



सत्यमेव जयते

**Report of**  
**the Comptroller and Auditor General of India**  
**on**  
**Social, General and Economic Sectors**  
**(Non-Public Sector Undertakings)**  
**for the year ended 31 March 2013**

The Report has been laid on the table of the State Legislature Assembly on 14-07-2014



**Government of Haryana**  
*Report No. 2 of the year 2014*

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**Government of Haryana**  
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## TABLE OF CONTENTS

	Reference to	
	Paragraphs	Page
Preface		vii
Overview		ix
<b>Chapter – 1</b>		
<b>Introduction</b>		
Budget profile	1.1	1
Application of resources of the State Government	1.2	1
Persistent savings	1.3	2
Funds transferred directly to the State implementing agencies	1.4	2
Grants-in-aid from Government of India	1.5	3
Planning and conduct of audit	1.6	3
Significant audit observations and response of Government to audit	1.7	4
Recoveries at the instance of audit	1.8	4
Lack of responsiveness of Government to Audit	1.9	5
Follow-up on Audit Reports	1.10	5
Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly	1.11	6
Year-wise details of reviews and paragraphs appeared in Audit Report	1.12	7
<b>Chapter – 2</b>		
<b>Performance Audit</b>		
<b>Public Health Engineering Department</b> Sewerage Schemes	2.1	9
<b>Urban Local Bodies Department</b> Working of Urban Local Bodies	2.2	27
<b>Education Department (Haryana School Shiksha Pariyojna Parishad)</b> Sarva Shiksha Abhiyan	2.3	46
<b>Rural Development Department</b> Indira Awaas Yojna	2.4	66
<b>Cooperation Department</b> Working of Cooperation Department	2.5	80

	Reference to	
	Paragraphs	Page
<b>Chapter – 3</b>		
<b>Compliance Audit</b>		
<b>Civil Aviation Department</b> Irregularities in the functioning of Civil Aviation Department	3.1	99
<b>Civil Secretariat</b> Irregular expenditure	3.2	102
Allotment of space to banks without execution of agreement	3.3	104
<b>Development and Panchayat Department</b> Management of panchayat land	3.4	105
<b>Food and Supplies Department</b> Loss due to distribution of foodgrains to ineligible ration card holders	3.5	110
<b>Health and Medical Education Department</b> Non-recovery of bond money	3.6	111
<b>Home and Administration of Justice Department</b> Management of properties of Haryana Wakf Board	3.7	112
<b>Housing Department – Housing Board Haryana</b> Irregular allotment of open space	3.8	114
<b>Information, Public Relations and Cultural Affairs Department</b> Irregularities in the functioning of the Information, Public Relations and Cultural Affairs Department	3.9	115
<b>Irrigation Department</b> Unfruitful expenditure on construction of a minor	3.10	118
Irregularities and deficiencies in construction of Dam across river Kaushalya near Panchkula	3.11	120
<b>Public Health Engineering Department</b> Unfruitful expenditure on incomplete water supply scheme	3.12	121
<b>Public Works Department (Building and Roads)</b> Incomplete Works	3.13	123
<b>Public Works (Building and Roads), Irrigation and Public Health Engineering Departments</b> Miscellaneous Public Works Advances	3.14	125
<b>Revenue and Disaster Management Department</b> Delay in release of annuity payment to the beneficiaries	3.15	128
<b>Town and Country Planning Department (Haryana Urban Development Authority)</b> Construction of Buildings and their utilisation	3.16	132

	Reference to	
	Paragraphs	Page
Status of utilisation of land acquired by HUDA	3.17	134
<b>Transport Department</b> Avoidable payment of special road tax	3.18	137
<b>Urban Local Bodies Department</b> Non-functioning of Solid Waste Management Plant	3.19	138
Loss due to non-recovery of outstanding lease money	3.20	139
<b>Welfare of Scheduled Castes and Backward Classes Department</b> Irregularities in implementation of scheme for providing coaching to Scheduled castes/Backward Classes candidates	3.21	141

## APPENDICES

Appendix	Description	Reference to	
		Paragraph	Page
1.1	Statement showing year-wise breakup of outstanding Inspection Reports and Paragraphs	1.9	149
1.2	Detail of nature of irregularities pointed out through outstanding Inspection Reports	1.9	150
1.3	List of Outstanding Paragraphs to be discussed in PAC for the year 2008-09, 2009-10, 2010-11 and 2011-12	1.10	151
1.4	Details of Audit Report paragraphs for which replies are waited for the years 2008-09, 2009-10, 2010-11 and 2011-12 (Civil Reports ) as on 31 July 2013	1.10	153
1.5	List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Department	1.10	154
1.6	Details of outstanding recommendations of Public Accounts Committee on which the Government was yet to take final decision	1.10	155
1.7	Statement showing the details of rendering of account to CAG and submission of Audit Report to State Legislature by the autonomous bodies	1.11	156
2.1	Statement showing the details of splitting of works	2.1.7.3	158
2.2	List of Municipal Corporations, Councils and Committees selected for Performance Audit	2.2.4	159
2.3	Statement showing details of diversion of grants	2.2.7.4	160
2.4	Details of loss due to non-recovery of regularization charges	2.2.8.1	161
2.5	Statement showing the details of non-recovery of cess	2.2.8.4	162
2.6	Details of Outstanding Annual Renewal Fee of Cellular Mobile Telephone Towers installed in Municipal Area	2.2.8.6	163
2.7	Details of Outstanding House Tax including Fire Tax	2.2.8.6	164
2.8	Details of Outstanding Rent collected/levied by municipalities	2.2.8.6	165
2.9	Scheme-wise grants received and expenditure incurred during 2008-13 by selected municipalities	2.2.9	166
2.10	Details of Outstanding Paras of Director, Local Audit Department Haryana	2.2.11.3	168

Appendix	Description	Reference to	
		Paragraph	Page
2.11	Details of payment on muster rolls without obtaining signatures/thumb impressions	2.3.7.4	170
2.12	Details of enrolment of SC students and girl students	2.3.8.1	171
2.13	Details of delay in lifting of free text books	2.3.8.6	172
2.14	Details of targets and achievements of civil works executed under SSA	2.3.9	173
2.15	District-wise position of shortage of teachers in primary and upper primary schools	2.3.10.1	174
2.16	Statement showing the details of amounts recoverable from ineligible families	2.4.6.4	175
2.17	Details of beneficiaries who received second installment but not completed their houses	2.4.6.5	176
2.18	Statement showing the details of beneficiaries who availed assistance for rural housing from two schemes	2.4.6.6	177
2.19	Details of dwelling units which utilized for other purposes	2.4.6.7	178
2.20	Details of targets and achievements in respect of test-checked districts	2.4.8.1	179
2.21	Statement showing the detail of target and achievement of inspections	2.5.8.3	180
2.22	Statement showing the detail of 21 major schemes operated by the Co-operation Department during 2008-13	2.5.9	181

## **PREFACE**

This Report is prepared for submission to the Governor of the State of Haryana under Article 151 of the Constitution of India.

The audit of expenditure by the Departments of the State Government is conducted under Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The cases mentioned in this Report are those, which came to notice in the course of test audit during the year 2012-13 as well as those, which came to notice in earlier years, but could not be dealt with in the previous Reports; matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# Overview

## OVERVIEW

This Report contains five Performance Audits on Sewerage Schemes, Working of Urban Local Bodies, Sarva Shiksha Abhiyan, Indira Awaas Yojna and Working of Cooperation Department and 21 paragraphs relating to excess, irregular, unfruitful expenditure, diversion of funds and avoidable payment etc; involving ₹ 1953.20 crore. Some major findings are mentioned below:

## PERFORMANCE AUDIT

A performance audit of “**Sewerage Schemes**” was conducted. Some major findings are given below:

- Only 598.34 MLD (50 *per cent*) out of 1188.53 MLD sewage generated in the State was treated.

*(Paragraph 2.1.6.1)*

- There was an expenditure of ₹ 323.96 crore on 158 incomplete Urban Sewerage Schemes as of March 2013. Out of these, 41 schemes were awaiting completion for the last three to eight years.

*(Paragraph 2.1.8)*

- Sewage Treatment Plant (STP) for Bawal town constructed at a cost of ₹ 5.48 crore remained non-functional and sewerage scheme for Kosli town in Rewari district remained abandoned since December 2009 after spending ₹ 9.15 crore.

*(Paragraph 2.1.10.1)*

- STP of Ganaur town though shown completed on 30 September 2010 was running without filter media, as a result of which waste water was being discharged without treatment.

*(Paragraph 2.1.10.3)*

- As against generation of 200 MLD wastewater in Faridabad, only 94 MLD of wastewater was treated while the capacity of treating was 160 MLD.

*(Paragraph 2.1.11.2)*

- Functioning of 18 STPs constructed under Yamuna Action Plan was not up to the mark as 229 samples out of 232 samples of these STPs were found to be below norms.

*(Paragraph 2.1.11.5)*

A performance audit on “**Working of Urban Local Bodies**” was conducted. Some major findings are given below:

- Municipalities were not preparing annual accounts in the shape of balance sheet since their inception, as a result true and fair view of the state of affairs could not be ascertained.

(Paragraph 2.2.7.1)

- Ten municipalities had not recovered regularization charges amounting to ₹ 170.40 crore since December 2004 from house owners of regularized colonies.

(Paragraph 2.2.8.1)

- Thirteen municipalities had not availed of the exemption from Service Tax amounting to ₹ 1.95 crore during July 2012 to March 2013 on the manpower outsourced for sanitation purpose.

(Paragraph 2.2.8.3)

- An amount of ₹ 101.82 crore were outstanding on account of installation fee (₹ 0.73 crore), renewal fee of communication towers (₹ 1.58 crore), House Tax including fire tax (₹ 95.82 crore) and rent of municipal shops (₹ 3.69 crore).

(Paragraph 2.2.8.6)

- Temporary advances amounting to ₹ 274.48 crore were pending against Government Departments, officers/officials, contractors, etc. in six municipalities as on 31 March 2013.

(Paragraph 2.2.8.6)

- An expenditure of ₹ two crore incurred on construction of drains and laying cement concrete/interlocking tiles in streets of Ratia town had gone waste due to lack of planning and co-ordination. Municipal Corporation, Hisar had spent ₹ 5.06 crore on development works in unauthorised colonies.

(Paragraph 2.2.9.4)

A performance audit of “**Sarva Shiksha Abhiyan**” was conducted. Some major findings are given below:

- Learning Enhancement Programme was not planned properly as only ₹ 1.23 crore out of budgeted amount of ₹ 15.12 crore was spent during 2008-13.

(Paragraph 2.3.6.3)

- There were substantial savings of ₹ 1501.59 crore (34.86 per cent) during 2008-13 against the budget approved by Government of India.

(Paragraph 2.3.7.1)

- The enrollment of students had decreased from 14.55 lakh to 13.44 lakh in primary schools during 2008-13. The number of out of school children was 1.25 lakh against the target to bring it to zero.

(Paragraphs 2.3.8.1 and 2.3.8.2)

- There were substantial delays in providing books and uniforms to students. Further in the absence of risk and cost clause in the contract agreement for supply of books, the department had to incur extra expenditure of ₹ 5.90 crore.

(Paragraphs 2.3.8.5 and 2.3.8.6)

- A total of 32,504 (80.31 per cent) out of 40,472 works were completed during 2008-13. Further, 468 civil works pertaining to the period 2003-07 remained incomplete.

(Paragraph 2.3.9)

- There were 54,063 teachers against 72,446 posts in primary and upper primary schools indicating shortage of 18,383 (25 per cent) teachers. Further, there were excess teachers in some districts and shortage in other districts.

(Paragraph 2.3.10.1)

A performance audit of “**Indira Awaas Yojna**” was conducted. Some major findings are given below:

- Financial assistance of ₹ 1.74 crore provided to 470 ineligible persons was not recovered despite the orders of Hon’ble Punjab and Haryana High Court.

(Paragraph 2.4.6.4)

- Forty beneficiaries were given assistance amounting to ₹ 15.88 lakh who had already pucca houses.

(Paragraph 2.4.6.5)

- As against the target of construction of 93,690 houses, 72,944 were completed during 2008-13. The data of completion of houses was not fully reliable as it was inflated by seven per cent. Further, the component of upgradation of unserviceable *kutcha* houses was not implemented at all.

(Paragraph 2.4.8.1)

- Convergence with other schemes for providing comprehensive housing facilities was not done properly.

(Paragraph 2.4.9)

- Monitoring and Management Information for system implementation of the scheme were weak and Social Audit was not conducted.

(Paragraphs 2.4.10.1 to 2.4.10.3)

A performance audit on “**Working of Cooperation Department**” was conducted. Some major findings are given below:

- Government had invested ₹ 594.07 crore in share capital in co-operative societies but returns (₹ 1.36 crore) from these investments were negligible. The Department had not maintained consolidated data regarding redeemable share capital and accrued amount of loans to be recovered from loanee societies.

*(Paragraph 2.5.7.6)*

- Interest amounting to ₹ 181.87 crore was waived to co-operative sugar mills with the condition that they would turn around into profit.

*(Paragraph 2.5.7.7)*

- There were 33,766 registered societies upto 2008-09 which increased to 35,622 societies by the end of March 2012. The Department conducted audit in range of 41 to 47 *per cent* societies during 2008-12. Further, compliance of audit observation was made only by 12 *per cent* of the audited societies.

*(Paragraphs 2.5.8.1 and 2.5.8.2)*

- Nine co-operative sugar mills had not started repayment of loans of ₹ 42.50 crore released during 2009-10 in violation of the terms and conditions of the loan yet the Department released loans amounting to ₹ 225.90 crore to co-operative sugar mills during 2010-13.

*(Paragraph 2.5.9.1)*

- An amount of ₹ 7.55 crore was paid to compensate the losses incurred by the Haryana State Co-operative Apex Bank Limited (HARCO) under ‘State Interest Subvention Scheme’ while the scheme was launched with a view to provide relief in interest liability to the loanee members of Primary Agriculture Co-operative Societies (PACS).

*(Paragraph 2.5.9.2)*

- Haryana State Co-operative Apex Bank Limited and Haryana State Co-operative Agriculture and Rural Development Bank had not paid the amount on account of retirement of share capital amounting to ₹ 7.67 crore.

*(Paragraph 2.5.9.3)*

## COMPLIANCE AUDIT

Three aviation clubs of Haryana Institute of Civil Aviation (HICA) failed to achieve the flying hour targets during 2008-13. Despite the release of grants-in-aid of ₹ 5.36 crore, expenditure exceeded the income by ₹ 1.05 crore. HICA had not finalised their accounts since 2007-08, pilots were paid inadmissible allowances and post of senior executive pilot was sanctioned after 10 months of appointment.

*(Paragraph 3.1)*

Panchayat land measuring 12,208 hectares was under encroachment. Land utilisation plan was not prepared. Lease rent of ₹ 3.22 crore received late by one to 25 months. There was loss of interest of ₹ 79.27 lakh due to non-deposit of amount in term deposits. In eight cases annuity of ₹ 2.39 crore was not paid by State Public Sector Undertakings.

**(Paragraph 3.4)**

The State Government had incurred an avoidable expenditure of ₹ 18.59 crore on subsidy at the rate of ₹ 2.02 per Kg for providing wheat to 1,73,907 ineligible BPL card holders during the period December 2011 to March 2013.

**(Paragraph 3.5)**

Due to lack of monitoring, 913 wakf properties were under encroachment, lease rent of ₹ 3.97 crore against 1,281 wakf properties was outstanding, lease rents were not revised for 20 years, mutation, central computing facilities and survey of wakf properties was not completed.

**(Paragraph 3.7)**

Due to lack of co-ordination between two divisions of Irrigation Department, a minor constructed at a cost of ₹ 15.97 crore remained unutilised.

**(Paragraph 3.10)**

₹ 213.18 crore was outstanding in Miscellaneous Public Works Advances which was mainly due to non-adjustment of advances of ₹ 127.62 crore even after receipt of material/services, non-recovery of ₹ 27.51 crore from contractors and ₹ 1.55 crore from officers/officials.

**(Paragraph 3.14)**

There was delay in release of annuity payment of ₹ 238.17 crore to the beneficiaries. Plots/commercial sites were not allotted to the oustees and community development infrastructure was not created in accordance with R and R policy.

**(Paragraph 3.15)**

HUDA constructed various buildings without obtaining consent from user departments. 34 buildings constructed at the cost of ₹ 30.82 crore and 416 booths, kiosks and SCOs constructed at a cost of ₹ 13.99 crore were lying vacant. Besides, the lease rent of ₹ 9.33 crore of an auditorium building was not recovered.

**(Paragraph 3.16)**

Due to lack of monitoring, 1,323.83 acre land acquired by HUDA was under encroachment and 4,921.69 acre land was under unauthorised cultivation by farmers.

**(Paragraph 3.17)**

Solid Waste Management Plant, constructed at a cost ₹ 11.05 crore without obtaining NOC from Haryana State Pollution Control Board and Environment Impact Assessment clearance from the Government of India, Ministry of Environment and Forest had remained non-functional since April 2010.

***(Paragraph 3.19)***

The department spent ₹ 5.22 crore on providing coaching to 9,906 Scheduled Castes/Backward Classes candidates for appearing in higher competitive/entrance examinations through 14 coaching institutes which were selected arbitrarily. The payment was made without verifying the eligibility and ensuring that the coaching was actually imparted or not.

***(Paragraph 3.21)***

# **Chapter 1**

## **Introduction**



## CHAPTER 1

### INTRODUCTION

#### 1.1 Budget profile

There are 56 departments and 97 autonomous bodies in the State. The position of budget estimates and actuals thereagainst by the State Government during 2008-13 is given in **Table 1.1**.

**Table 1.1: Budget and actual expenditure of the State during 2008-13**

(₹ in crore)

Expenditure	2008-09		2009-10		2010-11		2011-12		2012-13	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
General Services	7,173	6,024	7,876	7,755	8,916	9,328	10,684	10,220	12,331	11,897
Social Services	6,445	7,259	9,783	9,902	11,349	10,904	13,969	12,642	15,935	14,516
Economic Services	6,470	7,035	8,072	7,530	8,142	7,997	9,923	9,054	11,348	11,557
Grants-in-aid and Contributions	193	216	90	70	76	81	103	99	170	102
<b>Total (1)</b>	<b>20,281</b>	<b>20,534</b>	<b>25,821</b>	<b>25,257</b>	<b>28,483</b>	<b>28,310</b>	<b>34,679</b>	<b>32,015</b>	<b>39,784</b>	<b>38,072</b>
Capital Outlay	3,360	4,502	3,973	5,218	3,516	4,031	4,641	5,372	4,661	5,762
Loans and Advances Disbursed	391	332	1,483	830	1,602	722	957	627	874	522
Repayment of Public Debt	2,389	1,292	3,686	2,746	5,954	3,971	6,666	4,037	9,221	5,951
Contingency Fund	-	-	-	-	-	190	-	168	-	-
Public Accounts disbursements	80,092	11,442	52,628	14,320	66,505	15,324	73,595	17,051	75,894	21,074
Closing Cash balance	-	3,405	-	493	-	377	-	2,162	-	2,697
<b>Total (2)</b>	<b>86,232</b>	<b>20,973</b>	<b>61,770</b>	<b>23,607</b>	<b>77,577</b>	<b>24,615</b>	<b>85,859</b>	<b>29,417</b>	<b>90,650</b>	<b>36,006</b>
<b>Grand Total (1+2)</b>	<b>106,513</b>	<b>41,507</b>	<b>87,591</b>	<b>48,864</b>	<b>106,060</b>	<b>52,925</b>	<b>120,538</b>	<b>61,432</b>	<b>130,434</b>	<b>74,078</b>

Source: Annual Financial Statements and Explanatory Memorandum of the Budget of the State Government.

#### 1.2 Application of resources of the State Government

As against the total outlay of the budget of ₹ 1,30,434 crore, total expenditure was ₹ 74,078 crore during 2012-13. The revenue expenditure of the State Government increased by 85 per cent from ₹ 20,534 crore in 2008-09 to ₹ 38,072 crore in 2012-13. Non-Plan revenue expenditure increased by 72 per cent from ₹ 16,616 crore to ₹ 28,616 crore and capital expenditure increased by 28 per cent from ₹ 4,502 crore to ₹ 5,762 crore during the period 2008-13.

The revenue expenditure constituted 81 to 86 per cent of the total expenditure during the years 2008-13 and capital expenditure 12 to 18 per cent.

During this period, total expenditure increased at an annual average rate of 15 per cent, whereas revenue receipts grew at an annual average growth rate of 16 per cent during 2008-13.

### 1.3 Persistent savings

During the last five years, four grants and one appropriation showed persistent savings of more than ₹ 10 crore, and which were also 10 *per cent* or more of the total grants (Table 1.2).

**Table 1.2: List of grants with persistent savings during 2008-13**

(₹ in crore)

Sr. No.	Number and name of the grant	Percentage of savings to total provision (Amount of savings)				
		2008-09	2009-10	2010-11	2011-12	2012-13
<b>Revenue (Voted)</b>						
1.	04-Revenue	41 (157.52)	33 (179.31)	22 (273.17)	47 (421.74)	39 (358.99)
2.	08-Buildings and Roads	11 (86.18)	12 (111.52)	24 (249.50)	28 (300.75)	6 (70.41)
3.	24-Irrigation	10 (417.11)	09 (366.75)	27 (311.48)	30 (409.81)	27 (375.55)
<b>Capital (Voted)</b>						
4.	45-Loans and Advances by State Government	29 (137.36)	44 (653.58)	55 (880.53)	46 (532.72)	41 (366.19)
<b>Capital (Charged)</b>						
5.	Public Debt	46 (1,097.31)	43 (2,032.39)	41 (3,226.08)	37 (2,944.26)	40 (4,250.68)

### 1.4 Funds transferred directly to the State implementing agencies

During 2012-13, GOI directly transferred ₹ 1,980 crore to various State implementing agencies as given in table 1.3 without routing through the State budget. There is no single agency in the State to monitor the funds directly transferred by the GOI to the implementing agencies and no data readily available as to how much money has actually been spent in a particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funds transferred directly by the GOI.

**Table 1.3: Funds transferred directly to State Implementing Agencies**(**₹ in crore**)

Sr. No.	Programme/Scheme	Implementing Agency in the State	Central Share
			2012-13
1.	Members of Parliament Local Area Development Scheme	District Rural Development Agency (DRDA)	63.57
2.	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDA	380.57
3.	Indira Awaas Yojna	DRDA	80.27
4.	Swaranjayanti Gram Swarajgar Yojna	DRDA	31.24
5.	Desert Development Programme	DRDA	17.01
6.	Integrated Wasteland Development Programme	DRDA	2.64
7.	District Rural Development Agency (Administration)	DRDA	22.54
8.	Backward Region Grant Fund	DRDA	23.92
9.	Sarva Shiksha Abhiyan	Shiksha Sadan Society	694.28
10.	National Programme for Education of Girls at Elementary Level	Shiksha Sadan Society	2.30
11.	Kasturba Gandhi Bal Vidyalaya	KGBV	3.72
12.	National Rural Health Mission	Haryana State Health and Family Welfare Society	282.54
13.	National Horticulture Mission	NA	90.82
14.	Pradhan Mantri Gram Sadak Yojna	DRDA	36.49
15.	Mid Day Meal	Shiksha Sadan Society	247.80
	<b>Total</b>		<b>1,979.71</b>

(Source: Information supplied by concerned departments and Finance Accounts)

## 1.5 Grants-in-aid from Government of India

The Grants-in-aid received from the GOI during the years 2008-09 to 2012-13 have been given in Table 1.4.

**Table 1.4: Grants-in-aid from GOI**(**₹ in crore**)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	524	1,617	1,766	1,246	852
Grants for State Plan Schemes	731	920	750	675	728
Grants for Central Plan Schemes	32	51	88	51	44
Grants for Centrally Sponsored Schemes	547	669	447	783	716
<b>Total</b>	<b>1,834</b>	<b>3,257</b>	<b>3,051</b>	<b>2,755</b>	<b>2,340</b>

(Source: Finance Accounts of concerned years)

## 1.6 Planning and conduct of audit

The Audit process starts with the risk assessment of various departments, autonomous bodies, schemes/projects, etc., criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on risk assessment, the frequency and extent of

audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Report containing audit findings is issued to the head of the office with the request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of the Haryana under Article 151 of the Constitution of India.

During 2012-13, compliance audit of 940 drawing and disbursing officers of the State and 25 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Haryana. Besides, five Performance Audits were also conducted.

### **1.7 Significant audit observations and response of Government to audit**

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which have negative impact on the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per the provision of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their responses to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India, to be placed before the Haryana Legislature, it would be desirable to include their comments in the matter. These draft reports and paragraphs proposed for inclusion in the Report were also forwarded to the Additional Chief Secretaries/ Principal Secretaries/Secretaries concerned for seeking their replies. This Audit Report contains five Performance Audits, 21 draft paragraphs which were forwarded to concerned Administrative Secretaries. The replies have been received for two Performance Audits and 10 paragraphs and suitably incorporated in the Audit Report.

### **1.8 Recoveries at the instance of audit**

The audit findings involving recoveries that came to notice in the course of test audit of accounts of Government Departments were referred to the various departmental Drawing and Disbursing Officers (DDOs) for confirmation and

further necessary action under intimation to audit. An amount of ₹ 2.86 crore was recovered in 27 cases during 2012-13 by various departments after being pointed out by the Audit through Inspection Reports.

### **1.9 Lack of responsiveness of Government to Audit**

After periodical inspection of the Government departments, the Principal Accountant General (Audit) issues the Inspection Reports (IRs) to the head of offices audited with copies to the next higher authorities. The executive authorities are expected to promptly rectify the defects and omissions pointed out and report compliance to the Principal Accountant General (Audit) within four weeks. Half-yearly reports of IRs pending for more than six months are also sent to the concerned Administrative Secretaries of the departments to facilitate monitoring and compliance of the audit observations in the pending IRs.

A review of IRs issued up to March 2013 of various offices of Town and Country Planning Department (including Haryana Urban Development Authority) revealed that 718 paragraphs of 229 IRs with money value of ₹ 3,323.38 crore (*Appendix 1.1*) remained outstanding at the end of June, 2013. Of these, 111 IRs containing 253 paragraphs were more than five years old. Category-wise details of irregularities pointed out through these IRs which had not been settled as of 30 June 2013 are indicated in *Appendix 1.2*.

The Administrative Secretary of the Department, who was informed of the position through half-yearly reports, failed to ensure prompt and timely action on the audit observations. The matter was referred to the Principal Secretary to Government of Haryana, Town and Country Planning in August 2013.

### **1.10 Follow-up on Audit Reports**

According to the instructions issued (October 1995) by the Government of Haryana, Finance Department and reiterated in March 1997 and July 2001, the administrative departments were to initiate *suo moto* positive and concrete action on all audit paragraphs and performance audits featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases were taken up for examination by the Public Accounts Committee or not. The administrative departments were also required to furnish detailed notes, duly vetted by Audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs up to the period ended 31 March 2013 showed that the ARs for the period 2008-09, 2009-10, 2010-11 and 2011-12 were

presented<sup>1</sup> to the State Legislature. Of the 68 paragraphs and performance audits of 24 administrative departments included in these ARs (*Appendix 1.3*), ATNs on 40 paragraphs and performance audits in case of 21 administrative departments were not submitted as per details given in the *Appendix 1.4*. Out of the 21 administrative departments, four administrative departments viz Public Works (Buildings and Roads Branch), Irrigation, Education and Transport had not submitted ATNs in respect of 19 out of 40 paragraphs/reviews. Nine Administrative Departments out of those which had submitted the ATNs, had not taken any action to recover the amount of ₹ 29.45 crore in respect of 16 paragraphs and performance audits as per details given in the *Appendix 1.5*.

Further, the response of the administrative department towards the recommendations of the Public Accounts Committee was not encouraging as 413 recommendations relating to Audit Reports for the period from 1971-72 to 2007-08 were still awaiting final action by the concerned administrative department as per details given in *Appendix 1.6*.

On this being pointed out (September 2013), the Principal Secretary to Government Haryana, Finance Department stated (September 2013) that the Finance department had taken up follow up action on Audit Reports vigorously and had issued detailed instructions to all the Administrative Secretaries for early settlement of audit observations. An Apex Committee was also constituted for monitoring the submission of replies to audit observations as well as Action Taken Notes on the recommendations of PAC in a timely manner for ensuring good governance. But the response of the administrative departments in settlement of audit observations and implementation of PAC recommendations was lacking seriousness as a large number of audit observations and recommendations of PAC were still pending.

### **1.11 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly**

Several autonomous bodies have been set up by the Government in the field of Urban Development, Housing, Labour Welfare, Agriculture, etc. The audit of accounts of 28 bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature is indicated in *Appendix 1.7*. The frequency distribution of autonomous bodies according to the delays in submission of accounts to audit and placement of SARs in the Legislature is summarised in **Table 1.5**.

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<sup>1</sup> Audit Report 2008-09: March 2010, Audit Report 2009-10 : March 2011, Audit Report 2010-11: February 2012 and Audit Report 2011-12: March 2013

**Table 1.5: Delays in submission of accounts and tabling of Separate Audit Reports**

Delays in submission of accounts (in months)	Number of autonomous bodies	Reasons for delay	Delays in submission of SARs in Legislature (in years)	Number of autonomous bodies	Reasons for delay
0 – 1	4	Accounts had not been prepared by autonomous bodies.	0 – 1	1	Reasons for delay not intimated by departments.
1 – 6	5		1 – 2	2	
6 – 12	-		2 – 3	6	
12 – 18	7		3 – 4	1	
18 – 24	-		4 – 5	-	
24 and above	12		5 and above	7	
<b>Total</b>	<b>28</b>			<b>17</b>	

It was further observed that 6<sup>2</sup> autonomous bodies had not submitted their annual accounts for the last 16 years (1996-97 and onwards).

### 1.12 Year-wise details of reviews and paragraphs appeared in Audit Report

The year-wise details of reviews and paragraphs that appeared in the Audit Report for the last two years alongwith their money is given in **Table 1.6**.

**Table 1.6: Details regarding reviews and paragraphs appeared in Audit Report during 2012-13**

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2010-11	4	118.09	15	28.20	1	1
2011-12	5	1,958.20	25	490.61	5	22

During 2012-13, five Performance Audits involving money of ₹ 1,166.63 crore and 21 paragraphs involving ₹ 786.57 crore have been included in this Report. The Government replies have been received for two Performance Audits and 10 paragraphs which were suitably incorporated in the Audit Report.

<sup>2</sup> District Legal Services Authority: Gurgaon, Jhajjar, Panchkula, Rewari, Rohtak and Sonipat.

## **Chapter 2**

# **Performance Audit**



## CHAPTER 2

### PERFORMANCE AUDIT

#### Public Health Engineering Department

#### 2.1 Sewerage Schemes

*About 80 per cent of sewage is generated due to domestic wastewater discharged from the houses. Sewerage schemes provide hygienic facilities to the public and reduce water pollution in rivers/canals. 70 out of 154 (2011 Census) towns of the State have been covered with partial sewerage facilities while balance 84 towns have not been provided with sewerage facilities.*

*Some of the significant findings are enumerated below:*

**Only 598.34 MLD (50 per cent) out of 1188.53 MLD sewage generated in the State was treated.**

*(Paragraph 2.1.6.1)*

**There was an expenditure of ₹ 323.96 crore on 158 incomplete Urban Sewerage Schemes as of March 2013. Out of these, 41 schemes were awaiting completion for the last three to eight years.**

*(Paragraph 2.1.8)*

**Sewage Treatment Plant (STP) for Bawal town constructed at a cost of ₹ 5.48 crore remained non-functional and sewerage scheme for Kosli town in Rewari district remained abandoned since December 2009 after spending ₹ 9.15 crore.**

*(Paragraph 2.1.10.1)*

**STP of Ganaur town though shown completed on 30 September 2010 was running without filter media, as a result of which waste water was being discharged without treatment.**

*(Paragraph 2.1.10.3)*

**As against generation of 200 MLD wastewater in Faridabad, only 94 MLD of wastewater was treated while the capacity of treating was 160 MLD.**

*(Paragraph 2.1.11.2)*

**Functioning of 18 STPs constructed under Yamuna Action Plan was not up to the mark as 229 samples out of 232 samples of these STPs were found to be below norms.**

*(Paragraph 2.1.11.5)*

### **2.1.1 Introduction**

About 80 *per cent* of sewage is generated due to domestic wastewater discharged from the houses. Rapid urbanization and increase in population was creating insanitary conditions, environmental pollution and increase in diseases. It needs to be ensured that sewage or excreta and sullage discharged is properly collected, transported, treated to the required degree and finally disposed of. In order to provide hygienic sewerage and sanitation facilities, 70 out of 154 (2011 Census) towns of the State have been covered with partial sewerage facilities while balance 84 towns have not been provided with sewerage facilities.

### **2.1.2. Organisational set-up**

Haryana State Water Supply and Sewerage Board, under the Chairmanship of the Chief Minister, accords approval for sewerage schemes and provides funds for their implementation. The Principal Secretary to Government of Haryana (PS), Public Health Engineering Department (PHED) is the administrative head at Government level and is responsible for implementation of policies, programmes and schemes. The Engineer-in-Chief (EIC) is controlling officer and assisted by four Chief Engineers and one Director, Water and Sewerage Support Organisation (WSSO)-cum-Chief Engineer at headquarters with 15 Circle Offices headed by Superintending Engineers (SEs) and 56 Divisional Offices headed by Executive Engineers (EEs). The EEs at divisional level are responsible for the execution of works.

### **2.1.3. Audit objectives**

The main objectives of performance audit are to assess whether:

- the process of planning was adequate and effective;
- the financial management was sound and effective;
- the implementation of schemes was effective, efficient and economical; and
- an effective monitoring system was in place.

### **2.1.4. Audit scope and methodology**

Performance Audit was conducted during March - June 2013 covering the period 2008-13 in the Office of the Member Secretary, Haryana State Water and Sewerage Board, EIC and 18<sup>1</sup> out of 56 divisions under eight out of 15 circles of seven<sup>2</sup> out of 21 districts in the State. The selection of the units was made by

<sup>1</sup> Public Health Engineering Division, (i) Ambala Cantt., (ii) Ambala City, (iii) Naraingarh, (iv) Gurgaon, (v) No. 1, Hisar, (vi) No 2, Hisar, (vii) No. 3, Hisar (viii) Hansi, (ix) No. 1 Kaithal, (x) No. 2, Kaithal, (xi) No. 3, Kaithal, (xii) No. 1, Karnal, (xiii) No. 2, Karnal, (xiv) Kosli, (xv) Kurukshetra, (xvi) Rewari, (xvii) No. 2, Rewari and (xviii) Sohna.

<sup>2</sup> (i) Ambala, (ii) Gurgaon, (iii) Hisar, (iv) Kaithal, (v) Karnal, (vi) Kurukshetra and (vii) Rewari.

adopting the Probability Proportionate to size Without Replacement method. Besides, Panipat district was selected for pilot study; two more Yamuna Action Plan (YAP) districts i.e. Yamuna Nagar and Faridabad were covered. Important audit findings noticed during annual audit relating to sewerage programme of Mohindergarh, Fatehabad, Sonipat and Mewat districts have been also included in the Report. An 'Entry Conference' was held on 26 April 2013 with the Principal Secretary to Government of Haryana, PHED wherein the audit objectives, audit criteria and scope of audit were discussed.

The audit findings were discussed in the 'Exit Conference' held in September 2013 with the Principal Secretary to Government of Haryana, PHED. The replies of the Government and deliberations of the 'Exit Conference' have been suitably incorporated in the report.

### **2.1.5. Audit criteria**

Audit criteria were derived from the following sources:

- Detailed Project Reports (DPRs) and Feasibility Study Reports (FSRs) of various projects.
- Haryana Public Works Department Code.
- Guidelines/instructions for implementation of sewerage schemes.
- Manual of Sewerage and Sewage Treatment Plant (STP) of Government of India (GOI).

## **Audit findings**

### **2.1.6. Planning**

#### **2.1.6.1. Status of sewage generation and treatment**

In 70 out of 154 towns (as per census 2011) of the State, only 598.34 MLD against the generation of 1188.53 MLD sewage was being treated in Sewerage Treatment Plants and balance 590.19 MLD sewage (50 *per cent*) was being left untreated. Remaining 84 towns and rural areas were not covered by any sewerage schemes.

The EIC stated during the exit conference that out of 154 towns, only 80 towns, were notified, out of which 77 towns were under the purview of PHED while sewerage systems of three towns i.e. Panchkula, Faridabad and Gurgaon were being maintained by Municipal Corporations and Haryana Urban Development Authority. The EIC further stated that the partial sewerage facility had been

provided in 67<sup>3</sup> towns and the estimates for the remaining 10 towns had since been administratively approved by the Government.

The Government may endeavour bringing in other 84 towns under the purview of PHED for providing sewage facilities to all towns.

### 2.1.6.2. Non-preparation of manual

The Government of India, Ministry of Urban Development had brought a manual on sewerage and sewage treatment in 1993 but the Department had neither prepared its own manual nor followed the manual of GOI for execution of various sewerage schemes. Similarly, a comprehensive master plan to address the problems of environment pollution and unhygienic conditions was expected to be prepared by the Department but no such master plan was prepared. In the absence of this, the sewerage schemes were not approved in a systematic manner for providing sewerage facilities in the State.

During the exit conference, the PS, PHED directed the departmental officers to take appropriate steps for preparation of manual and comprehensive master plan for providing sewerage facilities in all the towns in a phased manner.

### 2.1.6.3 Absence of mandatory provision for sewerage connection

The objective of sewerage schemes was to tap the domestic wastewater of the households by providing connectivity to the main sewer. In respect of seven sewerage schemes completed, sewerage connections had been taken only by a few households as per details given in Table 2.1.1.

**Table 2.1.1: Details of connections released to households**

Sr. No.	Name of the scheme	Total expenditure incurred (₹ in crore)	Month of completion	Total number of households in the area	Number of households with sewerage connections	Number of households without sewerage connections
1	Sewerage Scheme, Barwala	7.20	March 2011	8,449	157	8,292
2	Sewerage Scheme, Kalayat	11.90	September 2012	2,433	Nil	2,433
3.	Sewerage Scheme, Naraingarh	5.58	2006-07	6,600	703	5,897
4.	Sewerage Scheme, Sohna	8.46	June 2010	5,000	1278	3,722
5.	Sewerage Scheme, Samalkha	8.00	September 2010	6,488	89	6,399
6.	Sewerage Scheme, Ganaur	17.37	September 2010	9,183	105	9,078
7.	Sewerage Scheme, Narnaund	2.78	April 2012	4,169	Nil	4,169
	<b>Total</b>	<b>61.29</b>		<b>42,322</b>	<b>2332</b>	<b>39,990</b>

Source: Data provided by divisions concerned

<sup>3</sup> exclusive of three towns Panchkula, Faridabad and Gurgaon being maintained by Municipal Corporations and HUDA.

Only 2,332 households out of 42,322 had taken sewerage connections. State Government had not made it mandatory for the households to take sewerage connections though Haryana Urban Development Authority had made it mandatory for its areas.

During exit conference, the PS, PHED directed the departmental officers to consult the Urban Local Bodies Department and initiate action to make it mandatory for households to take sewerage connections.

### 2.1.7. Financial outlay and expenditure

The financial outlay and expenditure on urban sewerage schemes under State Plan, National Capital Region (NCR) (Sewerage), Yamuna Action Plan and Economical Stimulus Package during 2008-13 is given in Table 2.1.2.

**Table 2.1.2: Details of budget provisions and expenditure incurred during 2008-13**

(₹ in crore)

Name of the scheme	Budget Estimates	Revised Estimates	Actual Expenditure	Savings(-)/ Excess (+) w.r.t. Revised Estimates
Urban Sewerage Scheme	586.50	613.13	592.13	(-) 21.00
Economic Stimulus Package (Sewerage)	314.04	314.04	314.04	Nil
Yamuna Action Plan	74.35	74.30	50.94	(-) 23.36
National Capital Region (Sewerage)	206.00	206.00	197.06	(-) 8.94

**Source:** Data provided by EIC, Panchkula and figures of YAP from Haryana State Budget.

#### 2.1.7.1 Expenditure in excess of estimates

As per paragraph 10.16 of the Public Works Department (PWD) Code, a revised estimate must be submitted when the sanctioned estimate is likely to be exceeded, either due to the rates being found insufficient or for any other reasons whatsoever.

In nine<sup>4</sup> out of 18 test checked divisions, it was noticed that against the approved estimated cost of ₹ 98.80 crore, an expenditure of ₹ 108.55 crore was incurred during 2008-13 on 16 sanctioned works (more than 5 per cent in each case). The revised estimates of these works were not prepared as of March 2013.

The EIC stated during the exit conference that the field officers would be directed to prepare the revised estimates for the approval of the competent authority.

<sup>4</sup> (i) Ambala City, (ii) Hansi, (iii) Mohinderghar, (iv) Panipat No 2, (v) Rewari No. 2, (vi) Kosli, (vii) Sonipat No. 3, (viii) Gohana and (ix) Yamuna Nagar No 2

### **2.1.7.2 Recoverable amount from HUDA**

#### **(i) Non-recovery of proportionate O&M charges**

Under YAP, STPs were constructed in six<sup>5</sup> towns of the State. Sewage from areas developed by Haryana Urban Development Authority (HUDA) in these towns except Gurgaon (where HUDA had its own STPs) was also diverted to these STPs. The Department was required to recover proportionate O&M charges of STPs from HUDA. It was noticed during audit that an amount of ₹ 10.02<sup>6</sup> crore for four YAP towns and ₹ 80.70 lakh for Fatehabad town remained un-recovered (June 2013) by the department on account of proportionate operation and maintenance charges of STPs.

Further, 35 per cent of the total wastewater generated from HUDA Sectors of Rewari town was diverted to sewer of the PHED for treatment. But, bills on account of proportionate operation and maintenance charges of STPs were not raised. On being pointed out, the EE, Rewari stated (April 2013) that the bills for proportionate cost would be raised after obtaining approval from the EIC.

The EIC intimated during the exit conference that HUDA had also to recover charges from PHED on account of water supply and sewerage services being provided by HUDA in few areas of various towns. It was further stated that EE, Rewari would be directed to raise bills for proportionate operation and maintenance charges of STPs against HUDA.

#### **(ii) Non recovery of balance share from HUDA**

Sewerage Scheme, Gohana approved (February 2009) at a cost of ₹ 16 crore on funds sharing basis with HUDA (PHED Share: ₹ 12.24 crore and HUDA Share: ₹ 3.76 crore) by National Capital Region Planning Board (NCRPB) was completed at a cost of ₹ 13.96 crore. HUDA had deposited only an amount of ₹ 2.80 crore and balance ₹ 0.96 crore remained unrecovered from HUDA as of March 2013. No efforts were made to recover the amount from HUDA. The EIC intimated during the exit conference that matter regarding recovery of balance amount of ₹ 0.96 crore had, now, been taken up with HUDA.

### **2.1.7.3 Irregular splitting of works**

As per instructions issued from time to time by EIC, bifurcation/splitting of the estimate in order to keep the allotment of works within official's authority should be avoided except in emergent conditions.

In 18 of test checked divisions, it was noticed that 56 estimates/works were bifurcated by the respective EEs into 499 agreements (*Appendix 2.1*) costing

<sup>5</sup> (i) Faridabad, (ii) Gurgaon, (iii) Karnal, (iv) Panipat, (v) Sonipat and (vi) Yamuna Nagar-Jagadhri

<sup>6</sup> (i) Karnal: ₹ 224.97 lakh, (ii) Panipat: ₹ 291.53 lakh, (iii) Sonipat: ₹ 415.74 lakh and (iv) Yamuna Nagar: ₹ 69.80 lakh

₹ 19.14 crore by splitting of works in order to keep the allotment of works within their authority.

Audit scrutiny further showed that most of these agreements were finalized without ensuring the commissioning and connectivity of sewer lines with the main sewer. This irregular and unauthorized procedure had vitiated the transparency in allotment of works. Further, in case of work of gravity flow, levels were to be maintained and as such, the work should be allotted to one agency by adopting the prescribed procedure of tendering to have competitive rates. Thus, the violation of EIC's instructions had not only resulted into financial indiscipline but also failed to bring about transparency in allotment of works. Besides, the agencies executing the works of high value had deprived of participating in the tendering process.

The EIC intimated during the exit conference that the concerned SEs had been directed to call for the explanation of the EEs concerned on this issue.

#### **2.1.7.4 Advances to Land Acquisition Collectors**

As per Article 54 read with article 57 of Account Code Volume III, the payments advanced to Land Acquisition Collectors (LACs) should be placed under 'Miscellaneous Public Works Advances (MPWA)'.

In nine test checked divisions, it was noticed (June 2013) that advances of ₹ 39.93<sup>7</sup> crore made to various LACs for acquisition of land for various sewerage schemes, were not placed in the MPWA resulting in non-monitoring for the recovery of balance funds. Further, other records to monitor adjustment of such advance payments were not maintained.

Two cases of inadequate monitoring of advances to LACs are as follows:

➤ ₹ 2.34 crore was deposited with LAC, Panipat on 26 February 2009 for acquisition of land for construction of STP at Samalkha against which award dated 25 June 2009 for ₹ 2.39 crore was given. Out of this, ₹ 75.36 lakh was disbursed to various land owners as land compensation. However, this award was quashed by the Punjab and Haryana High Court on 14 June 2010. The PHED filed a writ petition which was dismissed (18 March 2011). Balance amount of ₹ 1.59 crore was utilized by the LAO against another award dated 26 April 2013.

Payment of ₹ 75.36 lakh made to the land owners had not been recovered so far (June 2013) despite quashing of the award on 14 June 2010. LAC replied (13 June 2013) that EE Panipat had not made available the copy of dismissal of writ petition. The reply indicates lack of co-ordination between LAC and EE of the division. The EIC stated during exit conference that the EEs and SDEs concerned had been directed to contact the LAC for the recovery of the amount as early as possible.

➤ Rupees 1.50 crore was deposited (7 September 2011) by EE, PHE

<sup>7</sup> (i) Hansi: ₹ 80 lakh, (ii) Hisar-1: ₹ 753.89 lakh, (iii) Hisar 3: ₹ 441.90 lakh, (iv) Karnal 2: ₹ 433.66 lakh, (v) Kurukshetra : ₹ 463.37 lakh, (vi) Nuh : ₹ 747.44 lakh, (vii) Palwal : ₹ 180.90 lakh, (viii) Panipat : ₹ 483.61 lakh and (ix) Sonipat 3 : ₹ 408 lakh.

Division II, Rewari with the LAC Rewari for acquisition of land for STP and other disposal works. Land could not be acquired due to opposition from the owners of the land (Builders). Later on, the MC, Dharuhera handed over six acre of land free of cost. Neither the EE had asked the LAC to refund the deposited amount nor the LAC refunded the amount. As a result, the amount was lying unutilised with LAC for more than 22 months (August 2013). The EIC stated during exit conference that the matter had been taken up with Sub Divisional Officer (SDO) (Civil)-cum-LAC, Rewari for refund of the amount.

### Implementation of schemes

The PHED implemented various sewerage schemes under four programmes. Two were State Plan Programmes (Urban Sewerage and Economic Stimulus Package) and two were centrally sponsored Plan Programmes (one on sharing basis from NCRPB loan and second externally aided project under YAP). These programmes are discussed below:

#### 2.1.8. Urban Sewerage (State Plan)

Urban Sewerage (State Plan) Programme intends to improve sewerage facilities in various towns of the State. As against the budget provision of ₹ 613.13 crore, an expenditure of ₹ 592.13 crore was incurred during 2008-13 under the programme. The position of schemes sanctioned, completed and remaining incomplete is given in Table 2.1.3.

**Table 2.1.3: Details of schemes, sanctioned, completed and remaining incomplete**

Year	Opening balance	New schemes	Total number of schemes	Number of completed schemes	Balance incomplete schemes
2008-09	56	26	82	19	63
2009-10	63	32	95	33	62
2010-11	62	49	111	33	78
2011-12	78	68	146	32	114
2012-13	114	92	206	48	158
<b>Total</b>		<b>267</b>		<b>165</b>	

Source: Data provided by EIC, Panchkula

A total of 165 schemes out of 323<sup>8</sup> schemes were completed as of March 2013. ₹ 323.96 crore was spent on 158 incomplete on-going schemes as of March 2013. Out of these, 41 schemes were awaiting completion for the last three to eight years. Audit observed that time bound programme was not made to complete the schemes. The schemes were implemented in parts according the availability of funds. In the absence of time bound programme, delay, if any in implementation of schemes could not be ascertained in audit. During audit scrutiny, the following points were noticed in the execution and implementation of this programme:

<sup>8</sup> Opening balance : 56 + New Schemes : 267= 323 schemes



### **2.1.8.1 Lack of planning for discharge of wastewater**

Method of treatment or disposal of sewage should be decided at the stage of preparing the project. Sewerage schemes were implemented in Rewari and Naraingarh towns without making proper arrangement for disposal of wastewater as discussed below:

STP situated at Nasiyaji Road, Rewari was constructed in 2009-10 without ensuring proper disposal of the treated sewage of Rewari town. The treated and untreated sewage is discharged through effluent channel into the irrigation escape channel from where it flows into open fields of the village. Presently, this wastewater is being discharged into an outlet channel entering the pond of the village Khalilpur.

The PS stated during exit conference that the problem was due to non-availability of any drain in the district and the matter had been taken up with the Government to solve the problem.

Similarly, a sewerage scheme for Naraingarh town including acquisition of 23.20 acre of land for STP was approved (September 2003) at a cost of ₹ 5.62 crore for completion within three years. For disposal of treated effluent, effluent channel from STP to existing *Nalah* was to be constructed. The work of laying of sewer line was started during 2005-06 and sewerage scheme was made functional in 2008-09 with temporary arrangements of disposal of wastewater without treatment. The work of construction of STP was held up for want of funds. Further, no arrangement had been made for disposal of treated wastewater. Total expenditure of ₹ 5.58 crore had been incurred (March 2013) on the scheme.

During exit conference, the EIC, however, intimated that the funds would be provided after the approval of revised estimate. The reply was not convincing as the work of laying sewer line was taken up without acquiring complete land for STP and disposal works which indicated lack of proper planning.

### **2.1.8.2 Sewerage scheme of Narnaul still incomplete**

A scheme for "Extension of Sewer Line" in the remaining area of Narnaul town was approved (17 May 2006) at a cost ₹ 2.56 crore and the work was allotted (8 March 2007) to an agency at a cost of ₹ 93.01 lakh with a completion period of 8 months. The agency was paid ₹ 57.01 lakh (25 April 2008). As the agency failed to complete the work within the stipulated period, the work was withdrawn from the agency in October 2009. Further, a committee constituted (December 2009) pointed out (8 January 2010) that the work executed was substandard and against laying of 13367 metres line, only 5494 metres pipeline was laid, out of which only 2802 metres line was made functional. The contractor approached the Additional District Judge (FTC), Narnaul (October 2010). The case was decided on 13 March 2012 whereby the contractor agreed to execute the balance work on the same rates within eight months. The work had not been resumed so far (June 2013). No further action was taken by the division against the contractor for

getting the work done. Thus, even after incurring a total expenditure of ₹ 2.14 crore upto March 2013, the scheme remained incomplete (July 2013).

During exit conference, the EIC intimated that the substandard work had been rectified by the agency and the work would be completed by March 2014. The fact, however, remained that the work had not been completed even after the lapse of time period agreed to by the contractor.

### 2.1.8.3 Allotment of work of STPs without ensuring the acquisition of land

Para 15.1.4 of PWD code provides that the land/site on which construction is to take place should be in the possession of the Department concerned or permission of the department in charge of land has been received. It was, however, observed that the works of construction of STPs were allotted to contractors without acquisition of land as detailed in Table 2.1.4.

Table 2.1.4: Details of work of construction of STPs allotted to contractors without acquisition of land

Sr. No.	Name of Division	Name of work	Date of work allotment	Position of acquisition of land
1.	PHE Division, Kurukshetra	Construction of STP for Shahbad Town	21 March 2013	Land award was not announced due to paucity of funds.
2.	PHE Division, Sohna	Construction of STP for Pataudi Town	25 June 2012	Land award was not announced by the LAC due to non-fixation of collector rates by the concerned committee.
3.	PHE Division, Karnal	Construction of STP for Tarauri Town	17 October 2012	Land was not acquired (May 2013).

The EIC stated during exit conference that instructions would be issued to ensure availability of land before allotment of work for STPs.

### 2.1.9. Economic Stimulus Package

The State Government approved (February 2009) a Stimulus Package for undertaking specific projects in 14<sup>9</sup> towns in various infrastructure sectors across the State during next two years and approved DPRs for ₹ 408.98 crore for Phase-I, which were to be completed by March 2014 but none of the schemes were completed despite incurring an expenditure of ₹ 314.04 crore as of March 2013. Further, the department had not set key milestones for completion of schemes in a time bound manner.

Para 15.1 and 15.2 of the PWD Code provides that no work should be commenced unless the necessary approvals of the authorities concerned like clearances from the Railways to cross the railway line was obtained.

<sup>9</sup> (i) Ambala City, (ii) Assandh, (iii) Bhiwani, (iv) Charkhi Dadri, (v) Ellenabad, (vi) Fatehabad, (vii) Hansi, (viii) Kaithal, (ix) Kalayat, (x) Mohindergarh, (xi) Narnaul, (xii) Sirsa, (xiii) Tohana and (xiv) Uchana.

The work for 5 MLD STP at Ambala City was allotted (6 August 2010) to a contractor at the cost of ₹ 4.50 crore. The contractor had completed the work in December 2012 at a cost of ₹ 4.16 crore but it could not be made functional as sanction for laying a pipe line under Railway track was not granted by the Railways (July 2013) despite depositing (September 2012) ₹ 71.21 lakh with Railways. Railways had not started the work so far (November 2013).

The EIC stated (September 2013) that the work would be started shortly by the Railways.

### 2.1.10. National Capital Region Planning Board Schemes/Projects

National Capital Region Planning Board (NCRPB) is assisting the State Government for improvement of the water supply and sewerage infrastructure in the towns adjoining the capital. 75 per cent of the project cost is to be provided by NCRPB in the shape of loan whereas 25 per cent is shared by the State. NCRPB approved 24 schemes for improvement in sewerage system out of which 13 schemes remained incomplete. An expenditure of ₹ 138.46 crore was incurred on these incomplete schemes. The following points were noticed in the implementation of schemes:

#### 2.1.10.1 Lack of planning for disposal of wastewater

The Manual of Sewerage and Sewage Treatment issued (December 1993) by the Government of India, Ministry of Urban Development provided that while designing wastewater 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.

➤ Work of laying of sewer lines of Zone-II in Palwal Town beyond the Railway line was completed in December 2009 at a cost of ₹ 1.81 crore. The sewage of zone II beyond the Railway line area was being disposed of into open fields as there was no natural *nallah*/drain, etc. at site. Work of STP and disposal of sewage had not been taken up as the case for acquisition of land was pending in the court (September 2013). The EIC stated during the exit conference that the work of STP would be started and completed after the possession of land. The fact remained that the work was started without acquisition of land.

➤ STP at Bawal Town was completed (April 2011) at a cost of ₹ 5.48 crore and sewerage system was laid but no component had been commissioned for the last more than two years. There was neither any outlet channel for disposal of treated effluent nor was any planning for acquisition of land for the same. Physical verification of the site conducted along with the officers of the Department also showed that the wastewater generated in the town was not reaching to the STP as the work of cleaning of sewer lines was not done (April 2013). Further, wastewater of the town had accumulated in the pond of the town due to non-connectivity of domestic wastewater with the main sewer. Thus, the STP

remained non-functional and the entire expenditure of ₹ 5.48 crore incurred on the scheme remained unfruitful. During exit conference, the Principal Secretary advised the EIC to examine the issue and to submit a complete plan for proper disposal of sewage effluent.

➤ A Sewerage Scheme including 3 MLD STP for Kosli town in district Rewari was approved (4 June 2008) at an estimated cost of ₹ 8.70 crore. The Project was to be completed by 2009-10. This work including 3 MLD STP was allotted to five different agencies and an expenditure of ₹ 9.15 crore was incurred (31 March 2013). However, the scheme remained abandoned as the agency entrusted with the work of laying main sewer of the town left the work (December 2009) without completion. As a result, main sewer could not be connected with the STP. The department had not initiated penal action to rescind the work as per Clause-III of the contract agreement and to get the work completed. The scheme was formulated and executed without making any arrangement for disposal of treated wastewater from the STP. No proposal for acquisition of land for construction of disposal works was mooted by the Department.



Unutilized three MLD STP at Kosli due to incomplete main sewer line joining STP and non-availability of land for outlet disposal channel carrying treated domestic wastewater (2 April 2013)

The EIC intimated (September 2013) that the agency had been advised to complete the work immediately, otherwise further action would be taken as per contract agreement.

### 2.1.10.2 Incomplete sewerage scheme of Nuh

A sewerage scheme including construction of STP was sanctioned (4 August 2011) at an estimated cost of ₹ 10.27 crore and work of 3.6 MLD STP was allotted (27 December 2011) at a cost of ₹ 3.05 crore to an agency with a completion period of 12 months which was still under construction (June 2013). The work of laying pipes/sewer for inlet channel connecting the STP was not started though an expenditure of ₹ 7.66<sup>10</sup> crore was incurred on the scheme up to March 2013.

<sup>10</sup> Including an expenditure of ₹ 80.61 lakh incurred upto March 2012 under old scheme.

Audit scrutiny further showed that there was an encroachment of approximately 650 metres besides presence of some trees on the alignment of the sewer lines to be laid for which permission of the PWD as well as Forest Department was required which had not yet been obtained (April 2013). Thus, the work could not be completed because of non-adherence of the provisions of PWD code which envisages obtaining clearances from Forest Department, Railways, etc. before commencement of work.

The EIC stated (September 2013) that the case for permission of Forest Department had been submitted in May 2013 and the encroachments would be got cleared simultaneously. The fact, however, remained that due to delay in taking up the matter with the Forest Department, the benefits of the scheme of providing hygienic and pollution free environment to the inhabitants of the town could not be derived.

#### **2.1.10.3 Pumping out the untreated wastewater from STP**

The work of 'design, supply, constructing, installation and commissioning of 7 MLD STP at Ganaur Town along with all works contingent thereto and O&M of 12 months during defects liability period and O&M for two years thereafter was awarded (12 January 2009) to an agency at a cost of ₹ 4.99 crore with a completion time of 12 months. The SE, PHE Circle, Sonipat had informed the EIC (22 February 2013) that the STP was completed on 30 September 2010. Audit scrutiny as well as physical verification of the site of the STP showed (May 2013) that the work was not completed as of May 2013 as filter media, laboratory, etc. were yet to be established. Audit further observed that the contractor had started pumping out wastewater from the main pumping station through the STP without its treatment since May 2012 showing the commissioning of the STP and starting of its operation and maintenance (O&M) period within defects liability period which was not allowable as the work was not completed. Thus, due to wrong reporting of completion date, the agency started operating the incomplete STP from May 2012 onwards without treating the domestic wastewater thereby defeating the basic purpose of the STP.

The PS directed the EIC during the exit conference to initiate appropriate action against the defaulting agency immediately.

#### **2.1.10.4 Non-availing of interest rebate**

The NCR Planning Board decided (24 May 2006) to allow maximum rebate at the rate of 1.5 *per cent* in rate of interest as performance linked incentive, conformity incentive, project cost adherence incentive, incentive for timely repayment of installments and quality assurance incentive. None of the 24 schemes implemented during 2007-13 at a cost of ₹ 232.14 crore were completed in time and executed as per prescribed norms for availing of interest rebate. As a result, the Government could not avail of the interest rebate (except 0.25 *per cent* for timely repayment of installments) amounting to ₹ 3.24 crore. The EIC while accepting non-availing of other rebates stated (September 2013) that the execution of project depends upon the timely clearances from the departments concerned.

### 2.1.11. Yamuna Action Plan

Government of India approved (28 August 2003) YAP Phase-II at an estimated cost of ₹ 62.50 crore in which 85 per cent cost of the Project was to be borne by the GOI and balance 15 per cent by the State. The project covered the laying of additional interception and diversion of sewers (I&D) and other related works in six towns of YAP-I, preparation of Feasibility Study Reports (FSRs) and DPRs for eight towns (six towns of YAP-I and two more towns i.e. Bahadurgarh and Rohtak). The project had since been completed (March 2013). Functioning of the STPs constructed under the YAP is discussed below:

#### 2.1.11.1 Treatment of sewage

Under YAP, 18 STPs of 322 MLD capacity and 4 STPs of 171.3 MLD under other programmes were constructed in 12 YAP towns against which quantum of wastewater received was 419.79 MLD, whereas the level of wastewater in these towns was 734.53 MLD as of 2012-13. Thus, 314.74 MLD wastewater was going untreated into the Yamuna River as shown in Table 2.1.5.

Table 2.1.5: Details of generated, treated and untreated sewage in YAP towns

Sr. No.	Name of Town	No. of STPs	Present Level of Sewage Generated	Capacity created to treat	Sewage received in STP	Quantum of untreated sewage
1	Yamuna Nagar-Jagadhri	2	90.00	35.00	35.00	55.00
2	Karnal	2	60.00	48.00	48.00	12.00
3	Panipat	2	90.00	45.00	45.00	45.00
4	Sonipat	1	50.00	30.00	30.00	20.00
5	Gurgaon	3 (2 HUDA)	220.00	148.00	148.00	72.00
6	Faridabad	4 (1 MC)	200.00	160.00	94.00	106.00
7	Chhachharauli	1	3.00	1.00	1.00	2.00
8	Radaur	1	3.50	1.00	1.00	2.50
9	Indri	1	1.49	1.50	1.49	0
10	Gharaunda	1	2.95	3.00	2.95	0
11	Palwal	1	8.00	9.00	8.00	0
12	Gohana	3 (1 NCR)	5.59	8.80	5.35	0.24
<b>Total</b>		<b>22</b>	<b>734.53</b>	<b>490.30</b>	<b>419.79</b>	<b>314.74</b>

Source: Data supplied by the divisions concerned

Besides, out of 29.42 MLD wastewater of seven<sup>11</sup> other towns (not covered under YAP), 24.42 MLD untreated wastewater was going untreated into Yamuna system as the schemes implemented in these towns were delayed and incomplete.

Thus, as against the generation of 763.95<sup>12</sup> MLD sewage, 424.79<sup>13</sup> MLD sewage was being treated and balance 339.16<sup>14</sup> MLD sewage was going untreated into catchment areas of Yamuna River.

<sup>11</sup> (i) Ganaur, (ii) Hodal, (iii) Ladwa, (iv) Nilokheri, (v) Samalkha, (vi) Shahabad and (vii) Taraori

<sup>12</sup> Sewage generated in YAP towns: 734.53 MLD + seven other towns (not covered under YAP ): 29.42 MLD = 763.95 MLD

<sup>13</sup> Sewage treated in YAP towns: 419.79 MLD + seven other towns (not covered under YAP ): 5 MLD = 424.79 MLD

<sup>14</sup> Untreated sewage in YAP towns: 314.74 MLD + seven other towns (not covered under YAP ): 24.42 MLD = 339.16 MLD

The EIC replied (September 2013) that DPR for ₹ 191.81 crore for augmentation of sewerage schemes for Yamuna Nagar-Jagadhri towns including STPs had been submitted to GOI (August 2012) for approval. Further, construction works of two additional STPs of total 45 MLD capacity for Panipat town and one additional STP of 25 MLD capacity for Sonipat town were under execution. Thus, there is a need to expedite these works to save Yamuna River from pollution.

### **2.1.11.2 Under-utilization of STPs**

In order to prevent pollution of the Yamuna river in Faridabad area, three STPs having capacity of 115 MLD (20 MLD STP-I at Badshahpur and 45 MLD STP-II at Mirjapur in 1998; 50 MLD STP-III, Pratapgarh in 1999) were constructed under YAP and 45 MLD STP-IV Badshahpur by Municipal Corporation, Faridabad (Total capacity: 160 MLD). However, out of total of 200 MLD wastewater generated in Faridabad town, only 94 MLD wastewater was being treated and the remaining 106 MLD of untreated wastewater after mixing with above treated wastewater flows into Yamuna River through Movai drain, Budhiya *nallaha*, Gouchi drain and Agra canal thereby polluting Yamuna.

Further, the EE intimated (16 April 2013) that the less discharge available was due to damaged feeding trunk sewer maintained by MC and HUDA; and disposal of the sewage of HUDA Sectors directly into Agra canal and other drains at many places which ultimately joins the Yamuna River.

The EIC intimated (September 2013) that the sewerage system in Faridabad was maintained by HUDA and MC. The reply was not in consonance of the facts as three out of four STPs at Faridabad were being maintained by the PHED and only one STP by MC.

### **2.1.11.3 Untreated wastewater and industrial effluent**

The treated effluent from STPs was discharged into various drains, which also carried untreated domestic and industrial waste at Yamuna Nagar to river Yamuna and Western Jamuna Canal (WJC) increasing the pollution level of river Yamuna/WJC.

Even after construction of ditch drain in 2008 at a cost of ₹ 10.28 crore, treated wastewater of 25 MLD STP and untreated wastewater and industrial effluent of these twin towns (Jagadhri and Yamuna Nagar) was being discharged continuously into WJC over the spillways of the ditch drain. Four major industries<sup>15</sup> and many other small scale industries in these twin towns were also discharging their effluent into the WJC. During the exit conference, the PS directed the EIC to solve the problem immediately as it was polluting the drinking water canal.

<sup>15</sup> (i) Ballarpur Industries Limited, (ii) Bharat Starch Mill, (iii) Saraswati Sugar Mill and (iv) Haryana Distillery, Yamuna Nagar

Besides, the treated wastewater of 10 MLD STP was also being discharged directly into WJC, which was not permissible as the Bio-Chemical Oxygen Demand (BOD) level of treated wastewater of this STP ranged between 42 and 105 against the permissible limit of 3 mg/litre. The EIC stated during the exit conference that as there was no other drain where this wastewater could be disposed of, an estimate for construction of 'Tertiary Treatment Plant' was under preparation in order to bring down BOD level to permissible limit.

#### **2.1.11.4 Non-functioning of flaring point for methane gas produced at STPs**

The domestic wastewater treated in a up-flow anaerobic sludge blanket (UASB) reactor generated Methane gas (Bio-gas) through process, which was to be utilized for generating electricity for running the plant. Audit scrutiny showed that the dual fuel engines/electricity generating sets and gas holders/gas domes of eight<sup>16</sup> STPs constructed under YAP-I were lying non-functional since 2008-09 and the methane gas produced was not flared and was being directly pumped out into the surrounding atmosphere through the non-functional flaring point. The EIC stated (September 2013) that generation of electricity with methane gas using dual fuel engines was costlier than the rate of electricity and, therefore, the same was not being done. The reply was not convincing as the system should have been utilized to save the electricity and proper disposal of gas.

#### **2.1.11.5 Functioning of STPs not ensured as per pollution control norms**

Eighteen STPs were constructed under YAP to bring the Bio-Chemical Oxygen Demand (BOD) level of the treated wastewater below 30 before joining the Yamuna. The HSPCB analysed 232 samples out of which 229 samples were having BOD level between 42 and 140 against the prescribed norms of 30 BOD. The HSPCB served notices to the department between April 2008 and March 2013 to take remedial measures, but no action had been taken to ensure for maintenance of BOD level as per standards prescribed by the Board.

### **2.1.12. Asset management**

#### **2.1.12.1 Maintenance of records**

Para 27.2 of the PWD Code provides that for effective management of assets, the department shall have complete and up to date records. The records shall be kept in hard as well as soft copy. Records relating to sewerage schemes such as inventory of land and other structures with appropriate reference to land records available; register of inlet stations, intermediate pumping stations, main pumping stations, STPs along with machinery installed therein, disposals/outfalls, other structures appurtenant thereto and other relevant records were required to be maintained.

Further, Department shall notify one office in every district to be custodian of all

<sup>16</sup> Faridabad: two STPs, Gurgaon: one STP, Panipat: two STPs, Sonipat: one STP and Yamuna Nagar: two STPs.



records pertaining to the district. The old records shall be re-arranged so that they are available district-wise. However, if a particular work pertains to two or more districts, the EIC may order the record to be kept in one particular district.

Audit scrutiny showed that such records were not found maintained in the test checked divisions. In the absence of this, the exact positions of assets created/acquired and their maintenance could not be assessed in audit.

The EIC stated during exit conference that the Divisional Officers had been asked to maintain these records in proper manner.

#### **2.1.12.2 Mutation of land**

The mutation of land acquired is required to be done in the records of Revenue Department in the office of the Tehsildar/Sub-Registrar concerned. A total of 121 acre 16 marla of land was acquired by nine<sup>17</sup> test-checked divisions during the period 2007-13, out of which mutation of 76 acre, one kanal and four marla of land had not been done in the name of the department (June 2013).

The EIC stated during exit conference that instructions had been issued to take action for the mutation of land done in the name of the Department.

### **2.1.13 Internal Controls and monitoring**

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system in the department was inadequate for implementation of schemes, monitoring of execution of works, etc. as discussed in the foregoing paragraphs.

#### **2.1.13.1 Internal Audit System**

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 that there was no internal audit system in place in the Department. One post of Chief Accounts Officer was sanctioned for conducting internal audit but the officer was carrying out the duties relating to accounts and establishment.

#### **2.1.13.2 Monitoring of schemes**

The EIC, as head of the department, was responsible for monitoring and evaluation of the implementation of programmes, schemes and other activities of the department. Monthly progress reports of each scheme/programme were submitted to the EIC by the EEs though SEs but these reports were not utilised as a management tool. Remedial action was not taken on these reports.

<sup>17</sup> (i) Hansi, (ii) Hisar-1, (iii) Hisar-3, (iv) Karnal, (v) Kurukshetra, (vi) Nuh, (vii) Palwal, (viii) Panipat and (ix) Sonipat No 3.

The EIC stated (September 2013) that periodical meetings with EEs, SEs and CEs were held to improve the overall quality of work. The reply was not convincing as the monitoring was not effective.

#### **2.1.14. Conclusion**

In 70 out of 154 towns (as per census 2011) of the State, only 598.34 MLD against the generation of 1188.53 MLD sewage was being treated in Sewerage Treatment Plants and balance 590.19 MLD sewage (50 *per cent*) was being left untreated. Remaining 84 towns and rural areas were not covered by any sewerage schemes. There were cases of expenditure in excess of estimates and inadequate monitoring over the advances made to land acquisition collectors. The sewerage schemes were implemented without making proper arrangement for disposal of wastewater. There were inordinate delays in construction of STPs. As against generation of 763.95 MLD sewage, 424.79 MLD sewage was being treated and balance 339.16 MLD sewage was going untreated in catchments of Yamuna River. Out of 232 samples of treated wastewater, BOD level of 229 samples was more than the prescribed standard. There was no internal audit system in Department. Further Monthly progress report of each scheme/programme was not utilised as a management tool.

#### **2.1.15. Recommendations**

The Government may consider:

- preparation of a comprehensive plan for covering all the towns in the State in a phased manner;
- avoiding expenditure in excess of estimates and ensure proper monitoring over the advances made to land acquisition collector;
- preparation of proper plans for making arrangement for disposal of wastewater;
- taking adequate steps to avoid delays and co-ordinating with other concerned departments/organizations to ensure that the intended benefits reach to the public; and
- strengthening the control over the functioning of STPs to keep the level of BOD within the prescribed limits.

## Urban Local Bodies Department

### 2.2 Working of Urban Local Bodies

*Towns and cities contribute substantially to economic development of the country. To have better co-ordination and control on the working of municipalities in the State, the Directorate of Urban Local Bodies Department was established in April 1982. The performance audit of the Department and municipalities brought out the following significant audit findings:*

**Municipalities were not preparing annual accounts in the shape of balance sheet since their inception, as a result true and fair view of the state of affairs could not be ascertained.**

*(Paragraph 2.2.7.1)*

**Ten municipalities had not recovered regularization charges amounting to ₹ 170.40 crore since December 2004 from house owners of regularized colonies.**

*(Paragraph 2.2.8.1)*

**Thirteen municipalities had not availed of the exemption from Service Tax amounting to ₹ 1.95 crore during July 2012 to March 2013 on the manpower outsourced for sanitation purpose.**

*(Paragraph 2.2.8.3)*

**An amount of ₹ 101.82 crore were outstanding on account of installation fee (₹ 0.73 crore), renewal fee of communication towers (₹ 1.58 crore), House Tax including fire tax (₹ 95.82 crore) and rent of municipal shops (₹ 3.69 crore).**

*(Paragraph 2.2.8.6)*

**Temporary advances amounting to ₹ 274.48 crore were pending against Government Departments, officers/officials, contractors, etc. in six municipalities as on 31 March 2013.**

*(Paragraph 2.2.8.6)*

**An expenditure of ₹ two crore incurred on construction of drains and laying cement concrete/interlocking tiles in streets of Ratia town had gone waste due to lack of planning and co-ordination. Municipal Corporation, Hisar had spent ₹ 5.06 crore on development works in unauthorised colonies.**

*(Paragraph 2.2.9.4)*

#### 2.2.1. Introduction

Towns and cities contribute substantially to the economic development of the country. These urban centres also play an important support role in the

development of rural hinterland. To keep this economic transformation in line with needs and realities at the grass root level, it is necessary that the people and their representatives are fully involved in the planning and implementation of the programmes at local level. To have better co-ordination and control on the working of municipalities in the State, the Directorate of Urban Local Bodies Department was established in April 1982.

#### **2.2.2. Organisational set-up**

The Principal Secretary to the Government of Haryana (PS), Urban Local Bodies Department is the administrative head at the Government level. The Director, Urban Local Bodies Department is responsible for policy making, budgetary control, issuing directions, monitoring and overall control on the municipalities. At Present, there are 9 Municipal Corporations, 14 Municipal Councils and 53 Municipal Committees in the State which are headed by Municipal Commissioners, Executive officers and Secretaries respectively.

#### **2.2.3. Audit objectives**

The Audit objectives were to assess whether:

- planning for carrying out various activities was efficient and result oriented;
- financial management was efficient and effective;
- assessment, collection of taxes, rent, etc. was done efficiently;
- the implementation of schemes and execution of civil works was efficient and effective;
- manpower management was efficient; and
- internal control and monitoring mechanism was in place and working effectively.

#### **2.2.4. Scope of audit and methodology**

The performance audit of the working of the Urban Local Bodies (ULBs) was conducted covering the period from 2008-09 to 2012-13. Records of two Municipal Corporations, six Municipal Councils and 11 Municipal Committees falling in six out of 21 districts (*Appendix 2.2*), selected on probability proportionate to size without replacement method were test checked during March 2013 to August 2013. A total of 19 (25 per cent) out of 76 municipalities in the State were covered in test-check. Besides, records of Directorate of ULBs were also scrutinized.

The audit methodology adopted was to test check records with reference to the provisions of the Act, schemes guidelines, financial rules, Government orders and instructions.

An entry conference was held on 18 April 2013 with the PS, Urban Local Bodies Department (ULBs) in which important issues relating to the working of the Department, implementation of various schemes, audit objectives, audit criteria, sample selection, etc. were discussed. Audit findings were discussed in the exit conference held in November 2013 with the PS, ULBs. The deliberations of the exit conference have been considered and suitably incorporated in the Report.

### **2.2.5. Audit criteria**

The sources of audit criteria were as under:

- The Haryana Municipal Act, 1973, Haryana Municipal Corporation Act, 1994 and bye-laws and rules framed thereunder.
- The Municipal Account Code, 1930.
- Municipal Solid Wastes (Management and Handling) Rules, 2000.

### **Audit findings**

### **2.2.6. Planning**

#### **2.2.6.1 Non-preparation of perspective and annual plans**

Planning is the main tool for development in the municipal area. It was, however, noticed that the selected municipalities had neither prepared annual plans nor perspective plan. Only annual budgets were prepared by the municipalities. As a result, the development works were not carried out in a systematic manner. In order to have better planning for carrying out development activities systematically, municipalities should prepare a long-term perspective plan.

The PS while admitting lack of preparation of perspective and annual plans during the exit conference assured that efforts would be made to prepare annual and perspective plans in future.

### **2.2.7. Financial management**

#### **2.2.7.1 Accounts of ULBs**

The maintenance of accounts of Municipalities is governed by the Municipal Account Code 1930. The Draft Municipal Account Code 2012 consistent with

accounting format and codification pattern suggested by National Municipal Accounts Manual was notified in March 2012 for seeking comments from municipalities but the same had not yet been finalised.

As per provision contained in Para III-7 of the Municipal Account code 1930, a financial statement containing receipt and payment account, income and expenditure account, balance sheet for every year in respect of Municipality is to be prepared. But it was observed in audit that annual accounts in the shape of balance sheet were not being prepared by the Municipalities since their inception. Only monthly accounts showing receipts and payments were being prepared by the municipalities. Due to non-preparation of balance sheets, true and fair view of the state of affairs of ULBs could not be ascertained.

### 2.2.7.2 Financial performance

Details of sources of funds and expenditure thereagainst by municipalities as reported by the Director, ULBs Department is given in Table 2.2.1.

Table 2.2.1: Details of sources of funds and expenditure

(₹ in crore)

Year	Opening Balance	Income from own sources	Grants received	Loans	Miscellaneous Income	Total funds Available	Expenditure	Closing Balance
2008-09	281.02	433.92	196.33	1.80	48.00	961.07	202.09	758.98
2009-10	758.98	376.46	240.40	1.05	212.00	1,588.89	517.68	1,071.21
2010-11	1,071.21	636.14	242.20	77.36	105.08	2,131.99	949.14	1,182.85
2011-12	1,182.85	890.85	537.28	42.97	147.34	2,801.29	1,244.18	1,557.11
2012-13	1,557.11	1,079.67	1,392.55	Nil	NA	4,029.33	2,235.28	1,794.05

Source: Data supplied by the Urban Local Bodies Department Haryana

The closing balances were increasing due to non-completion of development works by municipalities as discussed in succeeding paragraphs of the Report.

While accepting the facts, the PS stated during the exit conference that the unspent funds were lying with some of the municipalities due to extra source of income for some Urban Bodies on account of share of stamp duty and other receipts such as grants from State Finance Commission and Central Finance Commission, etc. It was further stated that funds of the municipalities were not inter-transferable.

### 2.2.7.3 Non-recovery of supervision charges

As per provisions contained in Section 57 of the Haryana Municipal Act, 1973, each municipality was to deposit an amount equal to one *per cent* of its annual income with the Director, ULBs for the purpose of advising, assisting and supervising the work of municipalities.

Supervision charges amounting to ₹ 13.80<sup>18</sup> crore were pending for recovery from

<sup>18</sup> 1996-97 to 2000-01: ₹ 2.06 crore, 2001-02 to 2005-06: ₹ 3.55 crore and 2006-07 to 2010-11: ₹ 8.19 crore

the municipalities. The Department had not taken concrete steps to recover the amount as the amounts were outstanding even for more than 17 years.

The PS while admitting the facts during Exit Conference stated that necessary instructions would be issued to all municipalities for depositing the outstanding supervision charges at the earliest without failure.

#### **2.2.7.4 Diversion of grants**

As per sanctions issued by the Government, funds received from Central Finance Commission (CFC), receipts from surcharge on VAT, and State Finance Commission (SFC) were to be utilized for development works. As such, payments of salaries, wages, etc. out of these funds were not to be made.

Audit, however, noticed that an amount of ₹ 7.69 crore was utilized towards payment of salary/wages of staff, DCRG, leave encashment, LTC, audit fee, etc. during 2010-13 out of these funds by seven municipalities (*Appendix 2.3*).

The PS while admitting the facts during exit conference directed all the DCs to issue instructions to all municipalities under their jurisdiction not to divert funds without their prior permission.

#### **2.2.7.5 Split-up of estimates**

Split-up of estimates to avoid sanction of higher authorities is not permitted under the Municipal Account Code and the Haryana Municipal Works Rules.

Municipal Corporation, Hisar spent (2008-09) ₹ 6.39 crore (received under the Local Area Development Tax scheme) for construction of CC roads in the industrial area. It was noticed that instead of preparing a single detailed estimate for the work and getting technical sanction from the Director, ULBs, 229 different estimates were prepared by keeping the amount of each estimate below ₹ three lakh. The amount of each estimate was kept within the competence of Municipal Engineer to avoid sanction of higher authorities. Besides, the agencies executing the works of high value were deprived of participating in the tendering process.

The DC, Hisar while admitting the facts during the exit conference assured that such things would not be allowed to be repeated in future.

### **2.2.8. Assessment, demand and collection of taxes/fees**

#### **2.2.8.1 Non-recovery of regularisation charges**

The State Government had regularised (December 2004) unauthorised colonies falling within the jurisdiction of Municipal Corporation/Council/Committee in the State. Under the provisions contained in Section 203A of the Haryana Municipal Act, 1973 and instructions issued while regularizing these unauthorised colonies, regularization charges at the rate ₹ 120 per sq. yard in the case of Municipal Council and at the rate of ₹ 80 per sq. yard in the case of Municipal Committee

were to be recovered from the residents who had already constructed their houses in these colonies.

Test check of records of municipalities showed that recovery of regularisation charges had not been made from the concerned residents (March 2013). Demand notices had not been issued to the owners for making payment of these charges even after lapse of a period of more than eight years. Further, no action has been initiated to recover the amount as arrears of land revenue as provided under Section 98 of the Act. As a result of this, revenue of ₹ 170.40 crore remained unrecovered from house owners of regularized colonies since December 2004 in respect of 10 municipalities (*Appendix 2.4*). Records were not maintained in this regard by the remaining nine selected municipalities.

The PS while admitting the facts during the exit conference directed the DCs to issue notices to house owners for deposit of regularization charges, failing which action to disconnect their water supply, sewerage and electricity connections be initiated.

#### 2.2.8.2 Non-recovery of Service Tax on rental receipts

As per Section 65(105) (zzzz) of the Finance Act 1994, the term taxable service for renting of immovable property service means any service provided or to be provided to any person, by any other person in relation to renting of immovable property for use in the course of furtherance of business or commerce. Immovable property includes renting, letting, leasing, licensing or other similar arrangements of immovable property. With the introduction of negative list from 1 July 2007, Section 66B prescribes levy of tax at the rate of 12 per cent on the value of services other than those specified in the negative list.

Scrutiny of records of municipalities revealed that shops/booths of the municipalities had been rented out on monthly rental basis. The municipalities were liable to pay Service Tax on the rent after collecting the same from tenants. It was noticed that six municipalities had neither collected Service Tax from tenants nor had deposited with the Central Excise, Custom and Service Tax Department as details given in Table 2.2.2.

**Table 2.2.2: Details of Service Tax not collected**

Name of Unit	Period	Amount of Rent collected (₹ in lakh)	Service Tax not collected (₹ in lakh)
Municipal Council, Fatehabad	June 2007 to September 2009	64.34	7.59
Municipal Corporation, Hisar	June 2007 to November 2008	108.46	13.41
Municipal Council, Hansi	June 2007 to March 2013	262.40	28.66
Municipal Council, Narnaul	April 2008 to March 2013	107.51	11.42
Municipal Committee, Kanina	April 2008 to March 2013	180.60	19.16
Municipal Committee, Bawal	April 2008 to March 2013	431.62	45.68
<b>Total</b>		<b>1,154.93</b>	<b>125.92</b>

**Source: Data provided by municipalities**

It was also noticed that Service Tax amounting to ₹ 8.68 lakh for the period from October 2009 to June 2011 and ₹ 17.17 lakh for the period June 2007 to March 2011 was deposited by the Municipal Council, Fatehabad and Ratia



respectively out of their own income without recovering the same from the tenants. This had resulted in loss to the municipalities. Further, due to delay in deposit of Service Tax, interest amounting to ₹ 4.17 lakh had to be deposited (March 2013) by the Municipal Committee, Ratia.

The PS during the exit conference directed the DCs concerned to issue demand notices to tenants for deposit of Service Tax.

### 2.2.8.3 Non-availment of exemption from Service Tax

The Government of India, Ministry of Finance (Department of Revenue) vide their Notification dated 20 June 2012 exempted the services provided to a local authority by the manpower supplying agencies from Service Tax, where manpower was supplied to a municipality for sanitation purpose.

Scrutiny of records showed that despite exemption from service tax as stated above, 13 selected municipalities had not availed of exemption and paid Service Tax amounting to ₹ 1.95<sup>19</sup> crore during July 2012 to March 2013 to the manpower supplying agencies for supply of manpower for sanitation purposes resulting in avoidable financial burden on the municipalities.

While admitting the facts during the exit conference, the PS directed the DCs to issue instructions to all municipalities to avail exemption from Service Tax on the staff outsourced for sanitation.

### 2.2.8.4 Non-recovery of Labour Cess

As per Building and other Construction Workers Welfare Cess Act, 1996, Labour Cess at the rate of one *per cent* of the total cost of construction was to be levied. Haryana Government made (February 2007) Rules to levy Cess at the rate of one *per cent* in accordance with the requirements of the Cess Act. Cess Rules provide that the cess collected should be remitted to the Board within 30 days after deducting the collection charges. The Director, ULBs issued instructions (July 2007) that the municipalities should collect Labour Cess at the rate of one *per cent* of the estimated cost of construction before granting approval of Building Plans. These provisions were not applicable to individual residential houses whose total cost of construction did not exceed ₹ 10 lakh.

Test check of records showed that Labour Cess amounting to ₹ 26.84 lakh and ₹ 3.58 lakh was collected by the Municipal Council, Fatehabad and Municipal

<sup>19</sup> (i) Municipal Committee, Ateli: ₹ 1.99 lakh, (ii) Municipal Committee, Barwala: ₹ 2.25 lakh, (iii) Municipal Committee, Bawal: ₹ 2.15 lakh, (iv) Municipal Committee, Daruhera: ₹ 3.87 lakh, (v) Municipal Corporation, Faridabad: ₹ 103.04 lakh, (vi) Municipal Council, Hansi: ₹ 5.29 lakh, (vii) Municipal Corporation, Hisar: ₹ 35.47 lakh, (viii) Municipal Committee, Jhajjar: ₹ 10.57 lakh, (ix) Municipal Committee, Kanina: ₹ 2.23 lakh, (x) Municipal Council, Narnaul: ₹ 10.70 lakh, (xi) Municipal Committee, Narnaund: ₹ 1.80 lakh, (xii) Municipal Council, Rewari: ₹ 14.66 lakh and (xiii) Municipal Committee, Uklana: ₹ 0.72 lakh

Committee, Barwala respectively but had not been deposited (March 2013) with the Haryana Building and Other Construction Workers Welfare Board.

Further, while sanctioning Building Plans in test-checked cases, Cess amounting to ₹ 79.15 lakh in 15 municipalities (**Appendix 2.5**) was not recovered from the applicants. Non-deduction of Cess from the applicants before approval of their Building Plans by the MCs was a violation of the Cess Act, 1996 and had impacted the welfare measures of the construction workers.

The PS while admitting the facts stated during the exit conference that action would be taken for recovery of outstanding labour cess.

#### **2.2.8.5 Non-recovery of Municipal Electricity Tax**

As per provisions under Section 70 of the Haryana Municipal Act, 1973, a tax on the consumption of electricity at the rate five paise for every unit of electricity consumed by any person within the limits of the municipality is leviable. The tax is collected by the Uttar/Dakshin Haryana Bijli Vitran Nigams in the State. As per annual accounts maintained by the UHBVNL and DHBVNL for the year 2012-13, municipal tax amounting to ₹ 62.03 crore and ₹ 54.57 crore respectively was payable to the municipalities in the State.

Out of 19 test-checked municipalities, 11 municipalities had adjusted their municipal electricity tax against street lights bills. However, the following shortcomings were noticed in respect of remaining eight municipalities:

- Municipal Electricity Tax amounting to ₹ 451.23 lakh and ₹ 109.27 lakh was outstanding as on 31 March 2013 in respect of Municipal Corporation, Hisar and Municipal Corporation, Faridabad respectively.
- Municipal Council, Fatehabad and Narnaul as also Municipal Committee, Jhajjar, Beri, Kanina and Uklana had not maintained any record regarding Municipal Electricity Tax recoverable from electricity supplying companies.

The PS admitted the facts during the exit conference and directed the DCs to collect details of this tax recoverable in respect of each MC and maintain proper record to watch recovery/adjustment of the tax.

#### **2.2.8.6 Non-recovery of old outstanding taxes, fees etc.**

- As per provisions contained in the Haryana Municipal (Erection of Communication Towers) Bye-laws, 2009, an installation fee of ₹ 2 lakh, ₹ 1.5 lakh and ₹ 1 lakh in high potential zone, medium potential zone and low potential zone respectively and annual renewal fee at the rate of 10 *per cent* of the installation fee per communication tower was recoverable from the cellular mobile companies. However, scrutiny of records maintained in 13 selected municipalities disclosed that installation fees amounting to ₹ 0.73<sup>20</sup> crore in

<sup>20</sup> (i) Municipal Corporation, Hisar: ₹ 61.87 lakh, (ii) Municipal Committee, Narnaul: ₹ 2 lakh, (iii) Municipal Committee, Jhajjar: ₹ 4 lakh, (iv) Municipal Council, Narnaul: ₹ 0.15 lakh and (v) Municipal Committee, Bawal: ₹ 4.50 lakh

respect of five municipalities and annual renewal fees amounting to ₹ 1.58 crore in respect of all the 13 municipalities was outstanding against the mobile companies at the end of 2012-13 (**Appendix 2.6**). In respect of remaining six selected municipalities, it was noticed that list of mobile companies along with number of towers installed by them had not been prepared for raising demand against these cellular mobile companies. Inaction on the part of the municipalities resulted in loss of revenue to the municipalities.

The PS directed during the exit conference to DCs to prepare proper records of mobile towers installed by the companies and to recover outstanding amounts from mobile companies.

➤ House tax which is a main source of revenue for the municipality was in arrears and no effective steps were taken to recover the same. As per records maintained by 16 selected municipalities, House Tax including fire tax amounting to ₹ 95.82 crore (**Appendix 2.7**) was in arrears as of March 2013. In the case of Municipal Committees, Barwala and Uklana, details of outstanding house tax were not worked out by the Committees. Similarly, Rent of municipal shops amounting to ₹ 3.69 crore was outstanding in 16 selected municipalities (**Appendix 2.8**).

The PS directed the DCs during the exit conference to take appropriate action to recover the outstanding tax and rent from the persons concerned.

➤ As per Rule XVII 14 of Municipal Account Code 1930, advance of any sort should be adjusted regularly and promptly. It was the duty of the head of the Municipalities to ensure that accounts were rendered as early as possible and unspent balances refunded immediately after the finalization of occasions or purchases. Test-check of records of six selected municipalities showed that temporary advances amounting to ₹ 274.48<sup>21</sup> crore were pending against Government Departments, officers/officials, contractors, etc. as on 31 March 2013.

The Commissioner, Municipal Corporation, Faridabad stated during exit conference that accounts in all the cases were being reconciled and early action would be taken for recovery/adjustment of temporary advances.

### **2.2.9. Programme implementation and execution of development works**

For implementation of various schemes such as Solid Waste Management, Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) and Swarn Jayanti Sahari Rojgar Yojana (SJSRY) and execution of developmental works, the ULBs receive funds from GOI and the State Government in the form of

<sup>21</sup> (i) Municipal Corporation, Faridabad: ₹ 26445.82 lakh, (ii) Municipal Committee, Barwala: ₹ 1.15 lakh, (iii) Municipal Corporation, Hisar: ₹ 999.05 lakh, (iv) Municipal Committee, Uklana: ₹ 0.15 lakh, (v) Municipal Committee, Mohindergarh: ₹ 1.46 lakh and (vi) Municipal Council, Rewari: ₹ 0.10 lakh.

grants. GOI grants are also assigned under the recommendations of the Central Finance Commission. The State Government grants are also received through devolution of net proceeds of the total tax revenue on the recommendations of the State Finance Commission (SFC).

In 19 test checked municipalities, grants amounting to ₹ 973.50 crore was received during 2008-13, out of which ₹ 841.91 crore (*Appendix 2.9*) were spent on various development works. During test check, the following deficiencies were noticed in the programme implementation:

#### **2.2.9.1 Non-allotment of EWS houses constructed under JNNURM**

Under the Jawahar Lal Nehru National Urban Renewal Mission Project, Municipal Corporation, Faridabad was provided funds during 2007-11 for construction of EWS houses. The aim of the scheme was to resettle slum clusters, settled on Municipal Corporation/HUDA lands in Faridabad. The construction of 2,896 Economically Weaker Section (EWS) houses was completed (July 2012) at Faridabad (Dabua Colony and Babu Nagar) at a cost of ₹ 59.26 crore. Scrutiny of records of Municipal Corporation, Faridabad showed that out of 2,896 houses, only 203 houses were allotted to the eligible beneficiaries. Balance 2,693 houses had not been yet allotted by the Corporation to the beneficiaries. It was further noticed that comprehensive final list of eligible beneficiaries had not been finalised by Municipal Corporation, Faridabad. This had resulted in blocking of funds of ₹ 55.10 crore spent on construction of these houses.

The Commissioner, Municipal Corporation, Faridabad while admitting the facts replied (December 2013) that the eligibility criterion of the beneficiaries has been a matter of dispute between the State Government and Central Government. Efforts would be made to allot these houses at the earliest to eligible beneficiaries on receipt of the policy from GOI.

#### **2.2.9.2 Solid Waste Management**

Waste represents a threat to the environment and human health if not handled or disposed of properly. Surface and ground water contamination takes place when waste reach water bodies. Residues from waste can change the water chemistry, which can affect ecosystem.

As per the provisions contained in the Municipal Solid Wastes (Management and Handling) (MSWMH) Rules, 2000, every municipal authority shall within the municipal area would be responsible for infrastructure development for collection, storage, segregation, transportation, processing and disposal of municipal solid waste.

Scrutiny of records of test-checked municipalities showed that the Government had released funds for Solid Waste Management from time to time but the municipalities had not completed the works. As a result of this, the objective of the schemes could not be achieved and also the funds remained unspent in seven municipalities as per details given in Table 2.2.3.

Table 2.2.3: Details of unspent funds by municipalities

Name of municipalities	Period of release of funds	Amount	Amount spent	Unspent amount	Remarks
		(₹ in lakh)			
Municipal Council, Fatehabad	2005-11	135.00	75.00	60.00	Work held up for want of clearance from State Pollution Control Board
Municipal Corporation, Hisar	2009-11	272.16	327.11 <sup>22</sup>	-	Expenditure incurred on purchase of land and construction of boundary wall
Municipal Council, Hansi	2005-11	150.32	20.69	129.63	Expenditure incurred on purchase of land
Municipal Committee, Narnaund	2009-10	21.20	4.81	16.39	Land not yet purchased
Municipal Committee, Ratia	2005-11	76.67	-	76.67	Land not yet purchased
Municipal Committee, Jhajjar	2003-11	76.75	-	76.75	Land not yet purchased
Municipal Council, Bahadurgarh	2003-11	162.12	24.00	138.12	Expenditure incurred on purchase of land
Municipal Committee, Bawal	2005-07	52.00	-	52.00	Land not yet purchased
Municipal Council, Narnaul	2005-07	73.37	-	73.37	Land not yet purchased
Municipal Committee, Kanina	2009-11	22.51	-	22.51	Land not yet purchased
	<b>Total</b>	<b>1,042.10</b>	<b>451.61</b>	<b>645.44</b>	

Source: Data provided by municipalities

The provisions of the MSWMH Rules had not been implemented even 13 years after these came into force. Improper disposal system has led to adverse environmental consequences. The Council/Committee had not taken effective protective measures to prevent adverse effect on the health of the people.

While admitting the facts, the DCs assured during the exit conference that steps would be taken to construct the Solid Waste Treatment Plants after obtaining NOC from the Pollution Control Board. However, DC Rewari stated that land would have to be acquired for setting up of the Plant. The PS also assured that the land would be acquired to set up the solid waste treatment plant at Rewari.

### 2.2.9.3 Urban wage employment programme

Urban Wage Employment Programme is one of the components of the Swarn Jayanti Sahari Rojgar Yojna. This component was implemented by municipalities in the State. The programme seeks to provide wage employment to beneficiaries living Below Poverty Line (BPL) within the jurisdiction of ULBs by utilizing their labour for creation of socially and economically useful public assets such as community centres, drains, roads, parks, solid waste management, etc. Against the receipt of ₹ 3.71 crore, ₹ 3.43 crore was spent on the implementation of the scheme in selected municipalities.

Scrutiny of records of municipalities showed that five municipalities incurred an expenditure of ₹ 31.84<sup>23</sup> lakh under the programme. It was noticed that reference

<sup>22</sup> Expenditure in excess of receipts was incurred out of interest earned on deposits and diversion of funds from other schemes.

<sup>23</sup> (i) Municipal Committee, Bawal: ₹ 4.16 lakh, (ii) Municipal Committee, Jhajjar: ₹ 5.97 lakh, (iii) Municipal Committee, Narnaund: ₹ 3.02 lakh, (iv) Municipal Committee, Ratia: ₹ 7.62 lakh and (v) Municipal Council, Tohana: ₹ 11.07 lakh

of BPL was not made in the muster rolls, in the absence of which it could not be ensured as to whether wage employment was given to BPL families.

In case of Municipal Council, Tohana, signatures or thumb impressions of the recipients were not found on two muster rolls involving an amount of ₹ 0.92 lakh in respect of this scheme. Similarly, payment of ₹ 5.47 lakh was made on 25 muster rolls without obtaining signatures/thumb impression during 2011-12 in respect of other schemes. In the absence of this, genuineness of payment to labourers could not be ascertained in audit.

The PS while admitting the facts viewed the matter seriously during the exit conference. The DC, Fatehabad assured that the necessary investigation would be done and also assured that such things would not be repeated in future and the officials responsible for the lapse would be brought to book.

#### 2.2.9.4 Wasteful expenditure

The State Government released grant amounting to ₹ four crore to Municipal Committee (MC), Ratia under the scheme 'Development of SC *Basties*' having scheduled caste (SC) population more than 50 *per cent* for ward numbers 4, 5, 12 and 14 (₹ one crore per ward) during 2008-10. Further, as per the instructions issued by the State Government (ULBs Department), from time to time and recently reiterated in April 2013, development works were not to be executed in unapproved colonies.

The grant of ₹ two crore meant for ward numbers 5 and 12 was utilized during August 2008 to July 2011 by the MC for construction of drains and laying Cement Concrete (CC)/interlocking tiles in streets. Scrutiny of the records of the MC disclosed that the Public Health Engineering Division (PHED), Fatehabad started laying sewer lines in these wards and the streets were badly damaged during March 2012 and CC/interlocking tiles were uprooted as shown in the photographs given:



Thus, due to lack of planning and co-ordination between the Municipal Committee, Ratia and PHED, Fatehabad, an expenditure of ₹ two crore incurred on the construction of drains and streets in ward numbers 5 and 12 was rendered wasteful.

Further, scrutiny of records disclosed that ward no. 4, 5, 12 and 14 were not part of any of the colony approved by the State Government. An expenditure of ₹ 3 crore was incurred on development works in these wards.

Similarly, Municipal Corporation, Hisar had spent ₹ 5.06 crore on 15 test-checked development works in Azad Nagar and adjoining colonies during 2010-13, which were not part of any of the colonies approved by the State Government. Therefore, the expenditure had been incurred in unauthorised colonies in violation of State Government's instructions.

While accepting the facts, the PS instructed the DCs that there should be coordination between the municipalities and other service departments before taking development works. It was also instructed that there should be provisions of space for providing of services such as water supply, sewerage, etc. in future at the time of construction of paver street/CC street so that damages due to providing of services could be minimized. As regards incurring the expenditure in unauthorised colonies, the PS directed the DCs not to spend any funds on development activities in unauthorized colonies in future.

#### 2.2.9.5 Payment made without execution of works

Municipal Council, Bahadurgarh made the following payments to contractors on account of construction of Cement Concrete (CC) streets in Preet Vihar (Ward No. 13), Bahadurgarh under Central Finance Commission and Special Development Works Scheme.

Sr. No.	Name of Work	Month of completion	Amount paid (₹ in lakh)
1.	Gali Chandervatika road to H/o Vidhya, Brijlal and Subash	October 2008	16.55
2.	Construction of street and drain of Gali Maya Ram wali	October 2009	29.77
3.	Gali Satbirwali	July 2011	21.28
4.	Manish, Sanjay, Omprakash Rajkumar, etc. waligali	November 2009	22.03
5.	Gali Krishan and Gulabwali	November 2010	20.33
<b>Total</b>			<b>109.96</b>

A committee was constituted by Deputy Commissioner, Jhajjar for verification of above works. The Executive Engineer, Provincial Division, Public Works Department (Building and Roads), Bahadurgarh, submitted the Report of the Committee in December 2012 and brought out that these works were either not executed at all or executed partly at site. Further, physical verification of these works by audit conducted in June 2013 also disclosed that the status of these works was still the same as reported by the Committee constituted by the Deputy Commissioner.



It was further observed that no action had been initiated against the defaulters despite pointed out by the Committee in December 2012.

The PS viewed the matter seriously during the exit conference. The DC, Jhajjar stated that an inquiry was being conducted by the State Vigilance Department and that further action would be taken on receipt of inquiry report.

#### 2.2.9.6 Unfruitful expenditure

Hon'ble Punjab and Haryana High Court had directed (July 2001) the State Government that each Municipal Council/Committee should fix a place for slaughtering animals within or outside their municipal limits. In compliance of Hon'ble Court's directions the State Government released funds to municipalities for construction of slaughter houses and meat shops.

Scrutiny of records of test checked municipalities showed that five municipalities had constructed slaughter houses (between 2002-03 and 2012-13) along with meat markets at a cost of ₹ 58.80<sup>24</sup> lakh. The slaughtering and the business of sale of meat had not been started in the newly constructed shops. As a result of which entire expenditure of ₹ 58.80 lakh had been rendered unfruitful. In addition, municipalities were suffering recurring loss on account of non-receipt of rent from these shops.

While admitting the facts during the exit conference, the PS directed the DCs concerned to make serious efforts for making the slaughter houses functional at the earliest.

### 2.2.10. Human resource management

#### 2.2.10.1 Shortage of staff

As of March 2013, as against the sanctioned posts of 4,235 in 19 test-checked municipalities 2,662 posts were filled up and 1,573 posts remained vacant (37 per

<sup>24</sup> Municipal Council (i) Fatehabad: ₹ 17.81 lakh constructed in 2012-13, (ii) Hansi: ₹ 7.13 lakh constructed in 2002-03, (iii) Tohana: ₹ 7.06 lakh constructed in 2004-05 and Municipal Committee (vi) Narnaund: ₹ 6.26 lakh constructed in 2003-04, (v) Ratia: ₹ 20.54 lakh constructed in 2007-08.



cent) as per details given in Table 2.2.4. This position is exclusive of sanitation staff.

**Table 2.2.4: Vacancy position of the municipalities**

Sr. No.	Name of Municipalities	Sanctioned posts	Filled in	Vacant	Percentage of vacancy
<b>Corporations</b>					
1	Faridabad	3,263	1,995	1,268	39
2	Hisar	256	198	58	23
<b>Councils</b>					
1	Bahadurgarh	70	55	15	21
2	Fatehabad	59	41	18	31
3	Hansi	66	45	21	32
4	Narnaul	65	34	31	48
5	Rewari	78	49	29	37
6	Tohana	42	26	16	38
<b>Committees</b>					
1	Ateli	12	2	10	83
2	Barwala	82	59	23	28
3	Bawal	40	20	20	50
4	Beri	11	4	7	64
5	Dharuhera	11	3	8	73
6	Jhajjar	25	19	6	24
7	Kanina	13	3	10	77
8	Mohindergarh	82	66	16	20
9	Narnaund	11	4	7	64
10	Ratia	14	11	3	21
11	Uklana	35	28	7	20
<b>Total</b>		<b>4,235</b>	<b>2,662</b>	<b>1,573</b>	<b>37</b>

**Source: Data supplied by the municipalities**

There was acute shortage of staff in Municipal Corporation, Faridabad, Municipal Committees, Ateli, Beri, Dharuhera and Narnaund.

While accepting the fact during the exit conference, the PS stated that demand of class III and IV staff for deploying in all municipalities has been forwarded to the Haryana Staff Selection Commission and the requisite staff would be provided in due course of time after completion of selection process.

### **2.2.10.2 Payment of wages**

(i) The services of sanitation staff was outsourced from the private service providers by the municipalities in the State. As per terms and conditions of the contract with the service providers, they were required to open the EPF accounts of employees and were required to deposit the amount of EPF with the Employees Provident Fund Organisation (EPFO). Further, the service provider was required to provide a copy of the challans to the municipalities in support of having the amount deposited with the EPFO.

The proofs of deposit of EPF and ESI showing name and EPF account number of each employee were not being collected by the municipalities from the contractors and only photocopies of challans were being submitted by the contractors. In the absence of such details, it could not be ensured whether the EPF, ESI, etc. of each employee were actually deposited or not in their accounts.

Detailed scrutiny of Electronic Challan-cum>Returns (ECRs) in respect of Municipal Corporation, Faridabad for the period 2012-13 showed the following deficiencies:

- M/s Vishal Protection Force had drawn ₹ 46.33 lakh as EPF (Employer's Share) of staff employed during June 2012 to March 2013 from the Corporation but it had deposited ₹ 41.48 lakh to the EPFO. Thus, the difference of ₹ 4.85 lakh had been retained by the agency.
- Similarly, M/S International Academy of Environment Sanitation and Public Health had retained EPF amounting to ₹ 3.61 lakh for the period April 2012 to March 2013.
- ECRs, of these agencies prior to the period June 2012 and ECRs in respect of other agencies engaged by Municipal Corporation, in proof of deposit of EPF to the EPFO were not available for the audit scrutiny.

Since detailed schedules/ECRs in the case of other selected municipalities were not available for audit scrutiny, chances of similar irregularities in other cases cannot be ruled out.

While admitting the facts during the exit conference, the PS viewed the matter seriously and desired that verification of deposit of EPF be done by each municipality. The PS also directed to DCs to take strict action against the defaulters.

(ii) As per GOI (Ministry of Labour and Employment) Notification dated 8 January 2011, all Municipal Councils and Corporations employing 20 or more persons in their establishments are covered under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

Municipal Corporation, Faridabad had employed more than 20 daily wage employees on its roll but their EPF was neither recovered from the employees nor deposited with the EPFO by the Corporation in terms of above said notification. The EPFO recovered (December 2012) from Municipal Corporation's bank account ₹ 18.82 lakh on account of damages besides EPF of ₹ 168.28 lakh (Employer Share: ₹ 89.43 lakh and Employees Share: ₹ 78.85 lakh) and interest amounting to ₹ 15.75 lakh for the period January to November 2011.

While admitting the fact during the exit conference, the PS directed the Commissioner, Municipal Corporation, Faridabad to avoid such lapses in future.

## **2.2.11 Internal control and monitoring**

### **2.2.11.1 Internal control**

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system in the

Municipalities was inadequate with regard to financial management, assessment, demand and collection of taxes/fees, implementation of programmes, execution of works, etc. as discussed in foregoing paragraphs. Further, there was inadequate control over the sanction of building plans and unauthorised construction in Municipal areas as discussed below:

➤ As per the provisions of the Haryana Municipal Corporation Act, 1994 and Rules/Bye-laws framed thereunder, no building can be erected unless its Building Plan is approved by the Corporation. Where the erection of any building or execution of any work has been commenced contrary to the sanction, the Commissioner may in addition to any other action that may be taken under this Act by order stop the same. The Municipal Corporation, Hisar approved 1937 Building Plans during 2008-12 but not even a single applicant had applied for the Completion Certificate. In 77 cases, notices were issued to the applicants who were involved in construction of buildings in-violation of approved building plans. The unauthorized constructions were not stopped before completion as of April 2013.

During the exit conference, the PS stated that it was due to failure of local authorities and lack of adequate enforcement machinery and directed DCs concerned to take strict action against the persons involved in unauthorised constructions.

➤ The Municipal Council is competent to sanction Building Plans in the areas of Lal Dora, colonies carved out before introduction of the Haryana Development and Regulation of Urban Areas Act, 1975 and the colonies approved by the State Government. The Council may sanction or refuse Building Plans. However, if the Council neglects or omits within 60 days of the receipt of a valid notice of such person's intention to erect a building, such erection be deemed to have been sanctioned.

Eight building plans submitted by the applicants were approved by the five<sup>25</sup> municipalities despite the fact that the plots of the applicants were not situated in the approved colonies. Further, three applications for approval of building plan for unapproved colony received in May 2012 had neither been approved nor refused by Municipal Council, Tohana as of March 2013. Their building plans would be deemed to be approved as the time limit of 60 days had already expired.

Similarly, in the case of Municipal Council, Bahadurgarh, in 105 cases building plans submitted during 2010-12 were approved by the Council despite the fact that the plots of the applicants were not located in the approved colonies.

During the exit conference, the PS directed the DCs concerned to take strict action against the officers concerned who had sanctioned the building plans in unapproved colonies.

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<sup>25</sup> (i) Municipal Corporation, Hisar, (ii) Municipal Council, Tohana, (iii) Hansi, (iv) Municipal Committee, Narnaund and (v) Jhajjar.

### 2.2.11.2 Non-maintenance/improper maintenance of various records

Maintenance of proper records is very important for proper functioning of any organization. It reduces errors and irregularities and also helps to improve the overall quality of the work. Test check of records of selected municipalities showed that the following basic records were either not maintained or were incomplete:

Sr. No.	Name of Records	Rules of the Municipal Account Code under which required	Present Status
1.	Grants Register	III.8	Incomplete
2.	Classified Abstract	III.2	Incomplete
3.	Monthly Account	III.6	Not Maintained
4.	Annual Account	III.7	Not Maintained
5.	Register of building Application	III.10	Incomplete
6.	Demand and Collection Register (Tower)	XI.15	Incomplete
7.	Tax Demand and Collection Register	VII.7	Incomplete
8.	Rent Demand and Collection Register	XI.3	Incomplete
9.	Assessment Register	VI.2	Incomplete

The PS directed the DCs during the exit conference to issue instructions to municipalities under their jurisdiction for proper maintenance of prescribed records.

### 2.2.11.3 Non-responsiveness to Local Audit

Audit of municipalities is conducted by the audit parties of Director, Local Audit, Haryana. In case of Municipal Corporations and Municipal Councils, pre-audit is conducted while in case of Municipal Committees post-audit is conducted. During scrutiny of records of Director, Local Audit, it was observed that 17,425 audit paragraphs of money value of ₹ 585.13 crore were outstanding as of July 2013 (*Appendix 2.10*). It was further observed that paragraphs pertaining to the year 1954-55 onwards were still outstanding. Besides, there were paragraphs of serious nature such as cases of embezzlement/misappropriations of funds, short/non-recovery of revenue, excess/irregular/avoidable expenditure, etc. This position indicated non-responsiveness of municipalities for taking remedial action on the objections raised by Director, Local Audit.

The PS stated during the exit conference that a committee had been constituted to examine and disposal of pending paragraphs.

### 2.2.11.4 Monitoring

Monitoring provide the means for managers, planners and decision makers to track the progress of development and remain alert to detect deviations for early corrective action, determine effectiveness and efficiency of development activities and learn lessons for future development planning. The PS of the Department was responsible to oversee the activities of the municipalities to ensure their proper working. The Director as head of the Department was also responsible for monitoring the implementation of programmes, schemes and other activities of the municipalities. Monthly progress reports to monitor the activities of the municipalities had not been prescribed by the Department except submission of expenditure statements. There was no centralised database of schemes and

programmes with the result that huge funds remained unspent with the municipalities as such there was lack of monitoring.

During exit conference, the PS directed the Director, ULBs and all DCs to evolve a mechanism of monitoring and better working of all municipalities so that such lapses as pointed out by Audit do not recur in future.

#### **2.2.12. Conclusion**

Municipalities had neither prepared perspective plan nor annual plans for carrying out their activities effectively. Draft Municipal Accounts Code 2012 consistent with accounting format and codification pattern suggested by National Municipal Accounts Manual had not yet been finalized. Further, Annual Accounts in the shape of balance sheet were not being prepared by Municipalities. The municipalities diverted funds of development schemes towards payment of wages and salaries, etc. due to non-generation of revenue by them. Assessment, demand and collection of taxes, fee and other dues was not efficient as lot of dues remained outstanding. Execution of works was also deficient as there were cases of irregular expenditure on development works in unauthorised colonies, making of payments without execution of works, splitting of works to avoid sanction of higher authorities, etc. Solid waste management plants were not made functional in ten test-checked municipalities. Municipalities were not ensuring deposit of EPF, ESI, etc. of the outsourced staff. Inadequate control over unauthorised constructions in municipal areas and sanction of building plans of unapproved colonies were also noticed. The municipalities were non responsive towards taking remedial action on the audit objections.

#### **2.2.13. Recommendations**

The Government may consider:

- preparation of perspective plans and annual plans for their development activities of municipalities;
- finalization of Municipal Accounts Code and preparation of balance sheet by Municipalities;
- strengthening the system of recovery of taxes, rent, fee, etc. to make the municipalities self sustainable;
- strengthening vigilance system over the execution of works ;
- controlling unauthorised constructions and development of unauthorised colonies.

The matter was referred to the Principal Secretary to Government of Haryana (PS), Urban Local Bodies Department in September 2013, reply had not been received. However, the audit findings were discussed with PS, Urban Local Bodies Department during the exit conference held in November 2013.

**Education Department  
(Haryana School Shiksha Pariyojna Parishad)**

**2.3 Sarva Shiksha Abhiyan**

*Sarva Shiksha Abhiyan (SSA) was launched in Haryana during 2001-02 to provide elementary education to all children of age group of six to fourteen years with active participation of the community. The funds are directly released to Haryana School Shiksha Pariyojna Parishad by GOI for implementation of the scheme.*

*Some of the significant audit findings are enumerated below:*

**Learning Enhancement Programme was not planned properly as only ₹ 1.23 crore out of budgeted amount of ₹ 15.12 crore was spent during 2008-13.**

*(Paragraph 2.3.6.3)*

**There were substantial savings of ₹ 1501.59 crore (34.86 per cent) during 2008-13 against the budget approved by Government of India.**

*(Paragraph 2.3.7.1)*

**The enrollment of students had decreased from 14.55 lakh to 13.44 lakh in primary schools during 2008-13. The number of out of school children was 1.25 lakh against the target to bring it to zero.**

*(Paragraphs 2.3.8.1 and 2.3.8.2)*

**There were substantial delays in providing books and uniforms to students. Further in the absence of risk and cost clause in the contract agreement for supply of books, the department had to incur extra expenditure of ₹ 5.90 crore.**

*(Paragraphs 2.3.8.5 and 2.3.8.6)*

**A total of 32,504 (80.31 per cent) out of 40,472 works were completed during 2008-13. Further, 468 civil works pertaining to the period 2003-07 remained incomplete.**

*(Paragraph 2.3.9)*

**There were 54,063 teachers against 72,446 posts in primary and upper primary schools indicating shortage of 18,383 (25 per cent) teachers. Further, there were excess teachers in some districts and shortage in other districts.**

*(Paragraph 2.3.10.1)*

**2.3.1. Introduction**

Sarva Shiksha Abhiyan (SSA) is the comprehensive and integrated flagship programme of the Government of India (GOI) launched in 2001-02 to attain Universal Elementary Education in the country in a mission mode in partnership with the State Governments and Local Self Governments. It was launched in the State from April 2002.

The scheme was funded between GOI and State Government during the Eleventh Five Year Plan in the ratio of 65:35 for 2008-09, 60:40 for 2009-10; 65:35 for 2010-11 and onwards. The funds are directly released to Haryana School Shiksha Pariyojna Parishad by GOI.

### 2.3.2. Organisational set-up

The State Project Implementation Unit i.e. Haryana Prathmik Shiksha Pariyojna Parishad, renamed as Haryana School Shiksha Pariyojna Parishad (the Parishad) with effect from 13 July 2011, was established in the year 2001 under the Registration of Societies Act, 1860. The Parishad is headed by the State Project Director (SPD).

### 2.3.3. Audit objectives

The main audit objectives of the performance audit were to ascertain whether:

- plans were prepared by the Parishad and District Project Implementation Units (DPIUs) to achieve the objectives;
- financial management was efficient and effective;
- the implementation of various components of the project was as per project guidelines and the objectives of the project were realised;
- research studies were undertaken in accordance with the norms of the SSA Manual; and
- a proper monitoring system was in place and effective.

### 2.3.4. Audit scope and methodology

Performance audit was conducted from October 2012 to August 2013 covering the Office of State Project Director, Haryana School Shiksha Pariyojna Parishad and seven<sup>26</sup> District Project Coordinator's (DPC) offices for the period 2008-13. The selection of districts was done by adopting Probability Proportional to Size without Replacement (PPSWOR) method. All Block Resource Coordinators (BRCs) in the selected districts have been covered besides conducting joint physical verification of 170 schools alongwith departmental representatives. The scheme was reviewed earlier also and incorporated in the Report of Comptroller and Auditor General of India for the year ended 31 March 2006 (Civil),

<sup>26</sup> (i) Bhiwani, (ii) Kaithal, (iii) Jhajjar, (iv) Mewat, (v) Panchkula, (vi) Sirsa and (vii) Yamuna Nagar

Government of Haryana and was discussed by Public Accounts Committee in June and October 2008.

Audit objectives, criteria and scope of audit were discussed (10 April 2013) in an entry conference with the Principal Secretary to Government of Haryana (PS), School Education Department. Audit findings were discussed in the exit conference held in January 2014 with the PS, School Education Department. The replies of the Department and deliberations of the 'Exit Conference' have been suitably incorporated in the report.

### **2.3.5. Audit criteria**

The audit criteria for assessing the performance of the project were as under:

- Manual on Financial Management and Procurement (MFMP) issued by the Ministry of Human Resource Development (MHRD), GOI.
- Agenda/minutes of meetings of Executive Committee.
- Approved budgets by Project Approval Board (PAB), MHRD.
- Notifications and instructions issued by the Parishad for implementation of project and execution of works.

### **Audit findings**

#### **2.3.6. Planning**

SSA provides an opportunity to all the districts to formulate their vision of quality elementary education and develop District Elementary Education Plans (DEEP) suited to their needs and local environment and develop capacity to implement the plans. It envisages a bottom-up approach of planning. The planning process has to be participatory in nature, as planning not only creates a sense of ownership among the stakeholders but also creates awareness and helps in the capacity building of personnel at various levels.

Audit observed that district plans were not prepared properly after conducting proper survey or obtaining data from village level. Further, individualised education plans for each Child with Special Needs were not made by any of the DPCs test-checked. As a result, a number of interventions like 'Learning Enhancement Programme', 'Deprived Children in Urban Areas', 'Minority Community Students', etc. could not be implemented properly.

The Parishad stated during the exit conference that planning was done at the district level and then compiled for preparation of State Plan. It was also stated that the planning in the district was not upto the mark as there were discrepancies



in data collection and data matching for various interventions and was also assured that the district planning would be improved in future.

#### **2.3.6.1. Non-formulation of plan for deprived children in urban areas**

As per paragraphs 38.13 and 38.15 of the Manual on Financial Management and Procurement (MFMP), specific interventions for urban deprived children with focus mainly on creating facilities for street children, migrant children, rag pickers to enable them to join elementary education were required to be planned. It was noticed that action plan for specific interventions was not prepared in any of the districts test-checked.

The Parishad stated (January 2014) that explanations had been sought from districts concerned for not planning the intervention for deprived children in urban areas.

#### **2.3.6.2. Non-preparation of interventions for minority community students**

As per paragraph 38.12 of MFMP, each district is required to formulate interventions for the betterment of students of minority community to target their enhanced enrollment, retention and completion of elementary education.

It was observed that need based planning was not done for minority community students by the test-checked DPCs at the habitation level which shows lack of effective implementation of SSA.

The Parishad stated (January 2014) that directions would be issued to the districts for making proper plans for betterment of this disadvantaged group.

#### **2.3.6.3. Learning Enhancement Programmes**

District Project Coordinators are required to execute specific learning enhancement programmes with priority to enhance learning levels in language, mathematics and science.

As against budget allocation of ₹ 15.12 crore, an expenditure of ₹ 1.23 crore was incurred in test-checked districts during 2008-13. Audit observed that proper planning for implementation of various components of the programme was not made by any of the test-checked DPCs.

The Parishad stated (January 2014) that initially it took some time for taking up this new activity and the expenditure had been increasing with the passage of time. The reply was not convincing as the expenditure was still very low in test-checked districts.

### **2.3.7. Financial management**

#### **2.3.7.1 Receipts and expenditure of Parishad**

Receipts and expenditure during the period under coverage of performance audit was as given in Table 2.3.1.

**Table 2.3.1: Statement showing the details of funds received and utilised**

(₹ in crore)

Year	Budget approved by PAB	Opening balance	Fund received		Misc. Income	Interest	Total available	Utilized	Closing balance
			GOI	State					
2008-09	425.50	103.77	205.47	118.81	5.78	2.15	435.98	305.89	130.09
2009-10	598.01	130.09	276.00	178.00	5.63	0.26	589.98	457.57	132.41
2010-11	829.80	132.41	327.86	315.50 <sup>27</sup>	8.00	0.18	783.95	624.54	159.41
2011-12	1197.67	159.41	404.61	273.00 <sup>28</sup>	9.96	6.14	853.12	696.97	156.15
2012-13	1256.25	156.15	338.10	304.06 <sup>29</sup>	1.13	8.22	807.66	720.67	86.99
<b>Total</b>	<b>4307.23</b>		<b>1552.04</b>	<b>1189.37</b>	<b>30.50</b>	<b>16.95</b>		<b>2805.64</b>	

**Source: Approved budget by PAB and Financial statement of the Parishad**

As against the budget provision of ₹ 4307.23 crore, actual utilisation was ₹ 2805.64 crore (65.14 per cent) showing saving of ₹ 1501.59 crore (34.86 per cent) during 2008-13. The components such as Learning Enhancement Programme, National Programme for Education of Girls at Elementary Level (NPEGEL), Urban Deprived Children, Minority Students, imparting of teachers trainings, procurement of teaching learning equipments (Maps), etc. were not implemented as envisaged in the scheme and annual plans.

The Parishad stated (January 2014) that the expenditure was incurred as per availability of funds. It was also stated that due to non-release of full budget by the GOI, all the components could not be implemented. The fact, however, remained that GOI did not release the funds as per approved budget.

### 2.3.7.2 Maintenance of bank accounts

As per paragraph 72 of MFMP, grants received from GOI/State Government are required to be credited in the bank accounts. As per instructions of GOI, only one bank account is to be opened for each scheme. In exceptional cases, more than one bank account can be operated with the prior approval of the State Executive Committee. The Parishad had operated as many as 33 bank accounts. Bank Reconciliation statements were not prepared by the Parishad, as a result of which an embezzlement occurred in the Parishad as discussed below:

An employee working as an Accounts Clerk had stolen four blank cheques and transferred an amount of ₹ 31.26 lakh in his personal account by forging the signatures of authorized signatories as per details given below:

Sr. No.	Bank	Account No.	Cheque No.	Amount (In ₹)	Date of draws
1.	Union Bank of India, Sector-17, Chandigarh	47528	534150	1,28,413	24 August 2008
2.	Punjab National Bank, Sector-22, Chandigarh	009500	456526	6,26,986	13 October 2008
3.		0100617034	456527	22,32,218	31 December 2008
4.	Punjab National Bank, Sector-22, Chandigarh	0095000 011564926	80303	1,37,956	1 May 2009
	<b>Total</b>			<b>31,25,573</b>	

<sup>27</sup> Including ₹ 40 crore of award received from 13<sup>th</sup> Finance Commission

<sup>28</sup> Including ₹ 43 crore of award received from 13<sup>th</sup> Finance Commission

<sup>29</sup> Including ₹ 46 crore of award received from 13<sup>th</sup> Finance Commission

An amount of ₹ 8.73 lakh had been recovered between November 2009 and March 2010. An FIR was lodged on 16 February 2010 and the case was pending in the Court (August 2013). Had the cheque books been kept in the personal custody of the cheque drawing officer, the embezzlement could have been avoided. Further, had the regular bank reconciliation been done, the embezzlement could have been detected earlier i.e. in the Month of September 2008 itself and subsequent embezzlements could have been avoided.

The Parishad stated (January 2014) that all the bank accounts have since been closed and five new bank accounts have been opened for implementation of the scheme. As regards embezzlement, it was stated that it occurred due to heavy work load and operation of many bank accounts which were not reconciled regularly. This reflected poor control environment relating to financial management.

Further, there was a difference of ₹ 9,80,269 between the closing balance of the year 2006-07 and opening balance of the year 2007-08 in respect of Bank Account (3093020147528) of Union Bank of India. The Parishad stated (January 2014) that the bank reconciliation was in process and difference of ₹ 2.35 lakh was yet to be reconciled.

### **2.3.7.3 Expenditure without approval of PAB and diversion of funds**

As per paragraphs 88.1 and 88.2, funds shall not be diverted or re-appropriated to meet any expenditure which has not been sanctioned by the competent authority. Expenditure cannot be incurred on any item which has not been provided for or contemplated in sanctioned budget estimates. Further, re-appropriations carried out will be reported to Project Approval Board (PAB) for its information while submitting the AWPB of the succeeding years. Following observations on diversion of funds from one head to another were noticed:

➤ Funds were provided under National Programme for Education of Girls at Elementary Level (NPEGEL) being implemented in 31 educationally backward blocks (EBBs). But instead of spending the allotted funds on the scheme, the Parishad had spent ₹ 43.53 lakh on procurement of furniture, *darries* (carpet) and steel almirah for schools.

The Parishad stated (January 2014) that sanction was accorded for purchase of furniture items on the demand of concerned districts out of unspent funds provided for remedial coaching under NPEGEL. The reply was not convincing as there was no provision for procurement of above said items in the guidelines.

➤ An expenditure of ₹ 5.40 crore was incurred on purchase of PT Drum, dumb bell and lazium by 5,397 upper primary schools during 2010-11 under management and MIS head. This procurement was neither planned in Annual Work Plan and Budget nor approved by PAB under management and MIS head.

The Parishad stated (January 2014) that the expenditure was approved by the PAB while approving the budget for the year 2011-12. The reply was not convincing as

it was not disclosed that the expenditure of ₹ 5.40 crore was incurred on purchase of sports items under Management and MIS head.

➤ An amount of ₹ 16.51 crore was remitted (March 2013) to Board of School Education, Haryana, Bhiwani for making payment of honorarium to DED interns for bringing ‘Out of School Children’ to the schools for admission to appropriate classes. DED interns conducted special classes during summer vacation of enrolled students instead of bringing out of school children to schools. Thus, the amount of “special training for mainstreaming of out of school children” was diverted for payment to DED interns irregularly. Further, the Board of School Education did not have any data of Out of school children which had been mainstreamed by these interns.

#### 2.3.7.4 Payment on muster rolls without obtaining signatures/thumb impressions

As per procedure, every casual labourer receiving payment on muster rolls should mark his signature or thumb impression in token of receipt of payment in the presence of competent authority. Twenty three schools had made payment of ₹ 12.96 lakh to labourers on muster roll without obtaining signature/thumb impressions as detailed given in *Appendix 2.11*. The procedure regarding obtaining the signature/thumb impression of the payee should be followed without fail.

### 2.3.8 Programme implementation and major interventions

#### 2.3.8.1 Enrollment of students

One of the main objectives of the SSA was to attain universalisation of elementary education in the country by bringing all the children in the age group of 6-14 years to schools for education. The details of number of primary and upper primary schools and enrollment of students in primary and upper primary schools for the period 2008-13 are given in Table 2.3.2.

Table 2.3.2: Number of schools and enrollment of students in primary and upper primary schools

Year	Number of schools		Students enrolled	
	Primary	Upper Primary	Primary	Upper Primary
2008-09	9324	5257	1454701	671718
2009-10	9332	5376	1423843	671213
2010-11	9384	5519	1367779	663182
2011-12	9407	5549	1403121	712471
2012-13	9325	5636	1343995	727288

Source: State AWPBs of concerned years

The enrollment of students in primary schools had decreased from 14,54,701 to 13,43,995 (7.61 per cent) while in upper primary schools it had increased from 6,71,718 to 7,27,288 (8.27 per cent).

The data regarding scheduled caste students and girls both primary and upper primary schools is given in **Appendix 2.12**. Similar downward trends were seen in enrollment of SC students and girl students in respect of primary schools and upward trend in respect of upper primary schools.

The Parishad stated (January 2014) that enrollment in Government Primary schools had decreased due to mushrooming of private English medium schools in the State.

### 2.3.8.2 Intervention for 'Out of School Children'

As per AWPB, number of out of school children had decreased to 1.25 lakh at the end of 2012-13 from 1.61 lakh at the end of 2008-09. Thus, there was improvement in decreasing the number of out of school children but still far behind the national target of bringing it to zero. The number of out of school children had not been compiled through any survey after the Census of 2011.

As per paragraph 40 of MFMP, Alternative Innovative Education/ Vocational Centre (AIE/VOC) can be established for mainstreaming Out of School Children. Provision has been made for the education of children of brick-kiln workers by establishing bhatta-pathshalas at/or in their vicinity. As per guidelines, children enrolled in bhatta-pathshalas were required to be evaluated at the end of the session and migration certificates were also required to be issued to these children as per their learning levels for facilitating their mainstreaming in formal schools at their place of origin. A total of 1,574 bhatta-pathshalas were run in the State during 2010-11 and 32,741 children were enrolled as against the target of 47,893 children in these centres. The performance of bhatta-pathshalas was not upto the mark in test-checked districts as per details given in the Table 2.3.3.

**Table 2.3.3: Details of performance of Bhatta Pathshalas**

District	Number of children as per survey	Number of children enrolled in centres	Expenditure (₹ in lakh)	Remarks
Yamuna Nagar	1148	978	7.01	All the NGOs did not fulfill the condition of mainstreaming therefore second and third instalments not issued.
Panchkula	1407	1407	10.31	Report of mainstreaming has been shown 'Nil'.
Bhiwani	1645	1078	28.12	NGO itself accepted not taking any test and not issuing any certificate.
Sirsa	1993	1973	16.36	For Bhatta Pathshalas no learning levels assessed and no certificates issued.
Mewat	3004	1891	32.14	Data was not maintained regarding mainstreaming and issuing of certificates.
Jhajjar	12058	5981	100.48	Data was not maintained regarding mainstreaming and issuing of certificates.

**Source: Records/replies of District Project Coordinators concerned.**

Despite poor performance of centres, the District Project Coordinators (DPC) had not initiated any action for recovery of the disbursed amount. Besides, the objective of the scheme remained unachieved to a large extent.

The Parishad stated (January 2014) that the strategy in this regard had been changed and no bhatta-pathshalas would be opened in future. The reply was not convincing as no action had been taken for poor performance.

### **2.3.8.3 National Programme for Education of Girls at Elementary Level**

National Programme for Education of Girls at Elementary Level (NPEGEL) has been formulated for education of under privileged/disadvantaged girls from class I to VIII as a separate and distinct component of SSA. Scheme has been implemented in 31 educational blocks in 10 districts in the State. As against the budget provision of ₹ 15.06 crore, an expenditure of ₹ 10.32 crore was incurred during 2008-13.

The savings of ₹ 4.74 crore were due to non-carrying out of activities like remedial teaching and bridge courses for girls with irregular attendance, learning through open school, general health check-up of girls, teacher training on gender aspects, etc. regularly by DPCs test-checked. The data regarding number of beneficiary girls and girls brought back in education system was not maintained by DPCs concerned. As a result, impact of implementation of scheme could not be assessed in audit.

The PS during the exit conference stated that for the improvement of education of girls, teachers were trained for gender sensitization. Activities of Meena Manch were carried out to build confidence among the girls. It was also stated that more activities as envisaged in the programme would be taken up to make the component a success.

### **2.3.8.4 Girls Education and SC/ST Children**

Project Approval Board (PAB) had approved an outlay of ₹ 6 crore for various activities<sup>30</sup> in the year 2008-09 for Girls Education and SC/ST Children.

PAB had provided (2008-09) only an amount of ₹ 0.19 crore for sports kits for Girls Education and SC/ST Children but sports goods worth ₹ 5.57 crore were procured (January-March 2011) under this component. Similarly, Fund of ₹ 1.12 crore was transferred (March 2011) to the Director, Secondary Education for procurement of sports items. The procurement of sports material was neither planned in AWPB nor approved by the PAB.

The Parishad stated (January 2014) that the expenditure was incurred on sports items to promote the confidence, physical fitness, team spirit and making healthy mind, etc. of girls and SC/ST children. It was further stated that the PAB was appraised of the expenditure incurred on sports items while submitting budget for the next year i.e. 2009-10. The reply was not convincing as only ₹ 0.19 crore was provided for sports

<sup>30</sup> (i) Bicycles: ₹ 342.28 lakh, (ii). Excursion Tours: ₹ 20 lakh, (iii). Vocational Courses: ₹ 83.40 lakh, (iv). Uniforms: ₹ 44 lakh, (v). Shoes: ₹ 26.40 lakh, (vi). Bags: ₹ 44 lakh, (vii) Socks: ₹ 4.40 lakh, (viii). Sewing Machines: ₹ 16.60 lakh and (ix). Sports Kit: ₹ 18.90 lakh

kits and other activities such as providing of bicycles and uniforms, excursion tours, conducting of vocational courses, etc. were not carried out. As such, the scheme was not implemented in the proper manner. Further, the argument of the Parishad that PAB was apprised of the expenditure was not convincing as the expenditure was incurred in January-March 2011.

### 2.3.8.5 Delay in releasing uniform grants

PAB approved (October 2010) an outlay of ₹ 51.66 crore for providing uniforms to all Girls and BPL Boys and funds were transferred by the Parishad to the accounts of all DPCs in March 2011 i.e. after a delay of six months.

Similarly, PAB had approved (May 2011 and April 2012) ₹ 61.09 crore for 2011-12 and ₹ 64.20 crore for 2012-13 for distribution of school uniforms. The Parishad, however, transferred funds only in November 2011 for the year 2011-12 while ₹ 10.22 crore was transferred during September 2012 to March 2013 for the year 2012-13. Thus, there was substantial delay in transferring the funds.

In test-checked districts following irregularities were noticed:

- Delay of 15 to 127 days in disbursement of grant for uniforms by DPCs to BRCs.
- Cash of ₹ 16.08 lakh by 48<sup>31</sup> schools in 2010-11, ₹ 13.07 lakh by 38<sup>32</sup> schools in 2011-12 and ₹ 13.15 lakh by 27<sup>33</sup> schools in 2012-13 was disbursed in lieu of uniform which is against the provisions of the scheme.
- Delay in utilisation of uniform grant and distribution of uniforms in the next academic year was noticed in 16 schools in 2010-11 and 19 schools in 2011-12.

While admitting the delay in releasing the uniform grant, the PS stated during the exit conference (January 2014) that the scheme was implemented for the first time in 2010-11 and there were some difficulties in collection of data regarding number of eligible students per school and disbursement of funds to schools. It was also stated that a proper system for release of uniform grant had been put in place with effect from 2013-14. As regards cash distribution of uniform grant to students, the Parishad stated (January 2014) that the matter would be investigated as to whether the grant had actually been distributed to students or not.

### 2.3.8.6 Delay in distribution of “Free Text Books”

Paragraph 25 of MFMP stipulates that free text books will be provided to all children of Government schools, local body schools, Government aided schools and *Madarsas* before the start of academic session i.e. April of each year. In test

<sup>31</sup> Bhiwani: 13, Jhajjar: 19, Panchkula: 10 and Yamuna Nagar: 6

<sup>32</sup> Bhiwani: 1, Jhajjar: 19, Mewat: 6, Panchkula: 7 and Yamuna Nagar: 5

<sup>33</sup> Jhajjar: 17, Mewat: 8 and Yamuna Nagar: 2

checked districts books were distributed after a delay of one to eight months (**Appendix 2.13**).

The Board of School Education Haryana, Bhiwani (BSEH) invited tenders (August 2012) for engaging printing firms for the work. The work of printing of books was allotted (December 2012) to two firms namely M/s Gopsons Papers Ltd. for class 1<sup>st</sup> and 2<sup>nd</sup> and to M/s Printek Graphix Pvt. Ltd. for classes 3<sup>rd</sup> to 8<sup>th</sup>. The work was to be completed within 90 days i.e. up to 5 March 2013. M/s Gopsons Papers Ltd. fulfilled its contract but M/s Printek Graphix Pvt. Ltd. did not supply the books. The situation was reviewed on 1 August 2013 and it was decided that short term tenders for printing of books should be invited immediately. Consequently, an emergent short term Tender Notice was issued in Newspapers on 4 August 2013 by the Parishad. The work of printing and supply of books up to block level was allotted to firms on 3 September 2013 with a delivery period of 28 days i.e. latest by 7 October 2013. Thereafter, the printing firm supplied the books. Had the position of supply of books been reviewed in March-April 2013, the books could have been procured timely and distributed among the students. Further, in the absence of risk and cost clause in the contract agreement, the Department had to incur an extra expenditure of ₹ 5.90 crore after adjusting invoked bank guarantee of ₹ 3.81 crore and forfeited security of ₹ 5 lakh.

The PS during the exit conference admitted the delay in distribution of free text books. However, it was stated that students were provided by taking books back from old pass out students. It was also accepted that there was no risk and cost clause in agreement in the event of non-supply of material.

#### **2.3.8.7 Non-supply of maps**

The Parishad placed ₹ 4.94 crore with Haryana Space Application Centre (HARSAC) on 31 March 2011 for procurement of maps for 177 upgraded new primary and 3,118 Senior Secondary Schools. The maps were not supplied till February 2012. On being pointed out by Audit in March 2012, the Parishad had taken up (March 2012) the matter with the HARSAC, which refunded (May 2012) an amount of ₹ 4.16 crore after deducting ₹ 78.75 lakh on account of preparation of soft copy by them. The Parishad accepted the payment. Funds of ₹ 4.94 crore remained blocked for over a period of more than a year (from 1 April 2011 to 15 May 2012) and the soft copy prepared by HARSAC was of no use for the Parishad unless the maps are printed and supplied to schools. Parishad had suffered a loss of interest of ₹ 49.97 lakh besides loss of ₹ 78.75 lakh deducted by HARSAC on account of soft copy. Further, the Parishad had not even taken up the matter with the HARSAC for recovery of loss caused due to failure of HARSAC.

The PS stated during the exit conference that the digital maps provided by HARSAC were available with the Parishad and being used for planning purpose. It was also assured that these maps would be got printed and would be supplied to the schools. As regards deduction of ₹ 78.75 lakh, it was stated that matter would be taken up with the HARSAC for refund of the amount.



### 2.3.8.8 Blockade of funds

(i) The Parishad transferred (March 2010) a sum of ₹ 21 crore to all the DPCs in the State with the directions to book the amount as advance under Dual desks. As the proposal of the Parishad for procurement of Dual desks was not approved by the GOI, entries were reversed in February 2012 in the books of all DPCs. The amount was lying unspent in the accounts of DPCs as of August 2013.

The PS during exit conference stated that a sum of ₹ 6 crore had been taken back from DPCs and balance ₹ 15 crore would also be taken back shortly.

(ii) The Parishad accorded administrative approval and financial sanction to incur an expenditure of ₹ 2.73 crore for 1365 primary/upper primary schools in the State for Information, Education and Communication (IEC) activities (wall painting) on 30 March 2012. Accordingly, the amount was transferred to all the DPCs (₹ 13 lakh per DPC) for 65 schools in each district having more than 100 students. The amount was lying in the accounts of DPCs as of August 2013. Thus, the funds remained unspent and students were deprived of the benefits of the scheme.

The PS agreed with the audit observation during exit conference and stated that guidelines had since been issued in July 2013 and work would be completed soon.

### 2.3.8.9 Child with special needs

Paragraphs 35.1 and 35.2 of MFMP provide that every child with special needs (CWSN), irrespective of the kind, category and degree of disability should be provided education in an appropriate environment. The thrust of SSA will be on providing integrated and inclusive education to all children with special needs in general schools. Details of CWSN identified and enrolled in test-checked districts are given in Table 2.3.4.

**Table 2.3.4: Details of selected districts of CWSN identified and enrolled children**

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
No. of CWSN identified	8,603	7,448	11,938	13,161	13,544
Enrolled in formal school	6,995	6,583	9,293	10,851	12,462
Proposed to be covered through EGS/AIE	710	452	209	850	121
Proposed to be covered through HBE	321	234	541	95	222
Not planned to be enrolled	577	179	1,895	1,365	739

Above data shows that out of 13,544 identified CWSN, 739 CWSN were not planned to be enrolled in the selected DPIUs for the year 2012-13. Further, 121 CWSN were planned to be enrolled in Education Guarantee Scheme (EGS)/Alternative and Innovative Education (AIE) and 222 CWSN were planned to be covered through Home Based Education (HBE). No EGS/AIE was functional and activity of HBE was also not implemented due to dearth of teachers, as a result of which 343 CWSN remained to be covered. Thus, 1,082 CWSN remained out of education stream.

Audit scrutiny of test-checked districts showed that monitoring at the level of DPCs was not done and no research study was conducted about effectiveness of schemes.

The Parishad stated (January 2014) that for covering severely disabled children, 474 Inclusive Education for Disabled Volunteers had been deployed in April 2013 who would provide HBE to such children and scheme would be monitored at BRC and DPC level in future.

## Civil works

### 2.3.9. Execution of civil works

As against the budget provision of ₹ 1481.71 crore, an expenditure of ₹ 628.39 crore was incurred during 2008-13 on execution of civil works. The targets and achievements in respect of various civil works for the period from 2008-09 to 2012-13 are given in **Appendix 2.14**. An analysis of the data disclosed that as against the target of 40,472 civil works, 32,504 (80.31 per cent) had been completed as of July 2013. Apart from this, 274<sup>34</sup> civil works pertaining to the period 2003-07 had not yet been started while 194<sup>35</sup> civil works were still in progress (July 2013).

Apart from above, scrutiny of records of test-checked districts (except Mewat district where information was not available) disclosed that many schools required major repairs as per details given in Table 2.3.5.

**Table 2.3.5: Statement showing the details of condition of school buildings**

Sr. No.	Name of District	Number of class rooms required major repairs		
		Primary Section	Upper Primary Section	Total
1.	Yamuna Nagar	73	38	111
2.	Panchkula	69	47	116
3.	Bhiwani	253	163	416
4.	Kaithal	172	67	239
5.	Sirsa	0	0	0
6.	Jhajjar	112	57	169

**Source: Data furnished by DPIUs concerned**

Audit scrutiny of budget proposals submitted to the Parishad for the period 2008-12 by concerned DPCs showed that these DPCs had not prepared any plan for carrying out major repair of these class rooms.

Non-completion of these works had defeated the very purpose of the scheme. Scrutiny of records relating to construction activities brought out the following deficiencies:

<sup>34</sup> New school buildings: 92, Block Resource Centres: 3, Class rooms: 14 and Drinking water facilities: 165

<sup>35</sup> New school buildings: 39 and Class rooms: 155

### 2.3.9.1 Additional funds for completion of school buildings

Due to non-completion of construction work of 67 new school buildings and 8 additional classrooms (ACRs) (One: 2006-07 and Seven: 2007-08) within a set timeframe in Yamuna Nagar district, cost of construction material had increased manifold. Additional funds of ₹ 68.01 lakh were released (March 2010) by the Parishad to DPC, Yamuna Nagar for completion of these works. Out of the funds DPC, Yamuna Nagar disbursed a sum of ₹ 61.28 lakh to the schools in March 2010.

Similarly, DPC, Mewat was provided additional funds of ₹ 2.99 crore in March 2010 for completion of 849 civil works related to the period 2004-08. Due to lack of proper monitoring, these civil works could not be completed within stipulated time and extra expenditure had to be incurred.

The Parishad stated (January 2014) that works were executed by School Management Committees (SMCs) whose members were non-technical. The SMCs arrange the required material at their own level, as a result of which construction period exceeded the target date and delayed construction added to the construction cost. The reply was not convincing as department should have proper co-ordination with SMCs for completion of works within the prescribed period.

### 2.3.9.2 Allotment of civil works without requirement/planning

➤ In test-checked DPCs, funds for civil works were surrendered by schools during 2008-13 on the grounds that no demand was submitted to the DPC; low enrollment of students in schools; non-availability of land and land under litigation. The details are given in Table 2.3.6.

**Table 2.3.6: Details of Civil works surrendered by schools**

DPIU	Number of works	Total cost	Number of works surrendered	Total cost of surrendered works (₹ in crore)
Yamuna Nagar	1518	50.33	23	0.43
Panchkula	358	9.94	34	0.54
Bhiwani	3690	84.56	72	1.01
Kaithal	1140	25.85	63	0.52
Mewat	3490	197.35	284	7.48
<b>Total</b>	<b>10196</b>	<b>368.03</b>	<b>476</b>	<b>9.98</b>

**Source: Compiled by audit on the basis of DPIU records.**

Thus, DPCs concerned had not conducted proper survey to assess the requirement/viability for execution of civil works.

➤ Funds of ₹ 5.03 crore were released to the DPC, Yamuna Nagar for construction of 131 Headmaster's rooms between July 2011 and February 2012. The DPC released ₹ 1.92 crore (at the rate of 50 per cent of the estimated cost) to 48 schools in August 2011, six schools in March 2012 and 30 schools in September 2012 after a lapse of more than one year from the date of receipt of funds. Thus, funds amounting to ₹ 1.80 crore remained blocked with DPC in respect of remaining 47 schools. Out of 30 schools to which the funds for rooms were provided in September 2012, two schools (Government Primary School

(GPS), Ratoli and GPS, Chhappar) have stated during physical verification that funds were allotted without any demand. This showed lack of planning and survey.

Similarly, SPD Office allotted (2008-09) grant for the construction of 275 ACRs to DPC, Jhajjar. An amount of ₹ 89.46 lakh was disbursed (September 2008) for construction of 63 ACRs. Another list of 80 ACRs was approved in March 2009 and DPC, Jhajjar disbursed an amount of ₹ 1.06 crore for these ACRs in June 2009 after a lapse of one year from the date of approval. Third and fourth lists totalling 132 ACRs were approved by SPD Office in March 2010 (after a lapse of 21 months).

Out of these 275 ACRs, 24 ACRs could not be started due to non-availability of land. Out of remaining ACRs, 40 ACRs could not be completed in the allotted budget due to delay in allotment and consequent rise in prices. Funds amounting to ₹ 44.98 lakh had been demanded for completion of these ACRs.

The PS stated during the exit conference that the system of ascertaining the requirement of school infrastructure had been changed, the works are now being allotted on actual requirement basis and there is minimum number of surrender of works now.

#### **2.3.9.3 Delay in construction of residential hostel/school buildings**

➤ The construction of new school building for upper primary school of Sudhiwas village in Behal block was started in November 2010 which had reached up to lintel level. The structure was, however, dismantled due to execution of sub-standard work and construction was re-started. Allotted funds of ₹ 11.78 lakh had exhausted and construction work had reached only upto slab level. The building was lying incomplete (August 2013). The Parishad stated (January 2014) that the Gram Panchayat had assured that the building would be completed and extra expenditure would be borne by them.

➤ An amount of ₹ 2.88 crore was allocated for construction of four residential hostels each with the capacity of 100 students. The Parishad had released grants in October 2011/November 2011 to GPS, DLF, Phase-II, Nathupur (Gurgaon) of ₹ 16.05 lakh for additions and alterations in the existing school building and to GSSS, NIT, Faridabad, GGSSS, Ballabgarh (Faridabad); Government Middle School (Boys), Sector-4, MDC, Panchkula each of ₹ 79.65 lakh for construction of new hostel building. Construction of new hostel building in Panchkula had not yet been started (March 2013) due to non-receipt of NOC from HUDA. The funds were released by the Parishad without ascertaining title of the land resulting in blocking of funds with DPC, Panchkula.

#### **2.3.9.4 Kasturba Gandhi Balika Vidyalaya building at Rajound**

The Kasturba Gandhi Balika Vidyalaya (KGBV) scheme was launched by GOI in July 2004 for setting up residential schools at upper primary level where there

were a minimum of 50 girls belonging predominantly to SC, ST, OBC and minority communities.

Contract for the construction work of KGBV at Rajound awarded (November 2007) to the Rajound Saraswati Co-op L&C Society Ltd. for ₹ 41.93 lakh to be completed by May 2008 was extended up to November 2008 and ₹ 35.57 lakh was paid to the agency in November 2008.

As per test reports, two items namely 'Flooring Top' and 'Cement Mortar in Brick Massonary' were found to be under specification. On the orders of DC, Kaithal, an FIR was lodged (January 2009) against the agency, Junior Engineer and Sub Divisional Engineer (SDE), SSA, Kaithal for substandard work in "Flooring Top" and "Cement Mortar in Brick Masonry" which was cancelled in July 2009.

The agency was granted extension upto 31 August 2011 and the Executive Engineer of the Parishad issued notices in November 2011, August 2012 and October 2012 to execute the work at risk and cost of the contractor under Clause-III of the contract. As per report of SDE, SSA, Kaithal, 17 items were under specification and cracks had developed in the building. The expenditure of ₹ 35.57 lakh incurred on construction of school building was rendered unfruitful. No further action was taken to complete the work. The PS during the exit conference while viewing the matter seriously directed the SPD to form a committee to fix the responsibility of officers concerned for the failure. It was also stated that remedial action would be taken to make the building worth use for running the KGBV.

### 2.3.9.5 Performance evaluation

Physical verification of 170 Primary/Upper Primary Schools showed that:

- student classroom ratio 40:1 was not maintained in 35 schools;
- classes were conducted in open/Verandah in 31 schools;
- non-availability of dual desks in classrooms was noticed in 79 schools;
- non-availability of separate Girls/boys toilets were found in 27 schools;
- school buildings were not in good condition in 26 schools;
- non-availability of spacious play ground was noticed in 48 schools;
- non-availability of Library books was found in 9 schools;
- non-availability of sweeper for cleanness of schools & toilets was noticed in 33 schools; and
- non-availability of Electric Fans in the class rooms was noticed in 24 schools.

The PS stated during the exit conference that deficient infrastructure/facilities pointed out by Audit had been noted and efforts would be made to provide proper infrastructure/facilities these schools.

## 2.3.10. Human Resource Development

### 2.3.10.1 Rationalization of deployment of teachers

Table 2.3.7 presents the position of requirement and actual strength of teachers as on 30 September 2012. District-wise position of shortage of teachers in primary and upper primary schools is given in *Appendix 2.15*.

**Table 2.3.7: Details showing Teacher Deployment in the State**

Teachers cadre in schools	Requirement	Posted	Shortage	Shortage in percentage
Primary	46,390	32,241	14,149	31
Upper Primary	26,056	21,822	4,234	16
<b>Total</b>	<b>72,446</b>	<b>54,063</b>	<b>18,383</b>	<b>25</b>

Source: Data furnished by HSSPP

An analysis of the data given in the appendix showed that 109 teachers were in excess of requirement in three<sup>36</sup> districts in primary schools while 506 teachers were in excess in five<sup>37</sup> districts in upper primary schools. Further, there was acute shortage of teachers in Faridabad, Mewat, Palwal and Yamuna Nagar districts in primary schools and in Fatehabad, Kaithal, Karnal, Mewat, Palwal, Sirsa districts in upper primary schools.

The Parishad stated (January 2014) that in addition to regular teachers, 15,002 guest teachers were working in the State. Further, rationalization of deployment of teachers had been done in 2013-14 and process of recruitment of 9,870 teachers was under process. The fact, however, remained that there was still substantial shortage of teachers.

### 2.3.10.2 Training programmes

#### (i) In-Service teacher training

Providing in-service training to the teachers deployed in schools is an important component of SSA. As per provisions contained in the MFMP, following training programmes had been prescribed for the teachers:

- 10 days in-service training for all teachers each year at BRC level;
- Up to 10 monthly Cluster level meetings and peer group training sessions for all teachers each year at CRC Level;
- 30 days induction training for newly recruited teachers;
- 60 days training for on the job untrained teachers to acquire professional qualifications through in service distance programmes;

<sup>36</sup> Jhajjar: 77, Rewari: 18 and Rohtak: 14

<sup>37</sup> Jhajjar: 61, Mahindergarh: 230, Panchkula: 86, Rewari: 84 and Rohtak: 45

- Training of BRC and CRC Coordinators and Resource persons up to 10 days each year.

Only an amount of ₹ 0.58 crore (3.12 per cent) out of ₹ 18.58 crore budgeted for training was spent in organizing in-service teachers' training during 2008-13 in selected districts.

### **(ii) Induction training for newly recruited Junior Basic Trained teachers**

Funds of ₹ 3.12 crore were allocated by the PAB for conducting induction training to newly recruited Junior Basic Trained (JBT) teachers for the year 2010-11. Duration of the said training was 30 days. The Parishad placed (February 2011) a sum of ₹ 2.53 crore at the disposal of the Director, SCERT, Gurgaon for imparting training.

Scrutiny of records of test-checked districts disclosed that details regarding number of teachers trained were not available with any of the DPCs test-checked. The Parishad stated (January 2014) that out of ₹ 2.53 crore, ₹ 1.18 crore had been spent on training through District Institutes of Education and Training (DIET) as of January 2014. Thus, ₹ 1.35 crore remained blocked with SCERT.

### **(iii) Deployment of Block Resource Persons**

For effective implementation of RTE, GOI had approved 338 posts of Block Resource Persons (BRPs) for the State with budget allocation of ₹ 2.38 crore. Six Resource persons per block were to be deployed for 3 months for subject specific training. The Parishad had transferred the funds to DPCs in March 2011. Scrutiny of records of the Parishad showed that due to non issuance of sanctions, funds could not be utilized (August 2013).

The PS stated during exit conference that the persons could not be deployed earlier as the persons from deputation were not available. It was further stated that out of total requirement of 595 BRPs, 405 had been deployed in July 2013. The fact, however, remains that posts of BRPs remained vacant for more than two years.

## **2.3.11. Research and evaluation**

Research plays an important role in implementation of programme. Research studies are to be conducted to provide feedback on effectiveness of the different inputs, to highlight the problem areas in implementation and to suggest changes in interventions to make them more effective.

### **2.3.11.1 Non-conducting of research studies despite budget allocation**

Budget allocation of ₹ 1300 per school per year was made in AWPB during 2008-13. As against budget provision of ₹ 2.98 crore, only an amount of

₹ 0.13 crore (4.36 per cent) was spent by test-checked DPCs. Scrutiny of records, however, showed that no research study was carried out by test-checked DPCs.

#### **2.3.11.2 Non-development of web portal for MIS and GIS**

The Parishad remitted funds of ₹ one crore to HARTRON in March 2009 for the development of web portal Management Information System (MIS) and Geographical Information System (GIS) for Government schools/Government aided schools in the State.

There was no progress for the development of web portal (April 2013). HARTRON in April 2013 repaid ₹ 98.62 lakh after four years without developing the web-site.

### **2.3.12. Internal control and monitoring**

#### **2.3.12.1 Internal control**

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system in the Parishad was inadequate with regard to financial management, implementation of programme, execution of works, etc.

#### **2.3.12.2 Monitoring through District Level Committees**

Paragraph 101.11 of MFMP provides that a district level committee comprising public representatives would be constituted to monitor the implementation of the activities of SSA in the district. The committee will be appraised of the progress of the SSA, both in terms of key targets and achievement thereof and also on outcome indicators, *inter-alia*, enrollment, dropout, learning achievement levels of students, etc. Suggestion of the members should be taken into consideration, within the parameters of the SSA guidelines and framework of implementation and the approved Annual Work Plan and Budget of the district, for improving SSA implementation at the local level. The committee will also examine the synergy and convergence of other related Government Departments in improving school infrastructure and other support services for benefit of children in the 6-14 age groups. The committee will meet once in a quarter.

Records regarding constitution of district level Committee/organization of meetings of DLC for the period 2007-12 were not maintained by any of the DPCs test-checked except Sirsa. As a result of this, monitoring at the level of District Level Committee could not be assessed in audit.

The Parishad stated (January 2014) that necessary directions would be issued to all DPCs to maintain proper records of monitoring.



### 2.3.13. Conclusion

District plans were not prepared properly after conducting proper survey or obtaining data from village level. Financial management was not proper as there were substantial savings. Further Bank Reconciliation statements were not prepared by the Parishad as a result of which an embezzlement occurred. The enrollment at primary school level had decreased during 2008-13. There was improvement in enrollment of students at upper primary schools. The objective of the programme to bring all children in schools or alternate schools was not achieved as about 1.25 lakh students were still out of school at the end of March 2013. Further, interventions for out of school children, NPEGEL, uniforms, free text books, children with special needs, etc. were not implemented properly, as a result, the funds remained blocked and objective of each intervention could not be fully achieved. There were also deficiencies in execution of civil works such as lack of planning, delays in completion, extra expenditure, sub-standard execution, etc. There was shortage of teachers to the extent of 25 *per cent*. Shortfall in imparting in-service training to teachers and induction training to JBT teachers were also observed.

### 2.3.14. Recommendations

For the successful implementation of the programme, the Government may consider:

- preparation of district plans after conducting proper survey and obtaining data from village level;
- implementation of all the interventions of target groups in a planned manner to avoid savings;
- regular preparation of Bank Reconciliation statements; and
- activating the vigilance mechanism to avoid cases of sub-standard execution of works and unfruitful expenditure in execution of works.

The matter was referred to the Principal Secretary to Government of Haryana (PS), School Education Department in September 2013, reply had not been received. However, the audit findings were discussed with PS, School Education Department during the exit conference held in January 2014.

## Rural Development Department

### 2.4 Indira Awaas Yojna

*The Indira Awaas Yojna (IAY), a Centrally sponsored flagship scheme, is being implemented as an independent scheme since 1st January 1996. It aims at helping rural people below poverty-line (BPL) belonging to Scheduled Castes (SCs)/Scheduled Tribes (STs), freed bonded labourers and non-SC/ST BPL categories in construction of dwelling units and upgradation of existing unserviceable 'kutcha' houses by providing financial assistance.*

*Performance audit of the scheme brought out the following significant audit findings:*

**Financial assistance of ₹ 1.74 crore provided to 470 ineligible persons was not recovered despite the orders of Hon'ble Punjab and Haryana High Court.**

*(Paragraph 2.4.6.4)*

**Forty beneficiaries were given assistance amounting to ₹ 15.88 lakh who had already pucca houses.**

*(Paragraph 2.4.6.5)*

**As against the target of construction of 93,690 houses, 72,944 were completed during 2008-13. The data of completion of houses was not fully reliable as it was inflated by seven per cent. Further, the component of upgradation of unserviceable *kutcha* houses was not implemented at all.**

*(Paragraph 2.4.8.1)*

**Convergence with other schemes for providing comprehensive housing facilities was not done properly.**

*(Paragraph 2.4.9)*

**Monitoring and Management Information for system implementation of the scheme were weak and Social Audit was not conducted.**

*(Paragraphs 2.4.10.1 to 2.4.10.3)*

#### 2.4.1 Introduction

The Indira Awaas Yojna (IAY), a Centrally sponsored flagship scheme, is being implemented as an independent scheme since 1<sup>st</sup> January 1996. It aims at helping rural people below poverty-line (BPL) belonging to Scheduled Castes (SCs)/Scheduled Tribes (STs), freed bonded labourers and non-SC/ST BPL categories in construction of dwelling units and upgradation of existing unserviceable '*kutcha*' houses by providing financial assistance. The IAY have been extended to widows or next-of-kin to defence personnel killed in action,

ex-servicemen and retired members of the paramilitary forces. Three *per cent* of funds are reserved for the disabled BPL persons in rural areas.

#### 2.4.2. Organisational set-up

The Principal Secretary to Government Haryana, Rural Development Department is the administrative head at Government level. The Special Secretary-cum-Director, Rural Development is the head of the department and responsible for overall monitoring the scheme. He is assisted by a Project Economist and two Research Officers. At district level, District Rural Development Agencies (DRDAs) functioning in each district under the chairmanship of Deputy Commissioner (DC) of the district concerned and Additional Deputy Commissioners (ADCs) as Chief Executive Officers (CEOs) are responsible for implementation of the scheme. In the district, ADCs-cum-CEOs are assisted by Project Economists, Assistant Project Officers and an Accounts Officers. Each DRDA has a Governing Body to review the progress of works under the scheme and approval of plans at district level. The scheme is being implemented through Block Development and Panchayat Officers (BDPOs) at block level.

#### 2.4.3. Audit objectives

The objectives of audit were to ascertain whether:

- the systems and procedures were in place for identification and selection of the target groups;
- allocation was adequate and release of funds was made in an adequate and timely manner and that these were utilized in accordance with the scheme provisions;
- physical performance in terms of number of units constructed and upgraded was as targeted and that the construction corresponded to the quality and financial parameters set out in the scheme guidelines;
- convergence with other programmes as envisaged was done effectively; and
- the mechanism in place for monitoring and evaluation of the outcomes of the programme was adequate and effective.

#### 2.4.4. Scope of audit and methodology

Performance audit of the scheme was conducted for the period 2008-13 during April-September 2013. Records of the Directorate of Rural Development Department, District Rural Development Agencies of six<sup>38</sup> out of 21 districts

<sup>38</sup> (i) Panchkula, (ii) Mahendargarh, (iii) Palwal, (iv) Karnal, (v) Hisar and (vi) Sonipat

(29 per cent) and 13<sup>39</sup> out of 35 blocks under these districts along with 120 Gram Panchayats (GPs) were test-checked. The selection of districts was done by applying Probability Proportional to Size with Replacement (PPSWR) method while blocks and GPs were selected through Simple Random Sampling Without Replacement (SRSWOR) method. Physical verification of 1,339 dwelling units of IAY was also conducted by joint inspection teams comprising members of the audit team and staff of concerned BDPOs.

An entry conference was held with the Principal Secretary to Government of Haryana (PS), Rural Development Department in May 2013 to discuss the audit objectives, audit criteria and scope of audit. Audit findings were discussed in the exit conference held in November 2013 with the PS, Rural Development Department. The replies of the Government and deliberations of the 'Exit Conference' have been suitably incorporated in the report.

#### **2.4.5. Audit criteria**

The main sources of audit criteria were as under:

- Guidelines of IAY issued by the Ministry of Rural Development;
- Periodical reports/ returns prescribed by State Governments; and
- Circulars/instructions issued by the Department of Rural Development, Government of India (GOI).

#### **Audit findings**

#### **2.4.6. Identification and selection of beneficiaries**

##### **2.4.6.1 Non-preparation of annual action plans**

Test-checked DRDAs had not prepared annual action plans for the period 2008-12. The Department admitted (April/May 2013) and stated during the exit conference that the Annual Action Plan had been prepared for 2012-13.

##### **2.4.6.2 Non-observance of prescribed procedure for selection of beneficiaries**

Scrutiny of the records of the Directorate and test-checked DRDAs showed the following shortcomings in selection of beneficiaries:

- The selection of beneficiaries was done by DRDAs whereas the scheme stipulates that the selection of beneficiaries should be done by the Gram Sabhas.

<sup>39</sup> Panchkula: (i) Morni and (ii) Raipur Rani, Mahendergarh: (iii) Kanina and (iv) Narnaul, Palwal: (v) Hathin and (vi) Palwal, Karnal: (vii) Gharaunda and (viii) Nilokheri, Hisar: (ix) Hansi II, (x) Hisar II and (xi) Uklana, Sonapat: (xii) Mundlana and (xiii) Sonipat

The PS stated (November 2013) that districts had prepared waitlist from the data of BPL survey and due procedure was followed for selection of beneficiaries. The reply was not convincing as the list of beneficiaries was to be prepared by the Gram Sabhas instead of districts.

- The villages in districts/blocks were not found to have been divided into three groups/clusters as per scheme guidelines to facilitate better supervision, convergence of schemes and economies in purchases.
- The selected DRDAs except Sonipat had not prepared separate list of beneficiaries for SC/ST families and for non-SC/ST families as envisaged in the scheme.
- In Hansi II block, 23 families were provided benefits at the rate of ₹ 45,000 per family amounting to ₹ 10.35 lakh between August 2010 and July 2012 whose names were neither in the BPL list nor in the permanent waitlist.
- The DRDA, Panchkula had granted assistance of ₹ 95,000 to four beneficiaries of Raipur Rani (Panchkula) block during 2009-10 which were not in the BPL list. The BDPO, Raipur Rani issued notices in December 2009 to deposit the said amount in the account of DRDA, Panchkula but these beneficiaries had not deposited the amounts so far (August 2013). Had the DRDA, Panchkula verified the eligibility of the beneficiaries with reference to BPL list before release of grant, the payment to ineligible persons could have been avoided.

The PS stated during the exit conference that BPL list was variable in which names could be added or deleted as per circumstances as regards to Hansi Block II, it was stated that subsequent to demolition of their houses, the name of beneficiaries were added to the IAY waitlist. The reply was not convincing as the beneficiaries were required to be selected from the permanent waitlist as per scheme guidelines.

#### **2.4.6.3 Irregular payments**

The paragraph 2.4 of scheme guidelines provides that dwelling units should be in the name of female members of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife. However, if there is no eligible female member in the family available/alive, house can also be allotted to the male member of a deserving BPL family.

It was, however, noticed that 1,929 houses were in the name of male members during 2008-13 in test-checked cases without verifying the existence of eligible female members in the families. Physical verification of the dwelling units also showed that houses were allotted in the name of 251 male members though there were female members in the families.

The Director stated during the exit conference that suitable action would be taken against the defaulters after verifying the position.

#### **2.4.6.4 Undue benefit given to ineligible beneficiaries**

A Civil Writ Petition (CWP No 1581 of 2010 Sh. Pardeep Kumar & Others Vs State of Haryana and Others) was filed in 2010 in the Punjab and Haryana High Court regarding inclusion of ineligible persons/households in the list of Below Poverty Line (BPL) in the State. An affidavit was filed in the Hon'ble High Court by the Director, Rural Development showing that 1,68,676 ineligible persons/households had been issued the BPL cards. The High Court ordered to take action against the ineligible BPL cards holders. The Government in Rural Development Department issued (November 2011) directions to all the DRDAs to cancel the BPL cards of ineligible persons who had got the BPL cards by providing wrong information and also to make recovery of amounts involved in concessions/facilities availed of by them.

Scrutiny of record of test-checked blocks of selected districts showed that 470 ineligible families were given benefits in 10 blocks under IAY during 2008-13. Total recoverable amount worked out to ₹ 1.74 crore as per details given in **Appendix 2.16**. It was further observed that no recovery had been made from the ineligible beneficiaries of IAY.

The PS stated (November 2013) that the matter was in the Hon'ble High Court and decision in this regard was to be taken by the State Government. The reply was not convincing as the action was required to be taken as per orders of the Government issued in November 2011 on the basis of orders of the Hon'ble High Court.

#### **2.4.6.5 Non-utilisation of funds and assistance to ineligible families**

The assistance is disbursed in two installments. After verification of construction work up to the lintel level, the second installment is released by the DRDAs/BDPOs. Further, paragraph 3.1 of the scheme guidelines, the assistance was to be given for construction of new houses and upgradation of unserviceable *kutcha* houses at the rates prescribed by Government from time to time. Scrutiny of the records showed the following shortcomings:

- Second installment had not been released to 1,174 beneficiaries in test-checked blocks. The Director, while admitting the facts, stated during the exit conference that notices were being issued to ineligible beneficiaries who had not completed their houses upto lintel level to become eligible for the second installment.
- Physical verification of 1,339 IAY houses showed that the 40 beneficiaries were given assistance amounting to ₹ 15.88 lakh who had already pucca houses and had constructed either the first floor or added a room or a kitchen to their existing houses.

Further, 18 beneficiaries who received ₹ 6.05 lakh did not construct houses. Out of these 18 beneficiaries, 12 beneficiaries were also released second installments. Apart from this, 13 beneficiaries who received ₹ 5.35 lakh had not completed their houses even after the receipt of second installments (**Appendix 2.17**).

The PS viewed the matter seriously and stated that proper action would be taken after conducting inquiry in the matter.

➤ In BDPOs, Morni and Palwal, two<sup>40</sup> beneficiaries were paid second installment amount of ₹ 23,500 and ₹ 20,000 twice between December 2010 and December 2012 resulting into double payment of ₹ 43,500.

The Director stated during the exit conference that recovery would be made from the beneficiaries by the BDPOs concerned.

#### **2.4.6.6 Availing of assistance for rural housing schemes**

As per norms, the beneficiaries of any other housing scheme were not eligible under IAY. In three<sup>41</sup> BDPOs, 15 beneficiaries of the Housing Scheme for Scheduled Castes being implemented by Welfare of Scheduled Castes and Backward Classes (WSCBC) Department availed benefit under IAY amounting to ₹ 5.45 lakh (*Appendix 2.18*). No checks had been prescribed to ensure that no one is benefited from the IAY scheme who had availed the benefit from any other housing scheme for the same purpose.

The Director stated during the exit conference that it would be inquired as to which department provided the assistance first. If IAY benefit was provided later, suitable action would be taken against the defaulting officials.

#### **2.4.6.7 Non-utilisation of IAY houses for dwelling purpose**

Physical verification of IAY houses showed that 23 beneficiaries availing the benefit of ₹ 9.08 lakh had been utilising their IAY dwelling units for storing fodder and keeping cattle (*Appendix 2.19*) defeating the basic objective of the scheme.

### **2.4.7. Financial management**

IAY is a centrally sponsored scheme funded on cost-sharing basis between GOI and State Government in the ratio of 75:25. The interest amount accrued on the deposits of the IAY funds is treated as part of the IAY resources.

The State Government releases its share to DRDAs within one month of the release of Central assistance. The first installment (50 *per cent* of the total allocation) of the district is released at the beginning of the financial year. The second installment of the district will be released on receipt of request from DRDA after utilization of 60 *per cent* of the first installment.

<sup>40</sup> (i) Village Dhandwali and (ii) village Prithla

<sup>41</sup> (i) Kanina, (ii) Palwal and (iii) Sonipat

### 2.4.7.1 Availability and utilisation of funds

Details of release of funds by GOI and State Government and expenditure incurred were as given in the Table 2.4.1.

**Table 2.4.1: Details of availability of funds and expenditure incurred**

(₹ in crore)

Year	Opening balance	Funds released by		Miscellaneous Receipt <sup>@</sup>	Total funds available	Expenditure	Balance
		GOI	State Government				
2008-09	1.18	50.33*	16.79**	0.32	68.62	50.05	18.57
2009-10	18.57	52.26	17.42	0.88	89.13	80.78	8.35
2010-11	8.35	59.75	19.92	0.68	88.70	78.70	10.00
2011-12	10.00	58.12	19.37	0.88	88.37	80.61	7.76
2012-13	7.76	66.00*	21.00**	0.77	95.53	80.27	15.26
<b>Total</b>		<b>286.46</b>	<b>94.50</b>	<b>3.53</b>		<b>370.41</b>	

Source: Data furnished by the Directorate

Note: \* include ₹ 1.99 lakh and ₹ 233.12 lakh released by GOI during 2007-08 and 2011-12 respectively.

\*\* include ₹ 2.12 lakh and ₹ 77.71 lakh released during 2007-08 and 2011-12 respectively.

@ mainly interest receipts.

It was observed during test check of records of the Directorate that opening balances were reported less to GOI through Monthly Progress Reports (MPRs) than the actual balances during the period 2009-13 as detailed below:

Year	Opening balances actual	Opening balances as per MPRs	Difference in Opening Balance
2009-10	18.57	14.29	4.28
2010-11	8.35	5.84	2.51
2011-12	10.00	5.98	4.02
2012-13	7.76	4.46	3.30

Source: Data compiled from MPRs

Thus, incorrect reporting was done by the Department to GOI. The Director, while admitting the facts, stated during the exit conference that MPRs were primarily for instant reporting purposes and that the difference was due to gaps in the practical implementation of the scheme. The reply was not convincing as incorrect report hampers the planning process for the implementation of the scheme at Government level.

### 2.4.7.2 Cut imposed by GOI and short release of funds by State Government

Paragraph 4.2(ii) of scheme guidelines provides that opening balance of the district should not exceed 10 per cent of the funds available during the previous year. In case, the opening balance exceeds this limit, the Central and State share will be deducted proportionately at the time of release of grant.



Scrutiny of records of test-checked DRDAs showed that GOI and State Government had imposed cut while releasing the grants in respect of two DRDAs as given in the Table 2.4.2.

**Table 2.4.2: Details of allocation, funds released and cut imposed**

DRDA	Year	Opening balance	10 per cent of the available funds of the previous year	Allocation by GOI and State Government	Funds released	Cut imposed
Sonipat	2012-13	0.72	0.47	4.23	4.15	0.08
Palwal	2012-13	0.99	0.35	3.41	2.91	0.50
				<b>7.64</b>	<b>7.06</b>	<b>0.58</b>

**Source: Data provided by the Rural Development Department as per MPR-1**

Had the above mentioned DRDAs spent more than 90 per cent of the funds available, the cut in Centre and State Share could have been avoided and more beneficiaries would have been covered under the scheme.

DRDA, Palwal while admitting the facts stated in reply (June 2013) that opening balance of the district would not be allowed to exceed 10 per cent of available funds in future.

Similarly, according to paragraph 4.2 (iv) of scheme guidelines, the State Government was required to release its contributions (including that of the previous years) to DRDAs for implementation of the scheme.

Scrutiny of records showed that the State Government had released its share short by ₹ 99.52<sup>42</sup> lakh in 2012-13. This resulted in less coverage of 221 beneficiaries. The Director admitted the short release of funds by the State Government during the exit conference.

### **2.4.7.3 Delay in release of State share to concerned DRDAs**

Paragraph 4.6 of scheme guidelines provides that the State Government shall release its share to the DRDAs within one month after the release of the Central assistance.

Audit noticed that the Department had delayed the release of funds to the test-checked DRDAs in excess of prescribed limit of one month during 2008-11. Out of total release of ₹ 22.76 crore, the Department had delayed the release of ₹ 7.59 crore ranging between 20 and 67 days after one month of the release of funds by GOI.

The Director stated during the exit conference that the delay was primarily due to time taken in compliance of observations raised by the Finance Department. The reply was not convincing as the compliance of observation of the Finance Department should have been done in a time bound manner.

<sup>42</sup> State share due: ₹ 2,122.27 lakh and released: ₹ 2,022.75 lakh

#### 2.4.7.4 Non-awareness about Differential Rate of Interest Scheme

The nationalized banks were required to disburse loans to IAY beneficiaries under Differential Rate of Interest (DRI) Scheme (at the rate of 4 *per cent* per annum) on borrowing up to ₹ 20,000 to top up the unit assistance. The GOI issued (August 2009) instructions to the State Governments to create awareness amongst the beneficiaries about the convergence of the scheme.

Test-checked DRDAs had, however, not created awareness amongst IAY beneficiaries with the result that only one beneficiary could avail of the benefit under the scheme in Mahendergarh district during 2008-13.

The DRDA, Panchkula stated (May 2013) that the beneficiaries were advised, motivated and educated while releasing the grant to avail of the benefit of DRI scheme. However, no request was received from any beneficiaries to avail of the benefit of DRI scheme. The reply was not convincing as the agency had not created awareness about the benefits of the scheme among beneficiaries. Further, no expenditure was incurred for creating awareness about the scheme.

#### 2.4.8. Construction of houses and their quality

The main objective of IAY was primarily to help in construction of new house and upgradation of unserviceable *Kutcha* dwelling units of rural BPL households.

##### 2.4.8.1 Targets and achievements

The target fixed for construction of new houses and achievements there against were as given in Table 2.4.3.

**Table 2.4.3: Details of target and achievement for construction of new houses**

Years	Target (Number of houses)	Achievement (Number of houses)	Percentage of achievement
2008-09	13,229	12,406	94
2009-10	25,611	19,424	76
2010-11	17,703	14,862	84
2011-12	17,293	14,479	84
2012-13	19,854	11,773	59
<b>Total</b>	<b>93,690</b>	<b>72,944</b>	<b>78</b>

Source: Data provided by Directorate

The above table indicated that the achievement of targets ranged between 59 and 94 *per cent* during 2008-13. Targets and achievements in respect of test-checked districts are given in **Appendix 2.20**. The data in the appendix showed similar position in achievements of targets of construction of new houses. Further, the component of upgradation of unserviceable *kutcha* houses was not implemented at all in the State during 2008-13.

It was observed during physical verification of 1,339 houses, 1,246 houses shown as completed by the Department but out of these houses, only 1,164 houses were actually found to be completed. Thus, 82 houses were shown completed in excess of the actual number of houses completed. This showed that the data of completion of houses not fully reliable and was inflated by seven *per cent*.

In reply the DRDAs, Mahendgarh, Palwal and Sonipat stated (May-August 2013) that the incomplete houses would be completed in the next year, while DRDA, Panchkula (May 2013) stated that the targets could not be achieved due to misutilisation of first installments by the beneficiaries who had not constructed dwelling units. The reply indicated that proper monitoring for the construction of houses was not done by the BDPOs/DRDAs.

#### **2.4.8.2 Cost effectiveness and quality of material**

According to paragraph 5.2 of scheme guidelines, the State Government was to make available the information on cost effective environment friendly technologies, materials, designs, etc. at district/block levels. This information should only be for guidance and any other suitable location or specific technology can be adopted by the beneficiaries. During scrutiny of records of test-checked DRDAs, it was noticed that no such information was made available to beneficiaries at district/block levels. The Director admitted the facts during the exit conference.

#### **2.4.8.3 Type designs of houses**

According to paragraph 5.3 of scheme guidelines, the State Government should take responsibility and train sufficient number of masons and others who are involved in construction of the houses as per approved type designs by the Government. The State Governments may publish a book containing various designs relevant in the area, along with the site plan, structural design foundation, etc.

It was observed during scrutiny of records of test checked districts that the State Government had neither developed any type designs nor taken any steps to train the masons and others who were involved in construction of the houses. Further, no steps were taken to ensure availability of the tools and materials for construction of houses at district or block level as envisaged in the scheme.

The scheme guidelines (Paragraphs 5.2.1, 5.3 and 5.4) further provide that the house should be a pucca one having facilities such as kitchens, verandah, staircases, rainwater harvesting system, etc. However, during physical verification of dwelling units following shortcomings were noticed in type designs of IAY houses.

➤ Kitchens were not available in 840 IAY houses (63 *per cent*), out of 1339 IAY houses verified.

➤ The desirable feature of rain water harvesting was almost missing in IAY houses. *Varandahs* were available only in 374 houses (28 per cent) and staircases in 390 houses (29 per cent) were found to have been constructed.

The Director stated during the exit conference that the type designs of houses were to be prepared for the Northern-Eastern States. The reply was not convincing as type designs were to be prepared relevant in the area in all the States as envisaged in the scheme.

#### **2.4.8.4 Training**

As per paragraph of 5.7 scheme guidelines, officers dealing with the IAY at the State, district and block levels must be trained in various disaster resistant features to be adopted in the houses and they should ensure that this is complied with during their field visits. Awareness among the beneficiaries must be created about the disaster resistant and environment friendly technology through exhibitions of low cost technologies at the district and block level seminars, workshops, etc.

Scrutiny of records of the Directorate and test-checked districts/block showed that no training programmes, seminars and workshops were organized at State, district and block levels for this purpose. As such, IAY beneficiaries could not be benefited on this important aspect of the scheme. The Director admitted the facts during the exit conference.

#### **2.4.8.5 Technical supervision**

The paragraph 5.7.1 of scheme guidelines envisaged that technical supervision should be provided for construction of an IAY house. Foundation laying and lintel level are critical stages for maintaining the quality of the house. Therefore, technical supervision should be provided at least at these two stages.

It was observed during scrutiny of records of selected districts/blocks that no arrangement had been made for technical supervision to ensure the maintenance of the quality of the houses. The Director admitted the facts during the exit conference.

#### **2.4.8.6 Non-maintenance of inventory of houses**

According to paragraph 5.9 of scheme guidelines, the implementing agencies were required to maintain various details i.e. date of start and completion of construction of the dwelling unit, name of the village and block in which the house was located; name, address, occupation and category of beneficiaries etc. But, such records were neither maintained at district level nor at block level in test-checked districts.

The Director stated during the exit conference that these records would be maintained from 2013-14.

#### 2.4.8.7 *Non-display of IAY board and logo and permanent waitlist of beneficiaries*

According to paragraph 5.10 of the scheme guidelines, the DRDAs were required to ensure that for each house constructed, a display board was to be fixed indicating the IAY Logo, year of construction, name of beneficiary, etc. Physical verification of the sampled villages showed that such IAY logo Board were not fixed except in respect of 14 houses, out of 1,339 verified houses. The Director stated during the exit conference that scheme guidelines would be followed in future.

#### 2.4.9. Convergence with other schemes

The paragraph 5.11 of the scheme guidelines stipulates that DRDAs would make efforts to identify the programmes/schemes being implemented by various Ministries/Departments of Government, which could be dovetailed with IAY so as to ensure that IAY beneficiaries also derive the benefits of these schemes intended for rural BPL households. The scheme such as Total Sanitation Campaign (TSC), Rajiv Gandhi Gramin Vidhutikaran Yojna (RGGVY), National Rural Water Supply Programme (NRWSP), smokeless chulhas, etc. were implemented by other departments of the State which could have been dovetailed with IAY.

It was, however, observed during scrutiny of records of test-checked districts that the BDPOs had not maintained any data regarding providing of these comprehensive benefits to IAY houses. As a result of this, availability of these facilities could not be ascertained in audit. The following shortcomings were noticed during physical verification in convergence with other schemes:

- Out of 1339 houses verified, 647 (48 *per cent*) houses were not having sanitary toilets. Further, only 66 (5 *per cent*) beneficiaries received support from TSC scheme.
- None of the beneficiaries got benefit under National Rural Water Supply Programme (NRWSP). Benefits under Rajiv Gandhi Gramin Vidhutikaran Yojna (RGGVY) were not provided to 1262 (94 *per cent*) beneficiaries.
- Out of 1339 IAY houses verified, smokeless chulhas were not available in 1297 houses (97 *per cent*).

Similarly, paragraph 5.11 (vi) of the scheme guidelines provides that Life Insurance Corporation (LIC) of India has insurance policies called Janshree Bima for rural BPL families and Aam Aadmi Bima for the benefit of rural landless families. The DRDAs will furnish the particulars of all the willing IAY beneficiaries every month to the respective Nodal Agency which is implementing the Janshree Bima and Aam Aadmi Bima in the district so that all willing IAY beneficiaries derive the benefits available under these insurance policies. It was observed during scrutiny of records of selected districts/blocks that the benefits available under the scheme were not derived by the beneficiaries in any of the test-checked districts.

The Director stated during the exit conference that convergence with other schemes would be done from 2013-14 onwards.

#### **2.4.10. Monitoring and evaluation**

##### **2.4.10.1 Monitoring and evaluation framework**

As per provisions of the scheme, officers dealing with the IAY at the State headquarters, district, sub-division and block-levels should ascertain through field visits whether the programme was being implemented satisfactorily and whether construction of houses was in accordance with the prescribed designs. A schedule of inspection which prescribes a minimum number of field visits for each supervisory level functionary should be drawn up and strictly adhered to. It was, however, observed that no data of field visits was maintained at Directorate or the DRDAs or block levels to ensure the implementation of the scheme satisfactorily.

The monitoring of the programme at the State Level was the responsibility of State Level Vigilance and Monitoring Committee (SLVMC). It was observed that only three meetings were held during 2008-13 against the holding of quarterly meetings. The Director admitted the facts during the exit conference.

##### **2.4.10.2 Management Information System**

Paragraph 6.1 of the scheme guidelines provides that the reporting of complete and comprehensive data regarding physical and financial targets and achievement, details of beneficiaries, progress of houses sanctioned and funds released along with convergence with various programmes/schemes etc. at all levels of implementation of the scheme should be uploaded to MIS.

It was, however, noticed that MIS data was not uploaded for the period 2008-10. The data uploaded for the period 2010-13 was incomplete. The department stated (April 2013) that there was no special staff for IAY at field level in the State and that effort would be made to upload 100 *per cent* data in future.

##### **2.4.10.3 Social Audit**

As per provisions of the scheme (paragraph 6.3.5), system of social auditing of the scheme will be followed. In reply, the department stated (April 2013) that social audit was not being conducted specially under IAY. Thus, a very important aspect of the scheme was not implemented by the Department. The Director stated during the exit conference that scheme guidelines on this aspect would be followed in future.

##### **2.4.10.4 Impact assessment**

The Department of Economic and Statistical Analysis, Haryana evaluated the scheme and submitted its report in January 2013. The evaluation report also brought out that there was lack of awareness among rural people about the

scheme, lack of responsibility among the people/officials in implementing the scheme regarding quality of raw material/latest technology and proper utilisation of funds, adoption of inadequate parameters for selection of beneficiaries, lack of monitoring, lack of amenities like supply of water and drainage, etc. It was observed that despite being pointed out these shortcomings in evaluation study, no remedial action was taken by the Department.

#### 2.4.11. Conclusion

Prescribed procedure for selection of beneficiaries was not observed as selection of beneficiaries was done by DRDAs whereas the scheme stipulates that the selection of beneficiaries should be done by Gram Sabhas. Financial assistance was provided to male members of households in contravention of scheme guidelines. There were delays in release of State share to DRDAs. Physical achievements for construction of new houses were 78 per cent while the component of upgradation of unserviceable *kutcha* houses was not implemented at all. The data of completion of houses was not reliable. There were cases of providing assistance to ineligible persons and the benefit of convergence to provide comprehensive benefits was not availed. MIS data was not uploaded for the years 2008-09 and 2009-10 and the MIS data uploaded for the year 2010-11 to 2012-13 was incomplete. Monitoring of the programmes was very weak. System of Social Audit was not in existence at village level.

#### 2.4.12. Recommendations

The Government may consider:

- adherence of guidelines regarding identification and selection of beneficiaries, providing benefits to female households, creating awareness about convergence of the scheme with other similar schemes, etc.;
- strengthening financial management to ensure that funds are disbursed to the beneficiaries promptly and making rules for recovery of assistance provided to ineligible beneficiaries;
- making proper system to ensure that beneficiaries complete their dwelling units; and
- making social audit effective.

## Cooperation Department

### 2.5 Working of Cooperation Department

Cooperation Department has been catering to the needs of co-operative movement in the State. It provides share Capital and loans to Co-operative Societies on various terms and conditions as per scheme guidelines. The number of co-operative societies increased to 35,622 at the end of 2011-12 from 33,766 at the beginning of 2008-09.

Some of significant audit findings are enumerated below:

**Government had invested ₹ 594.07 crore in share capital in co-operative societies but returns (₹ 1.36 crore) from these investments were negligible. The Department had not maintained consolidated data regarding redeemable share capital and accrued amount of loans to be recovered from loanee societies.**

(Paragraph 2.5.7.6)

**Interest amounting to ₹ 181.87 crore was waived to co-operative sugar mills with the condition that they would turn around into profit.**

(Paragraph 2.5.7.7)

**There were 33,766 registered societies upto 2008-09 which increased to 35,622 societies by the end of March 2012. The Department conducted audit in range of 41 to 47 per cent societies during 2008-12. Further, compliance of audit observation was made only by 12 per cent of the audited societies.**

(Paragraphs 2.5.8.1 and 2.5.8.2)

**Nine co-operative sugar mills had not started repayment of loans of ₹ 42.50 crore released during 2009-10 in violation of the terms and conditions of the loan yet the Department released loans amounting to ₹ 225.90 crore to co-operative sugar mills during 2010-13.**

(Paragraph 2.5.9.1)

**An amount of ₹ 7.55 crore was paid to compensate the losses incurred by the Haryana State Co-operative Apex Bank Limited (HARCO) under 'State Interest Subvention Scheme' while the scheme was launched with a view to provide relief in interest liability to the loanee members of Primary Agriculture Co-operative Societies (PACS).**

(Paragraph 2.5.9.2)

**Haryana State Co-operative Apex Bank Limited and Haryana State Co-operative Agriculture and Rural Development Bank had not paid the amount on account of retirement of share capital amounting to ₹ 7.67 crore.**

(Paragraph 2.5.9.3)



### 2.5.1. Introduction

The Cooperation Department was established to cater to the needs of co-operative movement in a useful and effective way. The co-operative movement covers a vast area of economic activities both in the rural and urban areas. The main functions and duties of the Department include registration of co-operative societies, amalgamation and bifurcation of societies, general supervision, inspection and audit of co-operative societies, winding up and liquidation of the weak co-operative societies, holding of elections of management committees of societies. The Department also provides short term and long term loans for agriculture and equipment, provides storage godown facilities in rural areas, loans for housing and infrastructure in rural and urban areas, etc. through co-operative credit and service societies. The Department had been successful in increasing the number of co-operative societies as it increased to 35,622 at the end of 2011-12 from 33,766 at the beginning of 2008-09.

### 2.5.2. Organisational set-up

The Additional Chief Secretary to Government of Haryana, Cooperation Department is the administrative head at the Government level and is responsible for implementing policies and programmes of the Department. The Registrar, Co-operative Societies (RCS) is the head of the Department. The RCS is assisted by four Additional Registrars, two Joint Registrars, two Deputy Registrars and one Chief Auditor at Directorate. The Department has its operational offices at zone level and sub-division level headed by six Deputy Registrars and 31 Assistant Registrars respectively. Further, there are eight audit circle offices and one training institute at Rohtak.

### 2.5.3. Audit objectives

The audit objectives were to evaluate whether:

- planning was proper for carrying out various activities of the Department;
- the financial management was effective, efficient and economical;
- audit and inspection of co-operative societies was regular and yielded effective results;
- implementation of the schemes was efficient, effective and economical;
- human resource management for implementation of schemes was efficient; and
- internal control system and monitoring system was in place and operating effectively and efficiently.

#### **2.5.4. Scope and methodology of Audit**

Audit of Working of the Department for the period 2008-13 was conducted during March-June 2013 by test check of records in the office of RCS and 16 selected field offices i.e. two out of six (33 per cent) Deputy Registrars, Co-operative Societies located at Karnal and Rohtak, 11 out of 31 (35 per cent) offices of Assistant Registrars, Co-operative Societies<sup>43</sup> (ARCS), two out of eight (25 per cent) audit circle offices at Karnal and Rohtak and one training institute at Rohtak. The selection of field offices was made by adopting the cluster method of sampling. An entry conference was held on 8 May 2013 with the Additional Chief Secretary to Government Haryana, Cooperation Department wherein the audit objectives, criteria, sample and scope of audit were discussed. Audit conclusions were drawn after requisitioning records, analysis of available data by issuing audit memos, questionnaires and obtaining response of the departmental functionaries at various levels. An exit conference was held on 23 October 2013 with the Additional Chief Secretary (ACS), Cooperation Department where the audit findings were discussed. The replies of the Department and deliberations of the exit conference have been suitably incorporated in the report.

#### **2.5.5. Audit criteria**

The audit criteria were derived from the following sources:

- Annual Action Plans of the Department.
- The Haryana Co-operative Societies Act 1984 and the Haryana Co-operative Society, Rules 1989.
- Guidelines of Government for implementation of various schemes and instructions issued by RCS from time to time.

#### **Audit findings**

#### **2.5.6. Planning**

The Department had been preparing annual programmes of subscribing share capital, advancing loans and financial assistance of providing rebate on interest rate to cooperative societies and prepared budget estimates for this purpose. Audit noticed that the annual plans were not based on any survey or feedback from the financial institutions providing crop loans. As a result of this, the budget estimates were deficient and the Department had to seek funds through revised estimates. Further, approved outlay for Eleventh Five Year Plan (2007-12) was ₹ 73.50 crore whereas actual expenditure during this period was ₹ 478.44 crore, which was 6.51

<sup>43</sup> ARCS: (i) Bahadurgarh, (ii) Gohana, (iii) Jhajjar, (iv) Jind, (v) Karnal, (vi) Narwana, (vii) Panipat, (viii) Safidon, (ix) Sonapat, (x) Rohtak and (xi) Yamuna Nagar.

times of the approved outlay. The department had not prepared any plan to revive 17,985 sick co-operative societies or their winding up. Concrete planning was not made to conduct the audit of co-operative societies. As such, there was lack of adequate planning in the Department.

The RCS while admitting (October 2013) the facts stated that planned expenditure had increased because some schemes viz. share capital to dairy federation, interest rebate scheme, loan to co-operative sugar mills, interest subvention schemes, etc. were implemented after approval of Eleventh Five Year Plan. The fact, however remains that the planning of the Department was on adhoc basis.

## 2.5.7. Financial management and budgetary control

### 2.5.7.1 Budget provision and expenditure

Paragraph 5.3 of the Punjab Budget Manual as adopted by the Haryana State provides that 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 head. The position of budget provision and expenditure during 2008-13 is given in Table 2.5.1.

**Table 2.5.1: Showing details of budget and expenditure during 2008-13**

(₹ in crore)

Year	Budget estimates	Revised estimates	Actual expenditure	Excess (+)/ savings (-) with reference to budget estimates	Percentage of variation with reference to budget estimates and expenditure
2008-09	105.68	217.69	217.06	(+) 111.38	105
2009-10	66.13	170.21	124.25	(+) 58.12	88
2010-11	140.72	230.63	224.66	(+) 83.94	60
2011-12	237.02	387.28	373.55	(+) 136.53	58
2012-13	249.67	500.41	486.61	(+) 236.94	95

**Source: Data compiled from the information supplied by the Department**

The variation between the budget estimates and actual expenditure ranged between 58 and 105 *per cent*. Variation in budget estimates and revised estimates were mainly because of non-making provision for pay arrears, share capital in Haryana Dairy Development Federation Limited and loans to Co-operative sugar mills in the original budget and introduction of Interest Subvention Scheme in the middle of the year. Further, budget estimates for plan schemes were not made properly because as against the original budget provision of ₹ 351.50 crore, an expenditure of ₹ 824.30 crore was incurred during 2008-13.

The RCS stated during the exit conference that utmost care would be taken to minimize the variation between budget estimates and actual expenditure in future.

### **2.5.7.2 Retention of funds outside the Government Account**

The Registrar, Co-operative Societies had transferred an amount of ₹ 35.25 crore after drawing from treasury between March 2006 and March 2010 to four<sup>44</sup> ARCSs for making onward payment to District Central Co-operative Banks which were designated as Project Implementing Agencies (PIAs) under the Integrated Co-operative Development Project Scheme. The projects were completed between September 2010 and December 2012 with total cost of ₹ 34.61 crore leaving an unspent balance of ₹ 0.64 crore with PIAs. The unspent funds were required to be deposited in Government Account. Neither the implementing agencies had deposited the unspent balance in Government account nor the Department had asked the implementing agencies to refund the unspent balances.

The RCS while admitting the facts stated during the exit conference that unspent amount lying with PIAs would be deposited in the Government Account.

### **2.5.7.3 Excess release of subsidy and irregular utilisation of unspent amount**

With a view to promote awareness amongst management committee members of the co-operative societies and to equip them with the management activities, a scheme named 'Member Education and Leadership Training' was implemented through Haryana State Co-operative Development Federation Limited (HARCOFED). As per provisions of the scheme, salary of the staff appointed to impart training besides stipend to the participants was to be reimbursed to HARCOFED. A budget provisions of ₹ 12.50<sup>45</sup> crore was made under the scheme during 2008-13.

Similarly, with a view to project proper image of co-operative movement, a scheme 'Publicity and Propaganda' was being implemented by the Department. For this purpose, publicity literature like booklets folders posters, leaf lets, etc. were being published by HARCOFED. An amount of ₹ 3.55<sup>46</sup> crore was released to HARCOFED under the scheme during 2008-13.

The RCS had drawn the entire budgetary allocations from treasury every year and paid to HARCOFED and the amount was shown as final expenditure in accounts. Audit noticed that actual expenditure on salary was ₹ 10.23<sup>47</sup> crore under Member Education and Leadership Training Scheme during 2008-13 while expenditure on Publicity and Propaganda was ₹ 0.84<sup>48</sup> crore. The balance amount ₹ 4.98 crore

<sup>44</sup> (i) Faridabad, (ii) Jind, (iii) Mohindergarh and (iv) Yamuna Nagar

<sup>45</sup> 2008-09: ₹ 1.80 crore, 2009-10: ₹ 2.50 crore, 2010-11: ₹ 3 crore, 2011-12: ₹ 3 crore and 2012-13: ₹ 2.20 crore

<sup>46</sup> 2008-09: ₹ 0.50 crore, 2009-10: ₹ 0.75 crore, 2010-11: ₹ 1 crore, 2011-12: ₹ 0.50 crore and 2012-13: ₹ 0.80 crore

<sup>47</sup> 2008-09: ₹ 1.97 crore, 2009-10: ₹ 2.18 crore, 2010-11: ₹ 2.27 crore, 2011-12: ₹ 1.73 crore and 2012-13: ₹ 2.08 crore

<sup>48</sup> 2008-09: ₹ 0.18 crore, 2009-10: ₹ 0.16 crore, 2010-11: ₹ 0.17 crore, 2011-12: ₹ 0.19 crore and 2012-13: ₹ 0.14 crore

was required to be refunded in the Government Account but HARCOFED utilized these funds for making payment of salary of the staff of press run by them and on contingency, postage, rent, office expenses, etc. which was not covered under the schemes.

The RCS stated during the exit conference that the expenditure was incurred for making payment of salary of printing press staff as press was part and parcel of HARCOFED. The reply was not convincing as there was no provision for payment of salary of printing press staff from the scheme funds.

#### **2.5.7.4 Non-recovery of audit fee**

Rule 80 (1) of the Societies Rules, 1989 provides that every co-operative society shall pay to the Government a fee for the audit of its accounts of each year in accordance with the scales fixed by RCS. Audit noticed that audit fee amounting to ₹ 4.94 crore was outstanding against co-operative societies as on 31 March 2013 and audit fee scales had not been revised since 2001.

While admitting the facts, the RCS stated during the exit conference that efforts were being made to recover the audit fee from co-operative societies with the help of co-operative banks. The RCS also stated (October 2013) that for revision of audit fee, no time limit had been prescribed in the Act/Rules. It was further stated that a proposal for revision of audit fee was under consideration of the Government.

#### **2.5.7.5 Rejection of bills by treasury**

With a view to avoid rush of bills at the treasury office in the last week of the financial year, the Finance Department had issued instructions in February 2012 stating that no bills would be accepted at treasury during the last three working days of the financial year and treasury would dispose of only pending bills during these days.

The office of RCS had prepared 10 bills for drawal of funds from treasury on account of subscription of share capital, advancing loan and payment of subsidy to co-operative societies involving ₹ 2.62 crore on 30 and 31 March 2012 but these bills were rejected by the Treasury Officer due to delayed submission of bills. Further, out of 10 bills, the delay was on the part of RCS's office in submission of bills in respect of five bills of ₹ 0.33 crore as the sanctions were accorded by the Government between 5 January and 13 March 2012. Besides, the Government had also taken much time in five cases of ₹ 2.29 crore in according sanction after the receipt of request from the RCS's office. Thus, rejection of bills resulted in lapse of funds.

While admitting the facts during the exit conference, the ACS directed the departmental officers to send the bills to the treasury within the specified period in future.

### 2.5.7.6 Negligible return from share capital in co-operative societies and outstanding loan

The amount invested by the Department as share capital and loans advanced to co-operative societies during 2008-13 are shown in Tables 2.5.2 and 2.5.3.

**Table 2.5.2: showing details of share capital subscribed**

(₹ in crore)

Year	Opening balance	Share capital subscribed during the year	Total share capital	Share capital retired during the year	Closing balance
2008-09	492.30	34.35	526.65	7.62	519.03
2009-10	519.03	17.33	536.36	9.47	526.89
2010-11	526.89	11.36	538.25	8.31	529.94
2011-12	529.94	14.31	544.25	9.00	535.25
2012-13	535.25	69.45	604.70	10.63	594.07

Source: Data supplied by the Department

The investments in share capital in co-operative societies had increased from ₹ 492.30 crore at the beginning of 2008-09 to ₹ 594.07 crore at the end of 2012-13. However, returns from these investments were negligible (₹ 1.36 crore during 2011-13) while the Government paid interests at an average rate of 7.43 to 9.73 per cent on its borrowing during 2008-13. Further, the Department had not maintained consolidated data on the amount of share capital redeemable. The department admitted (October 2013) the facts and stated that efforts are being made to ensure the recovery of amount due and receipt of dividend from cooperative Societies.

**Table 2.5.3: Showing details of loan advanced**

(₹ in crore)

Year	Opening balance	Amount of loan advanced during the year	Total loan advanced at the close of the year	Amount repaid during the year	Balance at the close of the year
2008-09	503.41	148.02	651.43	27.29	624.14
2009-10	624.14	90.99	715.13	14.84	700.29
2010-11	700.29	65.51	765.80	12.62	753.18
2011-12	753.18	205.48	958.66	43.79	914.87
2012-13	914.87	204.37	1119.24	142.88	976.36

Source: Data supplied by the Department

The balance of loan increased from ₹ 503.41 crore at the beginning of 2008-09 to ₹ 976.36 crore at the close of 2012-13. The Department did not have the records which showed accrued amount to be recovered from loanee societies. As a result, position of recovery of due amount at macro level could not be ascertained in audit.

The RCS stated during the exit conference that the co-operative societies were unable to pay dividend due to losses incurred by them while the ACS stated that objective of co-operative movement was to make co-operative societies self-sustainable and generate employment so that they may earn profit. ACS further

stated that the financial assistance would be provided to co-operative societies after reviewing their financial position in future.

#### 2.5.7.7 *Rehabilitation of co-operative Sugar Mills*

Government waived off outstanding interest as on 31 March 2007 on loans advanced to co-operative sugar mills with the condition that principal amount of loan would be converted into equity share capital on 1 April 2007. The share capital, if retired, a special dividend at the rate of 18 *per cent* per annum on the paid up value of share capital so retired for the period from the actual date of contribution of share capital till its retirement, should be payable. Further, the sugar mills were required to turn around from losses into profit within a period of three years i.e. by end of 2009-10; by taking necessary measures to increase operational efficiencies. In case the mills were not able to turn around in profit by the end of financial year 2009-10, the concession of waiving off of interest and conversion of loan to share capital would be treated as null and void ab-initio. Loan amounting to ₹ 284.63 crore pertaining to nine co-operative sugar mills was converted (March 2007) into share capital and interest of ₹ 181.87 crore was waived off but the mills did not turn around into profit. The loan amount converted into share capital had not been retired as of July 2013. The Department had not taken any action to declare the concession given earlier as null and void.

The RCS admitted the facts and stated (October 2013) that the sugar mills were not in a position to redeem the share capital and declare dividend due to higher cost of production than sale price of sugar. It was assured during the exit conference that sugar mills would be directed to take adequate steps to make these mills economically viable.

#### 2.5.7.8 *Non recovery of minimum return on share capital*

The Finance Department had issued guidelines (October 2003) for minimum rate of return at the rate of four *per cent* per annum on the share capital contributed by the State Government in Public Sector Undertakings (PSUs) and Co-operative Societies. Scrutiny of records of test checked ARCSs showed that funds ranging between ₹ 252.43 crore and ₹ 292.64 crore were invested in co-operative societies and minimum return worked out to ₹ 55.89 crore during 2008-13 but there was no return from these societies.

Besides, the Government had also subscribed share capital ranging between ₹ 13.07 crore and ₹ 28.32 crore in Haryana Dairy Development Co-operative Federation Limited during this period. The Federation had not paid any dividend, the minimum return worked out to ₹ 5.04 crore. Thus, non-adherence of guidelines issued by the Finance Department had resulted in non-realization of minimum return of ₹ 60.93<sup>49</sup> crore. Seven<sup>50</sup> ARCS admitted the non-recovery of

<sup>49</sup> ₹ 55.89 crore + ₹ 5.04 crore

<sup>50</sup> (i) Bahadurgarh, (ii) Jind, (iii) Jhajjar, (iv) Narwana, (v) Safidon, (vi) Sonipat and (vii) Yamuna Nagar.

minimum returns and stated that they were not aware about the instructions of the Finance Department.

The RCS admitted the facts and stated (October 2013) that due to weak financial position and accumulated losses, co-operative institutions were not in position to ensure minimum return on share capital. It was also stated that the Department was doing sincere efforts to get the minimum return/ dividend on share capital. As regards awareness of ARCSs about the instructions of the Finance Department, the ACS directed the RCS during the exit conference to impart proper training to field staff to avoid such lapses.

#### **2.5.7.9 Redemption of share capital of co-operative societies**

Section 46 provides that the State Government may subscribe to the share capital of a co-operative society. The share capital is subscribed with the condition that the share capital would be redeemed within a certain period. The Department had not maintained any record or register to work out the amount to be recovered from each society on account of redemption of share capital. As a result, position of due amount on account of redemption of share capital in the State could not be ascertained in Audit.

It was, however, observed that share capital amounting to ₹ 25.65 crore was due for redemption as on 31 March 2005 from the seven<sup>51</sup> co-operative sugar mills. The Co-operative sugar mills had not deposited the due amount on account of redemption of shares in the Government Account. A further extension was granted by the State Government in May 2009 for the redemption of shares upto the year 2011-12. The share capital was, however, still recoverable (July 2013).

The RCS admitted the facts and stated (October 2013) that the sugar mills were not in a position to redeem the share capital due to higher cost of production and lower selling price of sugar. It was also stated that efforts would be made to recoup the losses by setting up cogeneration plants and distilleries in sugar mills.

#### **2.5.7.10 Transfer of Government land to HAFED**

As per provisions of Section 46 of Haryana Co-operative Societies Act 1984 and Rules 1989, the State Government may subscribe share capital, advance loan and provide financial assistance to the co-operative societies. The Department decided (June 2008) to transfer the entire land owned by the Department at Panniwala Mota including moveable and immovable assets on the land to Haryana State Co-operative Supply and Marketing Federation Limited (HAFED) at a token price of ₹ one. Accordingly, the State Government on 18 August 2008 also accorded the approval.

It was observed that the HAFED was a co-operative society and transfer of land without any consideration was against the provisions (Section 46) of the Haryana

<sup>51</sup> (i) Gohana: ₹ 0.03 crore, (ii) Jind: ₹ 3 crore, (iii) Kaithal: ₹ 5.63 crore, (iv) Meham: ₹ 9.09 crore, (v) Palwal: ₹ 2.78 crore, (vi) Panipat: ₹ 3.06 crore and (vii) Sonapat: ₹ 2.06 crore.



Co-operative Societies Act, 1984. The State Government should have got the value of the land assessed and adjusted the same in the accounts of HAFED in the form of share capital/loan so as to get return from this land in the form of dividend or interest.

The ACS admitted during the exit conference that transfer of land was against provisions of the Section 46 of Haryana Co-operative Societies Act 1984 and directed the RCS to take immediate corrective action in the matter.

#### **2.5.7.11 Non-adherence to purchase procedure**

The Government ordered (May 2005) that the purchases valuing above ₹ 30 lakh should be made by the High Powered Purchase Committee. Rate contract of the items were also to be decided by this committee.

Under the scheme 'Assistance to Women Dairy Co-operatives', a Milk Tester Machine (costing ₹ 0.30 lakh each) was to be provided to women co-operative societies. The societies having more than 45 members were also to be provided Automatic Milk Collection Unit (valuing ₹ 1.25 lakh each). An amount of ₹ 5.68 crore was drawn from Treasury on the basis of budgetary allocation during 2008-13 by the Department and the same was paid to Haryana Dairy Development Co-operative Federation Limited which further transferred the funds to the Milk Unions who procured the equipments at their own level. An expenditure of ₹ 5.42<sup>52</sup> crore had been incurred by the Federation and balance ₹ 0.26 crore had been deposited (August 2013) in Government account.

Since the entire cost of the equipment was to be borne by the Government, the purchases of these equipments should have been made through High Powered Purchase Committee as the total value of equipments purchased each year was more than ₹ 30 lakh. As such, the Department had purchased the machines without following the prescribed procedure.

The ACS while admitting the facts during the exit conference stated that the purchases should have been made through the High Powered Purchase Committee as per instructions of the Government.

### **2.5.8. Audit and inspection of co-operative societies**

#### **2.5.8.1 Audit of co-operative societies**

Section 95 of the Haryana Co-operative Societies Act, 1984 provides that every society shall get its accounts audited at least once in each year by a person authorized by the RCS. The Department had not evolved any system for submission of final accounts by the co-operative societies to the Department. As a

<sup>52</sup> 2008-09: ₹ 1 crore, 2009-10: ₹ 1 crore, 2010-11: ₹ 1.50 crore, 2011-12: ₹ 1.24 crore and 2012-13: ₹ 0.68 crore

result, it could not be ascertained as to how many societies had prepared their final accounts.

There were 33,766 registered societies upto 2008-09 which had increased to 35,622 societies by the end of March 2012. During audit, it was noticed that the number of societies audited ranged between 13,810 (41 *per cent*) and 16,852 (47 *per cent*) during 2008-09 to 2011-12. The Department did not have any manual of audit to facilitate preparation of department's work plans for audit of societies. No audit planning was done to cover all the auditable units in a specific time frame. Further, no roster/ programme registers was maintained to monitor the coverage of all societies for audit. The Department had not fixed any norms to work out the number of mandays required for audit of each society.

The RCS admitted the facts and stated (October 2013) that main reason for audit remaining in arrears was non-availability of records as a large number of societies were under winding up process since long. Necessary directions had, however, been issued to all Deputy Registrar, Co-operatives Societies (DRCS) for finalization of the process of winding up of these societies.

#### **2.5.8.2 Non-compliance of audit reports**

Section 96 of the Act provides that an audit report including statement of violation of law or rules or bye laws any sum kept outside the accounts, any deficiency or loss which requires further investigation, etc would be submitted to the co-operative society and to the Registrar. A co-operative society shall be afforded by the Registrar an opportunity of explaining any defects or irregularities pointed out by the auditor and thereafter the society shall remedy such defects within 90 days and irregularities and report to the Registrar about the action taken by it. During test-checked ARCS offices it was noticed that ARCS received 12,981 audit reports from the auditors and issued to the management of the societies during 2008-13. The compliance of 1,518 reports (12 *per cent*) was made and 11,463 reports were pending for compliance at the end of March 2013. An analysis further showed that compliance by societies under four<sup>53</sup> ARCSs was negligible as against issue of 2,322 reports during 2008-13, compliance was made in respect of only one report although the audit reports pointed out important irregularities such as non-maintenance of records, non-maintenance of register of members, non-holding of annual meetings of management committees, non-production of vouchers, etc. Further, details of audit reports pending compliance prior to 2008-09 were not available with ARCSs. The RCS had not evolved any system to monitor the compliance of audit reports in the form of returns from ARCSs, as a result, RCS office was not aware about the compliance of audit reports.

The RCS admitted the facts and stated (October 2013) that instructions had been issued to all the Audit Officers in the State to monitor the compliance of audit observations by the societies concerned.

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<sup>53</sup> (i) Bahadurgah, (ii) Jind, (iii) Jhajjar and (iv) Narwana

### 2.5.8.3 Inspection of co-operative societies

Section 97 of the Haryana Co-operative Societies Act 1984 provides that Registrar or any person authorised by him may inspect co-operative societies. Targets of inspection of co-operative societies were not achieved by test checked ARCSs and DRCSs offices (*Appendix 2.21*). As against the target of inspecting 771 societies by DRCS during 2008-13, only 400 societies were inspected showing shortfall of 48 per cent. Like-wise, as against the target of inspecting 43,834 societies by ARCS during 2008-13, only 31,458 societies were inspected leaving shortfall of 28 per cent. It was further noticed that DRCS Karnal did not inspect even a single co-operative society during 2011-13. Thus, the Department did not ensure proper functioning of the societies.

The RCS stated (October 2013) that the targets of inspection of cooperative societies could not be achieved due to shortage of staff. The ACS stated during the exit conference that this statutory duty should have been done and further directions would be issued for conducting inspection of co-operative societies.

### 2.5.8.4 Societies under winding up process

Section 105 of the Act provides that if the Registrar after conducting audit under Section 95, holding inquiry under Section 98, conducting inspection under Sections 97 or 99 or receiving an application regarding winding up from the members of the society is of the opinion that society ought to be wound up, may issue an order directing it to be wound up. The proceedings for winding up of a society should be completed within a period of three years. After the orders of winding up, a liquidator is appointed, who makes a report to the RCS. The Registrar, after considering the report, may order cancellation the registration of the society. It was, however, noticed that 17,985 societies were under winding up process as on 31 March 2012 in the State. In test checked ARCS, it was noticed that 1,589 co-operative societies were brought under winding up during 2008-13. Liquidators were also appointed in respect of these societies. Despite the lapse of three years from the year of appointment of liquidator, final report in respect of 1,712 co-operative societies had not been received as of June 2013. As a result of this, the number of societies had increased and department had to put its manpower on defunct societies.

Six<sup>54</sup> ARCS while admitting the facts stated (May-June 2013) that delay in submission of final reports by the liquidators was due to transfer of liquidators, non-availability of whereabouts of management committees, delay in discharging assets and liability by societies, etc. The ARCS also assured that liquidator would be pursued to submit their reports so that the winding up the societies be done. The RCS stated during the exit conference that major backlog was expected to be cleared by March 2014.

<sup>54</sup> (i) Bahadurgarh, (ii) Jind, (iii) Narwana, (iv) Rohtak, (v) Safidon and (vi) Sonipat

### 2.5.9. Implementation of schemes

The department had implemented 21 major schemes during 2008-13 as shown in **Appendix 2.22**. The schemes mainly relate to subscription of share capital, providing loan and financial assistance to co-operative societies, incentives to farmers, etc. The audit findings regarding implementation of Loan to Co-Operative Sugar Mills for Payment of Cane Price, Interest Subvention Scheme, Share capital to Credit Co-operatives Societies (Long Term Operation) are discussed in the following paragraphs.

#### 2.5.9.1 Loan to Co-Operative Sugar Mills

(i) The Co-operative Sugar Mills crush the crop of sugarcane and make payment to the farmers. Since the co-operative sugar mills were not financially sound, the Government provided financial assistance in the shape of loan to these sugar mills under the scheme 'Loan to Co-Operative Sugar Mills for Payment of Cane Price'. The State Government granted loans of ₹ 42.50 crore to nine co-operative sugar mills during 2009-10 with the condition that the loan would be repaid after 12 months in five equal annual installments with nine *per cent* interest per annum. It was also stipulated that further loan would not be sanctioned if previous loan was not repaid.

These co-operative sugar mills had not started repayment of loan 12 months after the disbursement as per terms and conditions of loan yet the department continued to release loans of ₹ 225.90 crore to the societies during 2010-13 in-violation of terms and conditions. The co-operative sugar mills had intimated to the RCS that the repayment of loan could not be made due to their tight financial position. The department should have assessed the repaying capacity of the mills before sanctioning loan particularly when they were not repaying earlier loans.

(ii) An amount of ₹ 2.10 crore was paid (September 2010) under the scheme as loan to Jind Co-operative Sugar Mill, Jind for making a payment to the contractor in an arbitration case and ₹ 2.88 crore (September 2011) as loan to Co-operative Sugar Mill, Bhuna for making payment to liquidator on account of enhanced compensation to land owners. Repayment of loan and interest had not been made by these Co-operative Sugar Mills. Since this scheme was launched for making remunerative price to cane growers only, the expenditure out of the scheme funds was not the legitimate charge on the scheme.

The RCS stated (October 2013) that the Department had assessed the financial position of the sugar mills before sanction of the loan but Department had to provide loan to sugar mills for the payment to cane growers because sugar mills did not have sufficient funds. It was further stated that efforts were being made to make sugar mills self-dependent by setting up cogeneration of plants and distilleries in sugar mills. The reply was not convincing as adequate steps needs to be taken either to bring these mills into profit or shut down these mills as they are heavy burden on the State exchequer.

### **2.5.9.2 Inadmissible payment to HARCO bank under State Interest Subvention Scheme**

With a view to provide relief in interest liability to the loanee members of Primary Agriculture Co-operative Societies (PACS) and to inculcate the habit of timely repayment of loan among loanee members, a scheme namely “State Interest Subvention Scheme, 2009” was launched in August 2009. Under the scheme, a rebate in interest at the rate of two *per cent* (reduced to one *per cent* in 2010-11) was to be given to loanee members who repay loans on or before due date. The Prabandhaks of PACS would prepare a list of borrowers eligible under the scheme, submit the same to the Managing Director of the concerned Central Co-operative Bank, which would forward the same to Government through Managing Director, Haryana State Co-operative APEX Bank Limited (HARCO Bank) and RCS for release of interest subvention. The rebate amount was to be credited to the loan account of the eligible beneficiaries. An amount of ₹ 34.61 crore was paid to the beneficiaries through HARCO Bank during 2009-12 under the scheme.

Audit noticed that an amount of ₹ 7.55 crore was drawn by RCS from treasury (March 2011: ₹ 4.39 crore and August 2011: ₹ 3.16 crore) and was paid to HARCO Bank to compensate the losses incurred by the bank on crop loan advances refinanced by them to Primary Agriculture Co-operative Societies at concessional rate of interest.

The scheme was meant for providing benefit to loanee members and not to banks. The HARCO bank was refinancing the financial institutions at concessional rate irrespective of the fact as to whether this particular scheme was in operation or not. The payment of compensation to HARCO Bank from scheme funds was irregular as there was no provision in the scheme for payment of compensation to banks.

The RCS stated (October 2013) that the amount was paid to HARCO bank with the approval of the Chief Minister to compensate the loss to the bank. The reply was not convincing as there was no provision in scheme guidelines to compensate the loss suffered by the bank on this account.

### **2.5.9.3 Non-recovery of share capital and dividend under Long Term Operation Scheme**

The scheme ‘Long Term Operation Fund’ provides for making investment of share capital in HARCO Bank and Haryana State Co-operative Agriculture and Rural Development Bank. Under the scheme, share capital was required to be retired in 12 years after a moratorium period of three/two years in 9/10 equal annual installments and dividend was also payable as per bye-laws of the society. An amount of ₹ 32.52 crore was paid to these banks as share capital during 2007-11, of which an amount of ₹ 7.67 crore was due for recovery.

Audit noticed that the Department had not received the due amount from the banks so far (July 2013). The Department had not made appropriate efforts to get amount of redemption of shares.

The RCS admitted the facts and stated (October 2013) that due to weak financial position, the banks were not in a position to redeem the due amount. The RCS further stated during the exit conference that the matter had since been taken up with banks concerned for redemption of the due amount.

## **2.5.10. Manpower management**

### **2.5.10.1 Shortage of staff**

The Department has a critical role of audit, inspection and inquiry of co-operative societies, recovery of loans and advances and retired share capital subscribed to the co-operative societies besides implementation of various schemes to make the co-operative movement a success. Any shortage of staff adversely affects the working of the Department. The Department had the sanctioned strength of 2,387 posts, out of which 1,425 were filled up and 962 posts remained vacant as on 31 March 2013. Thus, there was a shortage of staff to the extent of 40 *per cent* at the end of 31 March 2013. There was shortage of 183 posts in respect of audit staff.

Similarly, vacancies in the cadre of inspecting staff was substantial i.e. 42 *per cent* which affected the inspection work and recovery of loan and interest on loans, recovery of retired share capital, audit fee and overall working of the co-operative societies.

The RCS stated (October 2013) that the Department had sent the requisition of staff to the Government from time to time for filling up the vacant posts.

### **2.5.10.2 Training**

The CCM, Rohtak was established in 1960. The Centre imparts training to the employees of co-operative institutions, primary co-operative societies and Sub Inspectors of the Department. As against the budget provision of ₹ 2.14 crore, an expenditure of ₹ 1.59 crore was incurred during 2008-13 by CCM.

The CCM was providing Diploma in co-operative Management to various employees of the Department and co-operative societies for six months (24 weeks) in two batches in a year. After the completion of the course, a Diploma Certificate is provided to the successful trainees. The Centre had capacity of imparting training to 240 trainees in a year which was reduced due to transfer of building of the Centre to Haryana State Agricultural Marketing Board (HSAMB) for establishment of an agro mall in May 2009. The details of trainees planned for imparting training and actually trained during 2008-13 are given in Table 2.5.4.

**Table 2.5.4: Showing the detail of capacity utilization of CCM**

Year	Trainees planned for training	Number of trainees nominated by RCS and imparted training	Shortfall with reference to planned number of trainees	Shortfall in percentage
2008-09	240	117	123	51
2009-10	130	115	15	12
2010-11	140	84	56	40
2011-12	140	70	70	50
2012-13	120	108	12	10
<b>Total</b>	<b>770</b>	<b>494</b>	<b>276</b>	<b>36</b>

Source: Data supplied by the Department

The above table shows that there was 36 per cent shortfall with reference to plan in imparting training due to nomination of less number of candidates by the RCS which affected capacity building of the Department.

The RCS stated (October 2013) that due to transfer of CCM building to HSAMB, training programmes were affected.

#### **2.5.10.3 Transfer of CCM Building to HSAMB**

The CCM was running near sector-14 Rohtak in four acres of land having well furnished classrooms, hostel, administrative block, etc. In a meeting held in November 2008 under the Chairmanship of the Chief Minister, it was decided that the Department would transfer entire land of CCM to HSAMB. In lieu of this, HSAMB would make available three storied building near old bus-stand consisting of 22 rooms having carpet area of approximately 5000 sq feet for the CCM. In addition, HSAMB would arrange the purchase of land measuring two acres in institutional area of Sector 4-5 Rohtak and would also construct a building for CCM equivalent to the built up area to be transferred. The Government accorded its approval (December 2008) with the condition that issue of transfer of aforesaid land would be subject to ex-post facto approval of Council of Ministers and concurrence of Finance Department. The building of CCM was, however, vacated in May 2009 without ex-post facto sanction of Council of Ministers and concurrence of the Finance Department. The CCM was shifted in the building of HSAMB, where the capacity for imparting training was much less and the accommodation was also insufficient, resulting in providing training to less number of candidates in succeeding years. Despite the lapse of five years, HSAMB had not fulfilled its commitment of construction of building for CCM. Even the land has not been got allotted from HUDA by HSAMB.

The RCS admitted the facts and stated (October 2013) that the matter regarding transfer of land by HUDA was under active consideration.

#### **2.5.10.4 Retention of receipt from trainees outside the Government Account**

Treasury Rules provide that all moneys received by or tendered to Government or public moneys raised or received by the State Government shall without undue

delay be paid in full into the treasury or into the bank and shall be included in the Consolidated Fund of State. Any moneys received by departments on account of the revenues of the State should not be kept out of the Consolidated Fund of State.

The RCS had issued instructions (August 1997) on the basis of recommendations of the committee of senior officers to collect ₹ 1,000 per trainee from the institutions sponsoring their employees for basic training programme. The Principal of CCM was authorized to utilize the same on day to day expenses of the Centre which was irregular. An amount of ₹ 35.09 lakh (including interest: ₹ 8.07 lakh) was collected from the sponsoring institutions between August 1997 and March 2013 by the CCM. Out of this, an amount of ₹ 20.64 lakh was utilized and balance amount of ₹ 14.45 lakh was lying with the CCM in saving bank account, in cash and in the shape of fixed deposit. Retention of money collected from sponsoring institutions in the bank account outside Consolidated Fund of the State was in violation the Treasury Rules.

The RCS stated (October 2013) that since the Government had not been making adequate budget to provide basic amenities to trainees at CCM, instructions for making subscription/contribution of ₹ 1000 per trainee by institutions were issued in August 1997. It was further stated that the amount was spent by constituting a co-operative society. The reply was not convincing as the CCM was a Government institution and not a co-operative society. Moreover, the bank account was also opened in the name of Principal, CCM Rohtak.

## **2.5.11. Monitoring and Internal Control**

### **2.5.11.1 Internal control**

Internal controls provide reasonable assurance to the department and compliance of applicable rules and regulations. It was observed that a proper internal control system was lacking in the Department in respect of various aspects such as recovery of retired share capital, recovery of loan, minimum dividend on share capital, conducting audit and follow-up of audit observations of co-operative societies as discussed in foregoing paragraphs.

### **2.5.11.2 Internal audit**

To improve the overall quality of work, reduce errors/omissions and irregularities, there should be an internal audit system in all the Government Departments. It was, however, noticed that there was no internal audit system in the Department. Further, the Department was not serious towards audit observations of the office of Principal Accountant General (Audit) Haryana as discussed below:

After periodical inspections, the Principal Accountant General (Audit) issues Inspection Reports (IRs) to the heads of offices audited with copies to the next higher authorities. The executive is expected promptly rectify the defects and omissions pointed out and report compliance to the Principal Accountant General (Audit) within four weeks. A half yearly report of IRs pending for more than six months is also sent



to the concerned Administrative Secretary of the Department to facilitate monitoring and to finalise audit observations in the pending IRs. In the Department, 187 paragraphs of 75 IRs remained outstanding at the end of March 2013. Of these, 115 paragraphs of 47 IRs were more than six years old. Thus, the Department failed to ensure prompt and timely action on the audit observations.

The RCS admitted (October 2013) that there was no mechanism for internal audit in the Department. As regards compliance of audit observations, it was stated that replies to audit paragraphs were being prepared and would be submitted to audit shortly.

#### **2.5.11.3 Computerisation of department**

With a view to develop a strong Management Information System (MIS) for better monitoring, planning and implementation of schemes, bringing the transparency and efficiency in delivering services and information to the public and to develop integrated data base of various schemes, an IT plan was prepared in June 2006 and submitted to Information Technology Department for approval. Under the plan, the Department was to adopt the best systemic practices embedded in the time tested software packages and technology solution. It was to facilitate all stakeholders for availing of various data and hassle free services in a transparent manner. The IT plan, however, was approved only in 2012-13. Thus, the computerization of the Department has not been done and benefits of computerization remained to be derived.

The RCS stated (October 2013) that the tender document for implementation of e-governance had been prepared and tenders for the same would be called for shortly.

#### **2.5.11.4 Non-preparation of Administrative Report**

The department was required to prepare the Administrative Report showing the activities of the department every year and submit the same to the Government. The department had prepared the Administrative Report only upto 2007-08 only. In the absence of Administrative reports, the activities/performance of the department after 2007-08 could not be made public. The RCS stated during the exit conference that the Reports upto the year 2010-11 were under printing. The fact, however, remains that there were substantial delays in preparation of Administrative Reports.

#### **2.5.11.5 Monitoring**

The RCS, as head of the department, was responsible for monitoring the implementation of programmes, schemes and other activities of the Department. Despite the fact that the Department was investing funds as share capital and advancing loans to co-operative societies under different schemes, monitoring cell was not established. Further, records relating to share capital, share capital due for retirement and actually retired, dividend declared and received, loans due for recovery, etc. was not maintained by the RCS office for monitoring. Apart from this, the position of conducting of audit of co-operative societies and compliance

of audit observations was not being monitored as data regarding number of audit of units conducted, outstanding audit observations, etc. was not maintained at headquarters level.

The RCS stated (October 2013) that monitoring cell was not effectively working due to shortage of staff and that the Deputy Registrar, Co-operative Societies (General) had now been assigned the work of monitoring cell to ensure proper functioning of the Department.

#### **2.5.12. Conclusion**

There was lack of adequate planning in the Department as budget estimates were deficient. Government had invested ₹ 594.07 crore in share capital in co-operative societies but returns of ₹1.36 crore from these investments were negligible during 2011-13. Similarly, the Department failed to recover retired share capital, loans and audit fee from co-operative societies. The department had not maintained consolidated data regarding redeemable share capital and accrued amount of loans to be recovered from loanees societies. Co-operative sugar mills were provided loans and share capital time and again but these mills could neither repay the loan nor interest or dividend. The targets of audit and inspection of co-operative societies were not achieved to a large extent. Shortage of staff in the department also hampered the work relating to audit and inspection. Internal control and monitoring mechanism was also weak in the Department.

#### **2.5.13. Recommendations**

The Government may consider:

- making investment in co-operative societies economically viable and also ensure recovery of loans and retired share capital;
- making the sugar mills self reliant or consider their closure if not possible to make them self reliant;
- maintenance of records regarding recovery of loans and recovery on account of redemption of share capital from societies;
- ensuring timely monitoring and planning for conducting audit and inspections of co-operative societies once in a year; and
- strengthening internal controls, monitoring mechanism and making management information system strong through computerisation.

The matter was referred to the Additional Chief Secretary (ACS), Cooperation Department in August 2013, reply had not been received. However, the audit findings were discussed with ACS, Cooperation Department during the exit conference held in October 2013.

## **Chapter 3**

# **Compliance Audit**

## Chapter 3

### Compliance Audit

#### Civil Aviation Department

#### 3.1 Irregularities in the functioning of Civil Aviation Department

**Three aviation clubs of Haryana Institute of Civil Aviation (HICA) failed to achieve the flying hour targets during 2008-13. Despite the release of grants-in aid of ₹ 5.36 crore, expenditure exceeded the income by ₹ 1.05 crore. HICA had not finalised their accounts since 2007-08, pilots were paid inadmissible allowances and post of senior executive pilot was sanctioned after 10 months of appointment.**

The Civil Aviation Department was established in 1966 to maintain VIP aircrafts, to promote the activities of flying, gliding, to train pilots, aircraft maintenance engineers, cabin crew, ground staff, etc. Haryana Institute of Civil Aviation (HICA) was established in 1998 as a Society under Societies Registration Act, 1860. The activities were being carried out through three Aviation Clubs situated at Karnal, Pinjore and Hisar. The records in the office of the Adviser, Civil Aviation; Secretary, HICA and its three Aviation clubs for the period 2008-09 to 2012-13 were test checked during April 2013. During audit, following important findings were noticed.

#### (i) *Non-achievement of targets*

The Executive Committee had fixed the flying targets of 1,500 hours for each HICA club in May 2005 which was revised to 2,000 hours in March 2011. During audit it was noticed that Pinjore and Hisar clubs did not achieve the targets as given in **Table 3.1.1**.

**Table 3.1.1: Year-wise detail of targets and achievements**

Year	Target hours <sup>1</sup>		Pinjore		Hisar		Karnal	
	for each HICA club	Flying hours	Per cent Achievement	Flying hours	Per cent Achievement	Flying hours	Per cent Achievement	
2008-09	1,500	0	0	1,183	79	2,348	157	
2009-10	1,500	158	11	893	60	2,245	150	
2010-11	1,500	492	33	589	39	2,009	134	
2011-12	2,000	0	0	83	4	1,801	90	
2012-13	2,000	638	32	1,124	56	1,358	68	
<b>Total</b>	<b>8,500</b>	<b>1,288</b>	<b>15</b>	<b>3,872</b>	<b>46</b>	<b>9,761</b>	<b>115</b>	

(Source: Information supplied by HICA clubs)

<sup>1</sup> The Executive Committee, HICA fixed annual targets for the year 2005-06 only. As no meeting was held after that 1,500 hours were taken as target hours for 2008-09 to 2010-11, for analysis.

It was observed that in Pinjore and Hisar clubs, the targets of 15 and 46 per cent respectively were achieved during the period 2008-13. The shortfall in achievement of targets was due to non-availability of Chief Flying Instructor (CFI) at HICA, Pinjore between July 2007 and August 2009 and the CFI remained temporarily medically unfit from January 2011 to September 2011. The CFI in Hisar was medically unfit during 2009-10 and 2010-11 and in 2011-12 CFI was not available. Only 73 out of 791<sup>2</sup> candidates succeeded in getting Commercial Pilot License (CPL) as adequate flying hours not provided to candidates and they failed to achieve mandatory 200 hours of flying to get CPL. Thus, due to non-posting of CFI for long durations the clubs did not achieve their targets.

During exit conference (November 2013), the Additional Chief Secretary advised the department to submit data of training imparted and investigate the reasons for low performance. Final outcome was awaited (January 2014).

**(ii) Excess expenditure over income**

The financial position of HICA clubs was not satisfactory during 2008-13 as against the total receipt of ₹ 12.50 crore the expenditure was ₹ 18.91 crore resulting in excess expenditure of ₹ 6.41 crore as given in **Table 3.1.2**.

**Table 3.1.2: Receipt and expenditure position of HICA during 2008-13**

HICA club	Income from Club's activities	Grant in Aid	Total Receipts	Total expenditure	Excess expenditure after GIA
Pinjore	141.83	225.45	367.28	418.32	51.04
Hisar	328.84	171.62	500.46	593.05	92.59
Karnal	779.31	139.21	918.52	879.67	(-) 38.85
<b>Total</b>	<b>1,249.98</b>	<b>536.28</b>	<b>1,786.26</b>	<b>1,891.04</b>	<b>104.78</b>

(Source: Information supplied by HICA)

The State Government had released grants-in-aid of ₹ 5.36 crore during the above period. Despite this, there was still excess expenditure of ₹ 1.05 crore. The Pinjore and Hisar clubs met the excess expenditure from the security deposits of the candidates which was irregular as security deposits were refundable to the candidates and could not be utilised for meeting day to day expenditure of the institute. It was observed that though the Karnal club achieved the given targets, its receipts were lesser by ₹ one crore than the expenditure.

It was also observed that Pinjore and Karnal clubs of HICA kept the unspent grants-in-aid of ₹ 37 lakh and ₹ 37.76 lakh as fixed deposits, respectively. This was against the terms and conditions of sanction of grants-in-aid.

<sup>2</sup> HICA Karnal : CPLs 49 out of 633 candidates; HICA Pinjore : 8 CPLs out of 82 candidates; and HICA Hisar : 16 CPLs out of 76 candidates.

**(iii) Non-preparation of annual reports and balance sheet by HICA**

Rule 7 and 9 of Rules of the Haryana Institute of Civil Aviation provide for holding of meeting of the Executive Committee once in three months and meeting of General Body once in a year. It was noticed in audit that during the period of five years covered under audit, the Executive Committee held only one meeting during March 2011. No record of holding meeting of General Body was made available to audit.

The Executive Committee had not prepared annual report, balance sheet and audited accounts for the consideration of General Body since 2007-08. In the absence of the annual reports and balance sheets, the financial and physical achievements of the HICA could not be ascertained in audit. During exit conference the Adviser, Civil Aviation assured to complete the work of preparation of annual reports, balance sheet, etc. The final outcome was awaited (January 2014).

**(iv) Recoverable parking and maintenance charges**

The Adviser, Civil Aviation, Haryana provided (in 2006) technical and hangar facilities to M/s Ariel Advertising Pvt. Limited at the monthly charges of ₹ 50,000<sup>3</sup>. In case of non-deposit of rent in time, the agency was liable to pay late fee charges at the rate of 18 *per cent* per annum. Scrutiny of records showed that the agency had not paid the monthly charges since August 2011 and a sum of ₹ 9.20 lakh (₹ 8 lakh as parking charges for 20 months and ₹ 1.20 lakh as maintenance charges for 12 months) alongwith late fee charges at the rate of 18 *per cent* were recoverable as on 31 March 2013. During exit conference the Adviser, Civil Aviation intimated that efforts were being made to recover the total amount. Final outcome was awaited (January 2014).

**(v) Payment of inadmissible allowances to pilots on deputation**

The Government in September 2008 approached the Defence Minister of India to provide two Helicopter Pilots on deputation basis. The Indian Air Force (IAF) forwarded in October 2008 the terms and conditions for deputation for ratification. Two IAF officers joined the Government on deputation in April 2009.

Audit noticed that pilots were paid ₹ 63.48 lakh for the period from October 2009 to February 2013 on account of Special Travelling Allowance at the rate of ₹ 45,000 per month (₹ 1,500 per landing minimum 30 landings) in addition to other allowances mentioned by the IAF. These allowances were against the terms and conditions of the deputation approved by IAF. On being pointed out the department intimated (April 2013) that the allowances were paid as per pay and allowances fixed by the Government and higher amount can be paid to the officer on deputation. The reply was not acceptable as the pay and allowances were to be governed as per rules of IAF to ensure uniformity of perquisites across the board.

<sup>3</sup> ₹ 40,000 as hangar charges and ₹ 10,000 as maintenance charges.

**(vi) Irregular appointment**

As per Civil Aviation Department Service Rules, 2011, the Helicopter Pilots, in the pay scale of ₹ 37,400 - ₹ 67,000 + ₹ 10,000 Grade Pay with other allowances, were to be appointed by direct recruitment or by transfer or deputation out of officials already in the service of State Government or Government of India.

For operation of Helicopter, the State Government had taken two officers from IAF on deputation since April 2009. One officer gave his willingness for absorption in the Government after getting pre-mature retirement from the IAF with the condition that he may be posted as Special Executive Pilot (SEP) with grade pay of ₹ 12,000 and other allowances equivalent to SEP. As per Civil Aviation Department Service Rules, 2011, there was only one post of SEP in the State which was already occupied. However, the department appointed the retired IAF officer as SEP with effect from January 2012 at a basic pay of ₹ 57,320 + ₹ 12,000 grade pay with all allowances and perquisites available to SEP.

Audit noticed that Government accorded the sanction in October 2012 for creation of one post of SEP whereas the officer was appointed with effect from January 2012 which was against the rules. Besides, the post was also taken out of the purview of HPSC and filled without any advertisement. On being pointed out, the department replied (April 2013) that in view of urgency and smooth operations of Helicopter, the Government created one post of SEP and this officer was absorbed on this post w.e.f. January 2012. The reply was not acceptable as the approval for creation of post was issued in October 2012 while the officer was absorbed from January 2012. Moreover, the post was never publicised for getting applications from the qualified/deserving candidates.

The above points were referred to the Government (July 2013); but replies were not received. However, the points were discussed with the Principal Secretary Government of Haryana, Civil Aviation Department in an exit conference held in October 2013 and deliberations of the conference have been suitably incorporated.

**Civil Secretariat**

**3.2 Irregular expenditure**

**Five to twelve ex-cadre posts in the Chief Secretary's grade were operated against the sanctioned strength of two to three posts without the approval of Government of India. The appointments were made without constituting the Screening Committee resulting in irregular expenditure of ₹ 5.37 crore.**

Rule 9(7) of the Indian Administrative Services (Pay) Rules provides that at no time the number of members of the Service appointed to hold posts, other than cadre posts referred to in sub rule (1) and sub rule (4), which carry pay of

₹ 26,000 per mensem (₹ 80,000 from 1 January 2006) and which are reckoned against the State Deputation Reserve, shall except with the prior approval of the Central Government, exceed the number of cadre posts at that level of pay in a State cadre or, as the case may be, in a Joint cadre. Government of India also issued (March 2000) guidelines for functioning of Departmental Promotion Committees wherein it was instructed that the screening committee for the purpose of promotion in the grade of Chief Secretary would consist of the Chief Secretary concerned, one officer working in this grade in the cadre and another officer serving in GOI in the same grade.

A mention was made in the Audit Report of the Comptroller and Auditor General of India for the year ending 2007, para 4.5.6 titled “Irregular expenditure on operation of excess ex-cadre posts” regarding operation of one to four excess ex-cadre posts in Chief Secretary’s grade (₹ 26,000 revised to ₹ 80,000 from 1 January 2006) during April 1995 to December 2005 without the approval of GOI. Government of Haryana (GOH) had taken up the matter with GOI for regularization of these posts but GOI did not agree to the proposal. The matter was again taken up with GOI in February 2007 and thereafter in May 2013, after the matter was discussed (December 2012) in the Public Accounts Committee of the Haryana Vidhan Sabha (PAC) and the Chief Secretary assured the PAC that he will take up the matter with GOI for ex-post facto approval for operation of these ex-cadre posts. Further action in this regard was still awaited (January 2014).

Audit observed that the ex-cadre posts which were pointed out in the above para of CAG’s report were yet to be regularized by GOI as directed by Public Accounts Committee (PAC). The State Government however, continued to operate 5 to 12 posts in Chief Secretary’s grade from March 2007 to June 2013 against the sanctioned strength of two<sup>4</sup> (from 25 August 2003 to 12 October 2010) to three<sup>5</sup> (from 13 October 2010 to June 2013) posts. It is pertinent to mention here that the promotion to Chief Secretary’s Grade was made without constituting the Screening Committee in contravention of the above said instructions of GOI. This resulted in irregular expenditure of ₹ 5.37 crore from the period March 2007 to June 2013.

The matter was discussed in the exit conference (January 2014) where the Chief Secretary (CS) stated that there was very less financial implication in promoting the officers to the Additional Chief Secretary’s (ACS) grade as all of them had reached at the maximum of their pay scales as such total expenditure of their pay and allowances amounting to ₹ 5.37 crore may not be treated as irregular. He further intimated that this time, a screening committee was constituted headed by the CS and an Additional Secretary level officer from GOI was also present in the meeting. The CS also stated that State Government would continue to operate

<sup>4</sup> 1. Chief Secretary, 2. Financial Commissioner and Principal Secretary

<sup>5</sup> 1. Chief Secretary, 2. Financial Commissioner and Principal Secretary, 3. Principal Secretary to CM



these posts of ACSs in future also due to requirement of work and this was being done by almost all the States.

The contention of the CS was not acceptable as the appointment of excess posts as against the prescribed strength was irregular and against the instructions of GOI. The PAC had also asked the Government to obtain approval from the GOI but had not been obtained so far (January 2014). Further, the expenditure on the pay and allowances was treated as irregular because officers were allowed Chief Secretary's grade in contravention to the rules and GOI instructions.

### **3.3 Allotment of space to banks without execution of agreement**

**Two Banks were provided space in Haryana Civil Secretariat buildings for office and automated teller machines without entering into any agreement for rent and electricity charges resulting in loss of ₹ 1.50 crore.**

Haryana Government provided space measuring 2,106 square feet and 598 square feet to the State Bank of India (SBI) and Haryana State Apex Cooperative (HARCO) Bank, respectively, in Civil Secretariat building Sector 1, Chandigarh, in the decade of 1980. ICICI bank and the SBI were also allowed to install their automated teller machines (ATMs) covering 144 and 120 square feet area respectively on 19 November 2001 and 6 November 2003, respectively.

No agreement was entered into with Banks for payment of rent and payment of electricity charges as a result of which the rent of ₹ 78.74 lakh for the period from August 1992 to March 2013 was not recovered and the Government had paid electricity charges of ₹48.04 lakh for the electricity consumed by these banks during April 1986 to March 2013. Further, spaces were also allotted to the HARCO Bank (356.50 square feet) and SBI (434 square feet) in its new Secretariat building, Sector 17, Chandigarh without entering into any agreement for rent and payment of electricity charges. Resultantly, ₹ 23.43 lakh (Rent: ₹ 17.27 lakh and electricity charges ₹ 6.16 lakh from January 1998 to March 2013) was also not recovered. In all, there is a loss of ₹ 1.50 crore to Government.

Government replied (August 2013) that the spaces in Haryana Secretariat buildings were allotted to banks for the facilities of employees of the Haryana Government. The reply is not tenable as the activities of banks are commercial in nature, therefore, the space was required to be provided after assessing the rental value. The Chief Secretary Haryana (November 2013) further intimated that sub meter in the banks in Haryana Civil Secretariat had been installed and the matter regarding installation of sub-meter in Haryana New Civil Secretariat Building, Chandigarh has been taken up. The matter was also discussed in the exit conference (January 2014) wherein the Chief Secretary reiterated the written reply and stated that the matter regarding entering into agreements was being taken up with the banks.

## Development and Panchayat Department

### 3.4 Management of panchayat land

**Panchayat land measuring 12,208 hectares was under encroachment. Land utilisation plan was not prepared. Lease rent of ₹ 3.22 crore received late by one to 25 months. There was loss of interest of ₹ 79.27 lakh due to non-deposit of amount in term deposits. In eight cases annuity of ₹ 2.39 crore was not paid by State Public Sector Undertakings.**

The Punjab Village Common Lands (Regulation) Act, 1961 (the Act 1961) also applicable to Haryana provides that all lands vested or deemed to have been vested in a Panchayat shall be utilized or disposed of by the Panchayat for the benefit of the inhabitants of the village concerned in the manner prescribed by the Government. There are 6,083 Gram Panchayats (GP) having 3,37,698.4 hectares (8,44,246 acres) area of common land as of March 2013 in the State.

The records in the office of the Director General (DG), Development and Panchayats (D&P) Department, seven out of 21 districts, 15 blocks and 255 GPs were test checked and the results of checking after considering the departmental views are as follows:

- In seven test checked districts, no GP had prepared the land utilisation plan as required under Rule 3 Punjab Village Common Land (Regulation) Rules<sup>6</sup> (the Rules), 1964. The DG (D&P) stated (September 2013) that it was due to shortage of revenue staffs (*Patwaris*) in the field.
- Land measuring 12,208 hectares<sup>7</sup> was under encroachment as of January 2013 but the cases for eviction in respect of only 7,567.38<sup>8</sup> hectares were filed upto September 2013, as required under Section 7 of the Act, 1961 and Rule 19 to 21 of the Rules 1964. In the remaining cases, the PS directed (September 2013) the staff to initiate proceedings to remove encroachment. Final action was awaited (January 2014).
- Information such as, total area, area under each Panchayat, status of its possession, utilization, etc. regarding *Gaucharand* land<sup>9</sup> was not being maintained in the Department for which the DG, D&P intimated (September 2013) that the information was under compilation by getting the same from all the DCs.

#### (i) Sale of panchayat land

- (a) The GP, Bhadso (Indri Block of Karnal District) sold around 168 acres of

<sup>6</sup> As applicable to Haryana

<sup>7</sup> As per data supplied by the Directorate in January 2013.

<sup>8</sup> 18,699 acre, 4 kanal and 13 marla.

<sup>9</sup> Mainly used for animals grazing

Panchayat land to M/s Piccadilly Agro Industries Limited (PAIL), Chandigarh in 1994 for setting up of a sugar mill with the conditions that the company would (a) provide employment to 15 *per cent* of the youth of the village, (b) deposit the compensation for tube-wells installed in the GP land and (c) the GP was to auction the standing trees on land and pay the entire cost of land in lump-sum to GP. It was observed that the jobs were not provided to the local residents, a large portion of the land was being used for cultivation purposes. A distillery unit set up in the sugar mill was spreading foul smell and polluting the area. On the complaint of villagers the Haryana Pollution Control Board inspected the premises only in October 2012 when sugar mill was not in operation and reported no hazardous waste at that time. Though the company submitted a list of persons who were provided employment, it was observed that they were employed through contractors only. Further, the cost of tube wells in Panchayat land was not recovered from PAIL and the GP had not auctioned the standing trees on the Panchayat land. The GP also filed a civil writ petition<sup>10</sup> in the Hon'ble Punjab and Haryana High Court seeking the sale transaction of 1994 be challenged on the ground that the sale of *shamilat deh* land for a private purpose was illegal.

During the exit conference, the Deputy Director, Panchayats intimated (September 2013) that the court case had been decided in favour of PAIL. The Hon'ble High Court while disposing of (July 2013) the public interest litigation advised the petitioners to approach the concerned authority for relief and if such petition is filed by the stakeholders, the competent authority was to be acted upon within six months from the date of filing. Further, outcome was awaited (January 2014).

(b) GP Badsa sold (February 2009) 300 acre panchayat land falling in village Badsa of Bahadurgarh Block of Jhajjar District to Health Department, Haryana for further transfer on lease for 99 years to Government of India, Ministry of Health, at ₹ 48 crore payable over a period of three years as against which ₹ 28.80 crore (three installments of ₹ 9.60 crore each) was paid till December 2012. During the exit conference the PS directed the DG to take up the matter demi-officially with Health Department. Final outcome was awaited (January 2014).

(c) The GP Murthal, District and block Sonapat sold (September 2008) panchayat land measuring 8 acre 8 marla to Police Department at the collector rate of ₹ 20 lakh per acre. The GP received ₹ 61.33 lakh on 01 May 2011 and ₹ 92.51 lakh on 29 June 2013. It was observed that (i) the cost of land was paid in two installments instead of one installment, (ii) the final payments were not made on the basis of collector rate prevailing during 2011 and 2013. During exit conference, the PS asked his officers to raise the demand immediately with the Police Department and to take the corrective action. Final outcome was awaited (January 2014).

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<sup>10</sup> No. 12011 of 2012

**(ii) Short term Lease of panchayat land**

The terms and conditions of lease of panchayat land include, among other things, (a) the annual lease money shall be paid on the bidding spot and for the remaining years of lease, shall be paid in advance, not later than February every year and (b) failure in depositing the lease money at due time shall automatically cancel the lease and the security of the bidder shall be forfeited.

It was observed that:

- In 25 GPs, the lease rent of ₹ 3.22 crore was received late ranging between one and twenty five months.
- The *shamilat* land falling under seven GPs in Gulha block of the Kaithal District was continuously in possession of the lessees without paying lease rent by the end of February each year. The lessees had deposited lease rent of ₹ 12.60 lakh at their own for three to six years for the period 2001 to 2013 between June 2008 and June 2012. No record of lease money receivable was available with the GP.
- The Sarpanch of Sham Garh GP (Block Nilokheri of Karnal District) decided to receive the lease money of auction (May 2011) in two installments from three parties instead in one installment. The amount of ₹ 5.79 lakh<sup>11</sup> was received between January and March 2012 which resulted in loss of interest of ₹ 0.14 lakh to GP, besides violation of rules.

The PS, during the exit conference, intimated (September 2013) that the DC concerned had been requested to ensure recovery of amount and initiate necessary action against defaulters.

- In five cases, the Sarpanches had received ₹ 25.26 lakh on account of lease money of which only ₹ 16.90 lakh were deposited in banks but remaining amount of ₹ 8.36 lakh was not deposited in GP accounts.

**(iii) Financial management in GPs**

- (a) In eight cases the amount received on account of sale of panchayat land/trees in school campus were converted in terms deposits after two to three months which resulted in loss of ₹ 79.27 lakh as detailed in the **Table 3.4.1**.

<sup>11</sup> ₹ 2.62 lakh on 14 January 2012, ₹ 1.51 lakh on 26 March 2012 and ₹ 1.66 lakh on 28 March 2012.

**Table 3.4.1: Delay in deposit of money in fixed deposit**

(₹ in lakh)

Sr. No	Name of Block/ Panchayat	Sale of land to	Amount received/ date of receipt	Amount deposited in term Deposit / date	Loss of interest due to late preparation of Term Deposits
1.	Ballabgarh / Motuka	HPGCL	4,098.00 (6 March 2011)	4,098.00 (6 May 2011)	44.97
2.	Ballabgarh / Aruwa		1,327.50 (8 January 2011)	1,327.50 (7 April 2011)	24.52
3.	Kaithal / GP Ladana		467.81 (27 Sept. 2012)	467.81 (1 to 12 December 2012)	5.91
4.	Shehzadpur / GP Gajipur	HVPNL	274.05	274.05 (1 November 2011)	1.79
5.	Shehzadpur / GP Santokhi		86.35	86.35 (1 November 2011)	
6.	Murthal / Sonipat	Police department	92.51 (15 March 2013)	92.51 (28 June 2013)	2.08
<b>Total</b>			<b>6,346.22</b>	<b>6,346.22</b>	<b>79.27</b>

(Source: Information collected from GP/DDPO concerned)

Similarly, in two cases ₹ 55.82 lakh received were not credited in GP Fund as given in Table 3.4.2.

**Table 3.4.2: Details of cases where receipts were not credited in GP Fund**

(₹ in lakh)

Sr. No.	Name of Block/ Panchayat	Particulars	Amount received/ date of receipt	Amount deposited in term Deposit / date	Comment
1.	Sonipat/ Shahpur Turk	Land compensation	5,46.39 (November 2009)	495.00	₹ 51.39 lakh kept by Sarpanch in saving account were shown spent through self cheques without approval from competent authority. Vouchers were also not produced.
2.	Karewali / Sonipat	Sale of tree in school campus (₹ 5.21 lakh)	0.78	₹ 0.78 lakh (7 September 2011)	Remaining amount of ₹ 4.43 lakh was retained by the school Principal resulting in loss to Panchayat
<b>Total</b>			<b>547.17</b>	<b>495.78</b>	<b>₹ 51.39 lakh + ₹ 4.43 lakh = ₹ 55.82 lakh</b>

(Source: Information collected from GP/DDPO concerned)

On being pointed out in audit, the PS intimated (September 2013) that the concerned DCs had been requested to inquire into the matter and initiate necessary action.

(b) In five test checked districts, the amount of ₹ one crore placed at the disposal of the DCs of each district in March 2011, for development of rural sectors, was lying unutilised in saving bank accounts. Keeping the amount in saving bank accounts instead of term deposits resulted into a loss of interest of ₹ 0.85 crore.

**(iv) Payment of annuity**

The policy for rehabilitation and resettlement (R and R Policy) of land owners notified (December 2007) by the Government provided for payment of annuity to the land owners for 33 years.

(a) In respect of lands gifted by panchayat for usage under the scheme 'Mahatma Gandhi Gramin Basti Yojna', the Government provided an annuity of ₹ 23.93 crore<sup>12</sup> which was drawn by Development and Panchayat Department during 2011-12 and 2012-13 though there was no need for such annuity.

➤ In the eight districts<sup>13</sup>, the number of plot holders reduced in the succeeding years but an excess annuity of ₹ 11.20 lakh was drawn during 2011-12.

➤ In five test checked districts, the annuity so sanctioned and released was not actually disbursed to GPs and a sum of ₹ 7.13 crore (including interest) were lying in the bank account of the DDPOs.

During exit conference the PS directed the DG to look into the matter and take action accordingly.

(b) In eight cases, the purchasers of GP land, State Public Sector undertakings had not paid the annuity in six cases and in two cases, full payment of annuity was not made which resulted in non recovery of annuity of ₹ 2.39 crore, causing loss to GPs.

During exit conference with PS the DG intimated that the action to recover the amount with interest had already been initiated.

The matter was referred to the Government in August 2013 but reply had not been received. However, an exit conference was held in September 2013 with PS, Development and Panchayats Department and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

<sup>12</sup> Annuity: 2011-12: ₹ 1,181.20 lakh and 2012-13: ₹ 1,211.40 lakh.

<sup>13</sup> (i) Ambala, (ii) Fatehabad, (iii) Hisar, (iv) Jhajjar, (v) Kurukshetra, (vi) Mohindergarh, (vii) Panchkula and (viii) Rohtak Districts.

**Food and Supplies Department**

**3.5 Loss due to distribution of foodgrains to ineligible ration card holders**

**The State Government had incurred an avoidable expenditure of ₹ 18.59 crore on subsidy at the rate of ₹ 2.02 per Kg for providing wheat to 1,73,907 ineligible BPL card holders during the period December 2011 to March 2013.**

The Government of India (GOI) allocates the foodgrains to State Governments for distribution at specially subsidized rates to families identified under Below Poverty Line (BPL) and Antyodaya Anna Yojna (AAY) through fair price shops. The State Governments are required to formulate suitable guidelines for the purpose of identification of BPL and AAY families and to get the lists of BPL and AAY families reviewed every year for deletion of ineligible families and inclusion of eligible families.

On the basis of survey conducted by the Government in July 2008, there were 12,97,058 BPL families (inclusive of 3,02,500 AAY families) in the State, which increased to 13,92,552 (14 districts in 2009 and seven districts in 2010). The GOI recognized (May 2005) only 7,89,000 BPL families for the issue of subsidized foodgrains. The GOI had not revised estimates after 2005. The State Government treated the remaining 6,03,552 BPL families as State Below Poverty Line (SBPL) families. These families were given foodgrains out of the allotment meant for above poverty line (APL) families and the difference in the rate of foodgrains (₹ 2.02<sup>14</sup> per kg) was borne by the State Government.

Audit noticed that the lists of BPL/AAY families were not reviewed by the Government and the survey conducted in 2011 showed that ineligible BPL/AAY ration card holders remained included in these lists. The Government intimated (November 2011) to the Punjab and Haryana High Court<sup>15</sup> that 3,38,949 BPL card holders were ineligible. The Court further ordered (November 2011) that BPL cards of all those who are found to have provided wrong information to obtain the same, be cancelled forthwith. After cancellation of ineligible BPL card holders the number of BPL card holders should have been 10,53,603<sup>16</sup> whereas there were still 12,27,510 BPL card holders in March 2013. Due to non-cancellation of 1,73,907 ineligible BPL cards, the State Government had incurred an avoidable excess expenditure of ₹ 18.59<sup>17</sup> crore on subsidy at the rate of ₹ 2.02 per Kg for

<sup>14</sup> APL rate of ₹ 6.86 per kg less BPL rate of ₹ 4.84 per kg

<sup>15</sup> In the Civil writ petition number 1581 of 2010 of Pardeep Kumar and others Versus State of Haryana and others.

<sup>16</sup> Ration card holders : 13,92,552 – 3,38,949 = 10,53,603

<sup>17</sup> Ineligible card holders 173907 \* 35kg \* 16 months \* ₹ 2.02 per kg = ₹ 19,67,23,598  
₹ 19,67,23,598 \* 94.49 per cent (average of actual lifting during December 2011 to March 2013 by District Food and Supplies Controllers) = ₹ 18,58,84,128

providing wheat to these families during the period December 2011 to March 2013.

On being pointed out by Audit, the Principal Secretary (PS) to Government Food and Supplies Department intimated (September 2013) that action was to be initiated by the District Administration. The reply was not convincing as the department was required to cancel all the ineligible BPL/AAY cards immediately after the receipt of lists of ineligible card holders and directions of the Hon'ble Punjab and Haryana High Court (November 2011) and stop supplying subsidized foodgrains. Instead, the department continued with the act of distribution of subsidized foodgrains to them.

The matter was also discussed with PS in exit conference held on 27 September 2013, wherein it was intimated that the detailed reply would be furnished after ascertaining as to when the revised lists were submitted by District Rural Development Agency (DRDA)/District Urban Development Agency (DUDA) and when the distribution of foodgrains to ineligible BPL card holders was stopped. However, final outcome was awaited (January 2014).

### Health and Medical Education Department

#### 3.6 Non-recovery of bond money

##### **Bond money amounting to ₹ 1.25 crore was not recovered from the 17 doctors who were provided facility of higher studies while in service.**

The Government policy of imparting higher education to its doctors in the Department of Health and Medical Education and Post Graduate Institute of Medical Sciences, Rohtak provided that a doctor, before being relieved for any post graduation course had to execute a bond for serving the State Government (in HCMS cadre) for the period ranging between five and ten years or to pay in Government treasury in lieu thereof bond money ranging between ₹ 0.60 lakh and ₹ 25 lakh. Provisions contained in Rule 58 of Haryana Civil Services Rules- Leave Rules, provide that in case a Government employee resigns or retires from service without returning to duty after the period of study leave or within stipulated period, he shall be required to refund double of the amount of leave salary, study allowances, cost of fees, travelling and other expenses, incurred by the Government.

Nineteen Medical Officers had undergone post graduate degree/diploma course in different fields between October 1993 and May 2012 after furnishing the surety bonds. After completion of course, these 19 doctors had either not joined their duties or left the job in between and had not served the State Government for the prescribed period as agreed to in the bond and therefore they were required to pay the bond money. While two doctors had deposited (November 2012 and September 2013) bond money, remaining 17 doctors did not pay the bond money amounting to ₹ 1.25 crore excluding interest. During the period of their higher



studies, 10 doctors were paid pay and allowance amounting to ₹ 0.49<sup>18</sup> crore and eight doctors were paid stipend, which were required to be recovered.

The matter was referred (August 2013) to the Government but reply had not been received. However, during an exit conference (August 2013) the Principal Secretary, Health Department stated that disciplinary action was under process against the delinquent doctors and further the department was considering the issue for filing the civil suits in the court to recover the bond amount along with interest. Further action was awaited (January 2014).

## Home and Administration of Justice Department

### 3.7 Management of properties of Haryana Wakf Board

**Due to lack of monitoring, 913 wakf properties were under encroachment, lease rent of ₹ 3.97 crore against 1,281 wakf properties was outstanding, lease rents were not revised for 20 years, mutation, central computing facilities and survey of wakf properties was not completed.**

The Haryana Wakf Board was established in August, 2003 under Wakf Act, 1995 with the objectives to manage and safeguard all Wakfs in the State. As per survey of 1971, there were 12,505 registered and notified Wakf properties covering 8,435.45 hectares in the State. Examination of records in the office of Haryana Wakf Board Ambala Cantt for the period 2008 to 2013 showed that:-

- There was no system of regular watch and ward of the properties and as a result, as of March 2013, 913 Wakf properties measuring 154.19 hectares<sup>19</sup> were under encroachment and notices were issued only in 36 cases and the SDMs of the respective areas were requested to take action against only 20 encroachers but the concerned SDMs had taken no action. The CEO, Haryana Wakf Board stated (September 2013) that in these cases, the Board was not shown as owner of the properties in the revenue records, therefore, action for eviction under section 54 of the Wakf Act, 1995 could not be initiated unless these were not mutated in favour of Wakf Board and the Board was locating records of such properties for mutation. Thus, the Board had not maintained the records of the wakf properties as required under section 32 of the Act.
- As on 31 March 2013, 195 Wakf properties measuring 63.23 hectares were under encroachment of 18 Government departments, local and autonomous bodies<sup>20</sup>

<sup>18</sup> Calculated by adding three increments in initial of the pay scale as the details were not made available by the department.

<sup>19</sup> 718 properties measuring 90.96 hectares by individuals and 195 properties measuring 63.23 hectares by Government departments, local bodies

<sup>20</sup> Education department (88), Local Bodies and Municipal Committees (27), Public Health (5) PWD (B&R) (10), Health (13), Home (13), Revenue (4), Panchayats (20), Animal Husbandry (4), Power (2), Haryana Urban Development Authority (2), Archaeological, Transport, Agriculture, Rehabilitation, Finance, Defence and Geological one each.

without paying lease and they had not become lessees of Wakf Board as directed by Government in 2009. Wakf Board stated (September 2013) that it was pursuing the same. However, the results of such pursuance were awaited (January 2014).

➤ Lease rent of ₹ 3.97 crore against 1,281 wakf properties (Ambala: 539 Kurukshetra: 742) was outstanding since many lessees had expired and many had transferred the possession at their own level without the order of the Board.

➤ Section 56 of the Wakf Act, 1995 provides that the Board shall, in granting sanction for lease or sub-lease or renewal thereof, review the terms and conditions on which the lease or sub-lease is proposed to be granted or renewed after a maximum period of three years and give its approval accordingly. It was noticed that lease of 196 Wakf properties done on a very nominal amount i.e between ₹ one to ₹ 10 per month and had not been revised for more than twenty years. The CEO, Haryana Wakf Board intimated (September 2013) that the committees consisting of senior officers had been constituted to settle such rent cases. Final action was awaited (January 2014).

➤ The Government appointed (7 April 2005) all the Divisional Commissioners as Survey Commissioners for the Wakf Board in their respective jurisdiction to conduct survey and identify the new Wakf properties in the State. The survey ordered by the Government in 2005 was completed only in eight districts up to June 2013 and Wakf properties identified during survey were not notified in Gazette. The CEO, Haryana Wakf Board stated (September 2013) that the survey reports had not been received from Survey Commissioners and notifications were not issued in respect of newly identified properties.

➤ A large number of Wakf properties had not been mutated in favour of the Haryana Wakf Board against which the CEO, Wakf Board stated (September 2013) that the Board was collecting figures from its district offices and the mutation work was in progress.

➤ Haryana Wakf Board did not implement Wakf Management System of India (WAMSI) under the Central Computing Facility (CCF) resulting in non-fulfilling of the objectives of the scheme even after incurring an expenditure of ₹ 25.75 lakh (2010-12: ₹ 20.20 lakh, 2012-13 : ₹ 5.55 lakh) on purchase of computers and furniture for the project. The CEO, Haryana Wakf Board stated (September 2013) that the work of Ist phase had been completed but work relating to validation of data of Wakf properties was still in progress and digitization of record of rights of each Wakf property was in progress.

➤ The reply received from the Additional Chief Secretary, Home and Administration of Justice Department (October 2013) has been suitably incorporated in the Report.

## Housing Department – Housing Board Haryana

### 3.8 Irregular allotment of open space

**The Estate Manager, Housing Board Haryana, Panipat unauthorisedly allotted 663 square yards incidental open space to two original allottees in piece meal for ₹ 36.91 lakh (rates prevailing in 2003) in violation of the policy in this regard.**

Housing Board Haryana (HBH) decided (March 1982) to allot the incidental open spaces to the allottee of corner houses in its colonies where land was owned and developed by them. In cases where the incidental open space was equal to the width of adjoining corner house, such plots were to be sold through auction. The incidental open spaces were to be allotted at the original sale price plus interest. The decision was not applicable in cases where HBH purchased land from HUDA or other departments on plottable area basis, as the ownership of incidental open spaces in those cases was still with that authority. The policy was revised (October 2003) to the extent that incidental open spaces adjoining corner houses was to be carved out after leaving a width of 4' to 6'. In case a plot equal to or more than the corner plot could be carved, the plot was to be auctioned and if the incidental space was less than the normal plot area, open spaces were to be allotted at the market rate which was to be fixed by a committee consisting of Chief Engineer, Chief Revenue Officer, Accounts Officer and Executive Engineer concerned of Housing Board/Estate Officer, HUDA or Tehsildar concerned.

It was observed that the Estate Manager, Panipat allotted two incidental spaces measuring of 663<sup>21</sup> square yards to the original allottees. The House No. 1809 Sector 11-12 Part I, Panipat was on a plot measuring 202.5 sq yards and there was an open space of 370 sq. yards adjoining to the plot. The Estate Manager, Panipat allotted this space of 370 sq yards in piece meal for ₹ 20.49 lakh between December 2011 and May 2012 at the rates prevailing in 2003 to the allottee arbitrarily. Similarly, the house No. 1810 in the same sector was built on 202.5 sq yards area and there was a vacant area of 293 sq. yards adjoining thereto which was allotted to the allottee of House No. 1810 for ₹ 16.42 lakh between February and May 2012. It was also noticed that in another four cases, 162 sq yards open vacant space adjoining the back side of shop cum flats (SCFs) No.14 (40.2 sq yard), 15 (42.4 sq yard), 16 (40.6 sq yard) and 17 (38.8 sq yard) in Housing Board Colony, Devi Mandir, Panipat was allotted to the allottees of the above SCFs by the Estate Manager, Panipat in October 2006. These allotments of incidental open space were not proper as the HBH was not the owner of property and also against the policy of fixation of market price by the Committee. Incidentally, these spaces

<sup>21</sup> a) **House No. 1809**: 150 sq yard on 14 December 2011 for ₹ 8.01 lakh; 37 sq yard on 15 February 2012 for ₹ 2.02 lakh and 183 sq yard on 18 May 2012 for ₹ 10.46 lakh.  
b) **House No. 1810**: 174 sq yard on 14 February 2012 at cost of ₹ 9.62 lakh and 119 sq yard on 18 May 2012 at the cost of ₹ 6.80 lakh.

were kept for providing essential services such as water supply, collection of garbage, installation of electricity transformers, etc. by HUDA.

On being pointed out (August 2012) in audit, Chief Administrator, HBH admitted (April 2013) that the allotment of incidental open space in above cases was against the provisions of approved layout plan regarding parks, planned houses, open spaces, roads, etc. and space adjoining commercial property was also for the vision play<sup>22</sup> to avoid accidents. It was further stated that the concerned officers/officials were charge sheeted under Rule 7 in the months of November and December 2012 by the Board and the matter was referred (March 2013) to Director General, State Vigilance Bureau, Panchkula for detailed enquiry.

The matter was discussed with the Principal Secretary to Government Haryana, Housing Department in the exit conference held on 18 September 2013 wherein it was intimated that the action for cancellation of allotment/conveyance deeds in respect of these open spaces was being considered. The final action was awaited (January 2014).

### Information, Public Relations and Cultural Affairs Department

#### 3.9 Irregularities in the functioning of the Information, Public Relations and Cultural Affairs Department

**Advertisements amounting to ₹ 11.78 lakh were released to unapproved electronic media, injudicious expenditure of ₹ 29.01 lakh incurred on engagement of artists and magazines were printed without assessment of requirement.**

The Information, Public Relations and Cultural Affairs Department serves as an agency for wide publicity of Government policies and activities. It enlightens citizens on the way in which the system of Government works and informs them of their rights, responsibilities and promote a sense of civic pride. Record in the office of the Director General (DG), Information, Public Relations (IPR) and Cultural Affairs Department for the period 2008-13 was test checked between April and July 2013 and following irregularities were noticed:

##### (i) *Irregular advertisements through unapproved electronic media*

Audit scrutiny showed that the “Radio Mantra” an electronic media was not approved by the committee constituted for releasing the advertisements for wide publicity. But the advertisements were issued (February 2009) to non-empanelled “Radio Mantra” for which the payment of ₹ 11.78 lakh was made (May 2009). In the absence of analysis of channel share, impact of channels, the objective of widest possible coverage of the intended contents or messages for the target

<sup>22</sup> For providing clear visibility at the turning point.

viewers/audience in an economic manner were not achieved. Thus, the expenditure of ₹ 11.78 lakh paid to unapproved channel (Radio Mantra) was irregular.

The DG, IPR intimated (October 2013) that at the time of release of advertisements the scope and nature of coverage of *Radio Mantra* had been kept in mind as this channel had a significant level of acceptance among the people. The target was, therefore, well covered in the release of advertisements. The reply of the department was not convincing as Radio Mantra was not approved for the release of advertisements by the committee. Therefore the expenditure incurred was improper.

**(ii) Irregularities in printing and distribution of magazines**

Magazines were required to be printed on the basis of assessment of requirements. It was noticed that:

- Four magazines<sup>23</sup> were printed through SAMVAD Society from private printers to be distributed through post office and by hand/persons but the proper record of distribution was not maintained in respect of magazines printed as given below:

**Table 3.9.1: Details of magazines distributed during calendar years 2008-12**

Name of the magazines	No. of copies printed in a calendar year				
	2008	2009	2010	2011	2012
Haryana Samvad	4,42,500	10,20,000	9,86,000	11,60,000	8,68,500
Haryana Krishi Samvad	4,10,000	10,00,000	9,73,000	11,60,000	8,68,500
Haryana Review	40,000	2,20,000	2,40,500	2,22,000	1,85,000
Haryana Samvad (Punjabi)	-	-	90,000	1,04,000	40,500

(Source: Departmental figures)

- Above table showed that the number of magazines printed during different years increased substantially without any proper record of assessment of requirement.

During the exit conference the DG admitted the facts regarding variations in printing and distribution of magazines. In the detailed reply (October 2013) it was stated that the stocks register was being maintained from 2011, magazines were being dispatched regularly and number of Haryana Samvad (Punjabi) magazine issues would be fixed after obtaining Registrar News of India (RNI) number. The reply of the department was not convincing as the stock register was not maintained and the magazines were being regularly printed without obtaining RNI.

<sup>23</sup> (i) Haryana Samvad (English), (ii) Haryana Krishi Samvad, (iii) Haryana Samvad (Punjabi) and (iv) Haryana Review.

**(iii) Injudicious expenditure on engagement of artists**

A committee headed by Additional Director, Information and Public Relation decided (August 2011) to engage artists<sup>24</sup> having two to five years experience<sup>25</sup> on contract. Tenders were invited (October 2011) for providing 25 artists on monthly basis through newspapers as a result four bids were received. The committee decided (November 2011) to award the contract to the lowest bidder M/s Leo Facilitators, Panchkula, and requested it (December 2011) to provide atleast three times (75 artists) of the required manpower for practical test / interview to be held on 19 December 2011. The bidder had sent a list of only 24 artists intimating that sufficient persons of artistic nature were not available with him.

It was noticed in audit that the details of experience of each artist in their respective field was not maintained and artists were selected without fulfilling the requisite conditions. The contract agreement was made (11 January 2012) on the recommendation of the committee with the lowest bidder with immediate effect for providing 24 artists on contract basis. It was further noticed that the artists engaged had performed only six programmes in nine months upto September 2012. They were paid ₹ 29.01 lakh during this period. In addition, parties from the market for organising various cultural programmes were also engaged on which an expenditure of ₹ 1.43 crore was incurred. The performance of artists was not found satisfactory and their services were terminated (May/October 2012). Thus, the expenditure of ₹ 29.01 lakh incurred for engaging artists on contract was injudicious.

During exit conference (September 2013) the PS, Cultural Affairs admitted the facts and stated that these artists were engaged for performing programmes on contract basis. After he took charge of the department, it was felt that the utility of these artists was not required and hence the contract was terminated. The department further replied (October 2013) that non availability of expert artists was a major hurdle in organizing programmes and these artists played an important role in various functions of the department. The reply was not convincing as only trained artists were required to be engaged. As such, the purpose of engaging artists was defeated.

**(iv) Irregular payment of awards to media persons**

The Government instituted (August 2009) the “Haryana Media Awards” for the outstanding performers in the media field. The entries for the awards were to be invited through advertisements. Those applying for state level awards required to submit their entries at state headquarter. Applicants applying for award were required to enclose four items of their published best news items. An evaluation

<sup>24</sup> Dancers, Singers, Choreographers, Instrument players, Stage Attendants and Ornaments and Dress Incharge etc.

<sup>25</sup> Female Singers, female Dancers, Choreographer, Programme Coordinator, Group Manager (Female), Instrumental Players: Five year experience each and Ornament and Dress Incharge, Stage Attendant and Back Stage Helper: Two years experience.

committee constituted by the Government was to make recommendations for the awards after scrutiny of applications received. The Committee was not empowered to consider the applications where the minimum number of items and sets were not enclosed.

It was noticed that the committee constituted for finalizing “Special State Journalism Encouragement Award” recommended 16 media persons who had not even applied for the award. While four media persons refused to receive the awards, ₹ 4.92 lakh (at the rate of ₹ 41,000 each) were given to 12 media persons without adopting proper prescribed procedures which was irregular.

During exit conference, DG, IPR stated that the decision for giving awards to media persons was taken by a committee and Government was empowered to make necessary changes amendments and modifications in the scheme to remove any difficulty faced in the implementation of the scheme. It was also stated (October 2013) that the award was given to outstanding journalists on the recommendation of committee after the approval of Chief Minister. The reply was not convincing as the awards were given against the provisions laid down in the notification and the practice of announcing awards in the absence of proper justification was against the canons of financial propriety.

Above points were referred to the Government in August 2013 but the reply had not been received. However, the points were discussed with Principal Secretary, Cultural Affairs and Director General, Information and Public Relations during the exit conference in September 2013 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

## Irrigation Department

### 3.10 Unfruitful expenditure on construction of a minor

**Due to lack of co-ordination between two divisions of Irrigation Department, a minor constructed at a cost of ₹ 15.97 crore remained unutilised.**

The Government approved (March 2006) a project for “Construction of Nandrampur Bass (NRB) Minor from kilometre (Km) 0.00 to 12.973 off taking at Km 6.500-R Raliawas distributory including increasing capacity of Raliawas distributory and remodelling of Raliawas distributory from Km 0 to 6.500 Km, for ₹ 13.12 crore for providing drinking water and irrigation facilities to the residents of Nandrampur Bass and Dharuhera area of district Rewari. The proposal was revised to ₹ 16.15 crore by changing off taking point to the tail of Recharge Channel at Km 8.100-R with provision of two pump houses (at Km zero and Km 4.600) and length was revised to Km 9.853. The project was financed by loan from National Bank for Agriculture and Rural Development (NABARD) to be repaid in seven years at the interest rate of 6.5 per cent per annum. The project envisaged for creation of irrigation potential in cultivable command area of 8,670 hectare.

The Executive Engineer (EE), Construction Division No-33, Rewari allotted the works of construction of the minor to the agencies in November 2007 and August 2008 which was completed in October 2010. Simultaneously, the EE, Water Services Mechanical Division, Rewari allotted the work of construction of pump houses in July 2009 which was completed in October 2010 at a cost of ₹ 94.26 lakh. The total expenditure of ₹ 15.97<sup>26</sup> crore was incurred on the project.

During audit (May 2011 and February 2012), it was noticed that after completion of the project in October 2010, water was not released in the minor except for testing and the structures were lying unutilised. After being pointed out in audit the EE, Construction Division handed over the minor to EE, Water Services Division No. 2, Rewari in August 2013. The EE Water Services Division No. 2, Rewari observed (August 2013) that the top width of bank was less than the designed width, outer side slopes were inadequate at several places, bed was silted up and weed grown besides the land strip of 11 feet wide acquired for laying underground RCC pipe lines had been completely encroached and crops grown over it. Thus, due to non-utilisation of the minor, the expenditure of ₹ 15.97 crore incurred on the construction of minor had not served the intended benefits of providing irrigation and drinking water to the targeted villages.

The matter was referred to the Government in June 2013 but the reply had not been received. However, the matter was discussed with Principal Secretary, Irrigation Department during an exit conference held on 14 October 2013 wherein the EIC intimated that the water had been released in the minor in August 2013 and also assured that a detailed reply would be submitted to audit in this regard. During exit conference it was also decided that a joint inspection would be conducted to verify the factual position. After visiting the site alongwith the departmental officers on 24 October 2013 the EE, Water Services Division No.2, Rewari replied that the top width of earthen bank was eroded to some extent, drawings for pipe culvert structure have been prepared and estimates were under process, trespasses on minor had been curbed by raising earthen banks, outlets from the minor were not sanctioned and the raw water had reached the tail end of the minor for two days i.e. 11 and 12 October 2013. The reply of the department was not acceptable as gauge slips for running of minor except for two days and log books of pump houses were not produced to audit in support of the reply. Further, with eroded banks and without construction of culverts the minor could not be made functional to its full capacity. Non-sanctioning of outlets also shows that the minor was not utilised for irrigation purposes. Thus, the project was lying unutilised after its construction in October 2010.

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<sup>26</sup> Cost of land: ₹ 6.18 crore; Civil works: ₹ 8.85 crore and pump houses and their electrification: ₹ 0.94 crore.



### 3.11 Irregularities and deficiencies in construction of Dam across river Kaushalya near Panchkula

**The objective of providing drinking water to Panchkula town from the Kaushalya Dam constructed at a cost of ₹ 208.37 crore could not be achieved. Undue favour was extended to the contractor by not deducting the security on supplementary agreement and liquidated damages not levied.**

The Government approved (December 2005) a project for 'construction of an earthen dam across river Kaushalya near Pinjore for ₹ 51.37 crore with a view to supply drinking water to Panchkula town<sup>27</sup>, recharge ground water, check flash floods, promote tourism and fisheries in reservoir area. The administrative approval was revised to ₹ 217 crore (September 2011) due to increase in cost of land, height and top width of the dam to provide passage for residential sectors being developed by HUDA on the other side of river. The Irrigation Department constructed the earthen dam with 34 metre height and 30 metre top width at a cost of ₹ 208.37 crore (upto May 2013).

During audit of the Executive Engineer (EE), Ghaggar Dam Division (GDD), Panchkula following irregularities were noticed:

#### (i) *Non-achievement of objectives*

The dam was conceived with the objective to supply drinking water to Panchkula town. The HUDA had constructed the water works structures and had laid pipe lines for providing drinking water to Panchkula town by incurring an expenditure of ₹ 43.25 crore till April 2013 but the facility could not be provided due to non-availability of water in reservoir of Kaushalya Dam. Thus, the objectives of the dam were not achieved despite incurring a huge expenditure of ₹ 208.37 crore.

During exit conference (October 2013), the Principal Secretary intimated that partial achievement had been made by supplying 8 cusecs/day to HUDA. But the fact remains that the envisaged benefits from the project were not achieved as the envisaged quantity was 40.3 cusecs/day (16 July to 30 September) and 18.4 cusecs/day (1 October to 15 July). In June 2013 the water level in the reservoir was at elevation level of 456.90 meter against the bed level of 450 meter. Whereas the outlet of water from where the water was to be supplied to HUDA was at 460 meter. As such no water could be supplied to HUDA.

#### (ii) *Non-levy of liquidated damages against the agency*

The work of construction of Kaushalya dam and its appurtenant works allotted (March 2008) to an agency was required to be completed by 30 June 2010. As per clause 39.3 condition of contract, liquidated damages at the rate of 10 per cent of

<sup>27</sup> 40.3 cusecs during the filling period (16 July to 30 September) and 18.4 cusecs during depleting period (1 October to 15 July).

value for the work/final contract price was to be levied against the agency for non-completion work in stipulated time period. Extension in time was granted to the agency upto 31 March 2011. But the agency failed to complete the work even within the extended time limit which was completed by June 2012. The department had neither extended the time limit nor levied liquidated penalty of ₹ 11.29 crore (10 per cent of agreement amount of ₹ 112.99 crore) against the agency.

During exit conference, the EIC intimated that the matter was under consideration and the quantum of time extension and liquidated damages was yet to be decided. However, the fact remains that the quantum of penalty had not been decided even after lapse of 18 months from the date of completion of work.

### **(iii) Undue benefit to the contractor by deducting less security**

Para 13.11.1 of PWD code provides that security at the rate of 10 per cent of the gross amount of each running bill should be deducted from all running bills till the deposit reaches 5 per cent of the tendered value.

The work of construction of dam was allotted to the agency at an agreement amount of ₹ 52.99 crore in March 2008. Subsequently, due to increase in scope of work, the agreement was enhanced to ₹ 112.99 crore by executing supplementary agreement of ₹ 60 crore in June 2009. It was noticed that a sum of ₹ 2.64 crore was deducted as security from running bills of the contractor for the contract price of ₹ 52.99 crore only and the security for the supplementary contract price of ₹ 60 crore was not deducted. This resulted in undue benefit to the contractor of ₹ three crore besides reducing the security against substandard/below specification work in contravention to codal provisions.

During exit conference, the EIC intimated that the security was deducted as per provisions of the agreement. The reply was not acceptable as the agreement amount increased to ₹ 112.99 crore and to safeguard the interests of the State, security from the enhanced amount was also recoverable.

Above points were referred to the Government in July 2013 but the reply had not been received. However, the points were discussed with the Principal Secretary, Irrigation Department during an exit conference held on 14 October 2013 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

## **Public Health Engineering Department**

### **3.12 Unfruitful expenditure on incomplete water supply scheme**

#### **Water works constructed by spending ₹ 74.32 lakh at Nathusari Chopta in Sirsa District remained unutilised due to non-construction of inlet channel.**

Paragraph 10.1.3 of PWD Code provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including

availability of land. Paragraph 10.7.2 of the Code inter-alia further provides that while taking up work of water supply schemes, the preparation of detailed project report including feasibility study is required to examine a proposal from technical, financial and other parameters.

The State Sanitary Board, Haryana approved (May 2006) an estimate amounting to ₹ 85.30 lakh for providing independent water works at Nathusari Chopta in Sirsa district on the demand of village residents. Raw water for water work was proposed from Kutiana Distributory for which a provision of 7,200 feet long 12” internal dia (i/d) reinforced cement concrete (RCC) pipe channel was to be made. The construction of channel was proposed along existing road and common paths for which acquisition of land was not required. The work<sup>28</sup> was allotted to a contractor in February 2007 at an agreement amount of ₹ 69.75 lakh with the completion period of nine months that was upto November 2007. The contractor completed the work to the extent of ₹ 50 lakh upto February 2009 and left the balance work incomplete as the farmers refused to give the land free of cost for laying inlet channel. A total expenditure of ₹ 74.32 lakh<sup>29</sup> was incurred on the work upto July 2010 and it was lying abandoned since February 2009.

Thereafter, the State Sanitary Board approved (June 2011) a revised estimate amounting to ₹ 1.30 crore, technical clearance of which was still awaited. In the revised estimate, the source of raw water was changed from Kutiana Distributory to Baruwali Distributory due to non-availability of land and less discharge and provision was made to acquire land for laying of inlet channel from the new source. After being pointed out in audit, the Executive Engineer on 24 July 2013 submitted a proposal to DRO, Sirsa to issue notification under Section-4 for acquisition of land.

It was observed that the above work was taken up without conducting any feasibility study and ensuring availability of land for construction of inlet channel due to which the work was lying abandoned since February 2009. Thus, improper planning made an investment of ₹ 74.32 lakh unutilised besides denying the intended benefits of the scheme to the inhabitants.

The Principal Secretary, Public Health Engineering Department in his reply (July 2013) intimated that land acquisition papers for the proposed inlet channel were being processed through District Revenue Officer, Sirsa and after acquiring land the work of construction of inlet channel would be undertaken. Thus, the fact remains that the structure of water works constructed by spending ₹ 74.32 lakh, had not served the intended purpose due to ill planning.

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<sup>28</sup> Providing and laying of 12 inch i/d RCC pipe channel, construction of one storage and sedimentation tank, raw water suction well, pump chamber, three RCC filter beds, clear water tank, clear water suction well, boundary wall, iron gate, pipe line at head work, supplying, installing and commissioning machinery, etc.

<sup>29</sup> Contractor's payment= ₹ 50 lakh and cost of material ₹ 24.32 lakh

## Public Works Department (Building and Roads)

### 3.13 Incomplete Works

**Expenditure of ₹ 205.18 crore was incurred on works which have been delayed due to non-availability of clear site, untimely provision of drawings and designs and improper planning in execution of works without deriving any benefit.**

As per Management Information System (MIS) report of the Public Works Department (Building and Roads) as on 31 March 2013, 76 building works were not completed<sup>30</sup> by the target date. Test check of records relating to 52 works disclosed the following irregularities:

➤ Twelve building works<sup>31</sup> on which an expenditure of ₹ 62.20 crore was incurred upto April 2013 were allotted without removal of encumbrances from the sites such as electric lines, encroachments, land disputes over claims, trees, etc; as required under para 13.12.1 and 16.1.1 of the Haryana PWD Code. The encumbrances were removed after a delay ranging between 4 and 50 months from allotment of work. In one case<sup>32</sup>, the construction work was stopped by villagers as the land provided to contractor was Panchayat land on which expenditure of ₹ 6.24 lakh incurred became wasteful. This has delayed the project completion by 12 months.

During exit conference (October 2013), the Principal Secretary accepted that sometimes works were allotted before availability of clear site to speed up the work and in some cases, it takes time to get various clearances from different departments and shifting of utility services. The reply was not acceptable as according to codal provisions, a work should be taken up after availability of clear site.

➤ In case of 25 building works on which ₹ 111.74 crore was incurred upto May 2013, the drawings were provided to the contractors after a delay between 4 to 38 months after allotment as against the requirement of para 10.6.12 of the Haryana PWD Code which provides that drawings should be provided at the time award of contract.

During exit conference (October 2013), the EIC stated that the client departments changed the design during execution of work. The reply was not acceptable as

<sup>30</sup> A work has been treated as incomplete where the construction activity either was abandoned or was on-hold at some stage or progress was extremely slow and had not been completed after scheduled target date.

<sup>31</sup> Five Community/Primary Health Centres, three Industrial Training Institutes, two Government Colleges, one Mini Secretariat and one 50 bedded Government Hospital.

<sup>32</sup> The work of 'Construction of Government College at Badli' in Provincial Division, Bahadurgarh

the department should have obtained written approval of designs from client departments as per codal provisions.

➤ Para 10.9.3 of PWD Code provides that all the components of building including internal service installation, main/approach road, boundary walls, fences, gateway, internal road and paths and land development should be included in the estimate of a building work and executed with main building simultaneously. 12 building works on which ₹ 31.24 crore was spent, were executed in parts instead of one project by dividing the projects in sub-works. The sub works were not allotted alongwith the main works as a result of which the projects remained incomplete.

During exit conference, the EIC intimated that the tenders for roads/parking were used to be called at later stage but due to problem faced in the past, now all components are made part of main tender.

➤ Para 13.18.1 (d) of the code provides that the acceptance of the tender should be as an absolute, without making any counter offer, otherwise the offer may not stand. In Provincial Division, Nuh, tenders for the work 'Construction of PHC, Padheni in Mewat District' were re-invited in May 2010 as at the first instance single tender was received. Again single tender received at ₹ 1.36 crore was 28.84 per cent above Haryana Schedule of Rates (HSR) plus Ceiling premium (CP) and the department allotted the work (December 2010) with the condition that 'over all excess would not go beyond 26 per cent above HSR+CP and analytical cost'. The agency did not accept the condition imposed unilaterally. The tenders were re-invited (August 2012) and the work was allotted (October 2012) to another agency at a cost of ₹ 1.58 crore which delayed completion of work by more than 26 months and resulted in extra liability of ₹ 0.22 crore (₹ 1.58 crore - ₹ 1.36 crore).

During exit conference, the EIC stated that the department had fixed maximum ceiling for allotment of works due to which the agency was asked to execute the work within that limit. The reply was against the codal provisions.

➤ Para 13.18.1 further provides that the acceptance of tender shall be within the validity period of the tender. In Provincial Division, Nuh, a single tender at ₹ 121.60 lakh for the work of 'Construction of PHC in Jamalgarh' received on 18 June 2010 was finalised in December 2010 after expiry of the validity period of 90 days and the agency refused to extend the validity period. Thereafter, tenders were re-invited which was allotted (February 2011) to the same agency at ₹ 131.40 lakh. This delayed the completion of the work by eight months with extra cost of ₹ 9.80 lakh.

Above points were referred to the Government in July 2013 but reply had not been received. However, the points were discussed with Principal Secretary, Public Works (Building and Roads) Department in an exit conference held on 11 October 2013 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

**Public Works (Building and Roads), Irrigation and  
Public Health Engineering Departments**

**3.14 Miscellaneous Public Works Advances**

**₹ 213.18 crore was outstanding in Miscellaneous Public Works Advances which was mainly due to non-adjustment of advances of ₹ 127.62 crore even after receipt of material/services, non-recovery of ₹ 27.51 crore from contractors and ₹ 1.55 crore from officers/officials.**

Miscellaneous Public Works Advance (MPWA) is a transitory suspense head under which items are recorded temporarily and are cleared either by actual recovery or by transfer to relevant head of account under proper sanction of the competent authority. There were huge outstanding balances in MPWA in March 2008 for which a mention was made in paragraph 4.5.2 of the report of the Comptroller and Auditor General of India for the year ended 31 March 2008 (Civil). The Public Accounts Committee recommended (March 2012) that the departments should make efforts for early settlement of pending amount and expedite the cases under arbitration. However, during scrutiny of monthly accounts of March 2013 submitted by divisions of all the three departments<sup>33</sup>, Audit observed that an amount of ₹ 213.18 crore lying outstanding under MPWA against suppliers, contractors, officers/officials and other departments. The reasons for accumulation of huge outstanding balances under MPWA were examined by selecting 74 divisions<sup>34</sup> out of 201 divisions in all three departments. Position of outstanding balances of the three departments as of March 2008 as well as of March 2013 is depicted in **Table 3.14.1**.

**Table 3.14.1: Position of outstanding balances of MPWA**

(₹ in crore)

Description	Irrigation	B&R	PHED	Total	Irrigation	B&R	PHED	Total	Increase
	As of March 2008				As of March 2013				
Position in the department	94.74	41.95	44.16	180.85	31.81	131.67	49.70	213.18	32.33
Position of test-checked 74 divisions	8.37	24.85	33.61	66.83	29.21	109.88	43.68	182.77	115.94

(Source: Monthly accounts submitted by the divisions)

There were ₹ 182.77 crore outstanding against 1,660 items in the 74 test-checked divisions as of 31 March 2013. Out of these 1,080 items involving ₹ 26.07 crore were more than ten years old. During test-check records of 74 divisions following shortcomings were noticed:

<sup>33</sup> (i) Public Works Department (Building and Roads) (B&R), (ii) Irrigation Department and (iii) Public Health Engineering Department (PHED)

<sup>34</sup> B&R:17, Irrigation: 35 and PHED: 22

**(i) Non-adjustment of outstanding balances**

It was noticed in test checked divisions that out of ₹ 182.77 crore shown outstanding in the MPWA (31 March 2013), ₹ 127.62 crore were outstanding against suppliers/firms and other departments on account of non-adjustment of payment made in regard to electricity charges, acquisition of land, etc; as detailed in Table 3.14.2.

**Table 3.14.2: Accumulation of MPWA due to non-adjustment**

Name of Division	Outstanding balance as on 31 March 2013 (₹ in crore)	Date of Advance	Purpose of Advance	Reasons for non-adjustment
<b>Public Works Department (B&amp;R)</b>				
Provincial Division Panipat	81.32	Running account balance	Procurement of bitumen for all divisions of the department	Material received but not adjusted in MPWA due to non-adjustment of accounts amongst various divisions within the department
<b>Public Health Engineering Department</b>				
PHE Division Panchkula	16.12	March 2002	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division Panchkula	5.30	1992-93	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division No. 1 Rewari	3.82	June 2010	Payment of energy charges	Non-adjustment of payment against various water works due to lack of co-ordination amongst Sub Divisional Offices
PHE Division 1 Bhiwani, D&P Sonapat and PHED Panchkula	0.57	Between March 2004 and July 2011	Procurement of Cement	Drafts were prepared for showing utilisation of LOC but cement was not actually procured
<b>Irrigation Department</b>				
Water Services Divisions I and II, Rewari and Mohindergarh Canal Water Services Division, Charkhi Dadri	15.72	March 2010 to June 2011	Acquisition of land	Land awards were made during January 2010 to October 2011 but amounts were not adjusted in MPWA
Water Services Division, Jagadhari	4.77	February 2009 and December 2011	Construction of RCC Box Railway Bridge on the Shahpur Nalvi Feeder	Not adjusted as the department failed to get the work completed from Railways
<b>Total</b>	<b>127.62</b>			

(Source: Information supplied by divisions concerned)

After pointed out by Audit two Divisions cleared ₹ 12.29 crore<sup>35</sup>. The action on remaining items was awaited (January 2014).

<sup>35</sup> Loharu Water Services (Mechanical) Division, Charkhi Dadri cleared ₹ 4.34 crore in August 2013 which were shown outstanding against Dakshin Haryana Bijli Vitran Nigam. PHED Panchkula cleared ₹ 7.95 crore in September 2013 which were shown outstanding against M/s Bhushan Steel and M/s Mahindera and Mahindera, etc.

**(ii) Non-recovery of penalties from contractors**

An amount of ₹ 27.51 crore was outstanding against 315 contractors on account of liquidated damages, cost of left out works got executed at their risk and cost, etc. Out of these, ₹ 7.54 crore were outstanding in 209 cases for more than five years. On being pointed out in audit, the department intimated (June and July 2013) that these items were outstanding due to non-finalization of bills, arbitration and court cases, non-functioning of agencies in division/circle and in old cases whereabouts of the contractors/agencies were not known. The fact, however, remains that concrete efforts were not made by the departments to clear the MPWA balances either by actual recovery/adjustment or by getting the balances written off from Government.

The Executive Engineer, Provincial Division No. 4, Rohtak placed ₹ 12.17 crore in MPWA for want of recovery from an agency<sup>36</sup> in January and April 2009 on account of liquidated damages for non completion of three works<sup>37</sup>. The Government accorded approval (May 2013) to file a civil suit in the Court for recovery of the amount which was yet to be filed (February 2014).

**(iii) Non-recovery from officers/officials**

An amount of ₹ 1.55 crore was outstanding in 522 cases against officers/officials of the three departments on account of shortage of material, unauthorized payments, excess payments, telephone charges, etc. Out of 522 cases, 479 cases involving ₹ 0.90 crore were pertaining to period before March 2008. Thus, the departments had not taken timely action against the officers/officials concerned for recovery of outstanding amounts.

**(iv) Other shortcomings**

➤ There were negative balances of ₹ 1.40 crore against 67 items in 18 Divisions mainly due to wrongly crediting of receipts to MPWA, showing the excess receipt of material, etc. EIC, PWD (B&R) intimated (October 2013) that such items were being investigated and proper adjustment would be made soon.

➤ By not complying with the provisions of Article 57 of Account Code Volume III, the advance payment made to LAOs were irregularly being charged to the works concerned instead of keeping in MPWA in five divisions and ₹ 7.42 crore refunded by the LAOs were deposited as miscellaneous receipts of the department instead of reducing the expenditure on works concerned. This resulted in inflated figures of revenue receipts of State Government as well as inflated expenditure on works.

<sup>36</sup> M/s Trimurthy Construction Developer and Builders, Noida

<sup>37</sup> (i) New District Jail, Rohtak, (ii) Construction of OPD in PGIMS, Rohtak and (iii) Construction of Trauma centre, Mother and Child Hospital and Extension of Dental Hospital in PGIMS, Rohtak.



➤ The system of monitoring had not proved effective as the reports submitted by the Executive Engineers merely indicate the increase and decrease in balances, old items involving substantial amounts were not cleared and effective steps were not taken to affect recovery from officers/officials. Only in Irrigation Department a monitoring cell was established and position was being reviewed through the quarterly progress report as well as by holding meetings with field staff which helped to contain the MPWA considerably.

The matter was referred to the Government in August 2013 but reply had not been received. However, during exit conferences (September and October 2013) the Principal Secretaries, Public Works (B&R), Irrigation and Public Health Engineering departments ensured that efforts were being made to recover/adjust the amounts outstanding in the MPWA for which all the field offices had been sensitized towards these outstanding amounts and directed to initiate immediate action regarding making recoveries/adjustments of outstanding amounts.

## Revenue and Disaster Management Department

### 3.15 Delay in release of annuity payment to the beneficiaries

**There was delay in release of annuity payment of ₹ 238.17 crore to the beneficiaries. Plots/commercial sites were not allotted to the oustees and community development infrastructure was not created in accordance with R and R policy.**

The Government formulated (December 2007) a policy of “Rehabilitation and Resettlement of land owners - Land Acquisition Ousteas (R and R policy)” applicable with effect from 5 March 2005. As per the policy, the annuity for a period of 33 years over and above the usual land compensation at the rate of ₹ 15,000 per acre per annum (revised to ₹ 21,000 per acre per annum from 7 September 2010) with an increase of fixed sum of ₹ 500 every year (revised to ₹ 750 from September 2010) was payable. In case of land acquired for setting up of Special Economic Zone (SEZ) /Technology Cities/Parks, annuity was payable at the rate of ₹ 30,000 per acre per annum (revised to ₹ 42,000 per acre per annum from September 2010) with an increase of ₹ 1,000 every year (revised to ₹ 1,500 from September 2010). The annuity in respect of land acquired during the preceding calendar year would become due for payment during the month of January of the following year.

The records in the offices of Haryana Urban Development Authority (HUDA), Haryana State Agriculture and Marketing Board (HSAMB) and Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) for the period from 2005 to 2013 were test checked during February to July 2013 to analyse the implementation of the scheme. The following irregularities were noticed:

**(i) Status of implementation of R and R Policy**

The status of implementation of R and R Policy and payment of annuity in acquisition of land is depicted in the **Table 3.15.1**.

**Table 3.15.1: Status of implementation of R and R policy**

Sr. No.	Acquisition authority	Land acquired	Period of acquisition	Annuity payable (₹ in crore)	Annuity paid (₹ in crore)	Balance payable (₹ in crore)	Reasons for non payment
1.	Haryana State Industrial and Infrastructure Development Corporation (HSIIDC)	23,198 Acre 4 kanal 12 marka	2005-06 to 2012-13	170.19	83.41	86.78	Non filling up of forms by land owners, small land holdings, claimants not coming forward due to meager amount of annuity, court cases and disputed land cases.
2.	Haryana Urban Development Authority (HUDA)	18,105.31 acre	2006-07 to 2012-13	166.30	73.33	92.97	Non submission of bank particulars for the direct transfer of payments by the beneficiaries and meager amount of annuity, etc.
3.	Haryana State Agricultural Marketing Board (HSAMB)	1,316 acre 6 kanal 17 marka	2005-06 to 2012-13	1.82 <sup>38</sup>	1.55	0.27	Small land holdings owners were not coming forward to receive the annuity payment.
4.	Power Sector and (HPGCL <sup>39</sup> and HVPNL <sup>40</sup> )	415 acre	2006-12	1.56	1.33	0.23	Matter subjudice, concerned owner/ person are coming in piece meals to collect the payment of annuity.
5	Irrigation Department	7,346 acre	2005-13	83.41	25.49	57.92	Meager amount of annuity, non-receipt of application forms from land owners, family dispute and death of original claimant.
	<b>Total</b>	<b>50,381 Acre 3 Kanal and 9 Marla</b>		<b>423.28</b>	<b>185.11</b>	<b>238.17</b>	

(Source: Data collected from the records maintained by the auditee units)

Out of the annuity of ₹ 423.28 crore due for payment only, ₹ 185.11 crore were paid upto 2012-13 and balance of ₹ 238.17 crore were still payable to the oustees of land acquired by HSIIDC, HUDA, HSAMB, Power Sector and Irrigation.

**(ii) Non-commutation of annuity**

Para 4 (vii) of R and R policy provided that in cases where the land acquired in respect of a landowner /co-sharer works out to less than one acre, such

<sup>38</sup> Annuity figures in respect of five Market committees (i) Ambala Cantt. (ii) Ambala City, (iii) Gannaur, (iv) Fatehabad and (v) Tohana have been incorporated after collecting the same from these market committees as consolidated data was not available with HSAMB.

<sup>39</sup> Haryana Power Generation Corporation Limited

<sup>40</sup> Haryana Vidyut Parsaran Nigam Limited

landowners will have the option to avail the commuted value in one go which is 30 per cent of the gross amount of annuity payable during 33 years.

Audit noticed that neither the Revenue Department nor the concerned Authority/ Corporation had paid the commuted amount of annuity to small farmers except in case of HUDA for Sector-6 of Agroha (Hisar) where commutation of ₹ 1.47 crore was paid in 300 out of 376 cases.

The HSIIDC replied (October 2013) that the provision of commutation of annuity was optional and proposal had been sent to the revenue department for compulsory commutation of annuity.

**(iii) Non-allotment of plots/commercial sites to the oustees**

The policy provided for allotment of plots to the oustee land owners whose land was acquired for development. The policy was further liberalised (November 2010) to the extent that where urban/industrial/agriculture marketing infrastructure is developed in the form of large clusters, the residential plots should be allotted in oustee category and same benefits should be given in cases where self-occupied residential house is acquired. The commercial/industrial sites should be allotted to those land owners whose 75 per cent of land holding in a Revenue Estate measuring one acre or above was acquired.

It was noticed in audit that 41,743<sup>41</sup> acre land was acquired by HSIIDC, HUDA and HSAMB but the beneficiaries eligible for allotment of plots of different size under the policy were neither identified nor they were provided with plots, except in case of Urban Estate, Hansi, under Administrator, Hisar (HUDA) where 118 plots of different sizes were allotted (September 2011) to the oustees in Sector 5 and 6 Part-II, Hansi without verifying the total land holding of oustees.

The HSIIDC stated (October 2013) that scrutiny of applications for the allotment of plots was under process whereas the HSAMB stated (October 2013) that planning was being made for rehabilitation of land owners and thereafter the beneficiaries will be short listed.

**(iv) Non-creation of community development/infrastructure facilities**

HUDA, HSIIDC and HSAMB were not making a provision of two per cent of compensation amount for creation of community development/ infrastructure works in the respective villages and one per cent of the compensation amount for the skill development for the dependents of oustees, etc., which is mandatory under R and R policy (paragraph 18 of notification dated 9 November 2010).

It was observed that the three departments paid compensation of ₹ 6,444.97 crore<sup>42</sup> against which a provision of ₹ 128.90 crore for community development

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<sup>41</sup> HSIIDC: 23,199 acre; HUDA: 18,105 acre and HSAMB: 439 acre.

<sup>42</sup> HSIIDC : ₹ 2,841.54 crore , HSAMB : ₹ 129.96 core and HUDA : ₹ 3,473.47 crore

and a provision of ₹ 64.45 crore for skill development was to be made as per R and R policy.

HSI IDC stated (October 2013) that they were incurring expenditure since 1995 under its own policy and an agenda had been approved on 29 August 2013 to adopt the provisions of R&R Policy 2010 to incur expenditure on social and community infrastructure facilities while HSAMB stated (October 2013) that planning for development of land acquired after notification of R&R Policy 2010 was under process and provision of social and community infrastructure facilities would be made in mandis. HUDA stated (July 2013) that it was incurring the expenditure on development of villages surrounded by HUDA sectors/areas. However, no separate provision had been made in this regard. Similarly, no amount has been incurred on the skill development and no provision was made thereon. The fact, thus, remains that no provision was made to incur expenditure on social and community infrastructure facilities and skill development.

**(v) Information to landowners and grievances redressal system**

The Land Acquisition Collector (LAC) should inform the land owners at the time of issue of notices under section 9 of the Land Acquisition Act 1894 regarding their entitlements. The Government was required to engage professional agencies to advise the landowners on various investment options of the compensation amount so as to enable them to utilize the resources in a prudent and productive manner. The Revenue and Disaster Management Department was the Nodal Department for the implementation, interpretation, review and monitoring of the R and R Policy of the state. An institutional mechanism was to be established to address all grievances/disputes which would arise due to implementation of R and R policy.

It was noticed in audit that neither the nodal department nor the implementing authorities had provided the information regarding their entitlements to the beneficiaries. Professional agencies were not engaged to advise the land owners and the grievances/disputes resolution mechanism was also not established. Even Nodal department had not framed policy/guidelines for implementation, interpretation, review and monitoring of the policy. All these deficiencies defeated the very purpose of the policy framed by the Government.

The matter was referred to the Government in August 2013 but reply had not been received. However, an exit conference was held on 6 November 2013 wherein the Additional Chief Secretary, Revenue and Disaster Management Department considered the non-disbursement of annuity as serious issue and assured to take up the matter with the Principal Secretaries of concerned departments. Final outcome was awaited (January 2014).

**Town and Country Planning Department  
(Haryana Urban Development Authority)**

**3.16 Construction of Buildings and their utilisation**

**HUDA constructed various buildings without obtaining consent from user departments. 34 buildings constructed at the cost of ₹ 30.82 crore and 416 booths, kiosks and SCOs constructed at a cost of ₹ 13.99 crore were lying vacant. Besides, the lease rent of ₹ 9.33 crore of an auditorium building was not recovered.**

An audit of the records in the office of Chief Administrator, HUDA and five<sup>43</sup> Administrators covering 18<sup>44</sup> districts for the period from 2008-09 to 2012-13 showed that out of 426 public utility/community buildings constructed at a cost of ₹ 193.19 crore, 21 buildings were lying unoccupied and 17<sup>45</sup> buildings were under unauthorised occupation. The important audit findings were as under:

➤ The school buildings were constructed without consulting with Education Department. As a result, 25 school buildings constructed by HUDA were not taken over by Education Department and ten school buildings out of these were being used by various other departments to run their offices. No action to get these buildings vacated was taken as required under Section 18(b) of HUDA Act, 1977 which provides that if any person had unauthorisedly occupied any premises of the HUDA, the Collector may, order that person to vacate the same within thirty days from the date of service of the notice. Fifteen school buildings were lying vacant. These 25 buildings constructed at a cost of ₹ 10.81 crore had not served the desired purpose of providing education to the children of residents.

The Principal Secretary, Town and Country Planning Department (PS), during an exit conference, stated (September 2013) that school buildings would be got vacated from the occupants concerned and the Education Department would be requested to take over the possession.

➤ Out of 11 polyclinic buildings, six buildings<sup>46</sup> constructed at the cost of ₹ 18.92 crore had not yet been handed over to the Health Department.

<sup>43</sup> (i) Faridabad, (ii) Gurgaon, (iii) Hisar, (iv) Panchkula and (v) Rohtak

<sup>44</sup> 1.Ambala, 2.Bhiwani, 3.Fatehabad, 4.Jhajjar, 5.Faridabad, 6.Gurgaon, 7.Hissar, 8.Jind, 9.Karnal, 10.Kurukshetra, 11.Kaithal, 12.Panipat, 13.Panchkula, 14.Palwal, 15.Rohtak, 16.Sirsa, 17.Sonepat and 18.Yamuna Nagar

<sup>45</sup> HUDA (5), Municipal Corporation (2), Police (3), Education (4), Chief Town Planner, Assistant Chief Engineer and ISCON Foundation one each.

<sup>46</sup> (i) Ambala, (ii) Panipat, (iii) Sonapat, (iv) Bahadurharh, (v) Rohtak and (vi) Jhajjar.

➤ Three dispensary buildings constructed at a cost of ₹ 1.09 crore had not been handed over to the Health Department. Of these, two buildings were under unauthorised occupation of the Municipal Corporation, Gurgaon and one building at Panipat was lying vacant.

During the exit conference, the PS stated that dispensary buildings would be got vacated or rent would be charged from the departments concerned.

In all the above cases, it has been observed that prior consent of the user department had not been taken. Had it been done, the buildings could have been occupied, avoiding their misuse and uneconomic investment thereon.

➤ An auditorium at Gurgaon was leased out (February 2008) to M/s Great Indian Nautanki Company for 15 years at a lease rent of ₹ 0.36 crore per month to be increased by 10 per cent after the expiry of each three years. The lease rent required to be enhanced by 10 per cent i.e. ₹ 3.60 lakh from 01 March 2012 was not enhanced and the company paid only ₹ 10.65 crore upto August 2013 and an amount of ₹ 9.33 crore was recoverable alongwith the penalty of ₹ 90.03 lakh for delayed payments.

During the exit conference, the PS stated that the project was of international repute for attracting visitors from various parts of India and overseas and the outstanding lease rent would be recovered from the lessee as per law.

➤ A semi-automatic slaughter house constructed at Panchkula at a cost of ₹ 21.36 lakh between July 2002 and April 2003 and an Effluent Treatment Plant (ETP) constructed at a cost of ₹ 12.60 lakh between November 2008 and April 2009 remained without usage as of March 2013 since HUDA did not obtain NOC from the State Pollution Control Board. HUDA, had deposited (July 2012) ₹ 0.55 lakh as fee with the Pollution Control Board for granting NOC to operate slaughter house, but NOC was still awaited (January 2014).

During the exit conference, the PS directed the Administrator, HUDA, Panchkula to take necessary action for utilisation of the assets created. The final outcome was awaited (January 2014).

➤ Out of 416 booths, kiosks and shop-cum-offices (SCO) constructed by HUDA at a cost of ₹ 13.99 crore to provide facilities to the residents for purchasing commodities of daily use, 52<sup>47</sup> such buildings were occupied by various offices. Seven booths were sold after being pointed by Audit. The remaining 357 buildings were still lying vacant (August 2013). These buildings were in very bad/ depleted condition as heaps of garbage were lying in and around them.

<sup>47</sup> HUDA (28), Police (4), DHBVNL (4), Excise and Taxation (2), State Vigilance Bureau (3), Kurukshetra University (4), Income Tax (1), Banks (2), on rent one and unauthorised occupation (3).

On being pointed out in audit, the Estate Officer, Sirsa intimated (May 2013) that four booths in C-block, Sirsa were unauthorisedly occupied by the Police department. Estate Officer, Jind intimated (May 2013) that four SCOs were handed over to Kurukshetra University for training as per the orders of DC, Jind. The Estate Officer, Bhiwani intimated that second floor of SCO was occupied by the Regional Transport Authority but rent was not being paid.

During the exit conference, the PS stated that SCOs, booths and kiosks would be put to auction after vacating from the occupants concerned and site of those which were in dilapidated conditions and not saleable would be auctioned after dismantling.

The Chief Administrator, HUDA also stated (October 2013) that instructions had been issued not to construct any building without the consent of the user departments and effective steps would be taken to utilize the vacant buildings. The constructed SCOs/booths/kiosks would be auctioned in a phased manner in near future. The final outcome was awaited (January 2014).

### **3.17 Status of utilisation of land acquired by HUDA**

**Due to lack of monitoring, 1,323.83 acre land acquired by HUDA was under encroachment and 4,921.69 acre land was under unauthorised cultivation by farmers.**

The Haryana Urban Development Authority (HUDA) is the prime agency of the Government engaged in the planned development of urban areas in the State. After acquisition, it undertakes development of the land in accordance with provisions of the 'Development Plans' as well as layout plan of a particular area. Out of 74,652.58 acre land in five zones<sup>48</sup>, 4,921.69 acre of land was under unauthorised cultivation by farmers and 1,641.84 acre land was under encroachment. Test check of the status of 1,323.83 acre encroached land showed the following position:

➤ Section 18 of the HUDA Act, 1977 provides that the Collector or any person appointed for the purpose may order any person who is in the unauthorized occupation of any land or premises of the Authority (HUDA) to vacate the same within a period of thirty days. If such person refuses or fails to comply with the orders within the time specified, the Collector, may use force, as may be necessary and can assess and recover damages so caused as 'arrears of land revenue'. Out of total 1,323.83 acres encroached land as on 30 June 2013, 343.83 acres was not even under litigation, but no concrete action was taken to remove the encroachments.

<sup>48</sup> (1) Faridabad (15,429.52 acre), (2) Gurgaon (13,839.87 acre), (3) Hisar (8,621.12 acre), (4) Panchkula (19,176.88 acre) and (5) Rohtak (17,585.19 acre).

On being pointed out (September 2013), the PS stated (October 2013) that 980 acres of land was under court stay and action could not be taken till the court cases are decided. Out of remaining 343.83 acres encroached land (i) about 100 acres of land was inherited from Colonization Department, where the encroachment was 25 to 30 years old i.e. prior to 1987 and all efforts to remove the encroachment had failed due to Pucca Houses existing thereon. (ii) About 100 acres land was encroached by third parties after payment of compensation to the owners, which would be removed by following due procedure. Reply was not tenable as the HUDA was required to take action for removal of encroachment before making payment of compensation to the concerned parties.

➤ 4,921.69 acres land of HUDA was reported (May 2012) by Vigilance Department to the Urban Estate to be under unauthorised cultivation by the farmers. The PS, directed (December 2012) CA, HUDA to obtain a certificate from all Estate Officers and Administrators about the non-utilization of land of HUDA found under unauthorised cultivation. The Administrators were required to check the unutilised land of HUDA and if any such land was unauthorizedly cultivated, they were required to initiate necessary disciplinary proceedings against the erring officials including the Estate Officers within a period of ten days. Audit observed that appropriate action had not been taken by the concerned Administrators and the land was still under unauthorised cultivation.

On being pointed out by Audit, CA, HUDA stated (October 2013) that out of 2,271.26 acres of land falling under Rohtak Division, 1,875.26 acres has been got cleared from unauthorized cultivation and balance 396 acre land would be got cleared on 15 November 2013 but the outcome was awaited (January 2014). The CA, HUDA denied un-authorized cultivation on 2,650.43<sup>49</sup> acres of land but Vigilance Department had reported un-authorized cultivation in May 2012. However, the PS stated (October 2013) that the facts would be verified and exact position would be intimated. Further development/reply was awaited (January 2014).

➤ In pursuance of the orders of the Apex Court<sup>50</sup>, the State Government had framed (January 2010), a policy for removal or relocation / regularization of religious institutions after recovery of cost of land encroached by such institutions. It was noticed in audit that 125 religious institutions had encroached 50.05 acre land falling under jurisdiction of seven Estate Offices<sup>51</sup> of HUDA. Out of 125 cases, 79 cases involving an area of 29.729 acres were to be regularised as per the above policy but not regularised (August 2013) and in 46 cases involving encroached area of 20.319 acres, the unauthorised structures/ encroachments were to be removed but not removed (August 2013).

<sup>49</sup> Ambala- 377.55 acre, Gurgaon-768.24 acre, Hisar-1,026.64 acre, Panchkula-478 acre

<sup>50</sup> S.L.P. No. 8519 of 2006 dated 29 September 2009.

<sup>51</sup> Sirsa - 0.4 acre, Faridabad - 9.3 acre, Hisar - 5.11 acre, Panchkula – 28.1 acre, Gurgaon-II – 5.60 acre, Gurgaon-I – 0.54 acre, Sonapat – one acre.



The CA, HUDA while accepting the facts intimated (October 2013) that out of 79 sites of Faridabad, six had been removed and one was to be relocated. Reply was not tenable as the efforts made to remove the encroachments and reasons for its failure were not mentioned in the reply. Thus, lack of timely action on the part of HUDA resulted in encroachment of land by religious institutions and undue benefits to violators of law at the cost of HUDA/Government.

➤ As per instructions issued July 2008 and July 2013, the Estate Officers were required to conduct inspection of a sector fortnightly / monthly and send the report to concerned Administrators, Chief Administrator as well as to PS, TCPD through e-mail directly in the format issued in 2008. It was noticed that:

Comprehensive data bank or Assets Register showing details of land/ property acquired, cost paid, source from which acquired, purpose of acquisition, date of possession of land, date of planning approved, date of completion of development, date of utilization/ allotment, sale proceeds received/ to be recovered, date of final disposal of property, etc. were neither maintained by the concerned Estate Offices nor by the CA, HUDA in a centralized manner.

(a) System was not evolved to (i) assess the total requirement of land for its utilization; (ii) upkeep or dispose of surplus land; (iii) steps to protect the HUDA land, (iv) conduct physical verification of HUDA land and (v) action to avoid encroachment.

(b) There was shortage of staff as against the sanctioned strength of 2,182 persons under different cadres, only 1328 persons (61 *per cent*) were deployed.

During exit conference, the PS stated (October 2013) that encroachment was being removed regularly and necessary information regarding encroachment of land, utilised, unutilised/unplanned was prepared by respective Estate Offices and it was periodically reviewed in the monthly meetings. It was further stated that the urban estate wise information of land assessed, acquired, planned, unplanned and status of encroachment was available with HUDA and would be made available to Audit. The information was still awaited (January 2014) and the reply was not acceptable as no system was evolved to assess the total requirement of land for its utilization within a time frame, to upkeep comprehensive data bank in centralized manner or dispose of surplus land, to take action to avoid encroachment and periodical physical verification of land and reporting system thereon.

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**Transport Department**
**3.18 Avoidable payment of special road tax**
**Payment of special road tax to other States without operating the routes had resulted in loss of ₹ 81.28 lakh.**

Haryana Roadways operates its buses in other states i.e. Himachal Pradesh, Punjab, Rajasthan, Uttar Pradesh, etc. under inter-state agreements in accordance with sub section (5) of section 88 of the Motor Vehicles Act, 1988. The payment of Special Road Tax (SRT) is made as per the rates notified by respective State Governments from time to time, on the basis of route permits obtained for scheduled kilometres. In case, any depot of Haryana Roadways does not intend to operate any route permit(s), the payment of SRT can be avoided by surrendering the route permit(s) to the respective Regional Transport Authorities in the Haryana State.

During test-check (February 2012, May 2012 and January 2013) of records of three depots (Delhi, Ambala and Panipat) of Haryana Roadways, it was noticed that these depots deposited SRT of ₹ 81.28 lakh<sup>52</sup> for the period between November 2007 and March 2013 with the respective regional transport authorities of the concerned States on 12 routes without plying buses.

In Ambala depot, permits of five routes were surrendered on 30 April 2012 after 52 months though SRT was paid without plying buses on these routes. In Delhi depot out of six permits, three were surrendered in February 2011, but on remaining three routes neither the buses were plied nor permits were surrendered. In Panipat depot, on Panipat-Kota route, neither the buses were plied nor route permit was surrendered. Thus, payment of SRT of ₹ 81.28 lakh made without plying buses to respective Regional Transport Authorities which had resulted in loss to state exchequer.

The matter was referred to the Government in July 2013 but the reply had not been received. However, during exit conference (October 2013) the Additional Chief Secretary, Transport Department intimated that buses were not plied or diverted to other routes due to low receipts on these routes and the stated that permits were surrendered after it was pointed out by Audit and further assured that proper care would be taken in this regard in future.

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<sup>52</sup> (i) Ambala: ₹ 41.23 lakh for five routes; (ii) Delhi: ₹ 22.59 lakh for six routes and (iii) Panipat: ₹ 17.46 lakh for two permits for one route.

**Urban Local Bodies Department**

**3.19 Non-functioning of Solid Waste Management Plant**

**Solid Waste Management Plant, constructed at a cost ₹ 11.05 crore without obtaining NOC from Haryana State Pollution Control Board and Environment Impact Assessment clearance from the Government of India, Ministry of Environment and Forest had remained non-functional since April 2010.**

The Municipal Council (MC), Ambala (now Corporation) got constructed (July 2008) a Solid Waste Management Plant at a cost of ₹ 11.05 crore<sup>53</sup> in the village Patvi.

An agreement for operation and maintenance of SWMP was entered between M/s Taurant Project Limited and MC, Ambala on 7 July 2008 for ten years without getting “no objection certificate (NOC)” from Haryana State Pollution Control Board (HSPCB). When MC applied (December 2008) for NOC from HSPCB, the HSPCB advised (July 2009) the MC to first get the environment clearance from Government of India (GOI), Ministry of Environment and Forest (MOE&F) as per provisions of the Municipal Solid Waste (Management and Handling) Rules, 2000. During inspection of plant in March 2010 the HSPCB issued a show cause notice to the MC for non-compliance of the provisions of the Municipal Solid Waste Rules, 2000 and shut down the plant in April 2010 which resulted in non-accrual of benefits from the investment of ₹ 11.05 crore.

The Director, Urban Local Bodies replied (August 2013) that Municipal Corporation, Ambala had applied for obtaining EIA clearance from GOI after engaging a consultant. The scientific/technical study was being conducted by the consultant. Further, during an exit conference (September 2013), the Principal Secretary, Urban Local Bodies Department stated that due to non-obtaining of Environment Impact Assessment (EIA) clearance the plant was not in operation. He further clarified that a provisional NOC from HSPCB was obtained in August 2005 for setting up SWMP at village Dabkora at Jatwar in tehsil Naraingarh but the plant was later shifted to village Patvi district Ambala. That had created misconception and so the fresh NOC for SWMP at Patvi was not obtained. He further intimated that a consultant had been engaged since February 2013 for obtaining the environment impact assessment clearance. The reply was not convincing as the fresh EIA was required to be obtained for the new site selected for setting up the SWMP and non-obtaining the same in time resulted in blockade of funds of ₹ 11.05 crore since April 2010.

<sup>53</sup> Construction cost ₹ 9.96 crore + land cost ₹ 1.09 crore

### 3.20 Loss due to non-recovery of outstanding lease money

**Non-execution of lease deed of the land given to Digamber Jain Sabha, Ambala for more than 19 years resulted in non-recovery of ₹ 5.54 crore.**

The Military Estate Officer of Ambala Cantonment Board, Ambala leased out 2.795 acre land (2.64 acre land in February 1963 and 0.155 acre land in August 1963) and a school building constructed thereon, on an annual rent of ₹ 739.20 and ₹ 43.20 respectively to Digamber Jain Sabha, Ambala (Ambala Sadar) in the name of Manager, Jain Girls High School, affiliated to Board of School Education (Bhiwani), Haryana for a period of 30 years (upto 15 August 1993) for running the school with 70 per cent reservation for Children of Defence Services personnel. The lease was not renewable. The Government of India, Ministry of Defence, excluded (February 1977) certain local areas from the limits of Military controlled Ambala Cantonment area which included the area of above school and transferred the same to Haryana Government. The Government appointed (January 1999) the Deputy Commissioner (DC), Ambala as Estate Officer for management of land falling under the area transferred.

Audit scrutiny of the records in the office of the Executive Officer, Municipal Corporation (MC), Ambala showed (September 2012) that after expiry of lease period in August 1993, the Manager, Jain Girls High School requested (February 1994) the Municipal Committee, Ambala to extend the period of lease. After a gap of nine years, the Government extended (April 2003) the lease of above land for further period of thirty years (16 August 1993 to 15 August 2023) and fixed rent at the rate of ₹ 2,36,740 per month. The Estate Officer/Deputy Commissioner (DC) requested (May 2003) the Digamber Jain Sabha to deposit the outstanding lease rent at the above rates within fifteen days so that agreement could be executed. But the Sabha did not agree to pay the rent at increased rate and requested (March 2005) the DC and Government to reduce the rate of lease rent as the Sabha was not able to pay such a huge amount being a charitable educational institution imparting education to poor students as per Government policies. But the department did not agree (May 2007) to reduce the rate of lease rent and stated that the lease was extended at the minimum rates of Government on the request of the school authorities. The Department also advised the Sabha to submit fresh proposal for further extension of lease for 99 years under rule 9 of Haryana Management of Municipal Properties and State Properties (HMMP) Rule, 2007.

The Sabha had neither deposited the lease at enhanced rates nor executed the lease deed for the extended period (February 2013). Instead of taking appropriate action to recover the rent from the Sabha by taking action under rule of 18 of HMMP Rule, 2007 to resume the properties, the department/MC had only issued notices for recovery of lease money. Consequently, neither the lease money of

₹ 5.54<sup>54</sup> crore due for the period from 16 August 1993 to 15 February 2013 was recovered nor the lease deed got executed (February 2013).

It was also observed in audit that without permission of MC, Ambala, the Jain Sabha had started another school named Lord Mahavir Jain Public School affiliated to the Central Board of Secondary Education (CBSE) in the year 1999 on the leased land. The CBSE had issued (March 2005) a show cause notice for withdrawal of provisional affiliation on the ground that school was running on un-authorisedly occupied land and the school had failed in getting the lease deed further extended. However, the Estate Officer/DC, (Excised Area) had issued (February 2008) 'No Objection Certificate', to the Digamber Jain Sabha to run this newly started school without any condition which showed that undue favour was extended to the school.

On this being pointed out in audit, the Commissioner, Municipal Corporation, Ambala intimated (September 2013) that the notice to recover lease rent from the Sabha was issued but the Sabha had not paid the lease rent. The Commissioner further stated that the Sabha had been served notice for resumption of the land on account of non-payment of lease rent. The District Revenue Officer had been requested to recover the amount as arrears of Land Revenue and Chairmen, Central Board of Secondary Education was requested to direct the Sabha to deposit the lease money and if Sabha failed to deposit the lease money, the affiliation of Sabha to run a school may be cancelled. The fact, however, remains that even after the lapse of period of more than nineteen years, since the expiry of earlier lease period in August 1993, department/MC had failed to recover the lease money as well as to get the lease deed executed and the School was being run by the Sabha in an illegal and unauthorised manner.

The matter was discussed with the Principal Secretary to Government Haryana, (PS) Urban Local Bodies Department, in the exit conference held on 25 September 2013. While admitting the facts, the PS had stated that the lease rent appeared to be on higher side and that the issue will be reviewed shortly. The final action in the matter, was, however, awaited (January 2014).

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<sup>54</sup> 16 August 1993 to 15 February 2013= 234 months×₹ 2,36,740= ₹ 553.97 lakh.

### Welfare of Scheduled Castes and Backward Classes Department

#### 3.21 Irregularities in implementation of scheme for providing coaching to Scheduled Castes/Backward Classes candidates

**The department spent ₹ 5.22 crore on providing coaching to 9,906 Scheduled Castes/Backward Classes candidates for appearing in higher competitive/ entrance examinations through 14 coaching institutes which were selected arbitrarily. The payment was made without verifying the eligibility and ensuring that the coaching was actually imparted or not.**

The State Government introduced (April 2009) a scheme for availing financial assistance to scheduled castes and backward classes candidates appearing for the higher competitive and entrance examinations through Welfare of Scheduled Castes and Backward Classes (WSCBC) Department. During 2010-11 to 2012-13, the department paid ₹ 5.22 crore<sup>55</sup> to 14 coaching institutes for imparting coaching to 9,906 candidates appearing in ten<sup>56</sup> competitive examinations. During audit in the office of Director General (DG), WSCBC (between April and June 2013), the following irregularities were noticed in the implementation of the scheme:

#### (i) Irregularities in Selection of Institutes

Para 4 of the above mentioned scheme provides that the DG, WSCBC was required to invite proposals every year for implementation of scheme through reputed coaching institutes. The proposals received were required to be considered and finalized by a committee consisting of the Secretary, DG, Deputy Director, WSCBC and District Welfare Officer (DWO) of the district concerned. The eligibility conditions prescribed for coaching institutes for providing coaching were (i) ten years experience in coaching in the prescribed field, (ii) turnover of ₹ 10 lakh per annum, (iii) success rate of at least 35 per cent

<sup>55</sup> (1) M/s Master Mind Classes, Chandigarh (MMC): ₹ 2.55 crore, (2) Gateway, Chandigarh (GWC): ₹ 1.06 crore, (3) Excellent Civil Academy, Karnal (ECAK): ₹ 0.69 crore, (4) Excellent Civil Academy, Rewari (ECAR): ₹ 0.25 crore, (5) Ess Ess Computer Panipat (SS): ₹ 0.25 crore, (6) Haryana Institute of Information and Technology, Ambala City (HIIT): ₹ 0.17 crore, (7) Sampkalp, New Delhi: ₹ 0.08 crore, (8) Kiwi and Maples Chandigarh (K&M): ₹ 0.06 crore, (9) Career Launcher, Chandigarh (CLC): ₹ 0.03 crore, (10) BSC Academy, Chandigarh (BSC): ₹ 0.03 crore, (11) IAS Study Circle, Chandigarh (ISC): ₹ 0.02 crore, (12) A K Vidyamandir, Chandigarh (AKV): ₹ 0.01 crore, (13) Chandigarh Coaching Centre, Chandigarh (CCC): ₹ 0.01 crore and (14) Abhimanyu Coaching Centre, Chandigarh (ACC): ₹ 0.01 crore.

<sup>56</sup> (i) All India Engineering Entrance Examination (AIEEE), (ii) Bank Clerks 2011 (iii) Bank Clerks 2013, (iv) Combined Graduate Level Examination (CGL), (v) Haryana Teachers Eligibility Test (HTET), (vi) Lateral Engineering Entrance Test (LEET), (vii) Pre Medical Test (PMT), (viii) Probationary Officers in Banks (PO), (ix) Diploma Entrance Test (DET) and (x) All India Civil Services (IAS).

students per year and (iv) the institutes were required to quote the fee per student for the duration of the course.

The department had invited (December 2010) the proposal through newspapers and 16 coaching institutes had submitted their proposals for imparting coaching. All the 16 coaching institutes were selected for providing coaching without following the prescribed system and without taking into account their eligibility. Of these, (i) four institutes did not fulfill the criteria of experience of 10 years in coaching, (ii) two institutes were having less than ₹ 10 lakh turn over, (iii) eight institutes had not intimated their turnover and (iv) documents of two institutes were not on record. Thereafter no proposals were invited in coming years. Out of these 16 coaching institutes, 14 institutes imparted coaching during 2010-13. Thus, the selection of coaching institutes which had not fulfilled the basic conditions was irregular and indicated that undue favour was extended to such coaching institutes. It was also observed that two institutes<sup>57</sup> were owned by the same person and were having common address (SCO No. 221, Sector – 36, Chandigarh) to which the department replied (January 2014) that the scheme does not debar the two institutes if owned by the same person. The departmental reply was not acceptable as it was not possible for two institutes to impart coaching in the same premises at same time.

The Principal Secretary (PS), WSCBC Department while accepting shortcomings in selection of the coaching institutes during an exit conference held on 13 January 2014 assured that the process of selection would be investigated and action would be initiated against those responsible for wrong selection. Final action was awaited (January 2014).

#### **(ii) Irregularities in selection of candidates**

The DG, WSCBC was required to invite applications from time to time for different courses and examinations from the candidates for availing of coaching facility under the scheme. The candidates who fulfill eligibility conditions were to be selected at state level by a committee consisting of experts nominated by the Secretary, WSCBC department who was also the Chairperson of the committee. The coaching institutes were required to (i) admit only those candidates who were selected by the committee, (ii) maintain full record about coaching given and placement of the candidates, (iii) maintain separate accounts for funds released for the scheme and (iv) submit to the department complete details of candidates such as, name, father's name, date of birth, address, caste, total family income (certificate attested by 1<sup>st</sup> Class Magistrate), Haryana Domicile Certificate, proof for applying for the post/course for obtaining coaching and academic qualification, etc.

The candidates were asked to submit their applications directly to the coaching institutes for availing of the coaching facility which was in contravention of the provision of the scheme which provided that the selection was to be made by

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<sup>57</sup> M/s Master Mind Classes, Chandigarh and M/s Gateway, Chandigarh

screening committee. The department had not maintained proper record of candidates such as necessary certificates, information and affidavits from the candidates. Out of 9,906 candidates, records relating to only 5,729 candidates were made available to audit. The department intimated that the record for remaining candidates had misplaced during shifting of office building. The reply was not convincing as no action for tracing the misplaced record was taken by the department.

During scrutiny of record relating to 5,729 candidates it was observed that:

- Out of total 5,729 candidates, the department had sponsored only 822 candidates for eight examinations and for HTET no candidate was sponsored by the department.
- Out of 3,638 application forms of HTET, in 2,140 forms educational qualification certificates, in 1,744 forms caste certificates, in 2,524 forms domicile certificates, in 1,311 forms income certificates and in 1,361 residential address proofs were not found attached. Only 164 applications were complete in all respects.
- In HTET, affidavits in support of family income of 1,757 candidates were attested by the Notary Public of Charkhi Dadri on a single day i.e. 12 January 2012 after two months from the date of completion of the coaching. Further, instead of original affidavits, only photo copies were submitted alongwith claims.
- Out of 163 application forms in respect of Civil Services (Preliminary Examination) made available to audit, no application form was found complete.

During the exit conference (January 2014) the PS stated that the provisions of the scheme with regard to selection of candidates were contradictory. The scheme mentions the selection of candidates both by a state level committee consisting of experts nominated by the Secretary, WSCBC as well as by the empanelled institutes which were also responsible for the publicity of scheme. He assured that the clear cut instructions would be incorporated in the guidelines. The contention of the PS was not convincing as proper record of candidates imparted coaching, as required, was not maintained.

### **(iii) Irregularities in making payment**

All DWOs were required to inspect the coaching centres where the coaching was being provided to the selected candidates, twice a week and were required to submit their reports to the office of DG, WSCBC Department with particulars and progress of coaching including photo copies of candidates attendance with roll numbers, etc. issued by the concerned examination boards/commissions.

Audit observed that DWOs did not inspect the coaching centres as per requirement and number of candidates were reported on head count or on average basis. The payments were made by the department without verifying the



completeness of application forms and applying necessary checks to ensure the genuineness of documents.

During exit conference (January 2014) the PS stated that in HTET coaching, due to time constraints the department could not carry out prescribed checks and payment was made on the reports of DWOs. He also assured that the reports would be verified and action would be taken accordingly. Final action in this regard was awaited (January 2014).

**(iv) Results of Physical survey of candidates by Audit**

To analyze the extent of benefits derived through coaching by the candidates, the Audit surveyed 2,775 candidates out of 9,906 candidates and feedback was taken through questionnaire method. The course wise detail of survey conducted and irregularities noticed is given in **Table 3.21.1**.

**Table 3.21.1: Detail of irregularities noticed during physical survey of candidates**

Sl. No.	Name of the examination	Amount paid (₹ in crore)	Name of institute and candidates coached by them	Number of candidates coached for which payment was made	Duration of coaching in days	Physical verification of candidates	
						Sample of physical verification	Results of physical verification
1	Haryana Teacher Eligibility Test (HTET)	1.20	MMC (1,667) GWC (1,697) ECAK (51) ECAR (71) SS (59) HIIT (93)	3,638	15	1145	(i) 1,031 candidates (90 per cent) had neither applied nor availed of the facility of coaching. (ii) 42 candidates were imparted coaching for lesser days. (iii) 11 candidates had paid for coaching to coaching institutes.
2	Diploma Entrance Test (DET) and Lateral Engineering Entrance Test (LEET)	1.06	MMC (1,686) HIIT (202) K&M (138)	2026	90	248	(i) 155 candidates (62 per cent) had neither applied for coaching nor availed of the facility of coaching. (ii) Coaching was provided for only 24 days. (iii) No coaching classes held in one institute at Hisar as claimed to be branch of a coaching institute. (iv) The DWOs had not inspected the coaching institute during conduct of training and reported the number of candidates on head count basis.
3	Pre Medical Entrance Test (PMT)	0.63	MMC (569) CCC (6)	575	90	65	(i) 42 candidates were not eligible for the coaching as they had passed 10+2 examination with Arts subjects. (ii) The coaching was imparted for 26 days only.
4	All India Engineering Entrance Examination (AIEEE)	0.52	MMC (720) HIIT (55) SS (15)	790	90	152	(i) 115 candidates (75 per cent) had neither applied for nor availed of the coaching facility even 91 candidates were ineligible as they had passed 10+2 examination with Arts subjects (iii) Out of fourteen branches of MMC in twelve branches coaching classes were not conducted. (iv) Coaching was imparted for only 27 to 60 days.

Sl. No.	Name of the examination	Amount paid (₹ in crore)	Name of institute and candidates coached by them	Number of candidates coached for which payment was made	Duration of coaching in days	Physical verification of candidates	
						Sample of physical verification	Results of physical verification
5	Bank Clerks Examination	1.20	GWC (902) ECAK (636) SS (367) ECAR (296) BSC (26)	2,227	60	794	(i) 307 (39 per cent) candidates had applied for availing the coaching but they had not attended the coaching classes. (ii) 258 (32 per cent) candidates had neither applied nor availed the facility of coaching (iii) 20 (three per cent) had paid to coaching institutes (iv) 91 (11 per cent) candidates had received coaching for lesser days than required.
6	Probationary Officers Examination	0.22	ECAK (127) ECAR (76) SS (45) BSC (20)	268	60	154	(i) 15 candidates had neither applied nor received coaching. (ii) Seven candidates had applied but had not received coaching. (iii) 18 candidates were ineligible. (iv) 21 candidates made payment to the coaching institutes.
7	Combined Graduate Level Examination	0.10	ECAK (68) ECAR (50)	118	60	76	(i) 14 candidates had neither applied nor received coaching. (ii) Four candidates had applied for coaching but had not received coaching. (iii) Fifteen candidates had made payment for coaching to the institutes.
8	Civil Services (Preliminary) Examination	0.29	ECAK (81) Sampkalp (46) CLC (21), ISC (15), AKV (7) ACC (4)	174	90	141	(i) 49 (35 per cent) candidates had not received coaching. (ii) 30 candidates had received coaching up to 30 days only.
	<b>Total</b>	<b>5.22</b>	<b>9,816<sup>58</sup></b>	<b>9,816</b>		<b>2,775</b>	

**Source:** Information supplied by the Department and Collected during physical survey of candidates

The above table indicates that out of 2,775 candidates physically surveyed, 1,588 candidates had not applied for the coaching, 151 candidates were found ineligible for taking concerned coaching, 360 candidates had applied for coaching but had not attended any coaching, 67 candidates had made additional payments to the coaching institutes for getting coaching and 163 candidates complained that the coaching was imparted for lesser days.

➤ It was further observed that In HTET, date of advertisement for calling applications and the date of start of coaching by coaching institutes was the same (20 October 2011). It was not practically possible for candidates from all over Haryana to submit their applications with all required documents.

During exit conference (January 2014) the PS informed that an enquiry committee at the level of Director, WSCBC had been constituted and action for

<sup>58</sup> In the coaching for Bank Clerks in 2012-13 total candidates were 729 but payment was made for 639 candidates by counting the candidates on average basis.

recovery of amount paid to the coaching institutes would be initiated and FIR would also be lodged against the defaulters. Final outcome was awaited (January 2014).

➤ The Union Public Service Commission (UPSC), New Delhi intimated that out of 163 candidates, only 89 candidates had applied for Civil Services (Preliminary) Examination, 2011-12 but only one candidate had cleared the examination. This indicated that 74 candidates (163-89=74) had not even applied to UPSC and the coaching was imparted without ensuring the candidature of eligible candidates. The department had also admitted (August 2013) that institutes imparting coaching for civil services examination situated out of the State at Delhi and Chandigarh were not inspected.

During exit conference (January 2014) the PS intimated that the matter would be taken up with the Director General of Police for investigation. Final action was awaited (January 2014).

#### (v) *Unjustified Payments of Service Tax*

The rates of coaching fees as decided in the High Powered Committee meeting (February, 2011), required to be paid to the coaching institutes did not have a mention of Service Tax.

It was, however, noticed that the department had made a payment (March 2012) of ₹ 45.73 lakh on account of Service Tax to the 14 coaching institutes in addition to the fees at the rates approved by the committee, during 2010-11 to 2011-12. On verification from the Central Excise Department, Chandigarh, it was found (October 2013) that M/s Gateway, Chandigarh (Service tax paid ₹ 9.89 lakh) had submitted the Service Tax return for the year 2011-12 as nil and M/s Master Mind Classes, Chandigarh (Service tax paid ₹ 23.84 lakh) had not filed the return for the period 2011-12. It was also found that four<sup>59</sup> institutes were not registered under Service Tax Act and six<sup>60</sup> institutes had deposited the service tax as required under the Service Tax Act.

During exit conference (January 2014), the PS stated that some coaching institutes had deposited the Service tax and copies of challans would be produced to Audit shortly. In case of other institutes which had not deposited the Service tax, FIR would be lodged against the defaulters.

➤ Thus, the scheme was not implemented in true spirit and the purpose of

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<sup>59</sup> (i) M/s Excellent Civil Academy, Karnal and Rewari (Service Tax paid - ₹ 6.72 lakh), (ii) M/s Ess Ess Computers, Panipat (Service Tax paid - ₹ 1.41 lakh), (iii) M/s Kiwi and Maples, Chandigarh (Service Tax paid - ₹ 0.57 lakh) and (iv) M/s Samkalp Jan Kalyan Shiksha Samiti, Delhi (Service Tax paid - ₹ 0.71 lakh)

<sup>60</sup> (i) M/s A K Vidya Mandir Chandigarh : ₹ 0.10 lakh, (ii) M/s Abhimanyu Coaching Centre, Chandigarh : ₹ 0.06 lakh, (iii) M/s IAS Study Circle, Chandigarh : ₹ 0.23 lakh, (iv) M/s Haryana Institute of Information and Technology : ₹ 1.52 lakh, (v) M/s Chandigarh Coaching Centre : ₹ 0.06 lakh and (vi) M/s BSC Academy : ₹ 0.29 lakh.

providing facilities of coaching to the eligible candidates of targeted classes could not be achieved. Moreover, undue benefits were provided to coaching institutes concerned by the department as it did not examine the documents based upon which the payment was made and necessary checks required to be exercised.

Above points were referred to the Government in October 2013 but the reply had not been received. However, the points were discussed with Principal Secretary, Welfare of Scheduled Casts and Backward Classes Department in an exit conference held in January 2014 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

Chandigarh

Dated:



(Onkar Nath)  
Principal Accountant General (Audit),  
Haryana

Countersigned

New Delhi

Dated:



(Shashi Kant Sharma)  
Comptroller and Auditor General of India

# **Appendices**

**Appendix 1.1**

**(Reference: Paragraph 1.9; Page 5)**

**Statement showing year-wise breakup of outstanding Inspection Reports and Paragraphs**

<b>Sr. No.</b>	<b>Year</b>	<b>Number of Inspection Reports</b>	<b>Number of Paragraphs</b>	<b>Amount (₹ in crore)</b>
1	1999-2001	4	8	3.78
2	2001-2002	1	7	0.02
3	2002-2003	1	1	-
4	2003-2004	17	25	35.80
5	2004-2005	12	16	24.74
6	2005-2006	23	51	36.61
7	2006-2007	22	72	178.22
8	2007-2008	31	73	85.74
9	2008-2009	26	70	427.59
10	2009-2010	37	133	699.52
11	2010-2011	22	100	500.46
12	2011-2012	16	91	1,016.92
13	2012-2013	17	71	313.98
<b>Total</b>		<b>229</b>	<b>718</b>	<b>3,323.38</b>

**Appendix 1.2**

**(Reference: Paragraph 1.9; Page 5)**

**Detail of nature of irregularities pointed out through outstanding  
Inspection Reports**

**(₹ in crore)**

<b>Sr. No.</b>	<b>Nature of irregularities</b>	<b>Number of Paragraphs</b>	<b>Amount</b>
1.	Non-recovery/short recovery of service charges, demolition charges and other recoveries	131	642.33
2.	Excess expenditure, excess payment, irregular /wasteful/ avoidable expenditure and unfruitful/ injudicious expenditure	139	526.10
3.	Non-obtaining/Non-production of utilisation documents, suspected embezzlement and non-production of record	22	6.48
4.	Undue benefit to contractors	107	161.22
5.	Irregular purchase, blockade of funds, over budget, non-obtaining of technical sanction/ administrative approval and mis-utilisation/non-utilisation of Government money/ loans	111	1,556.90
6.	Non-adjustment of advance payments/miscellaneous advances	30	191.90
7.	Non deduction of Labour Cess/non maintenance of record	13	58.32
8.	Non removal of illegal structures and encroachments	8	106.46
9.	Non disposal of worn-out articles	12	0.54
10.	Other paragraphs relating to stock and store and irregularities of cash books	145	73.13
	<b>TOTAL</b>	<b>718</b>	<b>3,323.38</b>

### Appendix 1.3

(Reference: Paragraph 1.10; Page 6)

#### List of Outstanding Paragraphs to be discussed in PAC for the year 2008-09, 2009-10, 2010-11 and 2011-12

Sr. No.	Name of Department	Period	Total paras	Para No.
1.	Agriculture	2009-10	1	1.1
		2010-11	1	3.2.5
		2011-12	1	4.3.7
2.	Animal Husbandry and Dairying Department	2010-11	1	4.1
3.	Education	2009-10	1	2.4.1
		2010-11	1	2.1
		2011-12	3	4.1.3, 4.3.1, 5.1
4.	Finance	2009-10	1	2.6.1
5.	Food and Supplies	2010-11	1	3.3.6
		2011-12	1	4.2.5
6.	Forest	2010-11	1	2.2
7.	Home (Police)	2009-10	1	2.2.6
		2010-11	1	3.2.6
		2011-12	1	3.4
8.	Industries and Commerce	2008-09	1	2.4.1
9.	Health and Family Welfare	2011-12	1	4.1.1 (a)
10.	Social Justice and Empowerment	2009-10	2	2.1.1, 2.5.1
		2010-11	1	3.1.1
		2011-12	1	3.3
11.	Irrigation	2008-09	2	2.1.5, 2.3.8
		2009-10	3	2.2.2, 2.2.3 and 2.2.4
		2010-11	4	3.1.2, 3.2.1, 3.3.1, 3.3.2
		2011-12	3	2.2, 2.3, 4.1.2
12.	Home (Jail)	2009-10	-	2.6.1.(m)
13.	Public Works Department(B&R)	2009-10	2	2.2.1, 2.4.2
		2010-11	3	3.2.2, 3.2.3, 3.2.4
		2011-12	2	4.2.3, 4.3.5
14.	Public Works Department(P&H)	2009-10	4	1.3, 2.2.5, 2.4.3, 2.4.4
		2010-11	2	3.3.3, 3.3.4
		2011-12	5	4.1.1 (b), 4.2.4, 4.3.2, 4.3.3, 4.3.4
15.	Revenue	2008-09	1	2.5.1
		2010-11	1	2.3
16.	Rural Development	2009-10	1	2.5.2
		2011-12	1	2.4
17.	Transport	2009-10	1	2.3.2



<b>Sr. No.</b>	<b>Name of Department</b>	<b>Period</b>	<b>Total paras</b>	<b>Para No.</b>
		2011-12	2	4.2.6, 4.3.6
18	Administration of Justice	2008-09	1	2.2.1
		2011-12	1	4.2.2
19	Supplies and Disposals	2008-09	1	2.3.5(m)
20	Labour and Employment	2010-11	1	3.3.7
		2011-12	1	2.1
21	Women and child development Department	2009-10	1	1.2
22	Fisheries Department	2009-10	1	3.2
23	Panchyat Department	2011-12	1	3.1
24	Haryana Vidhan Sabha (Legislative Department)	2011-12	1	4.2.1
<b>Total Paras</b>			<b>68</b>	

### Appendix 1.4

(Reference: Paragraph 1.10; Page 6)

#### Details of Audit Report paragraphs for which replies are waited for the years 2008-09, 2009-10, 2010-11 and 2011-12 (Civil Reports ) as on 31 July 2013

Sr. No.	Name of Department	Period	Total paras	Para No.
1	Agriculture	2009-10	1	1.1
		2011-12	1	4.3.7
2.	Education	2010-11	1	2.1
		2011-12	2	4.1.3,4.3.1
3.	Technical Education	2011-12	1	5.1
4.	Finance	2009-10	1	2.6.1
5.	Forest	2010-11	1	2.2
6.	Home (Police and Jail)	2009-10	1	2.2.6
		2011-12	1	3.4
7.	Irrigation	2009-10	3	2.2.2, 2.2.3, 2.3.4
		2010-11	3	3.1.2, 3.2.1, 3.3.2
		2011-12	2	2.2, 4.1.2
8.	Public works Department (B&R)	2009-10	1	2.2.1
		2010-11	2	3.2.2, 3.2.3
		2011-12	1	4.2.3
9.	Public Works Department (P&H)	2010-11	1	3.3.4
10.	Revenue	2010-11	1	2.3
11.	Transport	2009-10	1	2.3.2
		2011-12	2	4.2.6, 4.3.6
12.	Social Justice and Empowerment	2009-10	2	2.1.1, 2.5.1
		2010-11	1	3.1.1
13.	Fisheries	2009-10	1	3.1
14.	Labour and Employment	2010-11	1	3.3.7
		2011-12	1	2.1
15.	Animal Husbandry and Dairying	2010-11	1	4.1
16.	Rural Development	2011-12	1	2.4
17.	Development and Panchayat	2011-12	1	3.1
18.	Health and Family welfare	2011-12	1	4.1.1 (a)
19.	Haryana Vidhan Sabha (Legislative Department)	2011-12	1	4.2.1
20.	Administration of Justice Department	2011-12	1	4.2.2
21.	Food and Supply	2011-12	1	4.2.5
	<b>Total</b>		<b>40</b>	

**Appendix 1.5**

**(Reference: Paragraph 1.10; Page 6)**

**List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Department**

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
1.	Agriculture	2000-01	6.3	40.45
			6.6	30.60
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	5.62
4.	Food and Supplies	2002-03	4.6.8	23.89
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		2003-04	4.5.1	273.00
		2011-12	2.4.10.2	2.60
6.	Women and Child Development	2009-10	1.12.13.1	8.25
			1.12.13.3	4.09
7.	Social Justice and Empowerment (District Red Cross Society)	2010-11	3.11	1.53
		2011-12	3.3.5.1	1,572.00
			3.3.5.2	71.00
8.	PWD (Irrigation)	2010-11	3.1.2	62.25
9.	Labour and Employment	2011-12	2.1.9.4	79.95
<b>Total</b>			<b>16</b>	<b>2,944.73</b>

**Say ₹ 29.45 crore**

### Appendix 1.6

(Reference: Paragraph 1.10; Page 6)

#### Details of outstanding recommendations of Public Accounts Committee on which the Government was yet to take final decision

Sr. No.	PAC Report	Total number of outstanding recommendations
1.	9 <sup>th</sup>	1
2.	14 <sup>th</sup>	1
3.	16 <sup>th</sup>	1
4.	18 <sup>th</sup>	1
5.	21 <sup>st</sup>	1
6.	22 <sup>nd</sup>	2
7.	23 <sup>rd</sup>	1
8.	25 <sup>th</sup>	3
9.	26 <sup>th</sup>	2
10.	28 <sup>th</sup>	1
11.	29 <sup>th</sup>	3
12.	32 <sup>nd</sup>	5
13.	34 <sup>th</sup>	5
14.	36 <sup>th</sup>	8
15.	38 <sup>th</sup>	7
16.	40 <sup>th</sup>	8
17.	42 <sup>nd</sup>	6
18.	44 <sup>th</sup>	11
19.	46 <sup>th</sup>	7
20.	48 <sup>th</sup>	3
21.	50 <sup>th</sup>	33
22.	52 <sup>nd</sup>	16
23.	54 <sup>th</sup>	12
24.	56 <sup>th</sup>	15
25.	58 <sup>th</sup>	40
26.	60 <sup>th</sup>	36
27.	61 <sup>st</sup>	12
28.	62 <sup>nd</sup>	20
29.	63 <sup>rd</sup>	25
30.	64 <sup>th</sup>	09
31.	65 <sup>th</sup>	23
32.	67 <sup>th</sup>	37
33.	68 <sup>th</sup>	58
<b>Total</b>		<b>413</b>

**Appendix 1.7**

**(Reference: Paragraph 1.11; Page 6)**

**Statement showing the details of rendering of account to CAG and submission of Audit Report to State Legislature by the autonomous bodies**

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts we re rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 31 <sup>st</sup> August 2013)
1.	Haryana Khadi and Village Industries Board, Manimajra, Chandigarh	2012-13 to 2016-17	2011-12	2010-11	2004-05	2011-12 to 2012-13	14 months
2.	Haryana Labour Welfare Board, Chandigarh	2008-09 to 2012-13	2011-12	2011-12	2006-07	--	
3.	Haryana Urban Development Authority, Panchkula	2007-08 to 2011-12	2011-12	2010-11	2010-11	--	
4.	Haryana Housing Board, Panchkula	2009-10 to 2013-14	2011-12	2011-12	2010-11	--	
5.	Haryana State Agricultural Marketing Board, Panchkula	2010-11 to 2014-15	2011-12	2011-12	2010-11	2012-13	Two months
6.	Haryana Wakf Board, Ambala Cantt.	2008-09 to 2012-13	2012-13	2011-12	Not required to be laid down	-	
7.	Haryana State Legal Services Authority, Chandigarh	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2010-11	2007-08	2005-06	2011-12	14 months
8.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Bhiwani	-do-	2010-11	2010-11	-	2011-12 to 2012-13	14 months
9.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Faridabad	-do-	2010-11 <sup>1</sup>	-	-	2011-12 to 2012-13	14 months
10.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Fatehabad	-do-	2011-12	2010-11	-	2012-13	Two months
11.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Gurgaon	Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	-	-	-	1996-97 to 2012-13	16 years
12.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Jhajjar	-do-	-	-	-	1996-97 to 2012-13	16 years
13.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Kaithal	-do-	2011-12	2006-07	-	2012-13	Two months
14.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panchkula	-do-	-	-	-	1996-97 to 2012-13	16 years

<sup>1</sup> Accounts for the years 2000-01 to 2007-08 were not complete, hence sent back.

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts we re rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 31 <sup>st</sup> August 2013)
15.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panipat	Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2010-11	2010-11	-	2011-12 to 2012-13	14 months
16.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rewari	-do-	-	-	-	1996-97 to 2012-13	16 years
17.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rohtak	-do-	-	-	-	1996-97 to 2012-13	16 years
18.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Sonapat	-do-	-	-	-	1996-97 to 2012-13	16 years
19.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Yamunanagar	-do-	2011-12	-	-	2012-13	Two months
20.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Hisar	-do-	2011-12	2006-07	-	2012-13	Two months
21.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Narnaul	-do-	2009-10	2009-10	-	2010-11 to 2012-13	Two years
22.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Sirsa	-do-	2010-11	2010-11	-	2011-12 to 2012-13	14 months
23.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Ambala	-do-	2007-08	2007-08	-	2008-09 to 2012-13	Four years
24.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Jind	-do-	2010-11	2010-11	-	2011-12 to 2012-13	14 months
25.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Karnal	-do-	2007-08	2007-08	-	2008-09 to 2012-13	Four years
26.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Kurukshetra	-do-	2007-08	2007-08	-	2008-09 to 2012-13	Four years
27.	Haryana Building and other Construction Workers Welfare Board, Chandigarh	-do-	2011-12	2010-11	-	-	
28.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Mewat	-do-	-	-	-	2009-10 to 2012-13	Three years

**Appendix 2.1**

**(Reference: Paragraph 2.1.7.3; Page 14)**

**Statement showing the details of splitting of works**

Sr. No.	Name of District	Name of PHE Division	Number of Estimates	Number of Works	Total Amount
					(₹ in lakh)
1	Rewari	Rewari No. 2	2	32	150.98
2		Kosli	2	11	51.32
3	Fatehabad	Fatehabad No. 1	1	15	70.26
4		Fatehabad No. 2	3	66	268.76
5	Gurgaon	Gurgaon	2	5	13.89
6		Sohna	4	13	34.30
7	Hissar	Hissar No. 2	2	9	22.92
8		Hissar No. 3	2	31	144.65
9	Kaithal	Kaithal No.3	5	62	220.67
10	Karnal	Karnal	10	94	414.64
11	Kurukshetra	Kurukshetra	1	2	3.66
12	Mohindergarh	Narnaul	2	34	52.62
13	Palwal	Palwal No. 3	3	24	78.35
14	Panipat	Panipat No. 2	2	15	59.82
15	Ambala	Ambala Cantt	2	11	46.92
16	Sonipat	Sonipat No. 2	8	60	221.46
17		Sonipat No. 3	3	9	39.60
18		Gohana	2	6	18.98
<b>Total</b>			<b>56</b>	<b>499</b>	<b>1913.80</b>

Source: Compiled from the data received from the department.

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**Appendix 2.2**

(Reference: Paragraph 2.2.4; Page 28)

**List of Municipal Corporations, Councils and Committees selected for  
Performance Audit**

Sr. No.	District	Corporation	Council	Committee
1	Faridabad	Faridabad	-	-
2	Fatehabad	-	Fatehabad, Tohana	Ratia
3	Hisar	Hisar	Hansi	Barwala, Uklana, Narnaund
4	Jhajjar	-	Bahadurgarh	Jhajjar, Beri
5	Mahendergarh	-	Narnaul	Ateli, Kanina, Mahendergarh
6	Rewari	-	Rewari	Bawal, Dharuhera



## Appendix 2.3

(Reference: Paragraph 2.2.7.4; Page 31)

## Statement showing details of diversion of grants

Name of Scheme	Items of expenditure on which grant diverted	Amount of diversion (₹ in lakh)
<b>Municipal Council, Fatehabad</b>		
Thirteen Finance Commission	Salary, Audit fee, wages, Gratuity and leave encashment	60.82
Surcharge on VAT	Leave Travel Concession , wages, gratuity and leave encashment	50.51
<b>Total</b>		<b>111.33</b>
<b>Municipal Council, Tohana</b>		
Surcharge on VAT	Gratuity, Audit fees, wages, pay, medical expenses, MC member honorarium, pension share, GPF, etc.	120.55
<b>Total</b>		<b>120.55</b>
<b>Municipal Committee, Ratia</b>		
Central Finance Commission	Salaries, One <i>per cent</i> share of Director, ULB, Audit fee, LTC, Salary	29.59
State Finance Commission	Salary	9.04
<b>Total</b>		<b>38.63</b>
<b>Municipal Council, Hansi</b>		
Surcharge on VAT scheme.	Arrear and wages	19.20
<b>Total</b>		<b>19.20</b>
<b>Municipal Corporation, Faridabad</b>		
Central Finance Commission	Wages, Salary of HUDA staff, wages, Medical Establishment	307.76
<b>Total</b>		<b>307.76</b>
<b>Municipal Committee, Bawal</b>		
VAT	Audit fee, Pension Share, One <i>per cent</i> share of Director, ULB, etc.	13.58
State Finance Commission	Payment of loan to Haryana Slum Clearance Board	2.00
<b>Total</b>		<b>15.58</b>
<b>Municipal Committee, Jhajjar</b>		
Surcharge on VAT	Refund of Earnest Money, Salary, Electricity Bill, etc.	59.80
VAT	Audit fee for 2011-12	2.00
CFC	LTC, Audit fees, Salary	36.91
<b>Total</b>		<b>98.71</b>
<b>Municipal Committee, Fatehabad</b>		
Solid Waste Management Scheme, CFC, etc.	Salary, wages, etc.	57.50
<b>Total</b>		<b>57.50</b>
<b>Grand Total</b>		<b>769.26</b>

Source: Compiled from the data received from the department.

### Appendix 2.4

(Reference: Paragraph 2.2.8.1; Page 32)

#### Details of loss due to non-recovery of regularization charges

Sr. No.	Name of municipalities	Total built-up area (in lakh sq. yards)	Rate per sq. yard (in ₹)	Amount to be recovered (₹ in crore)
1.	Municipal Council, Fatehabad	22.70	120	27.24
2.	Municipal Council, Tohana	17.97	120	21.56
3.	Municipal Committee, Ratia	5.52	80	4.42
4.	Municipal Corporation, Hisar	22.70	120	27.24
5.	Municipal Council, Hansi	23.01	120	27.61
6.	Municipal Committee, Narnaund	0.12	80	0.10
7.	Municipal Council, Bahadurgarh	26.04	120	31.25
8.	Municipal Committee, Bawal	8.19	80	6.55
9.	Municipal Council, Rewari	16.86	120	20.23
10.	Municipal Committee, Mohindergarh	5.25	80	4.20
<b>Total</b>				<b>170.40</b>

Source: Compiled from the data received from the department.

**Appendix 2.5**

**(Reference: Paragraph 2.2.8.4; Page 34)**

**Statement showing the details of non-recovery of cess**

<b>Name of unit</b>	<b>No. of cases test checked</b>	<b>Amount recoverable (₹ in lakh)</b>
Municipal Council, Fatehabad	70	12.83
Municipal Council, Tohana	96	22.44
Municipal Committee, Ratia	65	11.36
Municipal Corporation, Hisar	19	3.58
Municipal Council, Hansi	16	2.10
Municipal Committee, Barwala	12	1.17
Municipal Committee, Narnaund	10	1.27
Municipal Committee, Jhajjar	10	1.01
Municipal Committee, Bawal	8	0.91
Municipal Committee, Beri	35	4.60
Municipal Council, Rewari	15	4.20
Municipal Council, Narnaul	5	2.34
Municipal Committee, Kanina	1	1.57
Municipal Committee, Ateli	5	0.58
Municipal Committee, Mohindergarh	51	9.19
<b>Total</b>		<b>79.15</b>

**Source: Compiled from the data received from the department.**

**Appendix 2.6****(Reference: Paragraph 2.2.8.6; Page 35)****Details of Outstanding Annual Renewal Fee of Cellular Mobile Telephone Towers installed in Municipal Area**

<b>Sr. No.</b>	<b>Name of Municipalities</b>	<b>Annual Renewal Fee (₹ in lakh)</b>
1.	Municipal Corporation, Faridabad	84.40
2.	Municipal Council, Fatehabad	1.55
3.	Municipal Council, Tohana	0.45
4.	Municipal Committee, Barwala	1.10
5.	Municipal Corporation, Hisar	54.49
6.	Municipal Council, Hansi	7.05
7.	Municipal Committee, Narnaund	1.50
8.	Municipal Committee, Beri	0.70
9.	Municipal Committee, Jhajjar	3.60
10.	Municipal Committee, Ateli	0.20
11.	Municipal Council, Narnaul	1.50
12.	Municipal Committee, Bawal	0.90
13.	Municipal Committee, Daruhera	0.30
<b>Total</b>		<b>157.74</b>

**Source: Compiled from the data received from the department.**

**Appendix 2.7**

**(Reference: Paragraph 2.2.8.6; Page 35)**

**Details of Outstanding House Tax including Fire Tax**

<b>Sr. No.</b>	<b>Name of Municipalities</b>	<b>House Tax (₹ in lakh)</b>
1.	Municipal Corporation, Faridabad	7841.67
2.	Municipal Council, Fatehabad	186.99
3.	Municipal Committee, Ratia	66.67
4.	Municipal Council, Tohana	31.65
5.	Municipal Council, Hisar	377.94
6.	Municipal Council, Hansi	56.43
7.	Municipal Committee, Narnaund	7.43
8.	Municipal Council, Bahadurgarh	306.83
9.	Municipal Committee, Beri	9.06
10.	Municipal Committee, Jhajjar	122.22
11.	Municipal Committee, Ateli	19.41
12.	Municipal Committee, Kanina	22.34
13.	Municipal Committee, Mohindergarh	36.04
14.	Municipal Council, Narnaul	190.65
15.	Municipal Committee, Bawal	26.51
16.	Municipal Council, Rewari	280.02
	<b>Total</b>	<b>9581.86</b>

Source: Compiled from the data received from the department.

**Appendix 2.8****(Reference: Paragraph 2.2.8.6; Page 35)****Details of Outstanding Rent collected/levied by municipalities**

<b>Sr. No.</b>	<b>Name of Municipalities</b>	<b>Rent (₹ in lakh)</b>
1.	Municipal Corporation, Fatehabad	50.28
2.	Municipal Committee, Ratia	7.78
3.	Municipal Committee, Barwala	13.66
4.	Municipal Council, Hansi	13.59
5.	Municipal Committee, Narnaund	16.03
6.	Municipal Committee, Uklana	10.36
7.	Municipal Council, Bahadurgarh	0.36
8.	Municipal Committee, Beri	0.06
9.	Municipal Committee, Jhajjar	11.13
10.	Municipal Committee, Ateli	6.57
11.	Municipal Committee, Kanina	64.76
12.	Municipal Committee, Mohindergarh	60.97
13.	Municipal Council, Narnaul	33.51
14.	Municipal Committee, Bawal	61.83
15.	Municipal Council, Rewari	17.80
16.	Municipal Committee, Daruhera	Nil
<b>Total</b>		<b>368.69</b>

Source: Compiled from the data received from the department.

### Appendix 2.9

(Reference: Paragraph 2.2.9; Page 36)

#### Scheme-wise grants received and expenditure incurred during 2008-13 by selected municipalities

(₹ in crore)

Name of Municipalities		CFC	SFC	Surcharge on VAT	SWM	LADT	SC BASTI	SPL. Dev.	Chief Minister Announcement	JNNURM	SJSRY	Total
Faridabad	Receipt	38.42	70.96	21.44	0.32	7.00	22.06	0	0	367.09	0	527.29
	Expenditure	32.87	67.79	13.72	0.32	7.00	8.37	0	0	367.09	0	497.16
Fatehabad	Receipt	2.60	2.03	2.50	0.52	0.46	2.03	0	16.62	0	0	26.76
	Expenditure	0.73	1.89	2.50	0.50	0.46	1.44	0	11.50	0	0	19.02
Tohana	Receipt	1.85	3.87	7.07	0.71	2.74	4.32	0	0	0	0.32	20.88
	Expenditure	1.85	3.78	6.33	0.04	2.74	4.27	0	0	0	0.32	19.33
Ratia	Receipt	0.76	1.68	2.32	0.08	0.80	0.53	0	10.64	0	0.11	16.92
	Expenditure	0.65	1.39	1.00	0	0.48	0.04	0	7.68	0	0.08	11.32
Hisar	Receipt	51.63	24.49	0	1.25	4.96	7.86	0	0	5.64	0.74	96.57
	Expenditure	36.36	16.77	0	1.16	4.96	6.57	0	0	4.06	0.64	70.52
Hansi	Receipt	2.37	5.99	10.10	0.12	2.04	3.20	2.43	4.20	0	0.03	30.48
	Expenditure	2.37	5.99	9.23	0.02	2.04	3.20	2.43	4.20	0	0.02	29.50
Barwala	Receipt	0.92	4.37	8.81	0.44	0.41	6.88	0	2.00	0	0.95	24.78
	Expenditure	0.92	4.19	3.69	0.40	0.41	6.82	0	2.00	0	0.95	19.38
Narnaund	Receipt	0.28	1.76	4.33	0.21	0	0.26	0.10	3.21	0	0.03	10.18
	Expenditure	0.09	1.62	2.80	0.21	0	0.10	0.10	2.66	0	0.03	7.61
Uklana	Receipt	0.10	0.15	2.70	0	0	0.04	0	0	0	0	2.99
	Expenditure	0	0	2.02	0	0	0	0	0	0	0	2.02
Jhajjar	Receipt	1.73	2.76	0	1.32	1.47	0.96	3.86	0	1.83	0.55	14.48
	Expenditure	1.30	1.82	0	0.05	0.94	0.62	3.86	0	1.81	0.48	10.88
Bahadurgarh	Receipt	3.57	7.85	10.31	0.12	5.78	2.69	7.00	1.00	36.41	0	74.73
	Expenditure	3.57	7.79	4.96	0.12	5.21	2.23	7.00	1.00	32.00	0	63.88
Beri	Receipt	1.42	0.88	8.42	0	1.29	0.78	0	2.00	0	0.19	14.98
	Expenditure	0.58	0.48	4.12	0	0.37	0.60	0	1.82	0	0.12	8.09

Name of Municipalities		CFC	SFC	Surcharge on VAT	SWM	LADT	SC BASTI	SPL. Dev.	Chief Minister Announcement	JNNURM	SJSRY	Total
Narnaul	Receipt	1.04	3.80	9.56	0	2.74	0.73	0	0.91	0	0	18.78
	Expenditure	1.03	3.05	9.35	0	2.74	0.73	0	0.91	0	0	17.81
Ateli	Receipt	0.05	0.20	0.99	0	0.48	0	1.36	0	0	0	3.08
	Expenditure	0.05	0.18	0.97	0	0.48	0	1.36	0	0	0	3.04
Kanina	Receipt	0.05	3.57	0	0.55	0	0	0	0	0	0	4.17
	Expenditure	0.05	2.08	0	0	0	0	0	0	0	0	2.13
Mahendergarh	Receipt	0.23	0.20	0.75	0.12	2.18	1.86	6.5	5.90	0	0	17.74
	Expenditure	0.23	0.20	0	0.12	2.00	0.66	2.52	0.60	0	0	6.33
Rewari	Receipt	1.82	4.96	0	0	0	0	42.85	0	0	0	49.63
	Expenditure	1.35	4.76	0	0	0	0	39.39	0	0	0	45.50
Bawal	Receipt	0.48	0.81	1.78	0.52	0.15	2.29	0	0	0	0.79	6.82
	Expenditure	0.34	0.63	1.78	0	0.15	2.26	0	0	0	0.79	5.95
Dharuhera	Receipt	0.52	9.38	0	0	0	0	2.34	0	0	0	12.24
	Expenditure	0.10	0.87	0	0	0	0	1.47	0	0	0	2.44
<b>Total</b>	<b>Receipt</b>	<b>109.84</b>	<b>149.71</b>	<b>91.08</b>	<b>6.28</b>	<b>32.50</b>	<b>56.49</b>	<b>66.44</b>	<b>46.48</b>	<b>410.97</b>	<b>3.71</b>	<b>973.50</b>
	<b>Expenditure</b>	<b>84.44</b>	<b>125.28</b>	<b>62.47</b>	<b>2.94</b>	<b>29.98</b>	<b>37.91</b>	<b>58.13</b>	<b>32.37</b>	<b>404.96</b>	<b>3.43</b>	<b>841.91</b>

**CFC:** Central Finance Commission, **SFC:** State Finance Commission, **SWM:** Solid Waste Management, **LADT:** Local Area Development Tax, **JNNURM:** Jawahar Lal Nehru National Urban Renewal Mission, **SJSRY:** Swarn Jayanti Sahari Rojgar Yojna

**Source:** Compiled from the data received from the department.



**Appendix 2.10**

(Reference: Paragraph 2.2.11.3; Page 44)

**Details of Outstanding Paras of Director, Local Audit Department Haryana**

Sr. No.	Name of Municipalities	Period/Year of Audit	Outstanding paragraphs	Amount involved (₹ in lakh)
<b>Corporations</b>				
1.	Ambala	1968 to 2012	582	328.07
2.	Faridabad	1961 to 2013	772	1459.12
3.	Gurgaon	1986 to 2012	183	43783.86
4.	Hisar	1971 to 2012	141	1114.95
5.	Karnal	2011 to 2012	581	571.02
6.	Panchkula	Upto March 2012	129	77.07
7.	Panipat	1970 to 2011	46	103.53
8.	Rohtak	1959 to 2012	220	602.47
9.	Yamuna Nagar	1967 to 2012	263	411.34
<b>Council</b>				
1.	Bahdurgarh	Upto 2010-11	357	3412.02
2.	Bhiwani	Upto 2011-12	340	114.36
3.	Fatehabad	1981 to 2012	76	8.04
4.	Hansi	1984 to 2012	143	124.99
5.	Jind	1975 to 2012	102	280.64
6.	Kaithal	2010 to 2012	06	15.74
7.	Narnaul	1966 to 2008	177	191.10
8.	Narwana	Upto 2011-12	234	158.20
9.	Palwal	Upto 2011-12	237	776.77
10.	Rewari	1979 to 2012	76	56.95
11.	Sirsa	Upto 2011-12	195	17.15
12.	Sonepat	Upto 2011-12	350	59.32
13.	Thanesar	1954 to 2012	853	531.76
14.	Tohana	1977 to 2012	93	122.34
<b>Committee</b>				
1.	Assandh	Upto 2011-12	131	140.88
2.	Ateli	1970 to 2012	275	40.08
3.	Barwala	1973 to 2012	57	48.87
4.	Bawal	1960 to 2012	452	2.36
5.	Bhawanikhera	Upto 2011-12	247	1037.45
6.	Beri	2009 to 2011	98	22.58
7.	Charkhi Dadri	1972 to 2012	185	162.02
8.	Cheeka	Upto 2011-12	83	112.38
9.	Dabawali	1985 to 2012	128	792.25
10.	Dharuhera	2011-12	19	0
11.	Elnabad	1982 to 2012	110	26.00
12.	Farukhnagar	1955 to 1995	183	6.94
13.	Ferozpur Jhirka	1972 to 2012	842	83.12

Sr. No.	Name of Municipalities	Period/Year of Audit	Outstanding paragraphs	Amount involved (₹ in lakh)
14.	Ganaur	1986 to 2012	220	82.86
15.	Gharaunda	Upto 2011-12	312	265.06
16.	Gohana	1972 to 2012	122	172.21
17.	HeliMandi	1955 to 2005	184	2.95
18.	Hathin	Upto 2011-12	218	77.36
19.	Hodal	Upto 2011-12	259	3.83
20.	Indri	1975 to 2012	215	49.88
21.	Jhajjar	1976 to 2012	162	81.31
22.	Julana	1955 to 2012	138	15.55
23.	Kalanaur	1974 to 2012	201	30.59
24.	Kalanwali	1973 to 2012	272	62.37
25.	Kalayath	Upto 2011-12	345	13.73
26.	Kanina	1968 to 2012	384	99.00
27.	Kharkhoda	Upto 2011-12	316	43.97
28.	Ladwa	2010-12	4	77.00
29.	Loharu	Upto 2011-12	151	2.85
30.	Mehm	Upto 2011	231	10.81
31.	Mohindergarh	1957 to 2012	828	6.17
32.	Naraingarh	2010-12	4	1.60
33.	Narnaund	1988 to 2012	184	29.44
34.	Nilokheri	1970 to 2012	225	17.60
35.	Nissing	2011-12	19	1.56
36.	Nuh	Upto 2011-12	227	7.21
37.	Pataudi	1988 to 2009	127	12.35
38.	Pehowa	1960 to 2012	837	130.42
39.	Pundri	Upto 2011-12	344	8.04
40.	Punhana	Upto 2011-12	153	50.02
41.	Rania	Upto 2011-12	60	4.53
42.	Ratia	1976 to 2012	80	43.57
43.	Safidon	1972 to 2012	93	9.81
44.	Sahabad	2010-12	16	6.96
45.	Samalkha	1981 to 2012	262	91.95
46.	Sampla	2007 to 2011	9	1.51
47.	Siwani	1970 to 2012	86	5.59
48.	Sohna	1977 to 2012	294	11.59
49.	Taoru	Upto 2011-12	343	94.61
50.	Tarori	1976 to 2012	281	29.17
51.	Uchana	1974 to 2009	250	62.21
52.	Uklana	2008 to 2010	3	0
<b>Total</b>			<b>17425</b>	<b>58512.98</b>

Source: Compiled from the data received from the department.

**Appendix 2.11**

**(Reference: Paragraph 2.3.7.4; Page 52)**

**Details of payment on muster rolls without obtaining signatures/thumb impressions**

Sr. No.	Name of school	Purpose of grant	Total payment (in ₹)	Month of payment	
1.	GMS, Jafarabad (Tauru) (Mewat)	Construction of ACR grant 2010-11	94500	October, November and December 2010	
2.	GMS, Sarai Dani (Mewat)	Construction of ACR grant 2010-11	65200	November 2010	
3.	GMS, Raheri (Tauru) (Mewat)	Boundary wall- 2012-13	47000	February 2013	
4.	GPS, Kangarka (Tauru) (Mewat)	ACR grant 2011-12	30600	March 2012 and April 2012	
5.	GMS, Dherdu (BRC, Pundri) (Kaithal)	HM Room 2011-12	31600	September 2012	
6.	GPS, Pishawal (Kaithal)	ACR-2007-08	30105	April and May 2008	
7.	GPS, Nandgarh (BRC, Guhla) (Kaithal)	ACR-2011-12	76500	July, August and September 2012	
8.	GGPS, Nathuwala Mohalla, Rania (BRC, Rania ) (Sirsa)	ACR-2010-11	63668	May and June 2011	
9.	GPS, Bijjuwali (Dabwali) (Sirsa)	ACR 2011-12	22050	January 2012	
10.	GPS, Dhani Sadha Singh (Ellanabad) (Sirsa)	ACR 2011-12	9000	December 2011 and January 2012	
11.	GSSS, Golagarh (Kairu) (Bhiwani)	ACR 2007-08	10350	December 2008	
12.	GPS, Bawani Khera (Bhiwani)	ACR-2010-11	91150	November 2010 to February 2011	
13.	GPS, Patuka (Taouru) (Mewat)	ACR-2010-11 and 2011-12	151700	June, 2011, March 2012, August 2012 & September 2012	
14.	GPS, Gaggarpur (Guhla) (Kaithal)	ACR-2011-12	95400	April 2012 & July 2012	
15.	GHS, Peedal(Guhla) (Kaithal)	ACR-2011-12	30240	February, March & April 2012	
16.	GGPS, Dadri Yoye(Jhajjar)	ACR-2012-13	84600	September, 2012 to October, 2012	
17.	GPS, Chudani(Jhajjar)	ACR-2008-09	21150	Date of payment has not been mentioned on Muster Roll	
18.	GPS, Chhawa (Nuh), Mewat	ACR-2011-12	54300	May, 2012	
			70700	July, 2012	
19.	GPS, Chandeni (Nuh), Mewat	ACR-2008-09	28000	September, 2009	
			ACR-2010-11	57100	February, 2011 & June, 2011
			ACR-2011-12	23200	October, 2011
20.	GMS, Rithora (Nuh), Mewat	ACR-2008-09	25300	July, 2009	
21.	GMS, Kherka Gujjar (Jhajjar)	ACR-2011-12	29480	February & March, 2012	
22.	GPS, Nijampur (Taouru) Mewat	ACR-2009-10	31500	January, 2011	
23.	GMS, Ahmadvas (Nuh) Mewat	ACR 2010-11	22000	December 2010	
	<b>Total</b>		<b>12,96,393</b>		

**Source: Compiled from the data received from the department.**

## Appendix 2.12

(Reference: Paragraph 2.3.8.1; Page 53)

## Details of enrolment of SC students and girl students

Year	Primary school				Upper Primary school			
	SC			All girls	SC			All girls
	Boys	Girls	Total		Boys	Girls	Total	
2008-09	286386	271383	557769	707877	120000	112914	232914	340441
2009-10	294949	278307	573256	701467	128197	123708	251905	347804
2010-11	293529	279419	572948	277199	134511	130482	264993	337394
2011-12	289186	274876	564062	697273	146762	141312	288074	359950
2012-13	267543	259112	526655	677745	152079	148443	300522	369250

Source: Data furnished by HSSPP

**Appendix 2.13**

**(Reference: Paragraph 2.3.8.6; Page 56)**

**Details of delay in lifting of free text books**

Year	Budget allocated (₹ in lakh)	Utilization (₹ in lakh)	Total numbers of books lifted late	Total value (₹ in lakh)	Delay in lifting books
<b>Yamunanagar</b>					
2008-09	160.22	158.49	456793	85.22	Two to five months
2009-10	179.34	167.66	86137	16.32	Five to seven months
2010-11	173.75	173.75	11609	2.83	More than three months
2011-12	125.00	129.83	567750	106.58	One to six months
2012-13	175.17	175.17	642913	118.14	One to six months
<b>Total</b>	<b>813.48</b>	<b>804.90</b>	<b>1765202</b>	<b>329.09</b>	
<b>Panchkula</b>					
2008-09	72.30	71.69	128419	28.69	Two to seven months
2009-10	73.02	72.67	55925	12.67	Two to seven months
2010-11	74.90	74.90	162915	24.07	Two to three months
2011-12	75.95	75.95	249810	54.02	Three to five months
2012-13	82.80	82.80	367054	101.08	Three to seven months
<b>Total</b>	<b>378.97</b>	<b>378.01</b>	<b>964123</b>	<b>220.53</b>	
<b>Bhiwani</b>					
2008-09	271.88	258.56	868340	162.10	Two to six months
2009-10	278.46	271.44	202806	43.33	Three to six months
2010-11	270.34	270.34	46999	11.64	More than one months
2011-12	261.92	261.92	283413	54.66	Two to three months
2012-13	267.63	267.63	262724	49.72	One to six months
<b>Total</b>	<b>1350.23</b>	<b>1329.89</b>	<b>1664282</b>	<b>321.45</b>	
<b>Kaithal</b>					
2008-09	212.26	211.83	787374	171.75	Three to six months
2009-10	216.50	215.40	1052103	237.97	Three to eight months
2010-11	189.03	189.01	65062	13.02	Two to three months
2011-12	183.07	128.46	274231	77.67	Three to five months
2012-13	186.36	186.36	450239	90.22	Three to five months
<b>Total</b>	<b>987.22</b>	<b>931.06</b>	<b>2629009</b>	<b>590.63</b>	
<b>Sirsa</b>					
2008-09	233.58	232.76	415963	95.76	Four months
2009-10	236.19	219.37	577354	132.29	One to five months
2010-11	240.31	240.31	0	0	No delay
2011-12	240.29	186.17	263616	66.82	Three to four month
2012-13	245.85	245.85	593620	204.09	Three months
<b>Total</b>	<b>1196.22</b>	<b>1124.46</b>	<b>1850553</b>	<b>498.96</b>	
<b>Mewat</b>					
2008-09	273.22	272.26	1035563	181.39	One to six months
2009-10	287.73	287.09	1362574	216.87	One to eight months
2010-11	265.90	257.00	927504	174.98	One to three months
2011-12	272.18	196.37	1464118	268.42	One to seven months
2012-13	332.99	332.99	1705711	369.50	One to six months
<b>Total</b>	<b>1432.02</b>	<b>1345.71</b>	<b>6495470</b>	<b>1211.16</b>	
<b>Jhajjar</b>					
2008-09	121.84	120.59	346039	65.96	One to three months
2009-10	109.05	113.27	646012	125.37	One to three months
2010-11	126.93	128.60	176516	34.12	Four to nine months
2011-12	105.18	76.55	573464	114.52	One to five months
2012-13	104.47	105.88	415282	81.76	One to seven months
<b>Total</b>	<b>567.47</b>	<b>544.89</b>	<b>2157313</b>	<b>421.73</b>	
<b>G. Total</b>			<b>17525952</b>	<b>3593.55</b>	

Source: Data compiled by audit on the basis of DPIUs concerned records.

## Appendix 2.14

(Reference: Paragraph 2.3.9; Page 58)

## Details of targets and achievements of civil works executed under SSA

Works	2008-09		2009-10		2010-11		2011-12		2012-13		Total	
	Target	Completed	Target	Completed	Target	Completed	Target	Completed	Target	Completed	Target	Completed
NSB (Pry)	0	0	0	0	114	47	9	3	4	0	127	50
NSB (U Pry)	0	0	0	0	177	83	49	27	8	0	234	110
Class Rooms	3437	3333	2234	2068	6151	5046	3948	2800	1182	593	16952	13840
HM Rooms	0	0	602	564	23	19	2695	1813	1854	687	5174	3083
Boundary Wall	0	0	0	0	0	0	718	430	0	0	718	430
Residential Hostel	0	0	0	0	0	0	0	0	0	0	0	0
Rain W Harvesting	0	0	0	0	0	0	0	0	501	0	501	0
Sep Girls Toilet	1840	1840	2492	2487	1748	1724	632	593	1543	1352	8255	7996
Toilet	0	0	448	444	0	0	83	81	154	116	685	641
Toilet IED	0	0	0	0	0	0	718	430	0	0	718	430
Drinking Water	0	0	817	817	0	0	167	167	26	23	1010	1007
Electrification	0	0	44	44	520	520	597	538	0	0	1161	1102
Major Repair	0	0	0	0	0	0	0	0	44	28	44	28
BRC Trg Augmentation	0	0	0	0	0	0	0	0	67	0	67	0
Ramps	0	0	0	0	0	0	2628	2102	2198	1685	4826	3787
<b>Total</b>	<b>5277</b>	<b>5173</b>	<b>6637</b>	<b>6424</b>	<b>8733</b>	<b>7439</b>	<b>12244</b>	<b>8984</b>	<b>7581</b>	<b>4484</b>	<b>40472</b>	<b>32504</b>

Source: Data furnished by Civil wing HSSPP

**Appendix 2.15**

(Reference: Paragraph 2.3.10.1; Page 62)

**District-wise position of shortage of teachers in primary and upper primary schools**

Districts	Number of Primary schools	Entitlement of Primary Teachers	Posted Primary Teachers	Shortage/ Excess of Primary Teachers	Number of Upper Primary Schools	Number of Teachers Required	Posted Total Subject Teachers	Shortage/ Excess
Ambala	506	1693	1168	525	293	1149	996	153
Bhiwani	699	3119	2836	283	463	1872	1775	97
Faridabad	255	1979	812	1167	130	942	669	273
Fatehabad	394	2017	1451	566	230	1212	875	337
Gurgaon	399	2201	1348	853	208	1080	1016	64
Hisar	539	2985	2744	241	366	1738	1588	150
Jhajjar	338	1263	1340	-77	227	803	864	-61
Jind	467	2498	2269	229	307	1526	1233	293
Kaithal	392	2011	1353	658	219	1270	928	342
Karnal	498	2616	1790	826	291	1510	1198	312
Kurukshetra	523	1846	1424	422	301	1183	1088	95
Mahendergarh	514	1692	1622	70	276	1009	1239	-230
Mewat	550	4932	1723	3209	341	1824	816	1008
Palwal	384	2684	1181	1503	246	1245	719	526
Panchkula	283	1107	616	491	143	606	692	-86
Panipat	252	1768	1028	740	176	993	718	275
Rewari	444	1436	1454	-18	245	946	1030	-84
Rohtak	245	1287	1301	-14	198	833	878	-45
Sirsa	564	2851	2028	823	301	1623	1216	407
Sonepat	456	2258	1849	409	290	1295	1179	116
Yamunanagar	623	2147	904	1243	349	1397	1105	292
<b>Total</b>	<b>9325</b>	<b>46390</b>	<b>32241</b>	<b>14149</b>	<b>5600</b>	<b>26056</b>	<b>21822</b>	<b>4234</b>

Source: Data furnished by HSSPP

## Appendix 2.16

(Reference: Paragraph 2.4.6.4; Page 70)

## Statement showing the details of amounts recoverable from ineligible families

Block	Total number of beneficiaries ,who were paid IAY grant										Total	Paid (₹ in lakh)
	2008-09		2009-10		2010-11		2011-12		2012-13			
	Total	Paid	Total	Paid	Total	Paid	Total	Paid	Total	Paid		
Raipur Rani	52	17.45	-	-	33	9.95	-	-	-	-	85	27.40
Morni	69	26.56	--	-	56	22.93	-	-	-	-	125	49.49
Narnaul	01	0.25	-	-	-	-	01	0.45	-	-	02	0.70
Kanina	-	-	-	-	-	-	04	1.60	-	-	04	1.60
Palwal	02	0.70	08	2.80	05	2.25	11	3.75	03	1.15	29	10.65
Hathin	-	-	80	28.00	29	13.05	09	4.05	23	6.55	141	51.65
Hansi-II	01	0.35	-	-	-	-	-	-	-	-	01	0.35
Uklana	-	-	17	5.95	07	2.95	03	1.35	02	0.70	29	10.95
Sonipat	13	4.55	13	4.55	11	4.55	11	4.95	01	0.25	49	18.85
Mundlana	01	0.35	-	-	-	-	04	1.60	-	-	05	1.95
<b>Total</b>	<b>139</b>	<b>50.21</b>	<b>118</b>	<b>41.30</b>	<b>141</b>	<b>55.68</b>	<b>43</b>	<b>17.75</b>	<b>29</b>	<b>8.65</b>	<b>470</b>	<b>173.59</b>

Source: Compiled from the data received from the department.



## Appendix 2.17

(Reference: Paragraph 2.4.6.5; Page 70)

**Details of beneficiaries who received second installment but not completed their houses**

Sr. No	Name of the beneficiary	Year	Amount allotted (in ₹)	Name of village
1	Sanjna Devi W/o Ram Swaran	2011-12	45,000	Dharsu (Narnaul)
2	Anita Devi W/o Sher Singh	2011-12	45,000	Dharsu (Narnaul)
3	Jagrati W/o Manohar lal	2011-12	45,000	Dharsu (Narnaul)
4	Kaushalya W/o Sai Ram	2011-12	45,000	Baskirrod (Narnaul)
5	Neelam W/o Ram Kishan	2011-12	45,000	Chindaliya (Narnaul)
6	Dhan Singh S/o Bhir singh	2011-12	45,000	Ghughera (Palwal)
7	Jagdish S/o Puran Lal	2009-10	35,000	Khedlijeeta (Hathin)
8	Anju W/o Chaman lal	2008-09	35,000	Panori (Gharaunda)
9	Rajo W/o Ved Pal	2012-13	45,000	Lalupura (Gharaunda)
10	Hawa Singh S/o Ude Ram	2008-09	35,000	Kaller Bhaini (Uklana)
11	Shanti W/o Kalu Ram	2009-10	35,000	Badwasni (Sonipat)
12	Mahboob S/o Mange Ram	2012-13	45,000	Jaji (Sonipat)
13	Ramphal S/o Ram Chander	2008-09	35,000	Kohla (Mundlana)
		<b>Total</b>	<b>5,35,000</b>	

Source: Compiled from the data received from the department.

## Appendix 2.18

(Reference: Paragraph 2.4.6.6; Page 71)

Statement showing the details of beneficiaries who availed assistance for rural housing from two schemes

(in ₹)

Sr. No	Name of the beneficiary	Father/Husband's Name	Village	Paid by Block Development and Panchayat Officer	Paid by District Welfare Officer under Housing Scheme for Scheduled Castes
<b>Kanina</b>					
1	Rajveer	Rameshwar	Bachini	35,000	50,000
2	Niko Devi	Satyaveer	Baghot	35,000	50,000
3	Suresh Devi	Lila Ram	Nangal Harnath	35,000	50,000
4	Lali Devi	Ram Chander	Chelawas	35,000	50,000
5	Nita	Krishan Kumar	Uchat	45,000	50,000
6	Prem Devi	Jagdish	Dhanaunda	45,000	50,000
7	Bimla	Dalip	Dhanaunda	45,000	50,000
8	Babita	Mahesh Kumar	Jhagdoli	25,000	50,000
<b>Palwal</b>					
9	Shyam Lal	Ammi	Shamsabad	25,000	10,000
10	Naresh	Ramjilal	Budha	45,000	50,000
11	Shyamwati	Dharamvir	Shamsabad	35,000	50,000
12	Padam Singh	Kaluwa	Shamsabad	45,000	10,000
<b>Sonipat</b>					
13	Jagdish	Roop Chand	Mohana	35,000	50,000
14	Manoj	Sunehara	Mohana	35,000	50,000
15	Raj Kumar	Sunehara	Mohana	25,000	50,000
			<b>Total</b>	<b>5,45,000</b>	<b>6,70,000</b>

Source: Compiled from the data received from the department.

**Appendix 2.19**

(Reference: Paragraph 2.4.6.7; Page 71)

**Details of dwelling units which utilized for other purposes**

Sr. No	Name of the beneficiary	Village	Amount (in ₹)	Remarks	
<b>Nilokheri</b>					
1	Chatro Devi W/o Bhartu Ram	Sultanpur	45,000	For storing fodder	
2	Kamlesh W/o Satpal	Pastana	48,200	For keeping bufallow	
<b>Ukalana</b>					
3	Bali W/o Mohinder	Chitain	35,000	For keeping cattle	
4	Bimla Devi W/o Rajpal	Litani	45,000	For storing fodder	
<b>Sonipat</b>					
5	Sumer Chand S/o Mage Ram	Mohana	35,000	For storing fodder	
6	Bharto W/o Suraj Bhan	Gari Hakikat	35,000		
7	Devi Singh S/o Jai Narain	Gari Hakikat	35,000		
8	Dhanno W/o Rame	Nangal Khurd	25,000		
9	Mahender S/o Dina	Nangal Khurd	45,000		
10	Ram Kuwar S/o Manphool	Nangal Khurd	45,000		
11	Sanjay S/o Tilak	Jainpur	35,000		
12	Bishnu S/o Dharampal	Jainpur	35,000		
13	Surja S/o Chandan	Sandal Kalan	35,000		For keeping cattle
14	Sunder S/o Attar Singh	Sandal Kalan	45,000		For storing fodder
15	Kamlesh W/o Rajesh	Sandal Kalan	45,000		
<b>Mundlana</b>					
16	Kewal S/o Maha Singh	Ishpur Kheri	45,000	For storing fodder	
17	Birmati W/o Sukhvir	Mathand	35,000		
18	Premo W/o Bharat	Chethra	45,000		
19	Jagat Singh S/o Ram Chander	Ishapur Kheri	25,000	For keeping cattle	
20	Kehri S/o Gyani	Mathand	35,000		
21	Pale Ram S/o Ramdia	Jawahara	45,000		
22	Sumitra W/o Ramesh	Dhurana	45,000		
23	Raj Singh S/o Bhajan	Mahmoodpur Mann	45,000		
			<b>9,08,200</b>		

Source: Compiled from the data received from the department.

## Appendix 2.20

(Reference: Paragraph 2.4.8.1; Page 74)

## Details of targets and achievements in respect of test-checked districts

Name of the DRDA	Year	Target (Number of houses)	Achievement	Percentage of achievement
Panchkuka	2008-09	391	391	100
	2009-10	758	708	93
	2010-11	523	573	110
	2011-12	511	511	100
	2012-13	590	415	70
<b>Total</b>		<b>2773</b>	<b>2598</b>	<b>94</b>
Mahendergarh	2008-09	1198	424	35
	2009-10	1283	565	44
	2010-11	861	753	87
	2011-12	760	781	103
	2012-13	969	971	100
<b>Total</b>		<b>5071</b>	<b>3494</b>	<b>69</b>
Palwal	2008-09	-	-	-
	2009-10	821	874	106
	2010-11	700	631	90
	2011-12	684	491	72
	2012-13	788	564	72
<b>Total</b>		<b>2993</b>	<b>2560</b>	<b>86</b>
Karnal	2008-09	828	1021	123
	2009-10	1603	1503	94
	2010-11	1108	982	89
	2011-12	1082	1211	112
	2012-13	1247	1247	100
<b>Total</b>		<b>5868</b>	<b>5964</b>	<b>102</b>
Hisar	2008-09	980	1243	127
	2009-10	1898	1693	89
	2010-11	1312	1322	101
	2011-12	1282	1303	102
	2012-13	1477	01	0
<b>Total</b>		<b>6949</b>	<b>5562</b>	<b>80</b>
Sonipat	2008-09	649	579	89
	2009-10	1257	774	62
	2010-11	869	724	83
	2011-12	849	800	94
	2012-13	978	680	70
<b>Total</b>		<b>4602</b>	<b>3557</b>	<b>77</b>
<b>Grand Total</b>		<b>28256</b>	<b>23735</b>	<b>84</b>

Source: Compiled from the data received from the department.

**Appendix 2.21**

(Reference: Paragraph 2.5.8.3; Page 91)

**Statement showing the detail of target and achievement of inspections**

**Deputy Registrar Co-operative Society**

Name of DRCS	2008-09			2009-10			2010-11			2011-12			2012-13			Total		
	T	A	S	T	A	S	T	A	S	T	A	S	T	A	S	T	A	S
DRCS Karnal	84	84	0	136	92	44	141	96	45	0	0	0	0	0	0	361	272	89
DRCS Rohtak	83	40	43	88	22	66	90	12	78	74	7	67	75	47	28	410	128	282
<b>Total</b>	<b>167</b>	<b>124</b>	<b>43</b>	<b>224</b>	<b>114</b>	<b>110</b>	<b>231</b>	<b>108</b>	<b>123</b>	<b>74</b>	<b>7</b>	<b>67</b>	<b>75</b>	<b>47</b>	<b>28</b>	<b>771</b>	<b>400</b>	<b>371</b>

**Assistant Registrar Co-operative Societies**

Name of ARCS	2008-09			2009-10			2010-11			2011-12			2012-13			Total		
	T	A	S	T	A	S	T	A	S	T	A	S	T	A	S	T	A	S
Kamal	1101	954	147	1182	1064	118	1265	1062	203	1272	1117	155	1285	1041	244	6105	5238	867
Panipat	1394	1286	108	1847	1408	439	1660	1247	413	1568	0	1568	1571	1391	180	8040	5332	2708
Yamuna Nagar	734	362	372	772	457	315	813	554	259	856	663	193	832	579	253	4007	2615	1392
Gohana	221	200	21	240	212	28	255	251	4	267	235	32	274	248	26	1257	1146	111
Rohtak	790	546	244	798	590	208	832	534	298	837	738	99	829	733	96	4086	3141	945
Jhajjar	336	309	27	389	304	85	431	344	87	470	378	92	475	254	221	2101	1589	512
Bahadurgarh	141	109	32	132	114	18	136	99	37	105	92	13	141	87	54	655	501	154
Narwana	267	130	137	295	66	229	354	164	190	357	240	117	414	201	213	1687	801	886
Jind	441	415	26	464	425	39	498	349	149	529	308	221	534	195	339	2466	1692	774
Safidon	161	134	27	189	178	11	197	110	87	215	156	59	222	128	94	984	706	278
Sonepat	1722	1468	254	2018	1320	698	2927	1436	1491	2913	2140	773	2866	2333	533	12446	8697	3749
<b>Total</b>	<b>7308</b>	<b>5913</b>	<b>1395</b>	<b>8326</b>	<b>6138</b>	<b>2188</b>	<b>9368</b>	<b>6150</b>	<b>3218</b>	<b>9389</b>	<b>6067</b>	<b>3322</b>	<b>9443</b>	<b>7190</b>	<b>2253</b>	<b>43834</b>	<b>31458</b>	<b>12376</b>

T: Target, A: Achievement, S: Shortfall

Source: Data supplied by the department

## Appendix 2.22

(Reference: Paragraph 2.5.9; Page 92)

## Statement showing the detail of 21 major schemes operated by the Co-operation Department during 2008-13

Sr. No.	Name of schemes
1	Share capital to Credit Cooperative Societies (Long Term Operation)
2	Interest Subvention Scheme for Haryana State Co-operative Apex Bank Limited (HARCO) bank and Haryana State Co-operative Agriculture and Rural Development Bank (HSCARDB)
3	Computerization of Cooperative Department
4	Interest Subsidy to SC members
5	Contribution to guarantee fee for deposit guarantee scheme for Primary Agriculture Co-operative Societies (PACS)
6	Share Capital to Urban Cooperative Banks
7	Share Capital to Sugar Federation
8	Loan to Cooperative Sugar Mills for payment of cane prices
9	Share capital to Labour Federation
10	Assistance to Scheduled Caste and General Labour and Construction Societies
11	Member Education and Leadership Training
12	Publicity and Propaganda
13	Share capital to HARCOFED
14	Assistance to Women Dairy Cooperatives
15	Share capital to Haryana State Co-operative Housing Federation
16	Integrated Cooperative Development Project (ICDP) (State: National Co-operative Development Corporation (NCDC): 50:50)
17	Expansion/Upgradation of Milk Plant, Rohtak
18	Share Capital of Haryana State Dairy Development Co-operative Federation (HDDCF) for One time Settlement (OTS)
19	Loan to HSCARDB for farmers
20	Assistance to Dairy Co-operative Members (Re-imbusement of amount paid to Government as Cess)
21	Financial Assistance to HSCARDB

Source: Data supplied by the department