nature of the transaction recorded therein. In case possession of the property is handed over after receipt of the full amount of consideration or promise to pay

consideration later on, the instrument becomes a conveyance deed and stamp duty (SD) becomes leviable under the IS Act.

During test check of the records of the office of Sub Registrar (SR) Gurgaon between September 2010 and June 2011 for the years 2009-10 and 2010-11, we noticed that four collaboration agreements were registered between July 2009 and September 2010 in respect of land on which SD of Rs. 100 each was levied as applicable in the case of an agreement not involving sale of land. Scrutiny of these agreements further revealed that the owners of land authorised the developers to take possession of the land with the right to construct, develop and deal with the land in accordance with the terms and conditions of the agreements. In exchange of the land, the owners of land were entitled either to take a part of the developed land or receive part payment. The developers were entitled to dispose off their shares of developed land in such a manner as they deemed fit without requiring any consent from the owners. Hence, the development right/collaboration agreements were conveyance of right to develop, construct and sell the property and were liable to pay SD on sale of property in respect of the developers' share of land. However, as per rates fixed by the Collector applicable in the concerned areas and rates as per agreement, total value of land transferred to the developers worked out to Rs. 26.15 crore on which SD of Rs. 1.33 crore was also leviable. Misclassification of these sale deeds resulted in short levy of SD of Rs. 1.33 crore.

After we pointed out these cases between September 2010 and June 2011, SR Gurgaon stated in January 2012 that cases had been sent to the Collector for determination of value of property and proper duty payable thereon. We have not received further progress report (October 2012).

We reported the matter to the Government in June 2012. During exit conference held in January 2013 the Department agreed to the audit observation and assured to take corrective action.

The department in its written reply stated as under:

This para relates to Short levy of stamp duty and registration fee amounting to Rs. 133 lacs due to misclassification of documents on the basis of Collaboration Agreement in 4 cases concerning to the office of Sub registrar Gurgaon. Strenuous efforts are being made by the sub registrar office Gurgaon after decided by the Collector. The Deputy Commissioner Gurgaon has been impressed upon vide D.O. letter dated 30.05.2016 and 19.07.2016 and 12.08.2016 to look into the matter at personal level and to instruct the concerned authorities to 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.

The Committee has desired that sincere efforts be made so as to recover the outstanding amount within a period of six months under intimation to the Committee.

[141] 4.2.5 Short levy of stamp duty due to application of incorrect rates of immovable property

In order to check evasion of SD in sale deeds, the Government issued instructions in November 2000 to all registering authorities in the State to the effect that agricultural land sold 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 SD.

During test check of the records of 17 offices of JSRs/SRs between December 2010 and August 2011 for the years 2009-10 and 2010-11, we noticed that 191 sale deeds of plots within municipal limits with an area less than 1,000 square yards and in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, were registered between May 2009 and March 2011. The deeds were liable to be assessed for Rs. 51.26 crore based on the rates fixed for residential areas and SD of Rs.3.09 crore was chargeable. However, the registering authorities assessed the deeds for Rs. 14.09 crore based on the rates fixed for agricultural land and levied SD of Rs. 87.25 lakh. This resulted in short levy of SD of Rs. 2.22 crore.

After we pointed out these cases between December 2010 and August 2011, 14 SRs stated between October 2011 and January 2012 that the cases had been sent to the Collector between May 2011 and January 2012 under Section 47-A of the Indian Stamp Act, 1899 for decision. We have not received report on recovery and reply from the remaining three SRs (October 2012). However, the Department stated in January 2013 that in respect of seven SRs, the Collectors dropped the amount of recovery citing the reason that cases of land sold was agricultural. The contention of the Collectors was not in accordance with the Government instructions issued in November 2000 as rates were to be levied treating the land as residential land even if it was agricultural land.

Similar cases were also pointed out in earlier reports for the years 2006-07 to 2008-09 and 2010-11, Department replied that cases were referred to the Collector under Section 47 A of the IS Act for decision, and such mistakes are still repeated.

We reported the matter to the Government in May 2012. During exit conference held in January 201 the Additional Chief Secretary, Revenue Department agreed to the audit observation and stated that corrective action would be taken to streamline the system.

The department in its written reply stated as under:

This para relates to Short levy of stamp duty amounting to Rs.222.45 lacs due to application of incorrect rates of immovable property within municipal limits with an area less than 1,000 square yards and in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, were registered on the rates of agriculture land in 184 cases concerning to the Sub Registrars and Joint Sub registrars Ambala City, Ambala Cantt, Ballabhgarh, Barwala, Dabwali, Faridabad, Gurgaon, Kalka, Kurukshetra, Ladwa, Naraingarh, Pataudi, Sohna, Panchkula, Pehwa, Shahabad, Sirsa.

The latest position of this para is as under:-

		No. of cases	Amt (in lacs)
1	Amount Recovered by the department.	10	12.33
2	Amount dropped by Collectors	52	45.26
	Amount dropped by A.G.	-	-
4	Pending in the courts of Collectors u/s 47- A of the Indian Stamp Act, 1899	71	118.54
5	Amount pending for recovery	51	46.18
	Total	184	222.45

The concerned Deputy Commissioners and Divisional Commissioners have been impressed upon vide D.O. letter dated 30.05.2016 and 19.07.2016 and 12.08.2016 to look into the matter at personal level and to instruct the concerned authorities decide these cases 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 has recommended that the proceedings in the pending cases under Section 47-A of the Indian Stamp Act, 1899 be concluded in a time bound manner so as to make the recovery of the outstanding amount to augment the Government revenue.

[142] 4.3.1 Irregular exemption of stamp duty

As per notification issued on August 1995, under the IS Act, the Government remitted the SD in respect of the sale deeds to be got executed by farmers whose land was acquired by Haryana Government for public purposes and who purchase agricultural land in the State within one year of the amount of compensation received by them for the land acquired by the Government. The remittance will be limited to the compensation amount only and the additional amount involved for the purchase of agricultural land, will be liable to SD as per rules.

During test check of the records of four offices of JSR/SR between February and June 2011, we noticed that farmers, whose land was acquired by the Government for public purposes, purchased residential and agricultural land valued at Rs. 96.23 lakh in ten cases. In eight cases, the registering authorities had registered conveyance deeds valued at Rs. 51.43 lakh between May 2009 and October 2010 for the period 2009-10. Stamp duty was to be levied at the rate of three to seven *per cent* valuing Rs. 2.75 lakh as the farmers had purchased residential land out of the compensation. In another two cases, SD of Rs. 2.24 lakh was also leviable at the rate of five *per cent* on Rs. 44.80 lakh for the period 2010-11 as the land was purchased after one year from the date of receipt of compensation amount. Thus irregular exemption of SD resulted in non-levy of SD to the extent of Rs. 4.99 lakh.

After we pointed out these cases between February and June 2011, SRs Ambala and Sohna stated in January 2012 that the cases had been sent to Collector for decision

in May 2011. We had not received report on recovery and the reply from remaining JSR/SR, Saha and Mullana (October 2012).

We reported the matter to the Government in April 2011. During exit conference held in January 2013 the Department agreed to the audit observation.

The department in its written reply stated as under:

This para relates to Irregular exemption of stamp duty amounting to Rs. 4.99 lacs as the farmers had purchased residential land out of the compensation amount which was not allowed in 10 cases concerning to S.R office Ambala City Saha, Mullana and Sohna.

The position of this para is as under:-

		No. of cases	Amount (in lacs)
1	Amount Recovered by the department.	1	0.10
2	Amount dropped by Collectors	-	-
	Amount dropped by A.G.	-	-
4	Pending in the courts of Collectors u/s 47- A of the Indian Stamp Act, 1899	6	1.40
5	Amount pending for recovery	3	3.49
	Total	10	4.99

The concerned Deputy Commissioners and Divisional Commissioners have been impressed upon vide letter dated after the PAC Meeting 30.05.2016 and 19.07.2016 and 12.08.2016 to look into the matter at personal level and to instruct the concerned authorities decide these cases 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 interest.

The Committee has recommended that inquiry be got conducted in the matter and strict disciplinary action against the officers, who are responsible for allowing irregular exemption of stamp duty and thereby caused loss to the State exchequer, be initiated/taken in a time bound manner under intimation to the Committee.

TRANSPORT DEPARTMENT

[143] 5.3.1 Non/short realisation of bid money on stage carriage permits:

Under the provisions of the Motor Vehicles Act, 1988 and Rules framed there under, "Private Bus Service Scheme in Haryana-Year 2001" was introduced for the grant of stage carriage permits to the existing transport co-operative societies under the 1993 scheme, general public and to the new co-operatives of unemployed youths on certain routes. The permits and rights of operation were to be given to the operators on lease for a period of five years by inviting bids and the route was to be allotted to the highest bidder. The bid money was required to be deposited before 10th of each month. In case of non-payment of bid money, the authority could initiate action for suspension/ cancellation of permit and imposition of penalty.

During test check of the records relating to Demand and Collection Register (DCR) of five Regional Transport Authorities (RTAs) between May 2010 and September 2011 for the years 2009-10 and 2010-11, we noticed that 20 transport co-operative societies which were granted permits between November 2001 and January 2002 for a period of five years were renewed as per conditions laid down under this scheme. These co-operative societies were required to deposit bid money in equal monthly instalments. The bid money was neither deposited regularly nor demanded by the Department. No action was taken either to suspend/cancel the permit or to levy penalty. This resulted in non/short realisation of bid money of Rs.33.51 lakh for the period between April 2009 and March 2011.

After we pointed out these cases between May 2010 and September 2011, all the five RTAs stated in September 2012 that a sum of Rs.17.55 lakh had been recovered in 12 cases between June 2011 and August 2012 and efforts would be made to recover the balance amount of Rs.15.96 lakh.

The matter was reported to the Government between June 2010 and June 2012. The Government accepted the audit observation during the exit conference held in September 2012.

Similar cases were also noticed during the years 2006-07 to 2007-08 in five districts involving recovery of Rs. 50.17 lakh, of which Rs. 5.33 lakh had been recovered till date.

The department in its written reply stated as under:

As per AG audit para detail of year wise recovery is as under:-

(Rs. In lacs)

Year	Total amount	Total recovery	Outstanding recovery
2006-07 & 2007-08	50.17	5.33	44.84
2009-2011	33.51	17.55	15.96
Total	83.68	22.88	60.80

It is made clear that total outstanding recovery of CAG para is Rs.60.90 lacs. Out of total outstanding amount Rs.60.90, an amount of Rs.39.53 lacs have been recovered. Status of outstanding recovery amounting to Rs.21.37 is as under:-

(Rs. In lacs)

Sr. No.	RTA	Total recovery	Amount Recovered	Balance recovery	Remarks
1.	Ambala	24.28	7.77	16.51	The recovery of Rs.16.51 lac has been stayed as per the interim orders passed in SLP No.CC14330/2013 in Supreme Court of India and final decision is still awaited. (copy enclosed at F/A). The matter is being referred to L.R. for obtaining the legal opinion for further necessary action.
2.	Hisar	17.81	16.54	1.27	<p>A letter has been received from the Secretary RTA, Hisar on 8.8.2016 mentioning that an amount of 1,27,338/- is pending as bid money against Sh.Sohan lal S/o Sh.Kewal Ram. Notice has been given to the concerned for depositing the pending amount otherwise action will be taken for cancellation of the permit.</p> <p>The authority has also intimated that bid money of Sh.Sadhu Ram S/o Sh.Harphool Singh of vehicle no.HR-39A-1116 has been exempted by Secretary RTA, Hisar for 36 months (i.e. w.e.f. 1.2.2004 to 30.9.2005 and 5.12.2007 to 31.3.2009) on dated 27.9.2013.</p> <p>Similarly, the authority has also intimated that bid money of Sh.Sohan Lal S/o Sh.Kewal Ram has also been exempted for 24 months (i.e. w.e.f. 6.7.2007 to 30.6.2009) on dated 1.9.2013.</p> <p>In this connection, Secretary, RTA, Hisar has been asked to explain under which rule the bid money has been exempted and also send the name of the concerned officer/official who has passed the exemption orders.(copy enclosed at F/B).</p>
3.	Bhiwani	5.94	1.92 (4.02*)	—	The concerned authority on dated 9.8.2016 intimated that owner of vehicle No.HR-61-0023, KRISHAN Kumar Co-op TPT society had applied for issuing of NOC on dated 26.3.2010 in the o/o Secretary RTA,

					<p>Bhiwani but the NOC was not issued and the society again applied for NOC on dated 10.9.2014 which has been issued by the office on dated 26.11.2014.</p> <p>Similarly, the authority has also intimated that the owner of the vehicle No.HR-61-0025 Sh. Rajesh Kumar had applied for cancellation of RC of the abovesaid vehicle on dated 30.03.2010 and on dated 30.02.2015 as he has sold the vehicle to a kabari namely; Shri Ramgaria Body Builder, Bhadaur, Distt. Barnala on dated 30.03.2010 but the RC of the said vehicle is still to be cancelled.</p> <p>In this connection a letter has been written to the Secretary RTA, Bhiwani on dated 10.08.2016 that why timely action has not been taken on the abovesaid issues under what circumstances NOC has been issued without making the recoveries and also to send the name of the concerned officer/official responsible for the said lapses (copy enclosed at Flag C).</p>
4..	Jind	10.79	7.20	3.59	<p>Final notices on dated 21.06.2016 have been issued to President, Shri Ram Bir Singh, The Satguru Roadline Coop. Tpt. Society and President Shri Baljeet Singh, S/o Shri Dharam Singh, The Dhanodi Coop. Tpt. Society for depositing the pending amount otherwise their RC will be cancelled and recovery be made under Land Revenue Act (copy enclosed at Flag D).</p>
5.	Faridabad	12.08	2.08	–	
	Total	60.90	39.53	21.37	--

In view of above, all remedial efforts are being made to recover the outstanding amount. Para may kindly be dropped.

The Committee has recommended that: i) meticulous efforts be made to protect the revenue of the State in the cases which are under stay granted by Hon'ble Court; ii) strenuous efforts be made to recover the outstanding amount to augment the Government revenue; and iii) Strict disciplinary action be taken against the then Secretary, RTA, Hisar for acting beyond his jurisdiction to exempt the outstanding amount of Rs.1.27 lac in absence of any provision to exempt the same.

MINES AND GEOLOGY DEPARTMENT

[144] 6.1.1 Result of audit

Test check of the records in departmental offices relating to Excise and Taxation Department (Entertainment duty), Power (Taxes and duties on electricity), Mines and Geology, Industries and Land Revenue conducted in audit during the year 2011-12 revealed under assessments of tax and loss of revenue amounting to Rs.3.81 crore in 4,433 cases which broadly fall under the following categories:

(Rs. In cores)

Sr. No.	Category	Number of cases	Amount
A: Excise and Taxation Department (Entertainment duty)			
1.	Non-recovery of entertainment duty	21	0.04
B: Power Department (Taxes and duties on electricity)			
1.	Miscellaneous irregularities	4,171	0.09
C: Mines and Geology and Industries			
1.	Non-recovery of interest on date deposit of contract money	12	3.21
2.	Non-recovery of royalty and interest	137	0.44
	Total	149	3.65
D: Land Revenue			
1.	Miscellaneous irregularities	92	0.03
	Grand total	4,433	3.81

During the course of the year 2011-12, the department accepted under assessment and other deficiencies of Rs.4.14 crore involved in 4,290 cases, out of which Rs.3.66 crore involved in 4,271 cases were pointed out during 2011-12 and the rest in earlier years. The department recovered Rs.53.52 lakh in 42 cases during the year 2011-12, out of which Rs.5.65 lakh involved in 23 cases relate to the year 2011-12 and the rest in earlier years.

An illustrative case involving Rs.3.84 crore is mentioned in the following paragraphs.

The department in its written reply stated as under:

The audit conducted during the year 2011-2012 relates of non recovery of interest on late deposit of contract money and non-recovery of royalty and interest from Brick Kiln owners. Total amount of Rs. 3.65 Crores under para. Out of this 3.65 crores an amount of Rs. 3.37 crores has been recovered. Now an amount of Rs. 0.28 crores i.e. 28 lakh is to be recovered for which efforts are being made to recover at the earliest. So, as the huge amount stands recovered. So, this para may please be dropped.

1. Para No. 6.1.1- Non recovery of interest on late deposit of contract money.

(Figure In Lakhs)

Sr. No.	Name of District	Year	No. of Paras	No. of cases	Amount due	Amount recovered	Balance Amount	Remarks
1	AME Gurgaon	2011-12	1	1	25.41	Nil	25.41	R.C issued on 03.05.1994 latest notice 01.07.2016
2	MO Sonipat	2011-12	1	8	43.06	43.06	Nil	C.No.5/21-024295 dated 08.09.2012
3	MO Narnaul	2011-12	1	1	206.21	206.21	Nil	-
4	MO Panipat	2011-12	1	1	39.41	39.41	Nil	718-9-12
5	AME, Faridabad	2011-12	2	1	7.27	7.27	Nil	DDNo.207235 dt. 25.11.2011 736765 TC 8/3-12-11
		Total		12	321.36	295.95	25.41	

Note: The maximum amount is related with one stone contract of Narnaul of Kuksi village granted in favour of M/s Priority Agency, New Delhi. The Audit party pointed out Rs. 206.21 lakhs contract money for the period from 24.03.2011 to 24.12.2011 as balance amount, where as the contract was terminated w.e.f 10.04.2011 by DGMG vide order dated 30.06.2012.

M/s Priority Agency (Pvt. Ltd.) through Sh. Nahar Singh, Dehradun was granted a contract for extraction of road metal masonry stone from stone mine of Village Kuksi, District Mahendergarh for a period of 3 Years. The contract agreement in this behalf was executed on 24.12.2010. Hence the period of 3 years was from 24.12.2010 to 23.12.2013.

The contractor company failed to day deposit monthly instalment which became due on 24.01.2011 for Rs. 20,08,334/-and deposit only a part payment of Rs.7,48,344/-. Hence the contractor company failed to deposit due contract money since 24.01.2011 in spite of notice issued before termination and affording opportunity of hearing on 02.05.2011 and 10.05.2011. Further the contractor company also failed to deposit next monthly instalment for the period from 24.02.2011 to 23.03.2011 and 24.03.2011 to 23.04.2011.

Accordingly the Director Mines and Geology vide order dated 30.06.2012, keeping in view that the contractor company stoped the mining operations, therefore the contract was ordered to be terminated w.e.f 10.04.2011 and the amount of contract money upto 10.04.2011 along with interest up to the said rate was ordered to be recovered out of the amount of security which was lying in the department.

In view of above, it is clear that the contractor company was liable to deposit the contract money along with interest upto 10.04.2011 only. The appeal was decided in 2012 and orders were passed on 30.06.2012 whereas the Audit inspection report was prepared before the passing of said ordered i.e. on

19.12.2011 and 20.12.2011. Hence, the amount had been calculated in excess by the Audit party as the contractor company was liable to deposit only upto 10.04.2011, which has been already deposited. Hence the para no. 6.1.1 amounting to Rs.206.21 lakhs may be dropped.

So, the contract money for the period from 10.04.2011 to 24.12.2011 amounting to Rs. 189.45 lakhs are not recoverable. Rs. 38.84 lakh of security has been adjusted & balance amount has been refunded for the contractor firm. Hence no amount is recoverable in this case.

2. Para No. 6.1.1- Non recovery of royalty and interest.

(Figure In Lakh's)

Sr. No.	Name of District	Year	No. of Paras	No. of cases	Amount due	Amount Recovered	Amount Balance	Remarks
1	MO Sirsa	2011-12	1	7	0.05	0.05	Nil	190/3-4-12 Not recoverable para dropped by AG office.
2	MO Rewari	2011-12	1	3	0.55	0.55	Nil	TC No.127 dt. 03.04.2010 deposited in advance balance amount not recoverable due to BKO Closed & para dropped by AG office.
3	MO Ynagar	2011-12	1	1	0.21	0.15	.06	Interest not recoverable due to amount recovered in time.
4	MO Hisar	2011-12	1	9	15.45	15.45	NIL	
5	MO KKR	2011-12	1	6	0.46	0.46	NIL	
6	MO Sonipat	2011-12	2	20	4.41	3.27	1.14	
7	MO Jind	2011-12	1	23	5.06	4.51	0.55	
8	MO Narnaul	2011-12	2	16	3.02	2.55	0.47	
9	MO Panipat	2011-12	2	20	4.14	4.14		Para dropped by AG
10	MO Ambala	2011-12	1	15	3.22	2.48	0.74	Amount Not recordable due to amount received in time
11	AME Bhiwani	2011-12	1	23	4.34	4.34		Para dropped by AG vide 5-08-2010 dt. 27.03.2014 Audti 2012-13
12	AME Panchkula	2011-12	1	8	1.49	1.30	0.19	Efforts are made to recover amount
13	AME Faridabad	2011-12	1	10	1.93	1.75	0.18	BKO closed from dated 01.10.2008
	Total			156	44.33	41.00	3.33	

The Committee has desired that necessary action to attach the properties of the defaulter contractor(s) be taken in a time bound manner within a period of one month under intimation to the Committee.

[145] 6.2.1 Non/short realisation of bid money

As per Punjab Minor Mineral Concession Rules, 1964, as applicable to the State of Haryana, a mining contractor for quarrying is granted by auction or by accepting tender of highest bidder. The bidder is required to deposit 25 percent of bid as security plus one twelfth of the annual bid where contract value exceeds Rs. Five lakh, as advance payment immediately on the allotment of the contract. The annual contract money is payable in equated advance monthly instalments on 1st day of each calendar month every year. In the event of default in payment, the competent authority may, by giving a notice, terminate the contract and forfeit the amount of security. Further, interest at the rate of 24 percent per annum is also recoverable for the period of default in payment of instalment of contract money till such amount is paid.

During test check of the records of office of the Mining Officer (MO), Bhiwani, we noticed in December, 2010 that minor mineral quarrying permits were granted to four contractors for the years 2007-08 to 2009-10 on the basis of highest annual bid amount of Rs.4.03 crore. Though the contractor had deposited due amount of bid for the years 2007-08 and 2008-09 but paid Rs.99.62 lakh against the annual bid amount of Rs.4.03 crore due for the year 2009-10. The Department had not issued any demand notice or taken any other action against the defaulting contractors to recover the outstanding amount. The Department failed to take timely action to recover the balance bid money of Rs.3.04 crore from the contractors. This resulted in short-realisation of bid money amounting to Rs.3.84 crore (including interest of Rs.80.10 lakh).

We reported the matter to the government in June 2012. During exit conference held in December, 2012, the Department admitted the para and stated that recovery certificates had been issued in respect of three contractors including recovery of Rs.3.00 lakh and efforts would be made to recover the balance amount of Rs.3.81 crore.

The department in its written reply stated as under:

Out of Rs.3.84 crores (3.04 crores contract money + 0.80 crores interest), an amount of Rs.1.94 crores on account of contract money has been recovered. Now an amount of Rs.1.90 crores (1.10 crores contract money + 0.80 crores interest) is to be recovered for which efforts are being made to recover the dues under land revenue act.

The Committee has observed that the recovery certificates were issued in the year 2012, but after that no action has been taken by the department to recover the outstanding contract money and interest thereon. The Committee has desired that necessary action be initiated / taken to recover the outstanding amount as arrears of land revenue under the Land Revenue Act in a time bound manner within a period of two months under intimation of the Committee.

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
			22nd Report
5.	Industries	10 (ii)	Industrial Estate
6.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
7.	Revenue	40	Non-levy of registration fee
8.	Excise and Taxation	54	Shortfall in duty.
9.	Excise and Taxation	56	Recovery due from contractor
			23rd Report
10.	Food and Supplies	35	Haryana State Federation of Consumer Co-operative Wholesale Stores Limited, Chandigarh
11.	Excise and Taxation	47	Uncollected Revenue
12.	Excise and Taxation	55	Result of test audit in general
13.	Excise and Taxation	57	Failure to initiate action to recover the licence fee
14.	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
			25th Report
15.	Colonization	9	Encroachment of Land
16.	Colonization	11	Recoveries from plot holders
17.	Fisheries	31	Development of Fisheries
18.	Excise and Taxation	54	Un-collected revenue
19.	Excise and Taxation	58	Incorrect computation of tax on interstate sales
20.	Excise and Taxation	67	Irregular allowance for wastage
21.	Excise and Taxation	69	Failure to enforce licence 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.	Revenue	62	Results of Audit
37.	Revenue	63	Under valuation of immovable property
38.	Mines and Geology	71	Results of Audit

32nd Report

39.	Industries	4	Development of small industries
40.	Irrigation	12	Misappropriation
41.	Irrigation	20	Shortage of Stores
42.	Revenue	25	Inadmissible payment
43.	Town and Country Planning (HUDA)	36	Loss due to defective storage of Cement
44.	Mines and Geology	47	Uncollected revenue
45.	Mines and Geology	48	Results of Audit
46.	Excise and Taxation	61	Uncollected revenue
47.	Excise and Taxation	69	Irregular levy of tax at concessional rate

34th Report

48.	Development and Panchayat	8	Irregular and wasteful expenditure on books
49.	Revenue	29	Land reforms
50.	Revenue	30	Compensation to landowner
51.	Revenue	31	Consolidation of holdings

52.	Food and Supplies	47	Under storage of wheat
53.	Mines and Geology	55	Uncollected revenue
54.	Excise and Taxation	63	Uncollected revenue
55.	Excise and Taxation	66	Short-levy/non-levy of purchase tax
56.	Excise and Taxation	69	Non-levy of penalty
57.	Excise and Taxation	70	Non-filling the quarterly returns
58.	Irrigation	72	Arrears of revenue
59.	Irrigation	74	Non-raising of demand
60.	Chief Electrical Inspector	78	Uncollected revenue
61.	Chief Electrical Inspector	80	Arrears of electricity duty
62.	Revenue	83	Results of Audit
63.	Revenue	84	Under valuation of immovable property
36th Report			
64.	Local Self Government	3	Non-recovery of Government dues
65.	Food and Supplies	7	Loss due to storage of wheat.
66.	Transport	9	Irregular payment of overtime allowance
67.	Industries	13	Non-utilization of loan
68.	Revenue	18	Inadmissible gratuitous relief
69.	Public Health	23	Construction of a water tank
70.	Haryana State Lotteries	25	Suspended misappropriation of Government money
71.	P.W. (B&R)	29	Excess measurement
72.	Revenue	43	Results of Audit
73.	Revenue	46	Misclassification of instruments
74.	P.W. (B&R)	51	Results of Audit
75.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
76.	Excise and Taxation	54	Uncollected Revenue (State Excise)
77.	Excise and Taxation	58	Results of Audit (Sales Tax)
38th Report			
78.	Renewable Energy	16	Evaluation and monitoring.
79.	Medical and Health	18	Stores and Stock
80.	Irrigation	32	Surplus material
81.	Irrigation	36	Shortage of tiles
82.	Public Health	41	Excess payment to the contractor
83.	Public Health	42	Excess Payment
84.	Mines and Geology	50	Results of Audit
85.	Mines and Geology	51	Receipts from Mines and Minerals
86.	Agriculture	56	Interest not charged on belated payments
87.	P.W. (B&R)	61	Arrears of rent
88.	Revenue	64	Results of Audit

89.	Revenue	68	Misclassification of Instrument
90.	Excise and Taxation	71	Uncollected revenue
91.	Excise and Taxation	79	Suppression of purchases
92.	Excise and Taxation	81	Irregular stay of tax and interest
93.	Excise and Taxation	87	Recovery at the instance of Audit
			40th Report
94.	Town and Country Planning	19	Delay in land acquisition cases
95.	Public Health	33	Stores and stock
96.	Public Health	34	Injudicious purchases
97.	P.W. (B&R)	37	Extra payment due to incorrect entries in Measurement Books
98.	P.W. (B&R)	38	Avoidable extra expenditure due to retendering
99.	Co-operation	41	Embezzlement
100.	Food and Supplies	47	Damage caused to wheat in Storage
101.	Supplies and Disposal	49	Extra expenditure due to retendering
102.	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
103.	Excise and Taxation	52	Uncollected Revenue (State Excise)
104.	Excise and Taxation	55	Delay in re-assessment of remand cases
105.	Excise and Taxation	57	Appeals entertained without deposit of tax
106.	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
107.	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
108.	Excise and Taxation	68	Non-levy of penalty
109.	Excise and Taxation	69	Interest not charged
110.	Excise and Taxation	74	Non-recovery of duty on wastage in excess norms
111.	Excise and Taxation	75	Interest not charged
112.	Revenue	79	Outstanding Inspection Reports
113.	Revenue	80	Results of Audit
114.	Revenue	81	Under valuation of immovable property
115.	Revenue	82	Misclassifications of instruments
116.	Revenue	83	Irregular grant of exemption
117.	Revenue	84	Non/Short levy of stamp duty
118.	Revenue	85	Irregular registration of supplementary deeds
119.	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
120.	Revenue	89	Embezzlement of Government revenue
121.	Mines and Geology	93	Outstanding Inspection Reports.
122.	Mines and Geology	94	Results of Audit

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123.	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
124.	Food and Supplies	42	Loss due to negligence
125.	Public Health	60	Inflated/Fictitious measurement
126.	P.W. (B&R)	71	Shortage of tools and Plant
127.	Revenue	101	Outstanding Inspection Reports
128.	Revenue	103	Results of Audit
129.	Revenue	104	Irregular exemption of stamp duty
130.	Excise and Taxation	108	Uncollected Revenue
131.	Excise and Taxation	109	Frauds and evasion of taxes
132.	Excise and Taxation	113	Delay in taking up of appeal cases
133.	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
134.	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
135.	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment
136.	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
137.	Excise and Taxation	120	Irregular grant of exemption certificate
138.	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings
139.	Excise and Taxation	125	Application of incorrect rate of tax
140.	Excise and Taxation	126	Non/Short levy of interest
141.	Excise and Taxation	127	Results of Audit
142.	Excise and Taxation	129	Loss of revenue due to re-auction of vends
143.	Excise and Taxation	130	Short recovery of composite fee
144.	Excise and Taxation	131	Non-recovery of license fee and interest
145.	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends
146.	Excise and Taxation	134	Non-recovery of penalties
147.	Excise and Taxation	136	Uncollected Revenue
148.	Excise and Taxation	138	Results of Audit
149.	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers
150.	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
151.	Excise and Taxation	144	Short levy of penalty
152.	Excise and Taxation	145	Results of Audit

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153.	Public Health	3	Sub-Standard execution of work.
154.	Irrigation	12	Surplus materials
155.	Irrigation	17	Shortage of T&P articles
156.	Social Welfare	23	Payment of pension to ineligible persons
157.	Social Welfare	26	Liberation of scavengers

158.	Rural Development	36	Integrated Rural Development Programme
159.	Town and Country Planning	41	Functioning of State Planning Cell
160.	Town and Country Planning	43	Avoidable payment of interest
161.	Revenue	46	Mewat Development Board
162.	Mines and Geology	48	Uncollected Revenue
163.	Mines and Geology	50	Results of Audit
164.	Mines and Geology	53	Short Calculation of interest
165.	Mines and Geology	54	Uncollected Revenue
166.	Mines and Geology	56	Results of Audit
167.	Mines and Geology	57	Non-realisation of contract money and interest
168.	Mines and Geology	58	Non-recovery of dead rent and interest thereon
169.	Mines and Geology	59	Interest not charged on delayed payments
170.	Mines and Geology	60	Uncollected revenue.
171.	Mines and Geology	61	Results of Audit
172.	Mines and Geology	62	Non-recovery of contract money and interest
173.	Mines and Geology	63	Non-recovery/Short-recovery of royalty
174.	Mines and Geology	64	Interest not charged
175.	Revenue	66	Uncollected Revenue (Land Revenue)
176.	Revenue	67	Results of Audit
177.	Revenue	68	Short levy of Stamp duty
178.	Revenue	69	Under valuation of immovable property
179.	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
180.	Revenue	71	Irregular exemption of Stamp duty and registration fee
181.	Revenue	72	Misclassification of instruments
182.	Revenue	73	Uncollected Revenue
183.	Revenue	76	Results of Audit
184.	Revenue	78	Irregular exemption of stamp duty
185.	Revenue	79	Short realization of stamp duty due to under valuation of immovable property
186.	Revenue	80	Misclassification of instruments.
187.	Prohibition, Excise and Taxation	92	Uncollected Revenue (Sales Tax)
188.	Prohibition, Excise and Taxation	95	Non-registration of dealers liable to registration
189.	Prohibition, Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
190.	Prohibition, Excise and Taxation	97	Non-observance of departmental instructions regarding cross verifications

191.	Prohibition, Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
192.	Prohibition, Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
193.	Prohibition, Excise and Taxation	100	Irregular deduction allowed against stolen forms
194.	Prohibition, Excise and Taxation	101	Incorrect deduction from turnover
195.	Prohibition, Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
196.	Prohibition, Excise and Taxation	103	Other points of interest
197.	Prohibition, Excise and Taxation	106	Results of Audit
198.	Prohibition, Excise and Taxation	107	Interest not charged
199.	Agriculture	108	Non-recovery of purchases tax and interest
200.	Agriculture	109	Non-recovery of purchase tax and interest
46th Report			
201.	Housing	6	Loss owing to construction of houses on unapproved layout plan
202.	P.W. (B&R)	25	Short receipt of material
203.	P.W. (B&R)	27	Procurement of sub-standard cement
204.	Irrigation	34	Procurement of sub-standard cement
205.	Haryana State Lotteries	36	Appointment of main stockists
206.	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
207.	Haryana State Lotteries	40	Other points of interest
208.	Prohibition and Excise	41	Arrears in revenue
209.	Prohibition and Excise	42	Results of Audit
210.	Commercial Taxes	43	Arrears in revenue
211.	Commercial Taxes	46	Outstanding inspection reports and audit observations
212.	Commercial Taxes	47	Results of Audit
213.	Commercial Taxes	48	Sales Tax Check Barriers
214.	Commercial Taxes	50	Short levy of Purchases Tax
215.	Commercial Taxes	51	Non/Short levy of interest and penalty
216.	Commercial Taxes	52	Results of Audit
48th Report			
217.	Agriculture	4	Arrears in revenue
218.	Animal Husbandry	8	Frauds and evasion of taxes/duties
219.	Mines and Geology	14	Arrears in revenue
220.	Mines and Geology	15	Outstanding inspection reports and audit observations
221.	Transport	20	Outstanding audit objections in internal audit
222.	Housing	27	Avoidable liability of interest

223.	Education	29	Purchases without assessment of requirement
224.	P.W. (B&R)	31	Irregular/Excess expenditure on execution of works
225.	Excise and Taxation	33	Arrears in revenue
226.	Excise and Taxation	37	Results of Audit
227.	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
228.	Excise and Taxation	44	Loss of revenue due to defray in finalization of assessment
229.	Excise and Taxation	45	Non-levy of interest and penalty
			50th Report
230.	Finance (Lotteries)	3	Printing of lottery tickets
231.	Industries	5	Capital investment subsidy
232.	Industries	6	Irregular release/non-recovery of assistance
233.	Social Welfare	8	Panjiri Plants
234.	Home (Jail)	9	Injudicious purchase
235.	Irrigation	18	Stores and Stock
236.	Irrigation	21	Physical verification
237.	Irrigation	22	Surplus materials
238.	Town and Country Planning	24	Construction of Building and Roads by HUDA
239.	Town and Country Planning	25	Construction of Building
240.	Town and Country Planning	26	Test check of records relating to construction of roads
241.	Town and Country Planning	27	Other points of interest
242.	Town and Country Planning	28	Non-recovery of compounding fee
243.	Town and Country Planning	29	Avoidable payment of interest
244.	Transport	32	Purchase of Sub-standard tubes of butyl rubber
245.	Forest	36	Generation of employment
246.	Forest	38	Alkali/saline land plantation
247.	P.W. (B&R)	47	Construction of major building including Staff Quarters
248.	P.W. (B&R)	49	Execution of works without technical sanction of cost estimates
249.	P.W. (B&R)	52	Undue financial favour to the contractors
250.	P.W. (B&R)	57	Reimbursement claims
251.	P.W. (B&R)	58	World Bank and Asian Development bank loan
252.	P.W. (B&R)	60	Execution
253.	P.W. (B&R)	61	Release of advances not covered by agreement
254.	P.W. (B&R)	63	Excess payment of price increase on diesel
255.	P.W. (B&R)	65	Irregular adjustment of expenditure
256.	Rural Development	77	Other points

257.	Rural Development	78	Non-recovery/non-adjustment of advances to Ex-Sarpanches
258.	Rural Development	79	Non-recovery of misutilised subsidy
259.	Town and Country Planning	80	Non-levy of Penalty
260.	Town and Country Planning	81	Non-recovery of auction money
261.	Town and Country Planning	82	Non-transfer of developed sectors
262.	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the Tribunal
263.	Revenue	92	Arrears in revenue
264.	Revenue	93	Frauds and evasion of taxes/duties
265.	Revenue	94	Results of Audit
266.	Revenue	95	Internal Audit
267.	Revenue	96	Results of Audit
268.	Revenue	97	Stamp duty and Registration Fees
269.	Revenue	98	High pendency of cases of undervaluation with Collectors
270.	Revenue	99	Misclassification of instruments
271.	Revenue	100	Short levy of stamp duty
272.	Revenue	101	Pre-audit of registrable documents
273.	Revenue	102	Arrears in Revenue
274.	Revenue	103	Frauds and evasion of taxes/duties
275.	Revenue	104	Results of Audit
276.	Revenue	105	Outstanding audit objections in Internal Audit
277.	Revenue	106	Results of Audit
278.	Revenue	107	Short recovery of stamp duty on mortgage deed
279.	Revenue	108	Evasion of stamp and registration fees through power of attorney
280.	Revenue	109	Evasion of Stamp Duty
281.	Chief Electrical Inspector	110	Arrears in revenue
282.	Mines and Geology	112	Results of Audit
283.	Animal Husbandry	115	Frauds and evasion of taxes/duties
284.	Excise and Taxation	116	Arrears in revenue
285.	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
286.	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
287.	Excise and Taxation	122	Under assessment
288.	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
289.	Excise and Taxation	125	Non/short levy of purchase tax
290.	Excise and Taxation	126	Results of Audit
291.	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries

292.	Excise and Taxation	128	Low yield of spirit
293.	Excise and Taxation	129	Loss of spirit due to re-distillation
294.	Excise and Taxation	133	Interest short charged
295.	Excise and Taxation	134	Short realization of composite fee
296.	Revenue	135	Results of Audit
297.	Revenue	137	Arrears in revenue
298.	Mines and Geology	139	Arrears in revenue
299.	Agriculture	141	Arrears in revenue
300.	Agriculture	142	Results of Audit
301.	Agriculture	143	Non-recovery of purchase tax and interest
302.	Finance (Lotteries)	146	Results of Audit
52nd Report			
303.	Education	6	Extra expenditure on purchase of paper
304.	Agriculture	15	Non-recovery of principal and interest from Sugar Mills
305.	Irrigation	39	Miscellaneous Public Works Advances
306.	P.W. (B&R)	43	Miscellaneous Public Works Advances
307.	P.W. (B&R)	44	Stores and Stock
308.	P.W. (B&R)	46	Short receipt of material
309.	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgment
310.	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
311.	Town & Country Planning	53	Non-recovery of rent from the lessees due to non-observance of conditions of lease deed
312.	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis-appropriation of material
313.	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
314.	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
315.	Social Welfare	60	Embezzlement of Rs.3.99 lakh
316.	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
317.	General	65	Write-off of losses etc
318.	Animal Husbandry	67	Arrears in revenue
319.	Revenue	69	Results of Audit
320.	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
321.	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
322.	Power (Chief Electrical Inspector)	76	Non-charging of electricity duty on extended load

323.	Power (Chief Electrical Inspector)	77	Short realization of electricity duty due to application of incorrect rates
324.	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
325.	Transport	79	Results of audit
326.	Haryana State Lotteries	86	Results of audit
327.	Haryana State Lotteries	87	
328.	Agriculture	88	Arrears in revenue
329.	Agriculture	89	Results of Audit
330.	Excise and Taxation	94	Arrears in revenue
331.	Excise and Taxation	95	Arrears in assessment
332.	Excise and Taxation	96	Frauds and evasions of taxes/duties
333.	Excise and Taxation	97	Results of Audit
334.	Excise and Taxation	101	Under assessment due to non-levy of tax on branch transfers/consignment sale
335.	Excise and Taxation	102	Under assessment due to non-submission of declaration forms.
336.	Excise and Taxation	104	Arrears in assessments
337.	Excise and Taxation	105	Evasion of tax due to suppression of purchases
338.	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
339.	Excise and Taxation	107	Incorrect levy of concessional rate of tax
340.	Excise and Taxation	108	Inadmissible deduction from turnover
341.	Excise and Taxation	109	Non-levy of purchase tax.
342.	Excise and Taxation	112	Non-levy of tax
343.	Excise and Taxation	114	Under assessment due to excess rebate
344.	Excise and Taxation	115	Non-levy of penalty
345.	Excise and Taxation	116	Non-reconciliation of revenue deposits into treasury
346.	Excise and Taxation	117	Results of Audit
347.	Excise and Taxation	118	Short/non-recovery of passenger tax
54th Report			
348.	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
349.	Revenue	18	Fictitious payment of gratuitous relief
350.	Revenue	19	Drawal of funds without requirement
351.	P.W.D.(B&R)	22	Avoidable payment of interest
352.	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
353.	Agriculture	30	General
354.	Education	31	Nugatory expenditure due to payment of idle wages

355.	Town and Country Planning	34	Non-utilization of land
356.	Town and Country Planning	35	Loss due to non-recovery of rebate
357.	Printing and Stationery	36	Pilferage of Paper
358.	Animal Husbandry	47	Fraud and evasion of taxes/duties
359.	Chief Electrical Inspector	48	Arrear in revenue
360.	Revenue	49	Arrear in revenue
361.	Revenue	50	Results of Audit
362.	Revenue	51	Results of Audit
363.	Revenue	52	Non/Short recovery of Stamp duty
364.	Revenue	53	Incorrect exemption of Stamp duty
365.	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
366.	Revenue	55	Short levy of stamp duty due to misclassification of instruments
367.	Revenue	56	Incorrect refund of Stamp duty
368.	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
369.	Revenue	58	Short recovery of stamp duty on exchange deeds
370.	Revenue	59	Results of Audit
371.	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
372.	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
373.	Revenue	62	Return of RRCs
374.	Excise and Taxation	64	Arrears in revenue
375.	Excise and Taxation	65	Arrears in assessment
376.	Excise and Taxation	67	Results of Audit
377.	Excise and Taxation	68	Disposal of appeal cases
378.	Excise and Taxation	69	Delay in finalizing assessments
379.	Excise and Taxation	70	Delay in finalization of remand cases
380.	Excise and Taxation	72	Recovery certification cases
381.	Excise and Taxation	73	Incorrect levy of concessional rate of tax
382.	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
383.	Excise and Taxation	75	Inadmissible deduction from turnover
384.	Excise and Taxation	76.	Short levy of tax on sales to Non-government bodies
385.	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
386.	Excise and Taxation	78	Under assessment due to excess rebate
387.	Excise and Taxation	79	Results of Audit
388.	Excise and Taxation	80	Incorrect levy of entertainments duty
389.	Transport	81	Results of Audit
390.	Irrigation	84	Recovery of water rates from canal water

391.	Irrigation	85	Arrears of revenue
392.	Irrigation	86	Less measurement of area irrigated
393.	Irrigation	88	Excess credit to an industrial unit
394.	Irrigation	90	Short recovery of lease rent
395.	Agriculture	91	Arrears in revenue
396.	Agriculture	92	Results of Audit
397.	Agriculture	93	Non-recovery of purchase tax and interest
398.	Mines and Geology	97	Arrears in revenue
399.	Mines and Geology	98	Results of Audit
400.	Mines and Geology	99	Short recovery of contract money and interest
56th Report			
401.	Education	4	Nutritional support to Primary Education
402.	Forest	5	Rehabilitation of common lands in Aravali Hills
403.	Medical and Health	6	Working of Medical and Health Department including Manpower Management
404.	Medical and Health	7	Hospitals and dispensaries
405.	Medical and Health	9	Hospital Waste Management
406.	Medical and Health	11	Outstanding Inspection Reports
407.	Finance	14	Overpayment of pensionary benefits
408.	Home	18	Stores and Stock
409.	Prohibition, Excise and Taxation	20	Fraudulent drawls and embezzlement of Government money
410.	Revenue	21	Loss of interest due to delayed refund of unspent amount
411.	Revenue	22	Excess payment of Gratuitous Relief
412.	Irrigation	34	Undue retention of heavy Cash Balances
413.	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
414.	Supplies and Disposal	42	Extra expenditure due to finalization of tenders after validity period
58th Report			
415.	Forest	3	Rehabilitation of common lands in Aravalli Hills
416.	Excise and Taxation	4	Arrears in revenue
417.	Excise and Taxation	5	Arrears in assessment
418.	Excise and Taxation	6	Frauds and evasions of taxes/duties
419.	Excise and Taxation	8	Results of Audit
420.	Excise and Taxation	9	Cross verification by Audit
421.	Excise and Taxation	10	Incorrect deduction from turnover
422.	Excise and Taxation	12	Non-levy of purchase tax
423.	Excise and Taxation	13	Non-recovery of tax
424.	Excise and Taxation	15	Non/short levy of purchase tax
425.	Excise and Taxation	16	Non-levy of tax

426.	Excise and Taxation	17	Results of Audit
427.	Excise and Taxation	18	Short realization of passenger tax
428.	Mines and Geology	19	Arrears in revenue
429.	Mines and Geology	20	Results of Audit
430.	Mines and Geology	21	Receipts from Mines and Minerals
431.	Mines and Geology	22	Non/Short recovery of dead rent, royalty and interest
432.	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
433.	Mines and Geology	24	Non-recovery of lease fee on short term permits
434.	Mines and Geology	25	Non recovery of interest on belated payments
435.	Animal Husbandry	27	Frauds and evasions of taxes/duties
436.	Revenue	29	Results of Audit
437.	Revenue	30	Stamp Duty and Registration Fees
438.	Agriculture	31	Arrears in revenue
439.	Agriculture	32	Results of Audit
440.	Transport	33	Results of Audit
441.	Transport	34	Non deposit of token tax
442.	Irrigation	36	Results of Audit
443.	Co-operative	38	Results of Audit
444.	Finance	39	Non charging of interest and penal interest
445.	Finance	40	Loans to Municipal Councils/Municipal Committees
446.	Forest	41	Short Recovery of royalty on forest produce
447.	Power	43	Arrears in revenue
448.	General	44	Results of Audit
449.	Education	46	Working of Education Department (Primary Education wing including Manpower Management
450.	Education	47	Incentives to scheduled castes and weaker section students
451.	Education	48	Pass percentage in class V
452.	Education	49	Literacy rate
453.	Education	50	Internal Audit
454.	Education	51	Sanctioned posts and actual strength
455.	Education	52	Deployment of teachers beyond norms
456.	Education	53	Outstanding inspection reports
457.	Education	54	Monitoring and Evaluation
458.	Education	55	District Primary Education Programme
459.	Education	56	Management cost in excess of norms
460.	Education	57	Programme management.
461.	Education	58	Civil Works
462.	Education	59	Appointment of teachers/instructors/staff
463.	Education	60	Training

464.	Education	61	Monitoring and Evaluation
465.	Medical and Health	66	Manpower position
466.	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak
467.	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
468.	Co-operative	71	Storage gain on account of moisture in wheat stocks below norms
469.	Finance	72	Overpayment of pensionary benefits
470.	Irrigation	76	Unauthorized excess execution of work in post tender stage
471.	Irrigation	77	Hathnikund Barrage
472.	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
473.	Irrigation	79	Unfruitful expenditure on extension of existing channel
474.	Public Health	80	Non-responsiveness to Audit findings and observation resulting in erosion of accountability
475.	Printing and Stationery	82	Excess issue of paper to private printers
476.	Environment	83	Implementation of environmental Acts and Rules relating to Water Pollution
477.	Environment	84	Status of water pollution
478.	Environment	85	Treatment of Industrial effluent
479.	Environment	86	Domestic sewage treatment plants
480.	Environment	88	Environment training, education and awareness
481.	Environment	89	Monitoring and Evaluation
482.	Urban Development	90	Urban Employment Generation Programme
483.	Town and Country Planning	93	Non-recovery of enhanced compensation of land
484.	Food and Supplies	94	Pilferage of large quality of wheat due to manipulation of weight
485.	General	97	Write-off of losses, etc
486.	Excise and Taxation	101	Arrears in revenue
487.	Excise and Taxation	102	Arrears in assessment
488.	Excise and Taxation	103	Frauds and evasions of taxes/duties
489.	Excise and Taxation	105	Results of Audit
490.	Excise and Taxation	106	Evasion in sales tax
491.	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
492.	Excise and Taxation	108	Under assessment of 'notional' sales tax liability computed on taxable turnover
493.	Excise and Taxation	109	Non-levy of purchase tax
494.	Excise and Taxation	110	Non-recovery of tax
495.	Excise and Taxation	111	Non-levy of interest
496.	Excise and Taxation	112	Under assessment due to excess rebate
497.	Excise and Taxation	113	Results of Audit
498.	Excise and Taxation	114	Short realization of passengers tax towards expenditure

499.	Excise and Taxation	115	Non-recovery of licence fee
500.	Revenue	116	Results of Audit
501.	Revenue	117	Short levy of stamp duty on exchange of property
502.	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
503.	Revenue	119	Evasion of stamp duty
504.	Revenue	120	Short levy of stamp duty
505.	Transport	121	Taxes on Motor Vehicles
506.	Transport	123	Short realization of permit/countersignature fee
507.	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Department
508.	Transport	125	Non-recovery of token tax in respect of Stage carriage buses
509.	Finance	126	Results of Audit
510.	Forest	129	Results of Audit
511.	Forest	130	Loss due to delay in harvesting of poplar trees
512.	Forest	132	Absence of physical verification of timer
513.	Forest	133	Loss due to excess unit cost.
514.	Irrigation	135	Results of Audit
515.	P.W. (B&R)	136	Utilization of departmental receipts towards expenditure
516.	Co-operative	137	Non charging of interest and penal interest

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517.	Medical and Health	3	Prevention and Control of Diseases.
518.	Architecture	14	Fraudulent drawls and embezzlement of Government money by a Cashier
519.	Animal Husbandry	16	Non-recovery of cost of land
520.	Co-operative	17	Non-responsiveness to audit findings and observations resulting in erosion of accountability
521.	Education	18	Utilized girls hostel
522.	Revenue	24	Fraudulent drawals and embezzlement of Government money
523.	Revenue	25	Drawal of funds in advance of requirement
524.	Social Welfare	26	Fraudulent payment of Old Age Pension
525.	Town and Country Planning	27	Non-collection of External Development Charges (EDCs)
526.	Town and Country Planning	29	Less recovery of plan scrutiny fee
527.	Town and Country Planning	30	Avoidable loss due to delay in handling over possession of plots
528.	Irrigation	34	Formulation of schemes
529.	Irrigation	36	Implementation of schemes
530.	Irrigation	39	Land under unauthorized possessions
531.	Irrigation	41	Recoverable amount

532.	Irrigation	42	Store management
533.	Irrigation	43	Complaint Cases
534.	Irrigation	44	Introduction of selection grade of Engineers
535.	Irrigation	46	Recoverable amount from HUDA.
536.	Irrigation	51	Monitoring
537.	Irrigation	54	Wasteful expenditure on construction of irrigation channels
538.	P.W. (B&R)	63	Extra expenditure
539.	P.W. (B&R)	64	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
540.	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
541.	Environment	66	Environment laboratories grossly underutilized
542.	Environment	67	Status of industrial pollution
543.	Environment	68	Stone crushing units
544.	Environment	69	Rice shelling units/solvent extraction plants
545.	Environment	70	Vehicular pollution
546.	Environment	71	Training/mass education programme
547.	Environment	72	Waste Management
548.	Environment	73	Prosecution under Air Act
549.	Agriculture	74	Non-recovery of extension fee from allottees
550.	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
551.	Printing and Stationery	90A	Overpayment to private printer
552.	Excise and Taxation	95	Arrears in revenue
553.	Excise and Taxation	99	Outstanding inspection reports and audit observations
554.	Excise and Taxation	101	Results of Audit
555.	Excise and Taxation	102	Recovery of sales tax in arrears
556.	Excise and Taxation	103	Non-recovery due to delay in assessment
557.	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
558.	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
559.	Excise and Taxation	106	Disposal of recovery certificates
560.	Excise and Taxation	107	Demands under stay
561.	Excise and Taxation	108	Non-inclusion of interest in the demand sent to the liquidator
562.	Excise and Taxation	109	Under assessment of notional sales tax liability
563.	Excise and Taxation	110	Application of incorrect rate of tax
564.	Excise and Taxation	111	Non-levy of purchase tax
565.	Excise and Taxation	112	Non-recovery of tax
566.	Excise and Taxation	113	Results of Audit
567.	Revenue	114	Results of Audit
568.	Revenue	115	Outstanding inspection reports and audit observations
569.	Revenue	116	Results of Audit

570.	Revenue	117	Short levy of stamp duty on exchange of property
571.	Revenue	118	Short levy of stamp duty on plant and machinery
572.	Revenue	119	Short levy of stamp duty on lease deed
573.	Revenue	120	Embezzlement/evasion of stamp duty
574.	Revenue	121	Incorrect exemption of stamp duty
575.	Agriculture	122	Results of Audit
576.	Agriculture	123	Outstanding inspection reports and audit observations
577.	Agriculture	124	Results of Audit
578.	Agriculture	125	Non/short recovery of purchase tax and interest
579.	Agriculture	126	Non-realization of lease money
580.	Agriculture	127	Results of Audit
581.	Transport	128	Results of Audit
582.	Transport	129	Non/short charging of fitness fee (Passing fee)
583.	Transport	130	Non-realization of fees
584.	Home	131	Arrears in revenue
585.	Home	134	Arrears in revenue
586.	Co-operative	136	Results of Audit
587.	Co-operative	137	Non-redemption of Government share capital
588.	Forest	139	Outstanding inspection reports and audit observations
589.	Forest	140	Results of Audit

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590.	Development and Panchayats	3	Non-responsiveness to audit findings and observations resulting in erosion of accountability
591.	P.W. (B&R)	8	Execution of Works
592.	Water Supply and Sanitation	9	Tool and plant returns
593.	Public Health	12	Shortage of material
594.	Rural Development	15	Allotment of houses to ineligible families
595.	Rural Development	16	Other irregularities
596.	Rural Development	22	Reclamation work not taken up for 2½ years
597.	Animal Husbandry	24	Non recovery of lease money
598.	Town and Country Planning	26	Non recovery of external development charges
599.	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
600.	General	28	Misappropriations, defalcations, etc.
601.	General	31	Lack of accountability

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602.	Excise and Taxation	3	Arrears in revenue
603.	Excise and Taxation	4	Arrears in assessment

604.	Excise and Taxation	5	Frauds and evasions of taxes/duties
605.	Excise and Taxation	6	Results of Audit
606.	Excise and Taxation	7	Assessment in arrear
607.	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
608.	Excise and Taxation	9	Incorrect acceptance of applications
609.	Excise and Taxation	10	Incorrect determination of zones
610.	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
611.	Excise and Taxation	12	Excess availing of tax deferment
612.	Excise and Taxation	13	Irregularities in assessment of exempted/deferred units
613.	Excise and Taxation	14	Under-assessment due to application of concessional rate of tax
614.	Excise and Taxation	15	Under-assessment tax due to irregular deduction
615.	Excise and Taxation	16	Under assessment of notional sales tax liability
616.	Excise and Taxation	17	Non-monitoring of exempted/deferred units
617.	Excise and Taxation	18	Non-levy of purchase tax
618.	Excise and Taxation	19	Non-levy of tax on lease rent
619.	Excise and Taxation	20	Non-levy/under assessment of purchase tax due to application of incorrect rate of tax
620.	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
621.	Excise and Taxation	22	Non-levy of interest and penalty
622.	Excise and Taxation	23	Non-raising of demands for interest
623.	Excise and Taxation	24	Non-realization of tax
624.	Excise and Taxation	25	Results of Audit
625.	Excise and Taxation	26	Receipts of excise duty from auction of venders
626.	Excise and Taxation	27	Short recovery of licence fee and interest
627.	Excise and Taxation	28	Loss of revenue due to re-auction of vends
628.	Excise and Taxation	29	Non-recovery due to incorrect adjustment of security
629.	Excise and Taxation	33	Results of Audit
630.	Excise and Taxation	34	Non/short realization of passengers tax
631.	Revenue	36	Results of Audit
632.	Revenue	37	Results of Audit
633.	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
634.	Revenue	39	Non-levy of stamp duty on exchange of property
635.	Revenue	40	Evasion of stamp duty
636.	Revenue	41	Short levy of stamp duty
637.	Revenue	42	Inadmissible exemption of stamp duty
638.	Transport	43	Non-realization of token tax
639.	Agriculture	44	Arrears in revenue
640.	Agriculture	45	Results of Audit
641.	Agriculture	46	Outstanding inspection reports and audit observations

642.	Agriculture	47	Non/short recovery of purchase tax and interest
643.	Co-operation	49	Non-redemption of Government share capital
644.	Agriculture	50	Recovery from Patedars
645.	Medical and Health	56	Manpower
646.	Medical and Health	57	Manufacturing and selling units
647.	Medical and Health	59	Statistics of prosecutions vis-à-vis cases filed
648.	Social Justice and Empowerment	60	Facilities to handicapped persons
649.	Social Justice and Empowerment	61	Budget provision and expenditure
650.	Social Justice and Empowerment	62	Identification of persons with disabilities
651.	Social Justice and Empowerment	63	Non-maintenance of record
652.	Social Justice and Empowerment	64	Monitoring
653.	Urban Development	66	Non-collection of fire tax
654.	Education	67	CBI inquiry
655.	Finance and Justice	68	Recovery regarding appointment of daily wage workers
656.	Forest	69	Felling of Trees
657.	Town and Country Planning	70	Exemption of Sales Tax
658.	Irrigation	72	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
659.	Food and Supplies	73	Recovery of amount from the Millers
660.	P.W. (B&R)	76	Non-adjustment of storage charges
661.	P.W. (B&R)	77	Irregular/un-authorized expenditure of storage charges
662.	P.W. (B&R)	78	Non-recovery of difference of sales tax
663.	Education	80	Delay in issue of Inspection Reports and settlement of old objections

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664.	Excise and Taxation	3	Arrears of revenue
665.	Excise and Taxation	4	Evasion of tax
666.	Excise and Taxation	5	Results of Audit
667.	Excise and Taxation	6	Position of collection of revenue receipts and arrears
668.	Excise and Taxation	7	Delay in finalizaion of remand cases
669.	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
670.	Excise and Taxation	9	Under assessment of tax due to inadmissible deduction
671.	Excise and Taxation	10	Non levy of purchase tax
672.	Excise and Taxation	11	Non levy of interest and penalty
673.	Excise and Taxation	12	Non recovery of tax

674.	Excise and Taxation	13	Other tax receipts
675.	Excise and Taxation	14	Non recovery of penalties
676.	Excise and Taxation	15	Non/short realization of passengers tax
677.	Excise and Taxation	16	Short/non recovery of entertainment duty
678.	Revenue	17	Results of Audit
679.	Revenue	18	Evasion of stamp duty due to under valuation of immovable property
680.	Revenue	19	Short levy of stamp duty on exchange of property
681.	Revenue	20	Evasion of stamp duty on release deeds
682.	Revenue	21	Short levy of stamp duty
683.	Transport	25	Non deposit of token tax
684.	Agriculture	26	Arrears in revenue
685.	Agriculture	27	Results of Audit
686.	Agriculture	28	Non recovery of purchase tax and interest
687.	Co-operation	29	Results of Audit
688.	Co-operation	30	Audit in arrears
689.	Co-operation	33	Short levy of audit fee due to incorrect computation of profit
690.	Co-operation	34	Non deposit of Government share capital
691.	Co-operation	35	Non redemption of Government share capital due to late fixation of terms and conditions
692.	Co-operation	36	Non redemption of Government share capital as per terms and conditions
693.	Finance	38	Results of Audit
694.	Finance	39	Incorrect classification / non-collection of guarantee fee
695.	Finance	40	Government guarantees
696.	Finance	41	Conclusion/Recommendations
697.	Urban Development	42	Results of Audit
698.	Urban Development	43	Non recovery of 832 supervision charges
699.	Forest	44	Results of Audit
700.	Power	45	Arrears of Revenue
701.	Mines & Geology	47	Arrears of revenue
702.	Mines & Geology	48	Results of Audit
703.	Home	49	Arrears of revenue
704.	Home	50	Results of Audit
705.	Home	51	Results of Audit
706.	P.W. (B&R)	52	Results of Audit
707.	Irrigation	54	Results of Audit
708.	Medical & Health	55	Results of Audit
709.	Animal Husbandry	56	Results of Audit

710.	Education (Prathmik Shiksha Pariyojna Parishad)	58	Mis-utilization of teaching learning equipment funds
711.	Education (Prathmik Shiksha Pariyojna Parishad)	59	Irregular purchase of material
712.	Education (Prathmik Shiksha Pariyojna Parishad)	60	Payment of teachers and School grant
713.	Public Works (B&R)	61	Deficient agreements
714.	Public Works (B&R)	62	Execution of works without technical sanctions
715.	Public Works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
716.	Public Works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland Cement
717.	Revenue	66	Policy for recovery of beneficiaries share not formulated
718.	Revenue	67	Inadequate supply of drinking water
719.	Food & Supplies	68	(i) Food Security, Subsidy and Management of Foodgrain (ii) Financial arrangements
720.	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
721.	Food & Supplies	70	Loss due to non adherence of the instructions of FCI
722.	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
723.	Food & Supplies	72	Loss due to damage of wheat
724.	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain
725.	Food & Supplies	74	Supervision mechanism of PDS
726.	Food & Supplies	75	Conclusions
727.	Finance	76	Mismatch of expenditure data in OTIS database
728.	Home	77	Wasteful expenditure on creation of Haryana State Industrial Security Force
729.	Forest	79	Nugatory expenditure
730.	Transport	81	Avoidable expenditure due to non adjustment of insurance premium
731.	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
732.	General	84	Financial assistance to local bodies and other institutions
733.	General	85	Misappropriations, defalcations, etc.
734.	General	86	Write-off of losses, etc.
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735.	Public Health	3	Non-recovery of loans and non-contribution of share by MCs
736.	Public Health	4	Recoverable amount from HUDA
737.	Public Health	5	Non-completion of sewerage schemes
738.	Public Health	6	Yamuna Action Plan
739.	Revenue	7	Organizational set up
740.	PW(B&R)	8	Over payment to contractors

741.	General	9	Financial assistance to local bodies and others institutions
742.	General	10	Misappropriations, defalcations etc.
743.	General	11	Write-off losses etc.
744.	Agriculture	12	Arrears of revenue
745.	Agriculture	13	Results of Audit
746.	Agriculture	14	Results of Audit
747.	Agriculture	15	Non/short recovery of purchase tax and interest
748.	Transport	18	Cost of collection
749.	Transport	19	Results of Audit
750.	Transport	20	Replies to Inspection Reports
751.	Transport	21	Departmental Audit Committee Meetings
752.	Transport	22	Response of the Departments to Draft Audit Paragraphs
753.	Transport	23	Results of Audit
754.	Transport	24	Short realization of bid money on stage carriage permits
755.	Excise and Taxation	25	Arrears of revenue
756.	Excise and Taxation	26	Arrears in assessments
757.	Excise and Taxation	27	Evasion of tax
758.	Excise and Taxation	28	Write-off and waiver of revenue
759.	Excise and Taxation	29	Results of Audit
760.	Excise and Taxation	30	Delay in assessments and their impact on revenue and collection of sales tax demands
761.	Excise and Taxation	31	Absence of provisions for finalizing assessments
762.	Excise and Taxation	32	Recovery Certificates
763.	Excise and Taxation	34	Delay in issue of demand notice
764.	Excise and Taxation	35	Delay in finalization of assessment
765.	Excise and Taxation	37	Under assessment due to incorrect deduction at first stage
766.	Excise and Taxation	38	Non levy of purchase tax
767.	Excise and Taxation	39	Non levy of interest
768.	Excise and Taxation	40	Results of Audit
769.	Excise and Taxation	41	Short recovery of licence fee and interest
770.	Excise and Taxation	42	Non/short realization of passengers tax
771.	Revenue	43	Results of Audit
772.	Revenue	44	Levy and Collection of Stamp Duty and Registration Fees
773.	Revenue	45	Sales and utilization of non judicial stamps
774.	Revenue	46	Defects noticed in Sub-Registrar Offices
775.	Revenue	47	Indents for supply of non-judicial stamps
776.	Revenue	48	Short receipt of stamps
777.	Revenue	49	Non-disposal of obsolete/damaged stamps
778.	Revenue	50	Evasion of stamp duty due to misclassification of sale deeds into release deeds

779.	Revenue	51	Failure to cross verify the transactions
780.	Revenue	52	Short levy of stamp duty
781.	Revenue	53	Under valuation of immovable properties
782.	Revenue	54	Short levy of stamp duty due to incorrect application of rates
783.	Revenue	55	Non levy of stamp duty on exchange of property
784.	Revenue	56	Incorrect grant of exemption
785.	Revenue	57	Incorrect grant of exemption
786.	Revenue	58	Misclassification of instruments
787.	Revenue	59	Short levy of stamp duty on lease deeds
788.	Revenue	60	Short levy of stamp duty
789.	Revenue	61	Non/short levy of registration fee
790.	Revenue	62	Results of Audit
791.	Revenue	63	Failure of senior officials to enforce accountability and protect interest of Government
792.	Power	64	Arrears of revenue
793.	Health	65	Results of Audit
794.	Industries	66	Results of Audit
795.	Co-operation	67	Non redemption of Government share capital

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796.	Town and Country Planning	3	Outstanding recovery of Planning water sewerage charges
797.	Town and Country Planning	6	Avoidable payments of Planning interest due to delay making payment of enhanced Acquisition to land owners
798.	Town and Country Planning	7	Execution of work without Planning technical sanction/preparation of detailed estimates
799.	Town and Country Planning	8	Undue financial aid to Planning contractors
800.	Town and Country Planning	9	Occupation of shops by Planning Government departments
801.	Town and Country Planning	10	Land under unauthorized Planning possession
802.	Food and Supplies	11	Additional Benches not constituted
803.	Food and Supplies	12	Non-constitution of Circuit Benches
804.	Food and Supplies	13	Inadequate infrastructure
805.	Food and Supplies	14	State/District Consumer Protection Councils not functional
806.	Food and Supplies	15	Consumer club in schools scheme not implemented
807.	Food and Supplies	16	Excess consumption of gunny bags
808.	Rural Development	17	Misappropriation of wheat under Samporna Grameen Rozgar Yojana
809.	Rural Development	18	Advances from former Sarpanches not recovered/adjusted
810.	Agriculture	19	Inadmissible payment of special pay

811.	Finance	20	Overpayment of pensionary benefits
812.	Finance	21	Response of the Departments to Draft Audit paragraph
813.	Family welfare	22	Lack of response to Audit findings and observations resulting in erosion of accountability
814.	General	23	Financial assistance to local bodies and other institutions
815.	General	24	Misappropriations, defalcations, etc.
816.	General	25	Write-off of losses, etc.
817.	Excise and Taxation	26	Arrears of revenue
818.	Excise and Taxation	27	Arrears in assessments
819.	Excise and Taxation	28	Evasion of tax
820.	Excise and Taxation	29	Write-off and waiver of revenue
821.	Excise and Taxation	30	Results of Audit
822.	Excise and Taxation	31	Disposal of remand cases
823.	Excise and Taxation	32	Non levy of penalty
824.	Excise and Taxation	33	Delay in deciding cases in revision
825.	Excise and Taxation	34	Under assessment due to incorrect deduction from gross turnover
826.	Excise and Taxation	35	Non levy of purchase tax
827.	Excise and Taxation	36	Application of incorrect rate of tax
828.	Excise and Taxation	37	Irregular refund of tax
829.	Excise and Taxation	38	Under assessment due to non levy of surcharge
830.	Excise and Taxation	39	Results of Audit
831.	Excise and Taxation	40	Non recovery of penalty
832.	Excise and Taxation	41	Non imposition of fine
833.	Excise and Taxation	42	Loss of revenue due to re-auction of vend
834.	Revenue	43	Results of Audit
835.	Revenue	44	Short levy of stamp duty and registration fee
836.	Revenue	45	Non realization of stamp duty
837.	Revenue	46	Non levy of stamp duty on Exchange of Property
838.	Revenue	47	Short levy of stamp duty due to incorrect application of rate of tax
839.	Transport	48	Results of Audit
840.	Transport	49	Short realization of bid money on stage carriage permits
841.	Transport	50	Non recovery of token tax in respect of stage carriage buses
842.	Transport	51	Short charging of driving licence fee
843.	Transport	52	Short realization of Registration fees
844.	Transport	53	Short/non levy of penalty on overloading of vehicles
845.	Transport	54	Private Service Vehicles
846.	Irrigation	55	Arrear position of Abiana
847.	Irrigation	56	Arrear of water charges
848.	Irrigation	57	Non/short levy of additional charges/surcharge

849.	Irrigation	58	Non/short imposition of penalty for un-authorized supply of water to gardens
850.	Agriculture	59	Arrear of revenue
851.	Agriculture	60	Results of Audit
852.	Agriculture	61	Non/short recovery of purchase tax and interest
853.	Co-operation	62	Results of Audit
854.	Co-operation	63	Non-deposit of dividend on State share capital
855.	Co-operation	64	Non realization of dividend on share capital of State Government
856.	Mines and Geology	65	Arrears of revenue
857.	Mines and Geology	66	Arrears of revenue
858.	Mines and Geology	67	Non/short recovery of royalty and interest
859.	Home	68	Arrears of revenue
860.	Power	69	Arrears of revenue
861.	Power	70	Outstanding inspection reports and audit observations
862.	Power	71	Results of Audit
863.	Public Health	72	Results of Audit
864.	Finance	73	Results of Audit
865.	Forest	74	Results of Audit
866.	Health	75	Results of Audit
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867.	Forest	3	Misappropriation, Losses, defalcations, etc.
868.	Forest	4	Financial Management
869.	Forest	5	Selection of villages
870.	Forest	6	Implementation of project components/Physical targets and achievements
871.	Forest	7	Fire protection measures not taken
872.	Forest	8	Community institution strengthening process/Villages Resource Management Committee
873.	Forest	9	Expenditure in violation of project guidelines
874.	Forest	10	Expenditure in violation of project guidelines/Wasteful expenditure on construction of coffer dam
875.	Forest	11	Expenditure on labour on construction works
876.	Rural Development	12	Execution of works/Works undertaken
877.	Rural Development	13	Execution of works without technical sanctions and splitting of works
878.	Rural Development	14	Wasteful expenditure on Below Poverty Line census
879.	Housing	15	Financial and physical performance/ Profitability and working results
880.	Housing	16	Loss of interest due to delay in transfer of funds to head office
881.	Housing	17	Avoidable loss due to delay in deposit of advance tax

882.	Housing	18	Non-achievement of financial and physical targets of construction of houses
883.	Housing	19	Construction of houses without demand survey
884.	Housing	20	Utilization of land meant for EWS houses towards LIG houses
885.	Housing	21	Extra expenditure due to allotment of work at higher rates
886.	Housing	22	Non-recovery of compensation from contractors.
887.	Housing	23	Fire fighting systems remaining non-functional
888.	Education	24	Misappropriation, losses, defalcations, etc./ Write off of losses, etc.
889.	Town & Country Planning	25	Estate Officer, HUDA Faridabad
890.	P.W. (B&R)	26	Misappropriation, losses, defalcations, etc./ Write-off of losses, etc.
891.	P.W. (B&R)	27	Violation of contractual obligations/undue favour to contractors/avoidable expenditure/inadmissible payment of interest to the entrepreneur
892.	P.W. (B&R)	28	Analysis of outstanding balances
893.	Irrigation	29	Misappropriation, losses, defalcations, etc./ Write-off of losses, etc.
894.	Irrigation	30	Extra/avoidable expenditure on land acquisition
895.	Irrigation	31	Blocking of funds due to tardy implementation of Hisar-Ghaggar drain project
896.	Irrigation	32	Miscellaneous Public Works Advances/ Introduction
897.	Irrigation	33	Analysis of outstanding balances
898.	Irrigation	34	Other points of interest
899.	Transport	35	Extra financial burden on State exchequer
900.	Public Health	36	Idle investment/idle establishment/blocking of funds/unfruitful expenditure incurred on electro dialysis based Desalination Plants
901.	Finance	37	Overpayment of pensionary benefits
902.	Home	38	Inadmissible payment of conveyance allowance to the newly recruited constables during basic training period
903.	Co-operation	39	Regulatory issues and others/injudicious payment on account of training and managerial subsidies to self help groups
904.	Excise and Taxation	40	Arrears of revenue
905.	Excise and Taxation	41	Arrears in assessments
906.	Excise and Taxation	42	Evasion of tax
907.	Excise and Taxation	43	Write-off and waiver of revenue
908.	Excise and Taxation	44	Refunds
909.	Excise and Taxation	45	Results of Audit
910.	Excise and Taxation	46	Evasion of tax by unregistered dealers/Non levy of tax on contractees
911.	Excise and Taxation	47	Acceptance of incomplete/ invalid declaration forms
912.	Excise and Taxation	48	Acceptance of incomplete/ invalid declaration forms
913.	Excise and Taxation	49	Non compliance of departmental instructions regarding cross verification

914.	Excise and Taxation	50	Non compliance of departmental instructions regarding cross verification
915.	Excise and Taxation	51	Non compliance of departmental instructions regarding cross verification
916.	Excise and Taxation	52	Non compliance of departmental instructions regarding cross verification
917.	Excise and Taxation	54	Non levy of interest and penalty
918.	Excise and Taxation	56	Incorrect allowance of concessional rate
919.	Excise and Taxation	58	Under assessment due to application of incorrect rate of tax
920.	Excise and Taxation	59	Under assessment due to application of incorrect rate of tax
921.	Excise and Taxation	60	Results of Audit
922.	Excise and Taxation	61	Uncollected Excise revenue
923.	Excise and Taxation	62	Short recovery of licence fee and interest
924.	Excise and Taxation	63	Non recovery of additional licence fee for lifting of short/additional quota
925.	Excise and Taxation	64	Non imposition/recovery of compounding fee
926.	Excise and Taxation	65	Non imposition/recovery of compounding fee
927.	Excise and Taxation	66	Results of Audit
928.	Excise and Taxation	67	Arrears of revenue
929.	Excise and Taxation	68	Non-short realization of passengers tax/ Transport co-operative societies
930.	Excise and Taxation	69	Maxi cabs, taxis and auto rickshaws
931.	Excise and Taxation	70	City bus service
932.	Excise and Taxation	71	Non levy of interest
933.	Excise and Taxation	72	Non realization of goods tax and additional tax
934.	Excise and Taxation	73	Non registration of maxi cabs
935.	Excise and Taxation	74	Non disposal of challans
936.	Mines and Geology	75	938
937.	General	77	Results of Audit
938.	Transport	78	Taxes on Motor Vehicles/Short realization of permit and counter signature fee
939.	Transport	79	Non realization of token tax from private service vehicles
940.	Transport	80	Short realization of bid money on stage carriage permits
941.	Agriculture	81	Non recovery of purchase tax and interest
942.	Revenue	82	Results of Audit
943.	Revenue	83	Short levy of stamp duty due to misclassification of deeds
944.	Revenue	84	Irregular exemption of stamp duty & registration fee on mortgage deeds executed & registered by the agriculturists
945.	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
946.	Revenue	86	Evasion of stamp duty due to non execution of conveyance deeds

947.	Revenue	87	Evasion of stamp duty due to non execution of conveyance deeds
948.	Revenue	88	Misclassification of documents
949.	Revenue	89	Short levy of stamp duty due to under valuation of properties
950.	Revenue	90	Short levy of stamp duty due to under valuation of properties
951.	Revenue	91	Unauthorized retention of receipts
68th Report			
952.	Agriculture	3	Financial management
953.	Agriculture	4	Non-preparation of Balance Sheet
954.	Agriculture	5.	Outstanding temporary advances
955.	Agriculture	6	Non-recovery of miscellaneous advances
956.	Agriculture	7	Non-recovery of expenditure incurred on the schemes
957.	Agriculture	8	Strength of teachers
958.	Agriculture	9	Execution of works
959.	Agriculture	10	Loss due to non-charging of interest from allottees
960.	Public Health	11	Misappropriation, losses, defalcations etc.
961.	Public Health	12	Avoidable payment of interest
962.	Public Health	13	Blocking of funds
963.	Public Health	14	Physical targets and achievements
964.	Public Health	15	Taking up of schemes without ensuring availability of raw water
965.	Public Health	16	Extra burden on State exchequer due to unrealistic estimates
966.	Public Health	17	Taking up of schemes without ensuring availability of raw water
967.	Public Health	18	Taking up of schemes without ensuring availability of raw water
968.	Public Health	19	Delay in commissioning of schemes in the absence of electric connections
969.	Public Health	20	Execution of works without technical sanctions and excess expenditure over estimates
970.	Public Health	21	Defective execution of work
971.	Public Health	22	Excess consumption of pipes
972.	Public Health	23	Purchase of cement at higher rates
973.	Environment	24	Assessment of waste and risks associated with it
974.	Environment	25	Sale of used oil to unauthorized dealer
975.	Education	26	Budget provision and expenditure
976.	Education	27	Incorrect reporting of enrolment leading to excess claim of central assistance
977.	Education	28	Unauthorized utilization of mid-day meal packets
978.	Education	29	Extra expenditure on uneconomic hiring of vehicles
979.	Food and Supplies	30	Loss due to lack of supervision and improper storage of wheat stock
980.	Food and Supplies	31	Loss due to non-recovery of transportation charges
981.	Irrigation	32	Loss of interest due to heavy unspent balance

982.	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)
983.	Town and Country Planning	34	Extra expenditure on account of delayed payment of land, compensation and interest thereon
984.	Town and Country Planning	35	Unfruitful expenditure on incomplete work
985.	Home	36	Misappropriation, losses, defalcation, etc.
986.	Home	37	Extra expenditure on account of delayed payment of land, compensation and interest thereon
987.	P.W. (B&R)	38	Misappropriation, losses, defalcation, etc
988.	P.W. (B&R)	39	Irregular expenditure on operation of excess ex-cadre posts
989.	Sports and Youth Affairs	40	Non-realization of central share of assistance
990.	Revenue	41	Misappropriation, losses, defalcation, etc.
991.	Health	42	Delay in furnishing utilization certificates
992.	Health	43	Misappropriation, losses, defalcation, etc.
993.	Health	44	Avoidable payment due to non-insurance of vehicles
994.	Health	45	Unauthorized retention of the departmental receipts outside the Consolidated Fund of the State
995.	Health	46	Non-responsiveness to audit findings and observations resulting in erosion of accountability
996.	Health	47	Follow up on Audit Reports
997.	Industries	48	Abstract of performance of the autonomous bodies
998.	Animal Husbandry	51	Misappropriation, losses, defalcation, etc.
999.	Women and Child Development	52	Misappropriation, losses, defalcation, etc.
1000.	Fisheries	54	Non-submission of Accounts
1001.	Public Relations	55	Misappropriation, losses, defalcation, etc.
1002.	Rural Development	56	Allotment of houses to ineligible families
1003.	Technical Education	57	Misappropriation, losses, defalcation, etc.
1004.	Urban Local Bodies	58	Delay in furnishing utilization certificates
1005.	Urban Local Bodies	59	Non-submission of Accounts
1006.	Urban Local Bodies	60	Non-furnishing of accounts of utilization of grants
1007.	Excise and Taxation	61	Arrears of revenue
1008.	Excise and Taxation	62	Arrears in assessments
1009.	Excise and Taxation	63	Evasion of tax
1010.	Excise and Taxation	64	Write-off and waiver of revenue
1011.	Excise and Taxation	65	Refunds
1012.	Excise and Taxation	66	Results of Audit
1013.	Excise and Taxation	67	Non levy of interest

1014	Excise and Taxation	68	Non levy of interest and penalty
1015	Excise and Taxation	69	Arrears of sales tax
1016	Excise and Taxation	70	Non inclusion of interest in the demand sent to liquidator
1017	Excise and Taxation	71	Under assessment of tax due to incorrect determination of gross turnover
1018	Excise and Taxation	72	Under assessment of tax due to application of incorrect rate
1019	Excise and Taxation	73	Non levy of tax on liquor
1020	Excise and Taxation	74	Results of Audit
1021	Excise and Taxation	75	Non/short realization of passengers tax
1022	Excise and Taxation	76	Non/short realization of passengers tax
1023	Excise and Taxation	77	Non levy/recovery of penalty
1024	Excise and Taxation	78	Non levy/recovery of penalty
1025	Mines and Geology	79	Results of Audit
1026	Transport	80	Lack of control over monitoring of duplicate engine/chassis number
1027	Transport	81	Same registration numbers were allotted to two vehicles
1028	Transport	82	Registration of two or more vehicles with same insurance cover note
1029	Agriculture	83	Arrears of revenue
1030	Agriculture	84	Results of Audit
1031	Agriculture	85	Results of Audit
1032	Revenue	86	Results of Audit
1033	Revenue	87	Short levy of stamp duty due to application of incorrect rates of immovable property
1034	Revenue	88	Non levy of stamp duty on plant and machinery
1035	Finance	89	Non recovery of Loans and interest
1036	Finance	90	Non recovery of loans and interest
1037	Finance	91	Non recovery of interest and penal interest
1038	Finance	92	Non recovery of loans granted in lieu of deferment of sales tax and interest
1039	Finance	93	Non reconciliation of outstanding loans and interest
1040	Home	94	Arrears of revenue
1041	Home	95	Results of Audit
1042	Public Health	96	Results of Audit
1043	P.W.(B&R)	97	Results of Audit
1044	Irrigation	98	Results of Audit
1045	Power	99	Arrears of revenue
1046	Co-operation	100	Results of Audit
1047	Co-operation	101	Non deposit of dividend on State share capital
1048	Excise and Taxation	102	Analysis of arrears of revenue
1049	Excise and Taxation	103	Arrears in assessments
1050	Excise and Taxation	104	Performance of assessments

1051	Excise and Taxation	105	Evasion of tax
1052	Excise and Taxation	106	Write off and waiver of revenue
1053	Excise and Taxation	107	Refunds
1054	Excise and Taxation	108	Compliance with the earlier Audit Reports
1055	Excise and Taxation	109	Results of Audit
1056	Excise and Taxation	110	Absence of mechanism to verify the tax deposited before allowing input tax credit
1057	Excise and Taxation	111	Absence of a monitoring mechanism to ensure cross verification of purchase transactions
1058	Excise and Taxation	112	Misuse of declaration forms STD-IV/VAT-DI and C
1059	Excise and Taxation	113	Incorrect allowing of exemption/concession without declarations/documents or against incomplete declaration/documents
1060.	Excise and Taxation	114	Non-levy of penalty
1061.	Excise and Taxation	115	Non-levy of penalty
1062.	Excise and Taxation	116	Short recovery of lump sum tax on Works contract
1063.	Excise and Taxation	117	Excess allowing of input tax credit
1064.	Excise and Taxation	118	Underassessment of tax due to allowing of excess benefit of deferment
1065.	Excise and Taxation	119	Underassessment of tax due to application of incorrect rate
1066.	Excise and Taxation	120	Inadmissible allowing of input tax credit
1067.	Excise and Taxation	121	Results of Audit
1068.	Excise and Taxation	122	Non/short realization of passengers tax from Co-operative Transport Societies
1069.	Excise and Taxation	123	Non/short realization of passengers tax from educational institutions
1070.	Excise and Taxation	124	Non/short recovery of passengers tax from tax from City Bus Operators
1071.	Excise and Taxation	125	Results of Audit
1072.	Excise and Taxation	126	Non-realisation of differential licence fee
1073.	Excise and Taxation	127	Short recovery of licence fee and interest
1074.	Transport	128	Loss of revenue due to non-levy/collection of passengers tax on students' concession passes
1075.	Transport	129	Non-charging of permit transfer fee
1076.	Transport	130	Non-realisation of bid money on stage carriage permits
1077.	Transport	131	Non/short recovery of token tax from stage carriage bus owners
1078.	Transport	132	Short realization of conductor's licence fee
1079.	Agriculture	133	Analysis of arrears of revenue
1080.	Agriculture	134	Results of Audit
1081.	Agriculture	135	Results of Audit
1082.	Agriculture	136	Non-recovery of interest on purchase tax
1083.	Co-operation	137	Results of Audit
1084.	Revenue	141	Absence of database of revenue foregone

1085.	Revenue	142	Absence of mechanism to detect availing of irregular exemption by not presenting documents for registration
1086.	Revenue	143	Contracts for catching fish from public ponds
1087.	Revenue	144	Incorrect grant of exemption on instrument of SEZ/real estate developer
1088.	Revenue	145	Exemption of SD on collusive decrees
1089.	Revenue	146	Remission of SD on instruments of compensation awards
1090.	Revenue	147	Incorrect grant of remission of SD
1091.	Revenue	148	Irregular exemption of SD on supplementary deed
1092.	Revenue	149	Delay in implementation of enhanced rates
1093.	Revenue	150	Evasion of stamp duty due to undervaluation of immovable property
1094.	Revenue	151	Loss of stamp duty due to misclassification of documents
1095.	Revenue	152	Short levy duty due to application of incorrect rates of immovable property
1096.	Revenue	153	General controls
1097.	Revenue	154	Audit findings/General controls
1098.	Revenue	155	Inadequacy of input controls & validation checks
1099.	Revenue	156	Disputed lands and properties
1100.	Revenue	157	Non-allotment of unique ID number to land owner/cultivator
1101.	Revenue	158	Absence of provision in HARIS to capture serial number of stamp papers
1102.	Revenue	159	Other points of interest
1103.	Medical & Public Health	160	Results of Audit
1104.	Home	161	Analysis of arrears of revenue
1105.	Power	162	Analysis of arrears of revenue
1106.	Animal Husbandry	163	Results of Audit
			70TH Report
1107.	Health	3	Financial Management
1108.	Health	4	Shortage of staff at CHC and PHC level
1109.	Health	5	Fraud/misappropriation /embezzlement/loses/over payments
1110.	Health	6	Unfruitful expenditure on purchase of food testing equipment
1111.	Health	7	Misappropriations, losses, defalcations, etc.
1112.	Home	8	Financial Management
1113.	Home	9	Records of advances not maintained
1114.	Home	10	Construction of residential and non-residential buildings
1115.	Home	11	Delay/non-completion of building works
1116.	Home	12	Misappropriations, losses, defalcations, etc.
1117.	Rural Development	13	Financial performance
1118.	Rural Development	14	Programme management
1119.	Rural Development	15	Abnormal delay in completion of projects
1120.	Rural Development	16	Role of Self Help Groups in implementing DDP objectives

1121.	Rural Development	17	Execution of works
1122.	Rural Development	18	Other topics of interest
1123.	Rural Development	19	Maintenance of record
1124.	Education	20	Suspected embezzlement
1125.	Education	21	Loss due to non-utilization of Central grant
1126.	Education	22	Los due to non-availing of full Central assistance
1127.	Irrigation	23	Parking of funds outside the Government account
1128.	Irrigation	24	Misappropriations, losses, defalcations, etc.
1129.	Administration of Justice	25	Infructuous expenditure on empanelment of advocates
1130.	Public Works (B&R)	26	Extra expenditure due to non-allotment of work
1131.	Industries and Commerce	27	Block of funds
1132.	Revenue and Disaster Management	28	Non-refund of un-utilized balance of CRF
1133.	Revenue and Disaster Management	29	Payment of gratuitous relief on contradictory reports
1134.	Revenue and Disaster Management	30	Fraud in distribution and double payment of CRF
1135.	Excise and Taxation	31	Analysis of arrears of revenue
1136.	Excise and Taxation	32	Arrears in assessments
1137.	Excise and Taxation	33	Evasion of tax
1138.	Excise and Taxation	34	Write off and waiver of revenue
1139.	Excise and Taxation	35	Refunds
1140.	Excise and Taxation	36	Result of Audit
1141.	Excise and Taxation	37	Disposal of attached property
1142.	Excise and Taxation	38	Issue of recovery certificates
1143.	Excise and Taxation	39	Non-recovery of inter-district and inter-state arrears due to lack of co-ordination between the departmental officers and revenue authorities
1144.	Excise and Taxation	40	Non-recovery of inter-district and inter-state arrears due to lack of co-ordination between the departmental officers and revenue authorities
1145.	Excise and Taxation	41	Absence of provisions under HVAT Act to entertain appeals only on pre-payment of additional demands in dispute
1146.	Excise and Taxation	42	Absence of provision regarding allowances in installments in payment of arrears due
1147.	Excise and Taxation	43	Disposal of appeal cases by JETCs
1148.	Excise and Taxation	44	Non-declaration of arrears under Punjab Land Revenue Act
1149.	Excise and Taxation	45	Failure to initiate follow up action for recovery of arrears within the district
1150.	Excise and Taxation	46	Disposal of immovable property during the currency of recovery of arrears
1151.	Excise and Taxation	47	Underassessment of tax due to allowing of excess benefit of deferment
1152.	Excise and Taxation	48	Incorrect allowing of input tax credit

1153.	Excise and Taxation	49	Underassessment of tax due to inadmissible deduction from gross turnover
1154.	Excise and Taxation	50	Result of audit
1155.	Excise and Taxation	51	Non-realization of differential license fee
1156.	Excise and Taxation	52	Short recovery of license fee and interest
1157.	Excise and Taxation	53	Short recovery of license fee and interest
1158.	Excise and Taxation	54	Non-recovery of penalty
1159.	Excise and Taxation	55	Result of audit
1160.	Excise and Taxation	56	Educational institutions
1161.	Excise and Taxation	57	Transport co-operative societies
1162.	Excise and Taxation	58	City bus operators
1163.	Revenue	59	Result of audit
1164.	Revenue	60	Evasion of stamp duty due to undervaluation of immovable property
1165.	Revenue	61	Evasion of stamp duty due to misclassification of documents
1166.	Revenue	62	Short levy of stamp duty due to application of incorrect rates of immovable property
1167.	Revenue	63	Exemption of stamp duty on collusive decrees
1168.	Revenue	64	Irregular exemption of stamp duty
1169.	Transport	65	Compliance with the earlier Audit Reports
1170.	Transport	66	Result of audit
1171.	Transport	67	Non-short recovery of token tax
1172.	Transport	68	City bus owners
1173.	Transport	69	Stage carriage buys owners
1174.	Transport	70	Short realization of permit transfer fee
1175.	Transport	71	Non-realization of additional fee for retention of choice registration
1176.	Home	72	Non-realization of police cost from Railways
1177.	Home	73	Non-existence of system to monitor the raising of claims for incentive money for passport verification reports
1178.	Home	74	Delay in submission of inventory of unclaimed vehicles
1179.	Home	75	Non-short raising of bills
1180.	Home	76	Non-short raising of bills
1181.	Home	77	Non-disposal of arms and ammunition
1182.	Home	78	Non-disposal of condemned vehicles
1183.	Public Health	79	Result of audit
1184.	Public Health	80	Non-recovery of water charges
1185.	Mines and Geology	81	Result of audit
1186.	Mines and Geology	82	Non-recovery of royalty and interest
1187.	Forest	83	Result of audit
1188.	Co-operation	84	Result of audit

1189.	Power	85	Analysis of arrears of revenue
1190.	Agriculture	86	Analysis of arrears of revenue
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1191.	Agriculture	3	Financial Management
1192.	Agriculture	4	Cash Management
1193.	Agriculture	5	Water and Sewerage Charges
1194.	Agriculture	6.	Infrastructural Facilities in Mandis
1195.	Agricultur	7	Conducting of non-agricultural business in the Mandis
1196.	Agriculture	8	Encroachment of mandi land
1197.	Agriculture	9	Auction of Mandi plots
1198.	Agriculture	10	Execution of works without technical sanctions
1199.	Agriculture	11	Purchase of packed bitumen
1200.	Agriculture	12	Expenditure on widening and strengthening of road
1201.	Women and Child Development	13	Pre-school education kits
1202.	Public Health Engineering	15	Execution of work without call of tenders
1203.	Public Health Engineering	16	Purchases
1204.	Public Health Engineering	18	Blocking of funds on purchase of stores in excess of requirement
1205.	Public Health Engineering	19	Misappropriations, losses, defalcation, etc.
1206.	Irrigation	20	Unfruitful expenditure on construction of channel
1207.	Irrigation	21	Extra expenditure due to non-finalisation of tenders within the validity period
1208.	Irrigation	22	Unfruitful expenditure on incomplete drainage scheme
1209.	Irrigation	23	Follow up on Audit Reports
1210.	Irrigation	24	Misappropriations, losses, defalcation, etc.
1211.	Transport	25	Excess expenditure on purchase of Cummins Naturally Aspirated Gas buses
1212.	Transport	26	Misappropriations, losses, defalcation, etc.
1213.	Education	27	Parking of funds outside Government Accounts
1214.	Education	28	Misappropriations, losses, defalcation, etc.
1215.	Fisheries	29	Sale of fish seed
1216.	Fisheries	30	Status of Utilization certificates
1217.	Fisheries	31	Training
1218.	Fisheries	32	Internal Control
1219.	Rural Development	33	Delay in furnishing Utilization Certificates
1220.	Excise and Taxation	34	Compliance with the earlier Audit Reports
1221.	Excise and Taxation	35	Analysis of arrears of revenue
1222.	Excise and Taxation	36	Position of Inspection Reports
1223.	Excise and Taxation	37	Results of audit
1224.	Excise and Taxation	38	Leased machinery and equipments

1225.	Excise and Taxation	39	Short/non-levy of purchase tax and penalty due misuse of VAT-DI
1226.	Excise and Taxation	40	Short levy of lump sum tax on works contract
1227.	Excise and Taxation	41	Underassessment of tax due inadmissible deduction from gross turnover
1228.	Excise and Taxation	42	Underassessment of tax due inadmissible deduction from gross turnover
1229.	Excise and Taxation	43	Evasion of value added tax due to Suppression of purchases and sales
1230.	Excise and Taxation	44	Analysis of arrears of revenue
1231.	Excise and Taxation	45	Position of Audit Reports
1232.	Excise and Taxation	46	Results of audit
1233.	Excise and Taxation	47	Non-recovery/levy of penalty on illicit liquor owners
1234.	Excise and Taxation	48	Non-recovery/levy of penalty on illicit liquor owners
1235.	Excise and Taxation	49	Short/non-recovery of license fee and interest
1236.	Excise and Taxation	50	Short/non-recovery of license fee and interest
1237.	Excise and Taxation	51	Short/non-recovery of license fee and interest
1238.	Excise and Taxation	52	Analysis of arrears of revenue\
1239.	Excise and Taxation	53	Position of Audit Reports
1240.	Excise and Taxation	54	Results of audit
1241.	Excise and Taxation	55	City bus operators
1242.	Revenue	56	Revenue impact of the Audit/Position of Inspection Reports
1243.	Revenue	57	Position of Audit Reports
1244.	Revenue	58	Absence of mechanism to detect evasion of stamp duty by not presenting documents for registration
1245.	Revenue	59	Contracts for collection of toll by private entrepreneurs
1246.	Revenue	60	Sale of industrial units through public auction by Haryana Financial Corporation (HFC)
1247.	Revenue	61	Failure to levy stamp duty on land sold with less than 1,000 square yards as residential property and the market value of immovable properties
1248.	Revenue	62	Failure to levy stamp duty on land sold with less than 1,000 square yards as residential property and the market value of immovable properties
1249.	Revenue	63	Absence of time limit for disposal of undervaluation cases referred to the Collector
1250.	Revenue	64	Short levy of stamp duty and registration feedue to misclassification of documents
1251.	Revenue	65	Delay in implementation of enhanced rates of registration fee
1252.	Revenue	66	Evasion of stamp duty due to undervaluation of immovable property\
1253.	Revenue	67	Non-levy of stamp duty on collusive decrees 18
1254.	Transport	68	Failure of senior officials to enforce accountability and protect the interest of the State Government
1255.	Transport	69	Follow up on Audit Reports-summarised position
1256.	Transport	70	Analysis of arrears of revenue (Taxes on Vehicles)

1257.	Transport	72	Stage carriage bus owners
1258.	Transport	73	City bus owners
1259.	Transport	74	Non-realisation of additional fee for retention of choice registration mark
1260.	Finance	75	Non-raising of demand of guarantee fee
1261.	Town and Country Planning	76	Results of audit
1262.	Town and Country Planning	77	Non recovery / realization of licence fee
1263.	Town and Country Planning	78	Non recovery / realization of licence fee
1264.	Forest	79	Results of Audit
1265.	Co-operation	80	Results of Audit
1266.	Irrigation	81	Results of Audit
1267.	Mines & Geology	82	Results of audit
1268.	Mines & Geology	83	Non-recovery of royalty and interest
1269.	Public Health	84	Results of audit
1270.	Public Health	85	Non-recovery of water charges
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1271.	Health	3	Activities not covered under the objectives of Red Cross Society
1272.	Health	4	Outstanding loans and advances
1273.	Higher Education	5	Financial Management
1274.	Higher Education	6	Compilation of annual accounts
1275.	Higher Education	7	Submission of false utilization certificate
1276.	Higher Education	8	Planning for courses
1277.	Higher Education	9	Under utilization of earmarked fund
1278.	Higher Education	10	Inadequacy of infrastructure in Instructional area
1279.	Higher Education	11	Avoidable expenditure on customs Duty
1280.	Higher Education	12	Performance evaluation
1281.	Higher Education	13	Misappropriations, losses, defalcations, etc.
1282.	Forest	14	Budget and expenditure control
1283.	Forest	15	Non-realization of compensation for Use of forest land for non-forest purposes
1284.	Forest	16	Haryana wood-based Industries Revolving Corpus Fund
1285.	Forest	17	Internal controls
1286.	Forest	18	Conclusion
1287.	Commissioner Hisar Division	19	National Programme for Control of Blindness
1288.	Commissioner Hisar Division	20	Accredited Social Health Activists
1289.	Commissioner Hisar Division	21	Quality of education
1290.	Commissioner Hisar Division	22	Water supply
1291.	Commissioner Hisar Division	23	Excess expenditure over estimates
1292.	Commissioner Hisar Division	24	Non-recovery of water and sewerage charges
1293.	Commissioner Hisar Division	25	Water quality

1294.	Commissioner Hisar Division	26	Silt clearance of canals and drains not done under Mahatma Gandhi National Rural Employment Guarantee Act
1295.	Commissioner Hisar Division	27	Non-payment of annuity under Rehabilitation and Resettlement policy
1296.	Commissioner Hisar Division	28	District Plan Scheme
1297.	Commissioner Hisar Division	29	Common irregularities in Panchayati Raj Institutions
1298.	Commissioner Hisar Division	30	Swarnjayanti Gram Swarojgar Yojna
1299.	Commissioner Hisar Division	31	Bogus ration cards in TPDS
1300.	Commissioner Hisar Division	32	Other irregularities
1301.	Commissioner Hisar Division	33	Crime trends
1302.	Commissioner Hisar Division	34	Weaponry
1303.	Commissioner Hisar Division	35	Inspection of police stations
1304.	Irrigation	36	Excess payment due to adoption of incorrect Wholesale price index of steel
1305.	Irrigation	37	Irrigation Channel lying unutilized since construction
1306.	Irrigation	38	Misappropriations, losses, defalcations, etc.
1307.	PWD (B & R)	39	Undue financial aid to contractor
1308.	PWD (B & R)	40	Wasteful expenditure due to execution of Sub-standard work
1309.	Agriculture	41	Unfruitful Expenditure on incomplete cold storage work
1310.	Public Health Engineering	42	Unfruitful expenditure on installation of water Purification plants in villages already provided With safe drinking water
1311.	Public Health Engineering	43	Misappropriations, losses, defalcations, etc.
1312.	Town & Country Planning	44	Follow-up on Audit Reports
1313.	Town & Country Planning	45	Blocking of funds due to non-allotment of dwelling units
1314.	Town & Country Planning	46	Inordinate delay in completion of scheme
1315.	Food and Supplies	47	Loss of interest due to delay in claiming refund of Bonus paid to farmers
1316.	Labour And Employment	48	Non-achievement of objectives due to non- Utilization of cess funds
1317.	Animal Husbandry	49	Receipt of funds from other sources
1318.	Animal Husbandry	50	Failure in recovering milk cess
1319.	Animal Husbandry	51	Livestock insurance
1320.	Animal Husbandry	52	Outsourcing of Artificial Insemination Services
1321.	Animal Husbandry	53	Poultry Disease Investigation and Feed Analytical Laboratory
1322.	Animal Husbandry	54	Hi-Tech Dairy Shed Scheme
1323.	Animal Husbandry	55	Quality control of feed, milk and milk products
1324.	Animal Husbandry	56	Avoidable payment of departmental charges
1325.	Animal Husbandry	57	Construction of veterinary polyclinics
1326.	Animal Husbandry	58	Construction of Pet Clinic at Panchkula
1327.	Animal Husbandry	59	Lack of monitoring of execution of works
1328.	Animal Husbandry	60	Internal Audit System

1329.	Animal Husbandry	61	Delay in furnishing Utilisation Certificates
1330.	Animal Husbandry	62	Misappropriations, Losses, defalcations, etc
1331.	Excise And Taxation	63	Analysis of arrears of revenue
1332.	Excise And Taxation	64	Analysis of collection
1333.	Excise And Taxation	65	Position of Inspection Reports
1334.	Excise And Taxation	66	Results of audit
1335.	Excise And Taxation	67	Lack of co-ordination between implementing Agencies to recover the demand on premature Closure of business
1336.	Excise And Taxation	68	Non-maintenance of production level
1337.	Excise And Taxation	69	Non-recovery of tax
1338.	Excise And Taxation	70	Evasion of tax by fraudulent utilization of fake forms
1339.	Excise And Taxation	71	Evasion of tax by fraudulent utilization of fake forms
1340.	Excise And Taxation	72	Evasion of tax by fraudulent utilization of fake forms
1341.	Excise And Taxation	73	Concealment of sales
1342.	Excise And Taxation	74	Irregular grant of concession/exemption on invalid Forms/forms issued to other dealers
1343.	Excise And Taxation	75	Short/non-accounting of goods imported through Use of declaration form
1344.	Excise And Taxation	76	Input tax credit allowed incorrectly
1345.	Excise And Taxation	77	Incorrect allowance of input tax credit
1346.	Excise And Taxation	78	Incorrect deductions of High sea sale and Transit Sale
1347.	Excise And Taxation	79	Transit sale
1348.	Excise And Taxation	80	Transit sale
1349.	Excise And Taxation	81	Evasion of value added tax due to Suppression Of purchases and sale
1350.	Excise And Taxation	82	Non-realisation of differential license fee on Re-actioun
1351.	Transport	83	Lack of IT strategy and planning resulting in Implementation of unauthorized software
1352.	Transport	84	Partial utilization of the system
1353.	Transport	85	Lack of change control mechanism
1354.	Transport	86	Lack of proper documentation and system development controls
1355.	Transport	87	Inordinate delay in finalization of tenders of Smartcards
1356.	Transport	88	Non-development of technical expertise within the Department
1357.	Transport	89	Non-provision of citizen centric service
1358.	Transport	90	Monitoring and evaluation of the project
1359.	Transport	91	Deficiencies in operation of Vahan Software
1360.	Transport	92	Usage of local software having no linkage with VAHAN
1361.	Transport	93	Dual database
1362.	Transport	94	Delay in implementation of revised rates of road Tax
1363.	Transport	95	Delay in implementation of revised penalty rates
1364.	Transport	96	Non-availability of MIS reports to identify the Vehicle required to the

			re-registered
1365.	Transport	97	assigning of same engine number and chassis Number to more than one vehicle
1366.	Transport	98	Tampering of chassis number
1367.	Transport	99	Incomplete capture of chassis code
1368.	Transport	100	Unreliable data
1369.	Transport	101	Registration of two or more vehicles with same Insurance cover note
1370.	Transport	102	Data accuracy of SARATHI
1371.	Transport	103	Insufficient logical controls and non segregationof duties
1372.	Transport	104	Absence of Business Continuity and disaster recovery plan
1373.	Transport	105	Conclusion
1374.	Transport	106	Recommendations
1375.	Transport	107	Non/short recovery of token tax
1376.	Transport	108	Stage carriage bus owners
1377.	Transport	109	City bus owners
1378.	Revenue	110	Evasion of stamp duty due to misclassification of Documents
1379.	Revenue	111	Evasion of stamp duty due to undervaluation of immovable property
1380.	Revenue	112	Short levy of stamp duty due to application of incorrect rates of immovable property
1381.	Revenue	113	Suspected misappropriation of stamp duty
1382.	Revenue	114	Short levy of stamp duty on partition deed
1383.	Revenue	115	Irregular exemption of stamp duty
1384.	Industries	116	Excess benefit of deferment for expansion Of industrial unit
1385.	Industries	117	Non/short recovery of interest free loan
1386.	Industries	118	Non/short recovery of interest free loan
1387.	Industries	119	Incorrect computation of fixed capital Investment and excess tax concession
1388.	Power	120	Failure of senior officials to enforce accountability and protect the interest of the State Government
1389.	Mines and Geology	121	Non-recovery of royalty and interest