

CHAPTER 3

COMPLIANCE AUDIT

Food, Civil Supplies and Consumer Affairs Department

3.1 *Non-realisation of claims from FCI and extra burden of interest*

Delayed/non-submission of requisite documents to FCI and non-compliance of the instructions to transfer the funds to State Government Account by the concerned DFSCs led to non-recovery of ₹18.65 crore from FCI and increased interest burden of ₹21.12 crore on State exchequer.

The Food, Civil Supplies and Consumer Affairs Department (Department) procures food-grains for central pool on Minimum Support Price (MSP) fixed by Government of India (GOI) and delivers it to Food Corporation of India (FCI). The Department procures food-grains by availing Cash Credit Limit (CCL) from State Bank of India. After delivery of wheat to FCI, the Department raises bills to FCI against which payments are received at the rates decided by GoI. Since heavy funds are involved in the stocks delivered to the FCI, any delay in their realization affects the ways and means position of the State Government adversely. Further, the payment thus realized by concerned field/district formations viz. District Food and Supply Controllers (DFSCs) should be transferred from their bank accounts to the State Government Account promptly to avoid extra burden of interest. During the audit of the Department, following shortcomings were observed:

- (a) For Rabi Marketing Season 2011, GoI declared (April 2011) incentive bonus of ₹50 per quintal on wheat over and above the MSP. For payment of bonus to farmers, the Department directed (May 2011) all district offices that amount of bonus was to be released to Billing cum Payment Agents (BCPAs)¹ for payment to farmers through *Arhtias*² only after they submit farmer-wise details including Form³ I and Form J to district offices of the Department. Further, as per order issued by FCI (May 2011), the entire amount of bonus paid to the farmers on wheat was to be claimed along with regular bills at the time of handing over of the stock to FCI. For this purpose, along with the bills, the DFSCs were to submit a certificate in the prescribed format indicating details viz. name of farmer, date of purchase, mode of payment and cheque/cash voucher number, etc. to verify that bonus had been actually paid to the respective farmers.

¹ BCPAs are appointed in mandis to facilitate farmers as well as the Department for smooth procurement process and maintenance of records who are given commission for their work.

² Commission agents.

³ Form I is bill of *Arhtias* which contains farmer wise detail of wheat purchased by him and form J is sale voucher issued to each farmer who sells the wheat.

The Department released bonus of ₹61.64 crore (in 10 test checked district⁴ offices) to be paid to the farmers through BCPAs between April and September 2011 for wheat of Rabi season 2011. The wheat was supplied/ handed over to FCI during April 2011 to March 2015. However, in the absence of details required for reimbursement of bonus, the Department could recover ₹5.77 crore along with regular sale bills at the time of delivery of wheat during August 2013 to February 2015. The Department raised supplementary bills for ₹55.87 crore with delay of one to fifty nine months during December 2011 to January 2016 to claim its outstanding reimbursement. It recovered ₹ 45.30 crore during October 2012 to July 2016 and an amount of ₹10.57 crore was still recoverable from FCI as it did not supply the requisite documents/details to FCI (March 2017). Due to delay in raising its claims of bonus amount, the Department suffered extra burden of interest of ₹13.97 crore⁵ (March 2017).

The Department stated (April 2017) that efforts were being made to recover the balance amount of bonus and they intend to initiate action against officials responsible for the delay.

(b) In order to reduce hardship to farmers and avoid distress sale of wheat due to unseasonal rainfall in Rabi Marketing Season (RMS) 2015-16, Government of India (GOI) relaxed (April 2015) specifications⁶ for purchase of wheat with value cut⁷. Subsequently, GOI decided (June 2015) that the amount of Value Cut being borne by the State Government will be reimbursed by FCI to the State Government at the end of procurement operations of RMS on submission of bills along with supporting documents (i.e. Form I and Form J). However, these directions of GOI of 19 June 2015 were circulated by the Department to DFSCs on 7 August 2015 with a delay of one and half months.

It was noticed that the farmers were paid the full MSP for the wheat procured during RMS 2015-16 under relaxed specifications in eight⁸ test checked DFSCs. Up to the month of June 2015, the DFSCs claimed the bills of wheat on MSP and FCI deducted ₹6.88 crore against the luster lost, shriveled and broken grains. From July 2015 onwards the DFSCs claimed the bills after deducting the value cut amounting to ₹3.42 crore though the GOI had already allowed (June 2015) payment of full MSP to procuring agencies after submission of bills along with all supporting documents (Form I and Form J). Only three DFSCs namely Yamuna Nagar, Panipat and Kaithal submitted their claims and received the amount of value cut/less claimed of ₹2.22 crore from FCI with delay of five to 18 months,

⁴ (i) Karnal, (ii) Kurukshetra, (iii) Ambala, (iv) Fatehabad, (v) Yamunanagar, (vi) Gurugram, (vii) Sirsa, (viii) Kaithal, (ix) Faridabad and (x) Hisar.

⁵ Worked out at the rate of 11.01 *per cent* per annum charged by State Bank of India on CCL (least during last five years) from the month of supply of wheat to the month of recovery of bonus amount, after allowing a margin of one month.

⁶ Regarding percentage of luster lost, shriveled and broken grains.

⁷ Reduction in procurement price due to inferior quality of wheat brought by farmers to the market which ranged between ₹3.63 per quintal to ₹10.89 per quintal.

⁸ (i) Ambala, (ii) Kurukshetra, (iii) Fatehabad, (iv) Karnal, (v) Kaithal (vi) Panipat, (vii) Sirsa and (viii) Yamunanagar.

resultantly suffering extra burden of interest of ₹0.30 crore (at the rate of 11.01 *per cent* per annum charged by State Bank of India on CCL). Five DFSCs⁹ could not arrange requisite Form J from *Arhtiyas* and thus failed to claim the amount of value cut/less claimed of ₹8.08 crore from FCI upto March 2017 and suffered extra burden of interest of ₹1.41 crore (at the rate of 11.01 *per cent* per annum charged by State Bank of India on CCL) upto March 2017 due to non-submission of claims to FCI. Audit observed that the Department had not established any mechanism to monitor the collection of Form J from BCPAs and its submission along with bills to FCI for recovering the claims.

(c) Food Corporation of India (FCI) decided (May 2011) that all payments to State Government/State Government agencies against takeover of rice/wheat from them shall be made through electronic mode and requested (June 2011) the Department to open bank accounts for the purpose. The Department accordingly sought permission (October 2011), from Finance Department Haryana to open current accounts at each of the District offices, which was accorded (November 2011). In conveying the permission (November 2011) to its field offices, the Department instructed all DFSCs that amount received from FCI through electronic mode should be transferred to State Government Account on a day to day basis, to avoid idling of funds. All DFSCs opened accounts during December 2011 to October 2012.

Audit in test check of records of 15 DFSCs¹⁰ during 2014-17 observed that payments from FCI were being received electronically as well as through cheques but the DFSCs were not transferring the funds from their current/savings account¹¹ to State Government Account on day to day basis. Delays in transfer of such funds to the State Government in 10¹² of the test checked districts ranged between one to 168 days in 767 cases, (after giving margin period of three days¹³), which resulted in increased burden of interest of ₹5.44 crore¹⁴ to the State Government. Age wise analysis of delay and extra burden of interest is detailed in **Table 3.1**.

⁹ (i) Ambala, (ii) Kurukshetra, (iii) Fatehabad, (iv) Karnal and (v) Sirsa.

¹⁰ (i) Ambala, (ii) Bhiwani, (iii) Fatehabad, (iv) Gurugram, (v) Karnal, (vi) Kaithal, (vii) Kurukshetra, (viii) Narnaul, (ix) Palwal, (x) Panipat, (xi) Rohtak, (xii) Sirsa, (xiii) Yamuna Nagar, (xiv) Panchkula and (xv) Mewat.

¹¹ DFSCs Kurukshetra and Narnaul had opened savings accounts.

¹² (i) Ambala, (ii) Bhiwani, (iii) Fatehabad, (iv) Gurugram, (v) Karnal, (vi) Kaithal, (vii) Kurukshetra, (viii) Narnaul, (ix) Palwal, and (x) Yamuna Nagar.

¹³ A margin of three days has been given for bank holidays and delay in generating online challans due to connectivity issues.

¹⁴ 11.01 *per cent* per annum is the minimum rate of availing cash credit during the period. DFSCs Kurukshetra and Narnaul deposited the amount in savings bank account where rate of interest was four *per cent*. Hence, it has been worked out at 7.01 *per cent* (11.01 *per cent* – 4 *per cent*).

Table 3.1: Extra burden of interest due to delay in transfer of funds during 2014-17

Delay in number of days	No. of Cases	Amount involved (₹ in crore)	Extra burden of interest (₹ in lakh)
1 to 30	726	2,238.18	346.27
31 to 60	23	84.83	98.69
61 to 90	12	9.16	21.27
91 and 168	6	24.07	77.98
Total	767	2,356.24	544.21

Source: Information collected from the department

Of the above 767 cases of delay in transfer of funds, 207 cases i.e. 27 per cent related to DFSC Karnal involving extra burden of interest of ₹ 3.00 crore (55 percent) during 2014-17.

On being pointed out in Audit, the Department admitted (May 2017) the delay in transfer of funds and assured (August 2017) action against erring officers/officials. Besides, the Department intimated constitution of a committee of three officers/officials under the chairmanship of respective DFSCs to monitor the deposition of funds from current account to Government Account on daily basis.

Thus, delayed/ non-submission of requisite documents to FCI and non-compliance of the instructions to transfer the funds to State Government Account on a day to day basis by the concerned DFSCs led to non-recovery of ₹18.65 crore¹⁵ from FCI and extra burden of interest of ₹21.12 crore¹⁶ on State exchequer.

These points were referred to the Government during April-June 2017, their replies were still awaited despite issuance of reminders during June-November 2017.

Forest Department

3.2 Unfruitful expenditure on water harvesting structure

Poor planning and failure to finalise structure for supply of water for irrigation resulted in unfruitful expenditure of ₹2.86 crore as the primary objective of the scheme to provide water for irrigation could not be achieved.

Shivalik Development Board (SDB) has been entrusted with works for development of Shivalik region in the State of Haryana through various implementing agencies viz Forest Department, Public Health Engineering Department and Horticulture Department, etc. A proposal for construction of Water Harvesting Structure (WHS)¹⁷ at village Pipal Ghatti in Panchkula District was approved (August 2012) by Shivalik Development Board with the objective of providing irrigation water for barren lands of village Pipal Ghatti, as well as drinking water for nearby inhabitants. Accordingly, administrative approval for

¹⁵ Bonus amount: ₹10.57 crore and Value cut amount: ₹8.08 crore.

¹⁶ Bonus amount: ₹13.97 crore, Value cut amount: ₹1.71 crore and delayed transfer of funds: ₹5.44 crore.

¹⁷ The process of collecting natural precipitation in a storage structure from a treated watershed catchment. Water harvesting is a dominant source of irrigation in Shivalik Foothill region as there is no possibility of developing other sources of Irrigation.

₹ 3.12 crore for the construction of WHS was accorded by SDB in November 2013. The Forest Department was responsible for technical support and supervision of this project. The estimate for the project was approved (February 2013) by Principal Chief Conservator of Forests (PCCF) for ₹3.12 crore including provision of structure for supply of water for irrigation from WHS to agricultural fields of village, by 'Gravity Flow Technology'¹⁸ for ₹ 18.80 lakh.

Scrutiny of records of the office of the Divisional Forest Officer (DFO) (Territorial), Morni revealed that the construction of WHS was started in January 2014 and completed in September 2014 at a cost of ₹2.86¹⁹ crore excluding structure for supply of water for irrigation. The structure for water supply was not constructed since the Department was exploring other technology options for providing water for irrigation. The DFO prepared a new proposal/estimate (October 2014) for ₹85.75 lakh to provide water for irrigation by Lift Irrigation²⁰ instead of 'Gravity Flow' on the request of nearby villagers without conducting any feasibility study. This estimate was sent to higher authorities for approval only in September 2015 after a delay of one year. In November 2016, the Divisional Forest Officer sent a communication to the higher authorities that this type of work could not be executed by Forest Department and also suggested that the Irrigation or Public Health Engineering Department may be considered to execute the work of Lift Irrigation. Further, it was also noticed that the approval of the new estimate for Lift Irrigation has not been accorded by the competent authority so far (October 2017). Resultantly, though WHS had been completed at a cost of ₹2.86 crore, the structure for supply of water had not been started.

Principal Chief Conservator of Forests stated (June 2017) that the facilitation by Lift Irrigation System was under process as the funds were already available with the Forest Department. However, the DFO, Morni intimated (August 2017) that lift irrigation technology was not practical and the proposal for the same has been dropped. The DFO, Morni subsequently intimated (October 2017) that at the direction of Chairman, Shivalik Development Agency and Principal Secretary, Revenue Department, the estimate to provide water by lift irrigation has again been sent to competent authority for approval. The reason for going ahead with lift irrigation technology despite it being impractical was not given in departmental response. Thus, the Forest Department could not firm up the methodology to be used for supply of water from WHS and as a result, the benefit of providing water for irrigation could not be derived.

Thus, poor planning from the outset resulted in unfruitful expenditure of ₹2.86 crore. Besides, the basic objective of the scheme to provide water for irrigating the barren fields of the village has not been achieved.

¹⁸ In gravity flow water is transported by natural flow with the help of gravity.

¹⁹ (i) Labour: ₹ 2.04 crore; (ii) Material: ₹ 0.76 crore (iii) Contingency: ₹ 0.06 crore.

²⁰ Lift Irrigation is a method of irrigation in which water is not transported by natural flow (as in gravity flow system) but is lifted with pumps.

The matter was referred (June 2017) to the Government, Forest Department for comments; the reply was awaited despite issuance of reminders in July and November 2017.

**Housing Department
(Housing Board Haryana)**

3.3 Unfruitful expenditure on construction of Community Centre

Failure to provide electricity and water connection for the community centre in Housing Board Colony, Dadri Gate, Bhiwani resulted in unfruitful expenditure of ₹ 1.78 crore as the community centre was not put to use for a period of more than five years from the date of construction.

Housing Board Haryana (the Board) had planned for construction of a four storied community centre including pavement and parking, etc. in Housing Board Colony, Dadri Gate, Bhiwani, for organizing social functions by residents of the colony. The State Government accorded (July 2008) combined administrative approval of ₹ 4.95 crore for construction of shopping and community centre. Detailed estimate for ₹ 1.76 crore was technically approved (June 2011) for construction of community centre by Chief Engineer.

Scrutiny of records of the Executive Engineer (EE), Housing Board Haryana (HBH), Rohtak revealed that the work for construction of community centre including pavement and parking, etc. was allotted (June 2010) to a firm at a cost of ₹ 1.50 crore for Civil works, Internal Public Health and Internal Electrical Installation Services, for completion within nine months from the date of issue of allotment letter. The work of construction of community centre was completed in December 2011 after a delay of nine months at an expenditure of ₹ 1.78 crore. Audit observed that the Community Centre was never put to use since its completion, even after lapse of more than five years, since the Board has not obtained electricity and water connections. Further, the community centre was not equipped with a firefighting system to address the risks arising from fire or similar exigency, as the provision for firefighting system was neither made in the estimate nor in the contract agreement.

A meeting of the Board was held during October 2011 to consider and accord approval to dispose of the community centre through auction before its completion. In the meeting, the members of the Board suggested that the community centre can be an asset of the Board for the long term. Hence instead of auctioning it, the same can be leased on long term of ten years with the condition that the facilities of the community centre would be given for organising functions on priority to the bonafide allottees of the colony at concessional rates fixed by Board. The Board authorized (May 2016) the EE, HBH, Rohtak to lease out the community centre. However, the EE stated (June 2016) that it cannot be leased out without firefighting system. Although the DNIT for firefighting system was sent in February 2016 to the Board for approval, it has not been approved so far (June 2017). Thus, the Board has neither

disposed of nor leased out the community centre so far. The condition of the building has also deteriorated due to disuse for more than five years.

Thus, a community centre constructed in December 2011, after spending ₹ 1.78 crore could not be put to use and the expenditure incurred on its construction remained unfruitful. Reasons for not obtaining electricity and water connection were not on record.

The matter was referred to the Additional Chief Secretary to Government of Haryana, Housing Department in July 2017 for comments. Further reminders were issued in September and November 2017. However, reply was still awaited.

Information, Public Relations and Languages Department

3.4 Expenditure on publicity and advertisement

There were instances of publishing of advertisements in newspapers outside the State, in the language other than the language of newspapers, unfruitful expenditure on an advertisement without notification of the scheme and excess payment of ₹51.52 lakh on advertisement bills. Third party monitoring services were not hired on video campaign for the period January 2013 resulting in excess and irregular payments. Fixing of hoardings in violation of Municipal Bye laws resulted in their re-fixing at other places leading to extra expenditure of ₹2.79 crore. Rupees 63.92 lakh were spent on advertisement on roadways buses, benefits of which were drawn for a very short period.

3.4.1 Introduction

The primary objective of the Government in advertising is to secure the widest possible coverage of the intended content or message through newspapers, journals and other print media. The Advertisement Policy Guidelines (APG), 2007 of the State Government governs the procedure and criteria for print, electronic and other media. The Directorate of Public Relations (DIPR) is the nodal agency of the Government for advertisements of various departments and organisations of Government including public sector undertakings and autonomous bodies. Hon'ble Supreme Court approved (May 2015) the Guidelines on Content Regulation of Government Advertisement-2014 with a view to preventing arbitrary use of public fund for advertisement. Records of DIPR and three²¹ Districts Public Relation Offices for the period 2013-17 were examined during January-April 2017 to assess whether the expenditure on publicity and advertisement was incurred as per norms, rules and regulations. The units were selected on the basis of risk assessment as covered in the Annual Audit Plan 2017-18. The DIPR incurred a total expenditure of ₹ 163.55²² crore during 2013-17 on advertisements and publicity.

²¹ Bhiwani, Faridabad and Kaithal districts.

²² 2013-14: ₹ 33.32 crore, 2014-15: ₹ 32.55 crore, 2015-16: ₹ 41.95 crore and 2016-17: ₹ 55.73 crore.

3.4.2 Advertisements through print media

3.4.2.1 Advertisements in newspapers published outside the State

As per APG 2007, advertisement can be given in those newspapers/journals published from Chandigarh/Punjab/Himachal Pradesh/Delhi having circulation in Haryana or otherwise beneficial to the image of the State or catering to the targeted readership in special cases.

Audit observed that the Department highlighted CM announcements on Haryana Shakti Rally (November 2013) and Special campaigning (January 2013 and October 2015) through advertisements in different²³ city editions of national newspapers and regional newspapers outside the State (other than Delhi/Punjab/Himachal).

हरियाणा के करीब 50 लाख परिवारों के लिए 3000 करोड़ रुपये की सौगात

सुखम, विधवा एवं निःशुल्क पेंशन बढ़कर हुई 1000 रुपये प्रतिमाह

किस्मों के तहत	अनुमानित खर्च एवं विवरण
पेंशन में वृद्धि के साथ शीघ्र ही वृद्धि के लिए 2000 करोड़ रुपये का अतिरिक्त खर्च - सुखम पेंशन एवं निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च	एक लाख/दो लाख रुपये के अतिरिक्त खर्च - सुखम पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च
सुखम पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च	एक लाख/दो लाख रुपये के अतिरिक्त खर्च - सुखम पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च
सुखम पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च	एक लाख/दो लाख रुपये के अतिरिक्त खर्च - सुखम पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - विधवा पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च - निःशुल्क पेंशन की वृद्धि के लिए 1000 करोड़ रुपये का अतिरिक्त खर्च

मुख्यमंत्री श्री भूपेन्द्र सिंह हुड्डा द्वारा हर वर्ग के कल्याण के लिए गोसना में की गई घोषणाएं - लागू होंगी 1 जनवरी, 2014 से

These advertisements were regarding increase of pension for old aged, widows and disabled persons including welfare schemes for farmers and SC/ST/OBC of the State. The Department incurred an expenditure of ₹ 18.19 lakh²⁴ on these advertisements published outside the State and neighboring states. The objective of advertisements of securing wide coverage of intended content or message was not achieved as these schemes were useful only for the people of the State.

3.4.2.2 Publishing advertisements in the language other than the language of newspapers

Advertisement Policy Guidelines 2007 stipulates that if any newspaper publishes any advertisement in a language other than the language in which it is published, the client department is not liable to make any payment for publication of the advertisement or the client advertiser reserves the right to make a deduction of 10

²³ Agra, Aligarh, Allahabad, Gorakhpur, Kanpur, Bareilly, Jhansi, Muradabad, Muzaffarpur, Varanasi, Lucknow, Dehradun, Haldwani, Jammu, Ranchi, Jamshedpur, Dhanbad, Bhagalpur, Patna, Kolkata, Silliguri, and Jaipur.
²⁴ January 2013: ₹ 0.60 lakh, November 2013: ₹ 17.33 lakh and October 2015: ₹ 0.26 lakh.

per cent from the advertisement bill, if otherwise satisfied. It was the responsibility of the publisher/newspaper to correctly translate the advertisement text.

Audit noticed that the department incurred an expenditure of ₹ 30.35 lakh on publishing 44 Hindi/English advertisements in English and other languages newspapers (Punjabi/Urdu) and *vice-versa* during 2013-15. The Department made the payment without verifying that the advertisements were published in the languages in which the newspapers were published. The Department had not deducted 10 per cent amount from the bills. Thus, the objective of advertisements in various language newspapers remained unachieved and rendered the expenditure of ₹ 30.35 lakh unfruitful.

3.4.2.3 Unfruitful expenditure on advertisement without notification of scheme

As per Advertisement policy guidelines-2007, the display advertisement includes various publicity campaigns launched in the State from time to time for educating the message about policies, programmes and achievements of the State.

A full page advertisement as shown below on One Rank One Pension (OROP) scheme was published in 65 newspapers on 18 February 2014 and an expenditure of ₹ 48.39 lakh was incurred and payment was made during March 2014 to October 2014.

HISTORIC DECISION OF GOVERNMENT OF INDIA
ONE RANK - ONE PENSION
DREAM OF DEFENCE PERSONNEL FULFILLED

On Behalf of Defence Personnel
 Ex-Servicemen of Haryana
Sh. Bhupinder Singh Hooda
 Chief Minister, Haryana
 Expresses
GRATITUDE
 To | &
Smt. Sonia Gandhi | **Dr. Manmohan Singh**
 Chairperson, UPA | Prime Minister
 &
Sh. P. Chidambaram
 Union Finance Minister
FOR FULFILLING THIS DEMAND

HARYANA INITIATES WELFARE POLICIES FOR SOLDIERS, EX-SERVICEMEN & THEIR DEPENDENTS

- Subsidized an arrangement to grant exemption from House Tax for one house.
- Financial assistance of ₹ 50,000 (one lakh) for widows and dependents.
- Financial assistance to grant for educational purposes.
- Financial assistance of ₹ 1,00,000 per month to the orphan, teenage and
- Financial assistance, ₹ 10,000 per month.
- Financial assistance of ₹ 51,000 for subsidizing marriage of orphan daughters of ex-servicemen.
- Scholarship amount for students studying in Govt. School, Kargil, increased from ₹ 12,000 to ₹ 25,000 per annum.
- India's First Defence University being set up at village Bhatia, Gurgaon.

HARYANA - AMONG THE LEADERS IN GIVING ONE TIME PRIZE MONEY TO GALLANTRY AWARD WINNERS

State	Amount
HARYANA	₹ 31 lakh
ANDHRA PRADESH	₹ 21 lakh
KARNATAKA	₹ 15 lakh
WEST BENGAL	₹ 7.50 lakh
GUJARAT	₹ 5.50 lakh

BEFORE THE PRESENT GOVERNMENT ONE TIME AWARD MONEY WAS ₹ 13,000 TO ₹ 1,22,500

HARYANA - ALSO AMONG THE LEADERS IN GIVING ANNUITY TO GALLANTRY AWARD WINNERS

State	Amount
HARYANA	₹ 2.50 lakh
ANDHRA PRADESH	₹ 2.00 lakh
KARNATAKA	₹ 1.90 lakh
WEST BENGAL	₹ 1.50 lakh
GUJARAT	₹ 1.10 lakh
RAJASTHAN	₹ 0.70 lakh
BIHAR	₹ 40,000

BEFORE THE PRESENT GOVERNMENT ANNUITY WAS ₹ 10,000 TO ₹ 1,00,000

Audit observed that advertisement was issued much in advance of the notification of the scheme in November 2015. Further, the advertisement contents show that the advertisement was given for glorification of the political personalities. Thus, incurring of expenditure on advertisement without notification did not serve the purpose as envisaged in the policy guidelines.

3.4.2.4 Excess payment of advertisement bills

Advertisement Policy Guidelines-2007 envisages constitution of Empanelment Advisory committee (EAC) for empanelment of newspapers /journals and making recommendation for rate contract in case the newspaper did not have Directorate of Audio Visual Publicity (DAVP) approved rates.

Audit noticed that rates for coloured advertisements at front page mast head to the leading English and Hindi publication were finalized at the rate²⁵ of 340 and 240 per cent of DAVP rates as per proposals/release orders during January 2013 to November 2015. However, the Department had paid ₹ 3.48 crore at 420 and 280 per cent of DAVP rate for English and Hindi newspapers respectively against the payable amount of ₹ 2.96 crore at negotiated rates of EAC resulting in excess payment of ₹ 0.52 crore as given in **Table 3.2** below:

Table 3.2: Details showing excess payment of mast head advertisements in different newspapers

(₹ in lakh)				
Month of Publication	No. of bills	Amount paid	Amount payable	Excess payment
January 2013	6	107.58	91.81	15.77
April 2013	9	15.12	12.95	2.16
January 2014	1	3.19	2.71	0.49
February 2014	3	9.33	7.50	1.83
June 2014	7	76.31	65.34	10.97
July 2014	4	15.37	13.18	2.19
October 2015	27	111.94	95.13	16.81
November 2015	3	8.68	7.38	1.30
Total	60	347.52	296.00	51.52

Source: Compiled from the records of the Department

Thus, the bills were not checked properly with reference to approved rates before passing bills for payment by the Department. The Department stated (June 2017) that the Punjab and Himachal Government were also following the same pattern of payment. The reply is not acceptable as the payments were required to be made with reference to finalised rates.

3.4.3 Advertisement through Electronic Media

3.4.3.1 Effectiveness of advertisement on TV channels

As per policy guidelines of the Ministry of Information and Broadcasting issued for empanelment of Private Cable and Satellite (C&S) TV channels issued in September 2012, the Ministry directed DAVP to have six²⁶ new time bands. The time-bands for news channels were restricted to three i.e. 7 AM to 12 Noon, 12 Noon to 6 PM and 6 PM to 11 PM. The Department released orders for three advertisement campaigns for telecast on two TV channels in February, March and April 2013 to be telecast between 7 AM to 11 PM.

²⁵ 240 per cent and 140 per cent premium extra on DAVP rates for English and Hindi newspapers respectively.

²⁶ (i) 7 AM to 9 AM, (ii) 9 AM to 12 Noon, (iii) 12 Noon to 7 PM, (iv) 7 PM to 8 PM, (v) 8 PM to 10 PM and (vi) 10 PM to 11 PM.

(a) Scrutiny of telecast certificates submitted by TV channels during 2013-14 revealed that 646 clips involving 41,960 seconds were telecast before 7 AM and after 11 PM. The Department released (February-April 2013) the payment of ₹ 7.07 lakh for telecast of these clips without ensuring that the telecast was within the prescribed time-bands in the release orders. The advertisements before 7 AM and after 11 PM were not effective; hence, the payment was not justified.

(b) As per telecast certificates, two advertisements were telecast at the same time at the same TV channel in 137 instances during April 2013. It was not possible to telecast two advertisements at the same time on the same TV channel. This resulted in excess payment of ₹ 1.34 lakh for 8,069 seconds.

(c) Department made payment for two advertisements that were telecast 51 times in April 2013. Payments were made for 210 and 205 seconds duration while the actual duration was 130 and 125 seconds respectively. This resulted in excess payment of ₹ 0.98 lakh.

Audit further observed that payment of ₹ 8.12 crore was made on video campaign for the period January-April 2013 on the basis of telecast/broadcast certificate given by broadcasters. However, there was provision in the Advertisement Policy Guidelines-2007 (Paragraph 10 (b)(ii)) of obtaining third party monitoring services to get additional supporting telecast certificates for the channels being covered. But third party monitoring services were not hired. As a result, it could not be ascertained that the payments were made correctly as per actual telecast of advertisements.

3.4.3.2 Extra avoidable expenditure on production of videos in HD format

To highlight development projects, programmes, activities and achievements of Government in a more effective manner, it was decided to launch a special campaign on the occasion of completion of one year (October 2015) of the newly elected Government. Empanelment Advisory Committee selected (November 2015) different agencies/firms for making video clips on DAVP rates.

Scrutiny of records revealed that the work order was issued for videos in HD format. The rates of HD format were 50 *per cent* more than the DAVP rates. An expenditure of ₹ 1.09 crore was incurred for making of 18 video clips in HD format. Scrutiny of records further revealed that these video clips were not telecast on HD channels. Since these video clips were not to be telecast on HD channels, ordinary video clips could have served the purpose. Preparation of video clips in HD format instead of ordinary format resulted in extra avoidable expenditure of ₹ 36.58 lakh.

The Department stated (June 2017) that the HD format films were prepared with the idea to publicise various programmes of the Government with clarity. The reply is not tenable HD format is useful only if telecast is done on HD channels.

3.4.3.3 Glorification/ of individual personality

The Guidelines on Content Regulation-2014 of Government Advertising stipulate that advertisement material should be objective and not directed at promoting

political interests of the ruling parties. It further stipulates that Government advertising shall maintain political neutrality and avoid glorification of political personalities and projecting a positive impression of the party in power or negative impression of parties critical of the Government. It adds that advertisement material must not mention the party in Government by name or include party political symbol, logo or flag.

The Department telecast the video clips in the name of “HOODA JI KA HARYANA” and “MHARA CM SAHAB” in various TV channels during the period July-August 2014 at the cost of ₹ 90.99 lakh. Both these TV clip referred to the “Haryana Government” as HOODA JI KA HARYANA and refers specifically to “Hooda” at a number of places attributing achievements of Government to his personal endeavors.

The Department stated (June 2017) that the TV advertisements were not released for the benefit of any individual, but those were regarding public welfare scheme and development activities of the Government. The name of the former Chief Minister was used being Chief Minister of the State. The jingles were not aimed to benefit any individual. The reply was not convincing as the advertisements projected achievement of the Government as a personal endeavor of the Chief Minister which were against the principles laid down by the Supreme Court.

3.4.4 Advertisement through other media

3.4.4.1 Avoidable expenditure on removing and re-fixing of hoardings

Regulation 3 of Haryana Municipal (Control on Advertisement) Bye-laws, 2008 provides that no agency shall put up an advertisement without permission in writing from the Executive Officer. All advertisements which face the public/municipal streets shall not be permitted. Regulation 11 of the Bye-laws also states that hoarding shall not be permitted if the Executive Officer or any other officer authorized by the Government is of the view that (a) any hoarding, which is likely to be confused with an authorized traffic sign signal, (b) any hoarding erected in such manner and at such places, which will cause obstruction or interference with the visibility of approaching, merging or intersecting traffics.

Scrutiny of records revealed that between February 2009 and March 2010, the DIPR released ₹ 11.71 crore to Engineer in Chief PWD (B&R) Haryana for installation of 1,029 hoardings in 21 districts of the State. Guidelines of Municipal Committees referred *ibid* were not kept in view while deciding the place of erection of hoardings.

The Punjab and Haryana High Court in a public interest litigation of 2011 directed (December 2012) the State Government to relocate all hoardings which were considered hazardous to traffic. Thereafter, the Department sent survey teams to determine the location of the hoardings. As per the survey reports of the team (July 2013), out of 1,029 hoardings belonging to the department, 562 hoardings had to be relocated as per orders of Hon`ble Court.

The Department paid an amount of ₹ 2.79 crore on 13 February 2015 to PWD (B&R) for removing, shifting and erection of 562 hoardings. Out of 562

hoardings, 388²⁷ had been shifted (April 2017) and an expenditure of ₹ 84.15 lakh was incurred. Thus, due to non-adherence of Municipal Bye laws while selecting the location of hoardings, avoidable expenditure of ₹ 84.15 lakh had to be incurred. Further, extra expenditure of ₹ 1.94 crore would also be incurred in future on the relocation of the remaining hoardings.

3.4.4.2 Unfruitful expenditure on advertisement on buses

Every year the DIPR fixes the rates after inviting quotations/tenders for printing and fixing of flex/Vinyl Prints on hoarding/Display panels and a panel is drawn for allotment of work to empanelled firms in different districts.

In order to bring awareness about Government programmes to the general public, the DIPR placed (June 2014) an order for printing and fixing of flex/Vinyl Prints for 3,000 Haryana Roadways buses at an estimated cost of ₹ 0.64 crore to a Chandigarh based firm. An expenditure of ₹ 63.92²⁸ lakh was incurred for this job. The fixing/pasting work was completed in last week of June 2014.

The Department decided (December 2013) to put publicity of the State Government through 3,000 Haryana Roadways buses. In view of impending Code of conduct due to Lok Sabha elections (April-May 2016), the work was deferred till the completion of the election process. The proposal was again submitted (May 2014) to the Director General who expressed that there could be another imposition of Code of Conduct in two three months time and submitted the case to the Government to decide as to whether the expenditure has to be made on publicity or not. The Government, however, decided (June 2014) to go ahead with the publicity on State Government buses and thereafter the work was executed. Model Code of Conduct was imposed on 12 September 2014 due to General Election to Haryana Vidhan Sabha (October 2014). The publicity panels had been removed (September 2014) just after three months of their fixing. The Department was well aware of imposition of model code of conduct; despite this, it incurred expenditure of ₹ 63.92 lakh on publicity for such a short period which was against the principles of financial propriety.

3.4.5 Conclusion

Advertisements and publicity campaigns funded from the public exchequer should be related to the Government's responsibilities and be explicitly directed at informing the public of the State of the government's policies, programmes, services and initiatives. As brought out in forgoing paragraphs there were instances of publishing of advertisement in newspapers outside the State, in the language other than the language of newspapers, unfruitful expenditure on an advertisement without notification of the scheme and excess payment of ₹ 51.52 lakh on advertisement bills. The third party monitoring services were not hired on video campaign for the period January 2013. As a result, there were cases of

²⁷ (i) Ambala (66), (ii) Rohtak (94), (iii) Faridabad (88), (iv) Karnal (75) and (v) Hisar (65).

²⁸ 1,82,250 sqft area X ₹ 35.07 = ₹ 63.92 lakh.

excess and irregular payments. Fixing of hoardings in violation of Municipal Bye laws resulted in their re-fixing at other places leading to extra expenditure of ₹ 2.79 crore. Rupees 63.92 lakh were spent on advertisement on roadways buses, the benefits of which were drawn for a very short period. Thus, the objective of securing the widest possible coverage of the intended content or message through newspapers, journals and other print media publications were not fully achieved.

These points were referred to the Government in May 2017 and further reminders were issued in July and November 2017 but their reply was still awaited.

**Labour and Employment Department
(Haryana Building and Other Construction Workers Welfare Board)**

3.5 Non-utilization of funds on welfare schemes for construction workers and avoidable payment of income tax

Non-utilization of funds on welfare schemes for construction workers by the Haryana Building and Other Construction Workers Welfare Board, led to intended benefits not being extended to the beneficiaries, besides avoidable payment of income tax of ₹ 22.76 crore and further liability of ₹ 47.07 crore.

The Haryana Government constituted (November 2006) the Haryana Building and Other Construction Workers Welfare Board (the Board) to carry out welfare schemes for construction workers and levied (February 2007) labour cess at the rate of one *per cent* in accordance with the requirement of the Cess Act. The cess so collected was required to be spent on various schemes for welfare of building and other construction workers. The Board had notified/approved 23 welfare schemes between March 2005 and September 2016 and nine community welfare schemes between June 2008 and September 2016 for the registered building and other construction workers (the workers). There were 5.90 lakh registered workers in the State as of September 2016.

The Board was registered (September 2008) as Charitable Trust under Section 12A of the Income Tax (IT) Act, 1961 with effect from the Assessment Year 2008-09. As per section 11 (1) of the IT Act, 15 *per cent* income of a trust was exempted from income tax and remaining 85 *per cent* income was required to be utilized for charitable or religious purposes in India for getting exemption from income tax. Section 11(2) of the IT Act also provides that if the expenditure of the trust during that year remains short of 85 *per cent*, the remaining income can be set apart for charitable or religious purposes for the succeeding years not exceeding five years. If the trust fails to utilize the set apart income in the specified duration of five years, the unspent set apart income would become taxable in the year immediately following the period after expiry of five years.

Audit observed that an amount of ₹ 2,535.94 crore was received by the Board during 2007-17 on account of cess, registration and membership fee out of which

only ₹ 224.31 crore i.e. nine *per cent* of total receipts was utilised by the Board on administrative expenses, welfare schemes etc.

Scrutiny of records further revealed the following:

(i) Even after availability of funds and eligible registered workers, the schemes could not be implemented fully. Analysis of four²⁹ major schemes revealed that the Board should have spent ₹ 511.73 crore under these schemes, had the benefits been provided on the basis of eligibility of registered workers (*Appendix 3.1*). But only ₹ 25.28 crore (five *per cent*) was spent up to March 2017 and only 60,985 construction workers were benefitted from these schemes.

(ii) In five schemes³⁰ commenced between March 2005 and January 2016, no worker ever benefitted and the expenditure was nil as of 31 March 2017.

(iii) In other five schemes³¹, commenced between March 2005 and July 2014, only 2,510 workers were benefitted and an expenditure of only ₹ 2.63 crore was incurred up to March 2017.

(iv) A proposal for establishment of “Haryana Academy for Construction” at the State level with Regional Centers was approved (July 2015) by the Board for skill development of construction workers and ₹ 100 crore was allocated for this purpose. However, no expenditure was incurred even after a lapse of more than two years.

(v) No expenditure was incurred on advertisement and promotion during 2007-12. An amount ₹ 0.72 crore was incurred on advertisement and promotion during 2012-16 which shows that dissemination of information of the welfare and community based schemes amongst the labour class was not adequate. As a result, the registered workers could not be apprised of their entitlements under various schemes and very few workers benefitted from the schemes. Public Accounts Committee, in its 72nd Report of 2015-16 had desired that the Department should install big hoardings at all the labour chowks and labour sheds to display all the benefits of registration to the workers in order to create awareness amongst the workers. In spite of this, out of total expenditure of ₹ 37.84 lakh on advertisement and promotion during 2016-17, only an amount of ₹ 7,246 (0.19 *per cent*) was spent on banners/flex boards.

²⁹ (i) Financial assistance for purchase of bicycle (ii) Financial assistance for purchase of tool kit (iii) Mukhya Mantri Mahila Nirman Sharmik Samman Yojna (iv) Financial assistance for purchase of sewing machines.

³⁰ (i) Advance for purchase or construction of house, (ii) Financial assistance for family pension, (iii) Free Travelling Facility for visiting religious or historical places, (iv) Free Travelling Facility for visiting home-town and (v) Financial assistance for Solar Lantern.

³¹ (i) Financial assistance for Maternity, (ii) Financial assistance for marriage of son, (iii) Disability Pension/Disability Assistance, (iv) Financial assistance for treatment of chronic diseases and (v) Financial assistance to the physically disabled/mentally retarded children .

(vi) The Board also did not create a centralized database of workers in order to solve the issues faced by migrant workers who are generally the most vulnerable section of society.

(vii) Rupees 409.17 crore³² was received by the Board on account of cess, registration and membership fee during 2008-11. Rupees 347.79 crore (85 per cent of ₹ 409.17 crore) was to be utilized by 31 March 2016. However, the Board could utilize only ₹ 129.07 crore within the specified time period (2013-16) allowed under section 11(2) of the IT Act on notified/approved welfare and community based schemes. Thus, unspent income of ₹ 218.72 crore became taxable.

The Board has already paid income tax to the extent of ₹ 22.76³³ crore on the unspent set apart income of ₹ 82.27³⁴ crore for the financial years 2008-10 during the assessment years 2015-16 and 2016-17. Similarly, the unspent set apart income of ₹ 136.45 crore for the financial year 2010-11 became taxable in the financial year 2016-17 creating further liability of income tax of ₹ 47.07³⁵ crore for the assessment year 2017-18.

The Government stated (August 2017) that they were making utmost efforts for proper, effective and legitimate utilization of the funds collected for the welfare of the construction workers in the State by adopting the Information, Education and Communication strategy. The migratory nature of workers was stated to be the reason for poor progress in extending benefits to workers. The Board also stated that they have already launched special campaigns to link the registration of construction workers with the Aadhaar number, bank account number, IFSC code of the concerned bank, mobile number and family details of the beneficiaries, etc.

³² Statement showing avoidable payment of Income Tax.

(₹ in crore)							
Financial Year	Amount of total receipts	85 per cent amount of total receipts to be utilized or set apart for utilization during next five years	Financial Year in which apart income became taxable	Amount utilized up to the specified period	Amount remained unutilized after the expiry of five years	Assessment year up to which Income Tax return required to be filed	Amount of Income tax, surcharge and education cess paid/liability
2008-09	75.76	64.40	2014-15	29.67	34.73	2015-16	11.79
2009-10	113.46	96.44	2015-16	48.90	47.54	2016-17	10.97
2010-11	219.95	186.95	2016-17	50.50	136.45	2017-18	47.07
Total	409.17	347.79		129.07	218.72		69.83

³³ ₹ 11.79 crore (Income tax paid: 2008-09) + ₹ 10.97 crore (Income tax paid: 2009-10) = ₹ 22.76 crore.

³⁴ ₹ 34.73 crore (Amount unutilised 2008-09) + ₹ 47.54 crore (Amount unutilised: 2009-10) = ₹ 82.27 crore.

³⁵ ₹ 47.07 crore = ₹ 40.93 crore (Income tax 30 per cent) + ₹ 4.91 crore (Surcharge: 12 per cent) + ₹ 1.23 crore (Higher education cess: 3 per cent).

Thus, the Board did not utilize 91 *per cent* of total available funds up to March 2017 despite existence of schemes and availability of eligible workers. The Board has also failed to launch an effective communication campaign which is clear from the meagre funds utilized on publicity as a result of which construction workers were not aware about various schemes of the Board. Besides the Board had also paid income tax of ₹ 22.76 crore and had a liability of ₹ 47.07 crore due to non-utilization of set apart income of the period 2008-11 within the specified time period.

Public Health Engineering Department

3.6 *Idle expenditure on incomplete work*

The Executive Engineer executed the work with higher specifications on his own resulting in construction of only 38 *per cent* drain work with the sanctioned amount. The work remained incomplete leading to idle expenditure of ₹ 3.11 crore.

Paragraphs 10.16.2 and 10.16.4 of the PWD Code provide that a revised estimate should be prepared in case there were inadequate provisions in earlier estimate and that the executing officers shall not enter into a contractual liability without administrative approval and firm commitment about the revised cost from the administrative department. Further, paragraph 6.5 of the code provides that Executive Engineer (EE) shall carry out works in accordance with specifications and stipulations of the contract and shall not make or permit any material deviation from sanctioned design in the course of execution without specific authority. Whenever it becomes apparent that estimated cost of work is likely to be exceeded, for whatever cause, he shall report the fact to the Superintending Engineer, describing the nature and cause of the probable excess and asking for orders.

The EE, Public Health Engineering Department (PHED), Kaithal prepared an estimate in 2011 for "Remodeling of Katcha Manas Drain from RD 7440 to RD 19164 (3573.15 metre upto Kaithal drain) passing through Kaithal town" for ₹ 4.23 crore, out of which ₹ 0.95 crore was to be contributed by Haryana Urban Development Authority (HUDA). The estimate provided for construction of reinforced cement concrete (RCC) drain from RD 7440 to RD 10075, brick masonry drain from RD 10075 to RD 11700 and RCC drain with walls having thickness of 10 cm and bed having thickness of 12.5 cm from RD 11700 to RD 19164. The State Government accorded approval of ₹ 3.20 crore in April 2011 but HUDA did not contribute/commit any amount. The Detail Notice Inviting Tender for the work with same specifications was approved for ₹ 3.82 crore by the Engineer-in-Chief (EIC), PHED, Haryana in July 2014. The work was allotted to a contractor in August 2014 for an agreement amount of ₹ 3.77 crore with a time limit of 12 months. The contractor executed (July 2015) the work of brick masonry drain upto RD 11700 as per contract but after that the EE, PHED got constructed only about 860 metre (38 *per cent*) RCC drain out of 2,275 metre (RD

11700 to RD 19164) by increasing the thickness of walls from 10 cm to 15 cm and thickness of bed from 12.5 cm to 17.5 cm without bringing it to the knowledge of higher authorities. After incurring expenditure of ₹ 3.11 crore, the work was stopped in August 2016 for want of revised estimate. The EE, PHED Division No.1, Kaithal submitted a revised estimate in July 2016 for ₹ 7.25 crore to higher authorities for completion of the drain which was technically approved by Engineer-in-Chief, PHED in January 2017 for ₹ 7.15 crore and approved by State Government in March 2017. However, work has not recommenced (August 2017).

Audit noticed the following irregularities:

- As per paragraph 9.5.1 of PWD Code, technical sanction implies that the proposals are technically sound, specifications are appropriate for the service intended, and the estimates are realistic, based on adequate data. Moreover, for the projects of large magnitude, it is necessary that site be inspected to ascertain field conditions. However, the EE, PHED changed the technical specifications in December 2015 and started the work with higher specifications. Thus, Codal requirements had not been complied with as technical specifications were changed within a period of 16 months.
- No portion of the reach from RD 7440 to RD 19164 belongs to HUDA. However, the Public Health Engineering Division sought Administrative Approval (2011) from the State Government by mentioning that an amount of ₹ 0.95 crore was receivable from HUDA. However, EE of the Division stated (May 2017) that no funds were recoverable from HUDA as the drain does not pass through HUDA area. Thus, the estimate was incorrect and not based on correct data.
- Due to deviation from approved and contracted specifications, there was increase in estimated cost of the project. The department started the work against the administrative approval of ₹ 3.20 crore by entering into contract of ₹3.77 crore without submitting the case to State Government for seeking approval for the entire estimated cost.
- The EE did not submit revised estimate for enhanced quantities for obtaining revised administrative approval from the State Government before incurring expenditure on revised specifications as required under para 10.16.2 of the PWD Code.

The EIC, PHED, Haryana stated (January 2017) that due to change of specifications in the work, the revised estimate of the work amounting to ₹7.15 crore has been technically cleared in January 2017. Thus, the specifications were changed and work was executed with changed specifications without the approval of the Engineer-in-Chief. The revised project of ₹7.15 crore has been got approved from the State Government in March 2017 but the EIC had not enhanced the agreement for want of explanation for execution of work beyond the provisions without approval of the competent authority (July 2017).

Thus, the Executive Engineer executed the work with higher specifications on his own, resulting in construction of only 38 *per cent* RCC drain work with the sanctioned amount. The work remained incomplete (August 2017) leading to idle expenditure of ₹ 3.11 crore. Besides, intended benefits could not be derived even after a period of more than two years from scheduled date of completion, as the waste water was accumulating outside the partially remodelled drain along the road.

The matter was referred (May 2017) to the Government for comments; the reply was still awaited despite issuance of reminders in July and November 2017.

3.7 Irregularities in procurement of chlorination plants

Public Health Engineering Department procured 131 chlorination plants for ₹ 6.39 crore in violation of Financial Rules, State Government's policy guidelines for procurement of stores and PWD Code. Besides, undue financial benefit was extended to an agency by paying maintenance charges of ₹ 2.27 crore in advance.

As per Rule 2 of the Store Purchase Rules contained in Appendix 14 of the Punjab Financial Rules, Volume II (as applicable in Haryana), the purchase of country made machinery, imported machinery and equipment and all the other stores available ex-stock in India shall be made through the Directorate of Supplies and Disposals (DS&D), Haryana. Para 13.6.3 (1) of PWD Code provides that the amount of the tender shall not be artificially pitched low with the sole purpose of keeping it initially within the tender accepting limit of a particular authority and subsequently enhancing the tender amount to the full cost of work.

The Executive Engineers (EEs) of three³⁶ test checked Public Health Engineering (PHE) Divisions invited 45 tenders between October 2013 and November 2014 for providing and commissioning gas chlorinators on 45 water works. The tenders were for supply of Regal USA/EcoChlor of M/s Chemical Injection Technologies (CIT), (USA) make complete in all respects with comprehensive maintenance period of three years of complete system³⁷. Only two agencies 'A' and 'B' participated in each tender. Agency 'A' was sole distributor of M/s CIT (USA) in India and agency 'B' was dealer under the agency 'A'. So there was no competition at all. All the 45 works were allotted to agency 'A' at ₹ 4.49 lakh to ₹ 4.95 lakh for each unit between October 2013 and December 2014. The scope of agreements was enhanced from 45 units to 131 units and a payment of ₹ 6.39 crore including maintenance cost was made by these three PHE Divisions between February 2014 and March 2017 as detailed in *Appendix 3.2*.

³⁶ (i) Tosham, (ii) Ambala City and (iii) Mohindergarh.

³⁷ The complete system consists of (a) Vacuum regulator (b) Measuring glass tube (c) Ejector (d) P F tubing (e) Spanner with cylinder opening key (f) Ammonia Gas (Liquid) of leaking test (g) 1" dia PVC pipe with PVC fitting, ball valve, etc. (h) 2 No. filled chlorine gas cylinder capacity 100 kg duly certified and approved by BIS and Explosive Department, Government of India (i) Electronic Chlorine gas leak detector with sensor and hooter (j) Eye goggles and (k) mask with canister.

During scrutiny of records audit observed the following:

- As per para 5 of the policy guidelines (May 2010) on procurement of stores issued by the State Government, also reiterated by the Engineer- in- Chief (EIC) in August 2013, the specifications should be framed with a view to encourage competition rather than restricting/discouraging the same. The specifications of machinery shall be of generalised nature and may not be manufacture/brand/make specific. Moreover, the Department neither procured chlorination plants through DS&D nor consolidated the requirement which was against the provisions of financial rules and provisions of PWD Code.

The EEs invited tenders for gas chlorinators of particular make. There was no justification on record for procurement/installation of chlorinators of particular make and for giving preference to imported chlorinators against indigenous chlorinators.

- As per para 10.1.1 of the PWD Code, the estimate of a work is necessary as it brings out the background and necessity of the proposed work and tells in advance the expenditure likely to be incurred.

It was noticed that neither estimates were prepared for these 131 chlorination plants nor calculation sheet and necessary documents for deriving their cost was available with the divisions. Tenders were invited for each chlorination plant by showing composite cost of the plant between ₹ 4.50 lakh and ₹ 4.98 lakh each and allotted on the bid submitted by the agency for composite cost between ₹ 4.49 lakh and ₹ 4.95 lakh. Necessity for installation of chlorination plants on these works were also not on record. This shows that the DNIT was deliberately prepared by keeping it within ₹ five lakh i.e. the limit for which e-tendering was not necessary and was also within the tender accepting limit of the EE.

The Additional Chief Secretary, PHED, Haryana stated (September 2017) that the chlorinators were installed at various water works keeping in view availability of funds after getting Detailed Notice Inviting Tender approved from the Superintending Engineer of concerned circles. It was also stated that due publicity was given through putting tender notice on website of the department as well as putting the tender notice on the notice board of the office as per instructions of Government at that time. However, the fact remains that the department instead of consolidating the requirement, invited tenders for individual units to keep the value of tenders less than ₹ five lakh.

- Audit further noticed that PHE Division No. 1, Kaithal had also got installed chlorination plants from the same agency between May and June 2013 and made payment of ₹ 3.15 lakh for each plant excluding maintenance cost. However, in the three test checked divisions audit noticed that the complete payments for the 131 Chlorination plants were made at the time of installation, including cost of comprehensive maintenance for next three years. Further, no record indicating dates when chlorine got exhausted, dates of periodic checkups,

maintenance, hours of running etc. was maintained at divisional office or at site. In the absence of these documents, audit could not get any assurance that these plants were functioning properly and were being maintained regularly. Thus, the advance payment of ₹ 2.27 crore³⁸ for comprehensive maintenance for next three years tantamounted to undue financial benefit to the agency.

The Additional Chief Secretary, PHED stated (September 2017) that there were differences in chlorinators provided at Kaithal and there was provision of comprehensive maintenance of one year at Kaithal against three years at Tosham. The reply was not tenable as comprehensive maintenance was three years at Kaithal also and no payment was made for maintenance period in advance by that division. As such, making payment in advance was undue favour.

Thus, in violation of the Financial Rules, provisions of State Government's policy guidelines for procurement of stores and provisions of PWD Code, the department extended undue favour to an agency by procuring 131 chlorination plants in three PHE Divisions for ₹ 6.39 crore by calling individual local tenders for each plant instead of consolidating the requirement and calling a tender of high value. In absence of record relating to running and maintenance, proper functioning of these plants could not be ensured. Besides, an undue financial benefit of ₹ 2.27 crore was also extended to the agency by paying the maintenance cost of plants for three years, in advance at the time of installation.

3.8 Unfruitful expenditure on incomplete scheme and payment to an agency for work not done

Sewerage scheme remained incomplete after incurring expenditure of ₹ 16.73 crore. Besides ₹ 2.74 crore paid to an agency without actual execution of work at site.

Paragraph 6.5.1 of the PWD Code states that the Executive Engineer is responsible for the execution and management of all works within his Division including administration of contracts, quality of works and their timely completion. Paragraph 13.6.3 (i) provides that no payments outside strict terms of the contract or in excess of the contract rates shall be authorized without approval of the competent authority.

With the objective of improving infrastructure facilities and creating durable assets and quality oriented services in cities and towns, Government of India (GOI), Ministry of Urban Development launched a scheme "Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)" under JNNURM in December 2005. As per the scheme, the funds were to be shared in the ratio of 80:20 between GOI and State Government. Fifty *per cent* of the central share was to be released by GOI as first installment and balance fifty *per cent* on receipt of utilization certificates for utilization of seventy *per cent* of earlier funds.

³⁸ Total payment of ₹ 639.27 lakh – (131 × ₹ 3.15 lakh) = ₹ 226.62 lakh.

The State Government had approved (May 2010) the project for providing sewerage facilities in Ambala Sadar town for ₹37.28 crore under the scheme for laying sewerage network of 30.03 km with internal diameter (i/d) 150mm to 250mm and 2.02 km with i/d 800mm to 1000mm pipe. The project was subsequently revised (June 2012) for ₹ 37.20 crore for laying sewerage network of 44.68 km with i/d 200mm to 250mm and 2.02 km with i/d 800mm to 1000mm. GOI released ₹ 14.91 crore in November 2012 as first installment and the Director General, Urban Local Bodies, Haryana released total funds of ₹ 18.64 crore including state share of ₹ 3.73 crore to Public Health Engineering Department (PHED) for this project in the same month. Scrutiny of records revealed the following shortcomings:

(i) Scrutiny of records of the Executive Engineer (EE), PHED, Ambala Cantt. revealed that the EE entered into (between July 2012 and September 2013) eight agreements with five agencies for executing eight works for laying of 46.70 km HDPE sewer pipe lines and construction of manholes for ₹ 25.32 crore with a time limit of four and six months as detailed in **Appendix 3.3** to be completed between May 2013 and January 2014. But only 24.487 km sewer line was laid against 46.700 km due to non-finalisation of alignment by the EE. The laid sewer lines were also not got interconnected and the manhole chambers were not constructed (August 2017) which resulted in the project remaining incomplete beyond more than three to four years of target date of completion. The EE made payment of ₹ 14.65 crore to these eight works between May 2013 and August 2016. A total expenditure of ₹ 16.73 crore had been incurred (September 2016) on the incomplete scheme and further ₹ 10.67 crore was required for completing the work as per agreement. However, the Division has sought (September 2016) funds of ₹ 11.32 crore (including amount of refund of security) from the Government to complete the work and to make the laid sewerage system functional.

(ii) As the department failed to utilize total funds as scheduled, the utilization certificate in respect of the first installment was not sent to Urban Local Bodies (ULB) and remaining funds could not be obtained from GOI. On being asked by the Department in January 2015 for releasing balance funds, the Director, ULBs, Haryana intimated (January 2015) that the GOI closed the scheme with effect from March 2014 and balance fund for the completion of the project were to be arranged by State Government from their own sources.

(iii) As per Detail Notice Inviting Tender and contract document, payment for laying of sewer lines was to be made after laying the pipes in position as per specifications. But Audit observed that payment of ₹ 2.74 crore had been made to firm "C" without laying pipes against two agreements as indicated in **Appendix 3.3**. As per terms of contract, only secured advance³⁹ should have been given to the agency against the security of material brought at site.

³⁹ Divisional Officer may, on written request from the contractor, sanction the advance and that a formal agreement is drawn up with the contractor under which Government secures a lien on the materials against losses due to the contractor postponing the execution of the work.

On being pointed out, the EE, PHED, Ambala Cantt. stated (November 2016) that the laid sewer pipes were fully functional and pipes for which part payment of ₹ 2.74 crore has been made were lying with the JE concerned and the work would be completed at the risk and cost of the agency. However, records such as bills of pipes, duly verified material at site register and physical verification report was not made available to audit in support of the custody of pipes with the JE concerned. The trunk sewer line of 1000 mm internal diameter has not been laid so far (August 2017) and no work has been executed at site since April 2016. The alignment problem, due to which the works were stopped has not yet been resolved (October 2017). The EE also intimated (July 2017) that a vigilance inquiry has been initiated in the case and work has been stalled for want of funds.

Thus, due to failure on the part of EE in deciding proper alignment for laying pipes at the time of planning of project and in taking appropriate action for construction of manhole chambers, joining the laid sewer with existing sewer, the project could not be commissioned after incurring an expenditure of ₹ 16.73 crore. This resulted in non-achievement of objective of improving infrastructure facilities for providing sewerage facilities in Ambala Sadar town. Further, due to inordinate delay in executing the work, Department failed to receive central funds of ₹14.85 crore. Besides, ₹ 2.74 crore was released to an agency in violation of terms of contract.

The matter was referred to the Government for comments in July 2017. Their reply was still awaited despite issuance of reminders in August and November 2017.

3.9 *Non-functional drinking water scheme due to non-acquisition of land*

Non-acquisition of land resulted in unfruitful expenditure of ₹ 1.55 crore on an incomplete water supply project for village Jindran, district Rohtak.

Paragraph 10.1.3 of Haryana Public Works Department (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. Further, paragraph 15.2.1 (a) of the code provides that necessary approval from Forest Department has also to be obtained.

The Member Secretary, Water Supply and Sewerage Board, Haryana approved (November 2012) a canal based independent water works for village Jindran in District Rohtak for providing drinking water, for ₹2.15 crore. As per the approved estimate, the canal water for the water works was to be obtained from Katesra Minor through a 2975 metres long inlet channel of Reinforced Cement Concrete (RCC) pipe of 350 mm dia, 1,000 metre was to be laid on roadside on forest land, 1043 metre on *katcha* road/ other type of land and 932 metre on private land.

Accordingly, the provision for acquisition of private land of 0.4322 acres was made in the estimate by the Public Health Engineering Department (PHED) The work⁴⁰ of construction of water works including inlet channel was allotted (May 2013) to an agency at a cost of ₹ 1.85 crore for completion within 12 months. Construction of Water Works and inlet channel on 1,000 metre on roadside on forest land and 1043 metre on *katcha* road/ other type of land was completed (July 2017) and the PHED had incurred an expenditure of ₹ 1.55 crore⁴¹ against the approved estimate of ₹ 2.15 crore so far.

Scrutiny of records of the Executive Engineer (EE), PHE Division No. I, Rohtak, revealed that the work of construction of 932 metre of inlet channel remained incomplete as the Department did not acquire the private land on which this portion was to be executed. Audit further noticed that no correspondence was made by Executive Engineer with higher authorities to acquire the land except making one communication in July 2013. The land has not been acquired and no construction has been made so far (July 2017). Audit also observed that the work of construction of inlet channel was executed through the forest land without obtaining permission from the Forest Department.

The EE stated (June 2017) that a small portion of the inlet channel (i.e. 932 metre) was lying incomplete for want of acquisition of land and a *katcha* (i.e. temporary) channel has been constructed for this portion. The construction of *pucca* (i.e. permanent) channel would be feasible only after the acquisition of land. Thus, the Department did not acquire the land even after a period of more than four years of allotment of work. Besides, construction of a *Katcha* channel was not useful as project for regular drinking water supply was not operationalised due to non-acquisition of land.

Thus, the allotment of the work without ensuring the availability of land, in violation of provisions of PWD code, resulted in unfruitful expenditure of ₹ 1.55 crore.

The matter was referred to Government in July 2017 for comments. The reply was awaited despite issuance of reminders in August and November 2017.

3.10 Non-functional water supply scheme for want of raw water

Water supply scheme of village Balali (Bhiwani) remained non-functional due to non-identification of source of raw water rendering the expenditure of ₹ 1.36 crore unfruitful.

Paragraph 10.12.2 of Public Works Department (PWD) code provides that estimate of water supply works shall include examination of source of water, its potential and quality, seasonal variations, alternative source of water which can be tapped or developed. In case of canal based schemes, quantity of water likely to

⁴⁰ 2,975 metre long inlet channel of RCC pipe of 350mm dia, one number Storage and Sedimentation tank, two numbers section well, one number RCC high level tank, one number RCC filter bed, one number RCC clear water tank etc.

⁴¹ 80 per cent work has been completed so far.

be available must be assured. Paragraph 10.7.2 of the code *inter-alia* provides that while taking up work of water supply schemes, the preparation of detailed project report including feasibility study is required, to examine proposal from technical, financial and other parameters.

The Water Supply and Sewerage Board, Haryana approved (April 2013) an estimate of ₹1.66 crore for providing a canal based independent water works scheme at village Balali in Bhiwani District for supply of potable water. The raw water for the water works was to be arranged from Dudhwa minor, which is at a distance of 1,000 metres from the site of water works of village Balali. The estimate had a mention that the consent for drawing canal water had been obtained separately from Irrigation Department along with other water works. However, Audit observed that neither the name of village Balali, nor water works Balali was found included in the raw water proposal.

Scrutiny of records of the Executive Engineer (EE), Public Health Engineering (PHE) Division, Charkhi Dadri revealed that despite raw water source not being confirmed, the work of construction of water works at village Balali was allotted (January 2014) to a contractor at an estimated cost of ₹ 0.84 crore with completion period of nine months. The contractor executed the water works such as construction of Storage and Sedimentation Tank, High Level Tank, Filter Beds, etc. at a cost of ₹ 1.36⁴² crore in October 2016. However, the water works could not be operationalised for want of raw water. Audit observed that the work was started without conducting feasibility study and without ensuring availability of raw water which was in violation of codal provisions. This clearly indicates failure of PHED to conceive and plan for the project in a holistic manner.

On being pointed out by Audit, the EE, PHE Department initially stated (April 2017) that a new proposal was under preparation for supply of raw water from Satnali feeder to water works at Balali as no water was available in Dudhwa minor. Subsequently, in May 2017, the EE stated that a new proposal for drawing raw water from Dudhwa minor was under preparation. Thus, the Department had failed to firm up raw water source for the water works. No arrangement for raw water for the scheme had been made (May 2017) even after four years from the date of approval of the scheme, resulting in unfruitful expenditure of ₹ 1.36 crore as the intended benefits of providing potable water to inhabitants of the village could not be achieved.

The matter was referred (June 2017) to the Government for comments; the reply was still awaited despite issuance of reminders in July and November 2017.

⁴² Expenditure on works: ₹ 0.93 crore and cost of material: ₹ 0.43 crore.

Public Health Engineering and Environment Departments

3.11 Rejuvenation of River Ganga

Only two out of eight projects submitted to GOI were approved. The projects of Panipat and Sonipat had not been completed. The work of laying sewer lines commenced at Sonipat without proper survey. Two super sucker sewer cleaning machines costing ₹ 2.76 crore were transferred irregularly to non-Yamuna basin area. Five units closed by the Board were operating without compliance of provisions of the Act. Organic and bacterial contamination in Yamuna continued.

3.11.1 Introduction

Government of India (GOI) established the National Ganga River Basin Authority (NGRBA) in February 2009 to promote inter-sectoral coordination for comprehensive planning and management for effective abatement of pollution and conservation of the river Ganga. In July 2014, the Government launched Namami Gange, an integrated Ganga conservation mission as an umbrella programme for all ongoing as well as new ones to clean the Ganga. The major activities to be carried out under it were rehabilitation of existing Sewerage Treatment Plants (STPs), creation of new STPs, complete sanitation coverage for gram panchayats, development of model cremation/dhobi ghats, etc. In October 2016, NGBRA was dissolved and National Ganga Council (NGC) as an Authority was established for superintendence of pollution prevention and rejuvenation of river Ganga. In Haryana, two projects were sanctioned by GOI, Ministry of Environment and Forest, National River Conservation Directorate, New Delhi in July 2012 for Sonipat and Panipat towns at an estimated cost of ₹ 217.87 crore for pollution abatement of river Yamuna. The main components of the projects included construction of new sewer lines and STPs of 70⁴³ million litre per day (MLD) capacity and rehabilitation of existing 75 MLD capacity STPs. As against the release of funds of ₹ 188.12 crore (GOI share ₹ 141.39 crore; State Government: ₹ 46.73 crore), ₹ 184.58 crore were spent during 2012-17.

With a view to assessing whether there exists proper planning for abatement of pollution and projects were implemented properly to achieve their objectives, records of Engineering-in-chief, Public Health Engineering Department, two⁴⁴ works divisions covering the entire expenditure of ₹ 184.58 crore and three⁴⁵ regional offices of Haryana State Pollution Control Board were scrutinized during April-June 2017.

⁴³ One STP of 25 MLD at Jamalpur Khurd (Sonipat) and two STPs of 25 (Siwah) and 20 MLD (Jatal Road) at Panipat.

⁴⁴ Public Health Engineering Divisions, Panipat-II and Sonapat-II.

⁴⁵ (i) Yamunanagar, (ii) Panipat and (iii) Sonipat.

3.11.2 Planning

(i) The Public Health Engineering Department prepared (December 2010) master plans including STPs of six towns of Yamuna Action Plan-I and two additional towns i.e Rohtak and Bahadurgarh. Detailed Project Reports (DPRs) for sewerage were submitted to National Rural Conservation Directorate (NRCDC) for approval and funding. The DPRs contained construction of sewerage lines, augmentation of existing STPs and construction of new STPs. The details of projects submitted to GOI, additional capacity of proposed STPs and their approval are given in **Table 3.3** below:

Table 3.3: Details showing projects submitted to GOI

Sr. No.	Name of Project	Month of DPR sent to GOI	Date of approval	Nature of work
1	Panipat	December 2010	July 2012	Two STPs (25 MLD and 20 MLD) and Strengthening of existing sewerage
2	Sonapat	December 2010	July 2012	One STPs (25 MLD) and Strengthening of existing sewerage
3	Gurugram	December 2010	Not approved	One STPs (25 MLD) and Strengthening of existing sewerage
4	Karnal	December 2010	Not approved	One STPs (20 MLD) and Strengthening of existing sewerage
5	Yamuna Nagar- Jagadhari	January 2011	Not approved	Two STPs (50 MLD and 15 MLD) and Strengthening of existing sewerage
6	Faridabad	January 2011	Not approved	Strengthening of existing sewerage
7	Rohtak	January 2011	Not approved	
8	Bahadurgarh	January 2011	Not approved	

Source: Information compiled from the records of the Department

As is evident from above, only two out of eight projects were approved in July 2012 by GOI. Balance six projects were neither rejected nor approved by GOI. The Department had not pursued the matter with GOI though five years had elapsed since the approval of two projects. As a result, the objective of controlling pollution in river Yamuna remained unachieved to a large extent.

The Department stated (July 2017) that the minutes of the meeting of GOI wherein the projects were approved were not available in their records. It was also stated that the matter was again referred in August 2012, but the Ministry had not approved the projects. Thus, the department had not pursued the matter effectively with GOI after August 2012.

(ii) Guidelines for preparations of project reports under National River Conservation Plan (December 2010) envisages that interception and diversion of drains and installation of STPs alone do not ensure carrying and treatment of all the wastewater generated through STPs. A holistic approach in preparing pollution abatement projects was required to be adopted which would include river basin approach and provision of an integrated sewer network up to house level. Slums and individual houses having no space for house hold installation of toilets shall be covered through community toilets. Further, provision for crematoria, dhobi ghats, cattle wallowing, river front development, solid waste management, etc., was also to be made. The new approach would ensure full coverage of the city and thereby transportation of entire sewage to STPs for optimal treatment and utilisation. Audit noticed that DPRs under the scheme were

prepared only for construction of sewer lines, setting up of new STPs and rehabilitation of existing STPs. No provision was made for strengthening community toilet complexes, crematoria, dhobi ghats, cattle wallowing, river front development, solid waste management etc., in DPRs. The Department stated (July 2017) that the works relating to community toilet complexes, crematoria, dhobi ghats, cattle wallowing, river front development, solid waste management etc., were not under their scope. The holistic approach for pollution abatement was not, thus, adopted by the Public Health Engineering Department though it was the executive agency for the implementation of the projects.

3.11.3 Projects implementation

3.11.3.1 Non completion of the projects within stipulated period

As per Administrative approvals (July 2012) of the projects, projects were to be completed within 36 months from the date of approval i.e up to July 2015. Perusal of physical and financial progress reports for the month of July 2015 revealed that only 57 per cent and 56 per cent of the works was completed at Panipat and Sonipat respectively within the stipulated period of completion of projects. Further, scrutiny of records revealed that the project could not be completed even by March 2017 and the progress of the works at Panipat and Sonipat was 88 per cent and 96 per cent respectively. Under the scheme three new STPs were to be constructed (two at Panipat and one at Sonipat), but only one STP of 25 MLD at Panipat was made functional and other two STPs were still under construction (June 2017). Audit observed that the projects had been delayed due to not making timely payment to contractors and non- obtaining necessary clearance of sites from other departments.

Audit observed that as against the generation of 44 MLD sewage for Panipat, there was existing sewage treatment capacity of 30 MLD and balance 14 MLD untreated sewage was being discharged in drain Number 6 which subsequently joins river Yamuna. The Department stated (July 2017) that payments to contractors were delayed due to non-receipt of funds from GOI despite regular pursuance. However, no reply was furnished regarding delay in obtaining clearances from other departments. Thus, due to delay in completion of projects, discharge of untreated sewage continued in Yamuna resulting in water pollution.

3.11.3.2 Execution of work without conducting proper survey

Time overruns are likely to result in delay in use of facilities and cost overrun. To avoid delays, paragraph 16.37.1 (a) of Haryana PWD Code stipulates that the survey work should be thorough so that site conditions do not materially differ from what have been described in the tender.

Scrutiny of records of office of Executive Engineer, PHE Division No. 2, Sonapat revealed that the scope of the work of providing and laying of 1,100 mm and 1,400 mm dia pipe sewer was changed frequently as given in **Table 3.4**. Audit observed that the scope of the work was changed time and again due to non-availability of

the land at the proper site for which proper survey was not conducted before commencement of work.

Table 3.4: Details showing the change of scope of the work

Particulars	1100 mm (in metres)	1400mm (in metres)	Amount (₹ in crore)	Date of allotment/ Date of revision	Scheduled date of Completion
Original scope of the work	1996	1500	7.09	01 January 2013	04 January 2014
1 st revision	2075	0	3.94	30 August 2013	
2 nd revision	2100	220	4.98	30 April 2014	

Source: Information compiled from the records of the Department

Thus, scope of the work was changed time and again, and the work could not be completed even after more than three years from the stipulated period of completion. Change of scope of work time and again shows that proper survey and planning for the execution was not done before awarding of the contract, which delayed the execution of the work.

The Department stated (July 2017) that land was to be purchased by another firm for construction of main pumping station but the land could not be purchased as no farmer was willing to sell land near the location. However, the pumping station was installed at a distance of 396 metres after purchasing the land from panchayat, due to which variation in scope of work occurred. The reply was not tenable as the Department should have purchased the land before commencement of the work and made the plan accordingly to avoid any change which may result in delay and extra expenditure.

3.11.3.3 Irregular enhancement of scope of works

Paragraph 13.6.3(1) of Haryana PWD Code stipulates that amount of the tender shall not be artificially pitched low with the sole purpose of keeping it initially within the tender accepting limit of a particular authority and subsequently enhancing to the full cost of the work. Further, paragraph 13.19.3 of the Code stipulates that understating the cost of the work at the time of inviting tenders and later going in for enhancement constitutes serious financial impropriety.

Scrutiny of the records of works revealed that estimated amounts of 21 works (**Appendix 3.4**) were kept below ₹ five lakh each for keeping within the tender capacity of the Executive Engineer and later the amount of the works was enhanced up to the extent of 17 times and got approved from next higher authority. As against the agreement amount of ₹ 0.48 crore, these works were got executed at a cost of ₹ 3.79 crore. Out of these works, five⁴⁶ works of ₹ 2.07 crore (exceeding ₹ 25 lakh in each case) pertaining to Panipat Division were approved by the Superintending Engineer whereas competent authority was Chief Engineer in these cases in terms of Finance Department notification dated 29 February 2008. Besides, 14 works (with value of more than ₹ five lakh in each case) aggregating to ₹ 7.67 crore were got executed at a cost of ₹ 15.42 crore (**Appendix 3.4**). This resulted in violation of Codal provisions, which deprived the Department of benefits of competitive

⁴⁶ Agreement Number 764, 915, 916, 922 and 923.

bidding inherent in the tendering process due to non-participation of agencies executing works of high value.

The Department stated (July 2017) that the scope of work was enhanced as per site conditions in public interest. It was also added that had the fresh tenders been called for, a lot of time would have been wasted and there was meager possibility of receiving lesser rates. The reply was not tenable as estimates should have been prepared after proper scrutiny and tenders should have been called for as per codal provisions.

3.11.3.4 Transfer of sewer cleaning machines to non-Yamuna basin areas

Super sucker sewer cleaning machines are used for cleaning and maintenance of large diameter sewer lines, storm water drains from greater depths in dry and wet conditions by high pressure water jetting and suction by high power blower. Four super sucker machines were procured (July 2014) for ₹ 5.51 crore two each by Panipat and Sonapat division under the projects. Audit, however, observed that two machines, one by each division were transferred (July 2014) to Sirsa and Kaithal districts under the orders of the Engineer-in- Chief. Transfer of these machines in non-Yamuna basin districts tantamounts to diversion of project funds of ₹ 2.76 crore. This hampered the maintenance of sewerage system in Yamuna basin areas. The Department stated (July 2017) that the machines were transferred to other districts as one machine each in Panipat and Sonapat district were sufficient for cleaning sewer lines. The reply was not tenable as main trunk sewer was choking for want of cleaning and 12 MLD untreated sewage was being discharged in Panipat town. In Sonapat also, complaint register revealed a number of complaints of sewer choking due to lack of cleaning. Therefore, transfer of machines outside the project area was not in order. The problem of choking could have been resolved speedily, had the machines not been transferred.

3.11.3.5 Public participation and public awareness

The benefits of involving public in the decision making process are immense. It greatly helps in increasing public understanding of pollution abatement and subsequently defusing conflicts on Government action by generating support of beneficiaries. It is necessary to formulate an effective public education, awareness and participation programme through workshops, seminars, street plays, city runs and riverside walks on issues such as house connections, water conservation at household levels and proper collection of garbage. Active involvement of students and teachers community in schools and colleges can greatly help in achieving the objectives. Scrutiny of records of projects revealed that out of earmarked funds of ₹ 2.67 crore under the head Public Partnership and awareness for Panipat project, funds of ₹ 0.48 crore i.e. 18 *per cent* were spent on organizing 40 seminars while no expenditure was incurred on awareness for Sonipat project although funds of ₹ 1.95 crore were provided for the purpose. Thus, adequate attention was not paid towards public awareness programme as only ₹ 0.48 crore was spent against the provision of ₹ 4.62 crore.

3.11.3.6 Water pollution by industries

Haryana State Pollution Control Board (HSPCB) is responsible for implementation of Water (Prevention and Control of Pollution) Act, 1974. Section 24 of the Act prohibits entry of all poisonous, noxious or polluting matter (whether directly or indirectly) into any stream.

Scrutiny of records of selected Regional Offices of HSPCB revealed that 149 industrial units were served show cause notices during 2012-17 due to non-installation of mandatory pollution control devices on effluent discharge to meet the prescribed norms of emission. It was further noticed that out of these 149 industrial units, the show cause notices were revoked in respect of 93 industrial units as the effluent was found within prescribed norms on re-sampling. The remaining 56 industrial units had not complied (July 2017) with the norms. The Board issued closure notices to 45 units during 2012-17 and in case of 11 units compliance by the unit remained to be ascertained by the Board (May 2017).

Test-check of records of Central Excise and Service Tax Department revealed that five metal industrial units of Yamunanagar out of 45 units ordered to be closed by HSPCB under Water (Prevention and Control of Pollution) Act, 1974, were running and were discharging untreated effluent (July 2017).

Thus, there was no formal institutionalized system in the Board to periodically oversee and ensure that the units closed by the Board were not operating without compliance of provisions of the Act.

The HSPCB stated (August 2017) that the status of units ordered to be closed would be got investigated through its regional offices and action would be taken against defaulting units. It was also added that Board was in process of framing a new inspection policy for inspection of sealed/closed units to ascertain the compliance of closure orders.

3.11.4 Impact

According to Central Pollution Control Board criteria, Bio chemical Oxygen Demand⁴⁷ (BOD) level of river water should be less than 3 mg per litre. The results of sample taken by Haryana State Pollution Control Board for upstream and downstream of river Yamuna of Panipat towns showed that the BOD level was in excess of norms as detailed in **Table 3.5** below:

Table 3.5: Details of BOD level in excess of norms

Year	Panipat (Mean BOD level mg/l)	
	Upstream	Downstream
2012-13	2.90	4.20
2013-14	2.00	2.45
2014-15	2.40	5.47
2015-16	3.20	4.50
2016-17	3.19	4.40

Source: Information compiled from the records of the Department

⁴⁷ Standard method for measurement of amount of organic pollution in a sample of water.

As is evident from above table, the quality of water is deteriorating after discharge of sewage and effluent in Yamuna of Panipat town.

The sewage and effluent of Yamunanagar town was being carried through a ditch drain which falls in Yamuna River through Dhanura escape in Karnal District. The BOD level at downstream of Karnal was recorded upto 110 mg/litre and mean level was 56.35 mg/litre during 2016-17⁴⁸ against the desired standard of less than 3 mg per litre.

Thus, due to delay in implementation of the projects, untreated sewage and industrial effluent was being discharged in river Yamuna resulting in continuation of organic and bacterial contamination of river Yamuna.

3.11.5 Conclusion

Only two out of eight projects submitted to GOI were approved. The projects of Panipat and Sonipat had not been completed even after two years of their scheduled date of completion. The work of laying sewer lines was commenced at Sonipat without proper survey resulting in non-completion of work after lapse of more than three years. Two super sucker sewer cleaning machines were transferred irregularly to non-Yamuna basin area. Adequate attention was not paid towards public participation and awareness activities as only ₹ 0.48 crore were spent as against the provision of ₹ 4.62 crore. There was no formal institutionalized system in the Board to periodically oversee and ensure that the units closed by the Board were not operating without compliance of provisions of the Act. Due to discharge of untreated sewage and industrial effluent in Yamuna, organic and bacterial contamination in the river continued.

These points were referred to the Government in July 2017 and further reminder was issued in November 2017 but their reply was still awaited.

Public Works Department (Buildings and Roads)

3.12 Premature deposit of funds with Railways

State funds of ₹ 30.42 crore were deposited prematurely with Railways for construction of low height subway. Survey and planning work has not yet been finalised even after a lapse of more than three years. This resulted in loss of interest of ₹ 8.65 crore to the state exchequer.

Rule 2.10(a) of the Punjab Financial Rules (adopted by Haryana) provides that every Government servant is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money and expenditure should not be prima facie more than the occasion demands. Paragraphs 732 and 1845 of the Indian Railways Code for the Engineering Department (IRCE) provide that for executing works for and at the cost of other Government departments, the Railways will charge two *per cent* of the estimated cost of the project (for works

⁴⁸ Samples for the earlier period were not collected by the Board.

costing over ₹ 1,00,000) for meeting plan and estimates. Further Paragraph 735 provides that no work should be commenced till a detailed estimate for the same has been accepted by the department concerned and sanctioned by the competent railway authority. Paragraph 8.4.4 of the PWD Code also stipulates same provision for carrying out deposit works by PWD (B&R) which provides for demanding the cost for preparation of estimates and thereafter asking for funds after acceptance of design and estimate by the client department.

The Railways proposed (June 2012) to construct a low height subway (LHS) at km 29/4-5 in between Malgodam Road to Anajmandi and across line par at Bahadurgarh on deposit basis and demanded ₹ 52.90 lakh (two *per cent* of estimated cost of ₹ 26.45 crore) as survey and planning charges for starting the process. PWD (B&R) deposited ₹ 52.90 lakh in April 2013 for carrying out survey and planning work. In August 2013, the Railways sent a correction letter stating that estimated amount may be considered as ₹ 31.04 crore. The department deposited the entire amount of ₹ 31.04 crore in December 2013 (₹ 0.53 crore in April 2013 and ₹ 30.51 crore in December 2013) without any specific demand from railways. Audit observed that only two *per cent* i.e. ₹ 62.08 lakh in accordance with corrected estimate was payable to the Railways and remaining funds were required to be deposited only after getting the plan approved from the office of General Manager, Northern Railway.

After two years, in May 2015, the Railways sent a draft general arrangement drawing (GAD) for acceptance by PWD (B&R) and subsequent approval from the competent authority of Railways. In December 2015, the department rejected the GAD with a request that the LHS may be constructed as per initial proposal sent by PWD (B&R) i.e. original site plan. The Railways showed their inability to construct the LHS as per original site plan citing the reason of approach ramp near the goods platform. Later the Department accepted the same GAD in July 2016. But the Office of the General Manager, Northern Railway has not accorded administrative approval to the project (April 2017) as the land leasing in this case requires approval of Railway Board. As a result of depositing the entire amount prematurely without ensuring the administrative approval from the competent Railway authority, ₹ 30.42⁴⁹ crore were lying with Railways for more than three years resulting in loss of interest of ₹ 8.65 crore⁵⁰ to the State Government.

The Additional Chief Secretary, PWD (B&R) stated (October 2016) that the revised GAD of railway under bridge was accepted by Engineer-in-Chief, PWD (B&R) in July 2016 and necessary amount was deposited with Railway on their demand and only after receipt of detailed project report/estimate. The reply was not correct as the entire amount was deposited against the correction letter of August 2013 without reasonable demand from the Railways. In two earlier

⁴⁹ Total payment made ₹ 31.04 crore - ₹ 0.62 crore (two *per cent* advance) = ₹ 30.42 crore.

⁵⁰ Calculated from January 2014 to March 2017 at the weighted average rate of interest ranging between 8 and 9.83 *per cent* on Government borrowing during 2013-14 to 2016-17.

projects⁵¹, the Department had initially deposited planning and survey charges only and balance amount was deposited in instalments on specific demand from Railways.

Thus, the Department failed to comply with laid down procedures for executing deposit works. Negligence, lack of financial prudence and non-adherence to the laid down Rules, procedures and practices regarding timelines for payments for deposit works led to ₹ 30.42 crore lying idle for more than three years. The project itself is sluggish as evident from the fact that administrative approval has not yet been accorded.

3.13 Construction and Maintenance of State Highways

Regular traffic census was not being conducted for assessing the need for widening and strengthening of roads, in the absence of which State Highways were not being widened/strengthened as per criteria and other important roads were also not being upgraded as State Highways despite their fulfilling the criteria. The laid down control mechanism was not followed in execution of works, resulting in excess expenditure of ₹ 12.53 crore over the administrative approval and execution of items of ₹ 3.43 crore not specified in detailed estimates without obtaining approval of the competent authority. The projects were delayed substantially leading to cost over-run of ₹ 1.58 crore and loss of revenue of ₹ 3.94 crore on account of toll fees.

3.13.1 Introduction

State Highways in Haryana are arterial roads linking district headquarters and important cities within the State and connecting them with National Highways or highways of the neighbouring States. The Public Works Department (Buildings and Roads) is responsible for the construction and maintenance of State Highways.

There were 31 State Highways in Haryana having total length of 2,416 kilometres (January 2013) which reduced to 27 with total length of 1,732 kilometres due to declaration of four State Highways as National Highways. The Department had incurred an expenditure of ₹ 1,114.97 crore during 2012-17 on strengthening, widening and maintenance of State Highways through 26 works Divisions.

To ascertain whether planning for construction and maintenance of State Highways was proper and works were executed economically and efficiently with due regard to codal provisions, records of eight⁵² Divisions which incurred an expenditure of ₹ 443.56 crore on 58 State Highway works during 2012-17 were test checked between November 2016 and March 2017. The audit findings were referred to Government in May 2017 and the replies furnished by EEs concerned and endorsed (August 2017) by the Additional Chief Secretary, Public Works Department (Buildings and Roads) have been incorporated at appropriate places.

⁵¹ (i) RUB at Km. 37/8-9 on Kurukshetra- Narwana section.
(ii) RUB at Km. 35/4-5 on Kurukshetra- Narwana section.

⁵² (i) Bhiwani, (ii) Kurukshetra-II, (iii) Gurugram-II, (iv) Rewari, (v) Charkhi Dadri, (vi) Karnal-I, (vii) Sirsa-I and (viii) Sirsa-II were selected by adopting Simple Random Sampling Without Replacement method.

Audit Findings

3.13.2 Planning

Efficient and timely delivery of services requires proper planning so that resources can be marshalled and required infrastructure developed in a systematic manner in tune with evolving needs. Scrutiny of records of test checked divisions revealed that planning was not efficient as traffic census was not conducted on a regular basis to assess the need of upgradation of roads and works were taken up on subjective judgment/ad-hoc /public demand basis as discussed below. Resultantly, widening and strengthening of roads was not done as per laid down criteria and Major District Roads (MDRs) were not upgraded as State Highways though these fulfilled the criteria of Indian Road Congress (IRC) Code.

3.13.2.1 Non-conducting of traffic census for State Highways

Indian Road Congress Code 108-1996 provides for estimation of future traffic on Highways for various purposes including ascertaining width and design of pavements. IRC Code: 9-1972 provides for estimation of traffic to be counted at each point at least twice every year (once during the peak season of harvesting and marketing and once during lean season) and each time the count should be made for a week, spread over seven consecutive days and 24 hours for each day.

Scrutiny of records of test-checked Divisions revealed that four divisions⁵³ had not been conducting traffic census on a regular basis as provided for in the IRC Code. Audit observed that traffic census was being conducted only at the time of submission of proposal for upgradation and strengthening of highways. Details of non-conducting of traffic census of five divisions for the last 2-5 years and conducting of traffic census only at the time of submission of proposal for upgradation of roads are given in **Table 3.6** below:

Table 3.6: Details showing position of conducting of traffic census

PWD (B&R) Division	State Highway	Name of road	Since when traffic census not conducted
Kurukshetra-II	SH-4	Kala Amb Brara Shahbad Thol Road Km 50.40 to 75.50	2012-13
	SH-6	Saharanpur Kurukshetra road Km 55.00 to 95.00	2012-13
	SH-7	Karnal Ramba Indri Ladwa Road Km 41.00 to 59.25	2012-13
Karnal-I	SH-9	Karnal Kachhwa Sambli Kaul Road	2015-16
	SH-8	Karnal Kaithal Road	2015-16
	SH-33	Nilokheri Karsa Dhand Road	2015-16
Rewari	SH-22	Bahadurgarh Jhajjar Kosli Nahar Kanina Road	2012-13
Sirsa-II	SH-32	Sirsa Ottu Rania Dabwali Road (Km 4.80 to 46.00)	2012-13
Gurugram-II	SH-26	Gurugram Pataudi Rewari Road Km 7.20 to 40.15	Census conducted in 2015-16 for submitting proposal for strengthening.
Sirsa-II	SH-23	Sardulgarh Sirsa Ellenabad Road (Km 29.00 to 78.56)	Census conducted in 2015-16 for submitting proposal for strengthening.

Source: Information supplied by the Department

⁵³

(i) Kurukshetra-II, (ii) Rewari, Sirsa-II and (iii) Gurugram-II

EEs of three Divisions⁵⁴ stated (August 2017) that traffic census was not being conducted on regular basis. It was also added that traffic census was being conducted before strengthening and widening of roads while EE of Karnal-I Division stated that the regular traffic census was being conducted. The reply of the EE Karnal-I was not correct as traffic census of three roads had not been conducted since 2015-16. Regular traffic census was required to be conducted as per provisions of IRC code for identification of roads requiring upgradation, repairing and strengthening for proper planning. Thus, planning for strengthening and maintenance of roads was not based on actual traffic census and proposals were being prepared on subjective judgment/ad-hoc /public demand basis.

3.13.2.2 Non-widening and strengthening of roads

(a) Paragraph 7.2 of IRC Code 73: 1980 stipulates that there should be two lane roads with 7 metre wide carriage way which carry traffic of 10,000 passenger car units per day (PCUs) in both directions.

Scrutiny of records of test checked Divisions revealed that State Highway(SH-33) Nilokheri-Karsa-Dhand Road (Km 0 to 23), having traffic of 12,688 and 12,972 PCUs in 2011-12 and 2012-13 respectively, was operating with width of 5.5 metres as against the requirement of 7 metres as per IRC Code.

Audit further observed that though SH-33 was strengthened in 2014-15, the road was not widened to 7 metres as per requirement of IRC Code. The EE Karnal-1 replied (August 2017) that road could not be widened due to paucity of funds. The reply was not acceptable as there was no planning to undertake widening of the road in the first place and the Department never sought financial allocation for widening the road.

(b) Paragraph 10 of IRC Code 37: 2012 provides pavement composition on the basis of traffic on roads and strength of natural ground. Paragraph 5.3 of IRC Code 73:1980 further provides that the design speed⁵⁵ should preferably be uniform along a given highway. It is also desirable that design speed is not changed abruptly.

Safidon-Jind-Bhiwani road (SH-14) km 95.86 to 121.41 (25.55 km), under the jurisdiction of Bhiwani Division, had traffic volume of 18,738 PCUs (September 2013) and its existing crust was 225 mm. Keeping in view the traffic data, the design thickness was worked out (March 2013) to 730 mm by the Division and a case was submitted to EIC but the same was not approved due to paucity of funds. Thereafter, the work of scattered reaches of 15.31 km of laying 50mm bitumen macadam (BM) and 25 mm semi dense bituminous concrete (SDBC) only was executed in 2014-15 with an expenditure of ₹ 6.23 crore instead of raising the road upto 730 mm and widening it up to 10 metres as per IRC standards. It was also observed that remaining length of 10.240 km of road was raised and widened to 10

⁵⁴ (i) Kurukshetra-2, (ii) Sirsa-2 and (iii) Rewari.

⁵⁵ Design speed is a basic parameter to determine geometric features of new road during road design.

metres in 2011-12 with an expenditure of ₹ 19.03 crore. Thus, the full stretch of the road was not upgraded as per provisions of IRC Code. The varied width and crust strength in scattered reaches of road was a hindrance to smooth flow of traffic and can cause abrupt change in speed of traffic resulting in accidents. Further, reason for not approving the estimates has been stated as paucity of funds. This is not acceptable as there were savings of ₹ 32.74 crore in 2013-14. Besides long term planning should have been done for carrying out roads works as per IRC standards.

3.13.2.3 Non-upgradation of important roads as State Highways

Paragraph 3.3 of IRC Code 73–1980 defines State Highways as arterial routes which link district headquarters and important cities within the State and connect them with National Highways or highways of neighbouring States. Paragraph 7.2 of the Code further stipulates a 4-lane divided highway (having 14 metres width) where traffic is 20,000-30,000 PCUs.

Scrutiny of records of test checked Divisions revealed that the three roads connecting district headquarters had neither been upgraded as State Highways nor converted into 4-lane road though the volume of traffic in two roads was more than 20,000 PCUs. The details of roads are given in **Table 3.7** below:

Table 3.7: Detail of important roads not upgraded as State Highways

Name of road	Traffic Volume in PCUs(Year)	Width of two lane road	Connecting district Headquarters
Dadri Bond Road (MDR 124)	35,225 (2012-13)	7 metres	Charkhi Dadri and Rohtak
Kurukshetra Kaithal Road (MDR 119)	22,008(2012-13)	5.5 metres	Kurukshetra and Kaithal
Hisar Tosham Bhiwani Road (MDR 108)	12,195(2011-12)	7 metres	Hisar and Bhiwani

Source: Information supplied by the Department

Audit noticed that the Department had not initiated any proposal for notifying these roads as State Highways to develop the roads with required specifications for smooth flow of traffic. The EEs concerned replied (August 2017) that all the three roads were under consideration for upgradation. However, the proposal had not yet been finalised (August 2017) and these roads were not notified as State Highways as per requirement of IRC code. On the other hand, three roads⁵⁶ that did not connect two district headquarters and therefore, fell short of criteria, were still declared as State Highways.

3.13.3 Execution of works

3.13.3.1 Excess expenditure over administrative approval

Para 9.3.10 of the PWD Code provides that where during execution of work, owing to increase of rates or other causes, the expenditure exceeds by more than 10 per cent of the administrative approval, the case for revised estimate should be sent at the earliest, preferably within one month of the knowledge that revised administrative approval will be required. If the tendered cost initially is 20 per cent

⁵⁶ (i) Siwani-Singhani Road in Bhiwani District (Traffic Density: 1,986 PCU) (ii) Tosham-Behal Road in Bhiwani District (Traffic Density: 6,802 PCU); and (iii) Sirsa-Rania-Dabawali Road in Sirsa District (Traffic census not conducted).

more than the amount of administrative approval, the work should not be allotted unless approval is obtained.

Audit observed that expenditure of ₹ 12.53 crore (43 per cent) was incurred in respect of four road works, in excess of the administrative approval for which approval had not been sought from the Government. Audit further noticed that the tendered cost was more than 20 per cent of the Administrative Approval (AA) in each case and the revised administrative approval was required to be obtained before allotment of work. But proposals had not been submitted as of August 2017 though the works had been completed three to five years back. The details showing the excess tendered cost and actual expenditure is given in **Table 3.8** below:

Table 3.8: Details showing excess tendered cost and actual expenditure

(₹ in crore)

Name of Road	Month of AA	Amount of AA	Tendered Cost	Excess of tendered cost over AA (percentage)	Expenditure	Excess Expenditure over AA	Date of completion
PWD (B&R) Division, Bhiwani							
Safidon Jind Bhiwani Road (SH-14) Km 95.86 to 121.40	November 2010	12.41	17.38	4.97 (40)	19.03	6.62	August 2012
Bhiwani Hansi Road (SH-17) Km 106.00 to 141.00	January 2011	10.73	13.80	3.07 (29)	14.32	3.59	August 2012
PWD (B&R) Division -I, Karnal							
Karnal Kachhwa Sambli Kaul Road (SH-09) Km 26.58 to 30.90	December 2010	4.50	6.52	2.02 (45)	6.32	1.82	May 2014
Karnal Kachhwa Sambli Kaul Road (SH-09) Km 30.90 to 32	January 2013	1.38	1.67	0.29 (21)	1.88	0.50	May 2014
Total		29.02	39.37	10.35(36)	41.55	12.53(43)	

Source: Data compiled from the records of the Divisions

The EEs concerned stated (August 2017) that cases would be submitted to competent authorities for revision of AA. The fact remains that the expenditure of ₹ 12.53 crore was incurred in excess of Administrative Approval without the approval of the Government, which was necessary to be obtained before allotment of works. This showed lack of internal control mechanism.

3.13.3.2 Non-preparation of revised detailed estimates

Para 10.1.8 of the PWD code stipulates that the detailed estimate shall be approved by the authority competent to accord technical sanction. Technical sanctions are prepared to ensure that proposals are technically sound, specifications are appropriate and estimates are realistic based on adequate data. Para 10.1.12 further stipulates that any change in the method of execution originally contemplated should be got approved from the competent authority.

Audit observed that Executive Engineers in three⁵⁷ divisions changed the quantities of some items such as thickness of water bound macadam, bituminous

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(i) Bhiwani, (ii) Kurukshetra-II and (iii) Rewari.

macadam, bituminous concrete, etc. at site in respect of four works⁵⁸ involving an extra expenditure of ₹ 3.43 crore executed between March 2013 and March 2016 without getting approval of competent authority as per details given in **Appendix 3.5**. Since the change in quantities was not submitted to higher authorities for approval justifying these changes, it could not be ascertained whether these changes were necessary and essential. The EEs of concerned Divisions stated (August 2017) that the quantities were executed as per the site requirements and revised estimate would be submitted to the higher authorities for approval. The fact remains that the works with changed design were executed without approval of Chief Engineer and laid down procedure was not followed.

3.13.3.3 Time and cost overrun

Time over-runs are likely to result in higher project cost, contractual claims, delay in the use of facility and possible loss of revenue. Scrutiny of records of test checked Divisions revealed that two works in two divisions were delayed inordinately resulting in cost overrun and loss of revenue due to non-imposition of toll fees, the details of which are given below.

Name of project	Date of Start/scheduled date of completion	Month of completion (Expenditure incurred)	Time overrun	Remarks
Widening and Strengthening of Siwani-Singhani Road (SH-19) km 59.36 to 87.36 (26.80 km) in Bhiwani District	December 2009/ July 2011	March 2017 (₹ 13.75 crore)	68 months	The quantities of scarification of bituminous layer and providing bituminous macadam were reduced by the Chief Engineer without any justification while approving Detailed Notice Inviting Tender (DNIT) of the work. During the execution of work it was observed that the reduced quantities were required to be executed at site. A detailed estimate on allotted rates including the reduced quantities was submitted to the Chief Engineer by the Division in May 2012. But the same was not approved by the Chief Engineer. In the meantime the contractor left the work in September 2012 due to indecision about the quantities of work. Thereafter the DNIT for balance work by adding the reduced quantities of the original DNIT was approved by the Chief Engineer and the work was got executed during 2015-17 for ₹ 6.98 crore which could have been executed at a cost of ₹ 5.40 crore from the original contractor. This resulted in extra expenditure of ₹ 1.58 crore. Thus, the work was delayed due to reduction of quantities without justification coupled with non-approval of revised estimate on allotted rates by the Chief Engineer. The SE, Bhiwani accepted (August 2017) the audit findings. However, the Chief Engineer did not explain the reasons for reduction in quantities in original DNIT.
Widening and strengthening of Karnal Ramba Indri Ladwa Road km 20.500 to 41.00 (SH-7)	December 2012/December 2013	March 2015 (₹ 26.19 crore)	15 months	The work was completed by the contractor after a delay of 15 months. The time extension sought by the contractor on the grounds of shortage of material, lengthy rainy season, non-availability of labour and unsuitable winter season for bituminous work, was rejected by the Department (January 2015). The new incumbent SE Ambala moved a case for time extension in June 2015 and July 2015 to EIC by justifying the position of agency in detail such as non-availability of earth of CBR 6%, heavy traffic, delay in release of payment to the

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(i) Rewari-Shahjhanpur Road (SH-15), (ii) Subana-Kosli-Nahar-Kanina Road (SH-22) Km 63.25 to 67.75, (iii) Saharanpur-Kurukshetra Road (SH-6) Km 76.15 to 85.00 and (iv) Safidon-Jind-Bhiwani Road (SH-14) Km 95.860 to 121.41.

Name of project	Date of Start/scheduled date of completion	Month of completion (Expenditure incurred)	Time overrun	Remarks
				contractor, etc. On the recommendation of the SE, the EIC allowed (June 2016) time extension upto March 2015. The extension of time was not justifiable as the extension was granted on the same ground on which extension was rejected earlier in January 2015. Undue favour was extended to the contractor. The State Government had notified the road as Toll Road in May 2014. But due to non-completion of work by the agency the toll could not be levied between June and November 2014 resulting in loss of ₹ 3.94 crore ⁵⁹ approximately to the State exchequer. The SE concerned replied (August 2017) that originally the time limit was deliberately kept at lower side for safeguarding the Government exchequer from unnecessary burden on account of escalation charges. The reply was not acceptable as the work should have been got completed within the allotted time limit as per agreement and toll should have been levied as per Government orders.

Thus, there were substantial delays in execution of works resulting in extra expenditure of ₹ 1.58 crore and loss of revenue of ₹ 3.94 crore due to delayed levy of toll fee.

3.13.3.4 Non-provision of proper drainage

Paragraph 11.1 of IRC Code 37-2012 code states that performance of a pavement can be seriously affected if adequate drainage measures to prevent accumulation of moisture in the pavement structure are not taken. Some of the measures to guard against poor drainage conditions are maintenance of transverse section so as to facilitate quick run off of surface water and provision of appropriate surface and sub-surface drains where necessary.

In Bhiwani-Jind road from Km 95.860 to 121.410, the work was executed at a cost of ₹ 6.23 crore in 2014-15. Audit observed that no provision was made for surface drainage (side drains) which resulted in accumulation of moisture in the pavement structure and washing away of the road crust in the rainy season of 2016 at village Tigrana km 117.800 to 118.800. An expenditure of ₹ 22.45 lakh was incurred in March 2017 on repair of the road. Thus, non-provision of adequate drainage on the road due to negligence of the Department resulted in avoidable expenditure of ₹ 22.45 lakh on repair of the road. Besides, damaged road hindered the smooth flow of traffic.

The EE, Bhiwani stated (August 2017) that drains on both sides of road were to be constructed by the village Panchayat and the case for undertaking construction was under consideration. Thus, the road was constructed without providing drainage which resulted in avoidable expenditure of ₹ 22.45 lakh on repair of road. There was no document to support departmental contention that the village Panchayat agreed to construct side drains (October 2017).

⁵⁹ ₹ 65,61,111(The rate at which the contract for collection of toll was given) x 6 months (i.e. June 2014 to November 2014) = ₹ 3,93,66,666.

3.13.3.5 Non-use of waste plastic in bituminous mix

Safe disposal of waste plastic is a serious environmental problem. Being a non-biodegradable material, it does not decay over time and even if dumped in landfills, finds its way back in the environment through air and water erosion, can choke the drains and drainage channels, can be eaten by unsuspecting grazing animals causing them illness and death and can contaminate the construction fill. It has been brought out in paragraph 1.3 of IRC: SP: 98-2013 that waste plastics have potential for use in bituminous construction as its addition in small doses of about 5-10 *per cent*, by weight of bitumen helps in substantially improving the stability, strength, fatigue life and other desirable properties of bituminous mix, leading to improved longevity and pavement performance.

Audit observed that though waste plastic was being used in the projects of Pradhan Mantri Gram Sadak Yojana and National Highways, the Department had not taken initiative for using waste plastic in bituminous mixtures on the projects of State Highways as of August 2017. Thus, the Department had not complied with the codal provisions to reduce the problem of disposal of waste plastic.

3.13.4 Conclusion

Widening and strengthening of roads is vital for making them efficient to handle increased traffic with expanding economy. The Department was not undertaking regular traffic census for objective assessment of the need for widening and strengthening of roads, in the absence of which, various works were being done on *ad-hoc* basis. State Highways were not being widened/strengthened as per laid down criteria and other important roads were also not being upgraded as State Highways despite their fulfilling the IRC criteria. The laid down control mechanism was not followed in execution of works, resulting in excess expenditure over the administrative approval and execution of items not specified in detailed estimates, without obtaining approval of the competent authority. Two projects were delayed substantially leading to cost over-run and loss of revenue. Environmental issues were also not addressed as waste plastic was not being used in bituminous mix though specified in the IRC Code.

Revenue and Disaster Management Department

3.14 *Extra burden of interest due to parking of funds outside the Government Account violating Government instructions*

Funds were kept outside Government account in contravention of codal provisions and instructions of Finance Department which resulted in increased interest burden of ₹15.81 crore. Besides, interest of ₹9.52 crore earned on savings bank accounts has also not been deposited in Government account.

As per Para 9.4 and 12 of Punjab Financial Rules and Para 4.64 and 4.65 of Punjab Subsidiary Treasury Rules as applicable to Haryana, undisbursed amount of compensation for the acquisition of land for public purposes are required to be deposited by the Land Acquisition Collectors (LAC) in the Treasuries operating a Revenue Deposit (RD) account for this purpose.

As per instructions of Finance Department (FD), Government of Haryana dated 02 December 2011, operation of bank accounts in the name of Head of Department or in the name of DDO was not appropriate and needed to be stopped with immediate effect. However, in cases of extreme circumstances where the procedure of operation of a bank account could not be done away with, then a detailed proposal should be sent to the Finance Department for opening/continuing operation of bank account. Further, Finance Department directed (June 2014) that in all land acquisition cases, the Department for which land is acquired will deposit the requisite amount in the RD account of the LAC through book transfer by submitting requisite bill in the treasury. Whenever the Land Acquisition Officer (LAO) has to make payment to any beneficiary, he will present the bill for withdrawal from RD account in the treasury and amount will be paid directly into the bank account of landowner through Electronic Payment System (EPS).

Scrutiny of records of the District Revenue officer-cum-Land Acquisition Collector, (DRO-cum-LAC), Panchkula, Fatehabad and Rohtak revealed that an amount of ₹ 737.71 crore⁶⁰ was deposited during 2012 to 2017 with these DRO-cum-LACs through bank draft/cheques for acquisition of land by the requisitioning departments. The DRO-cum-LAC, Fatehabad, Panchkula and Rohtak had deposited these amounts between June 2012 and May 2017 with various banks by opening 11 non-interest bearing current accounts (balance in these current accounts is now 'nil') and 58 saving bank accounts instead of opening project-wise Revenue Deposit Accounts in the Treasury, in violation of the financial rules and directions of Finance Department. As on March 2017, ₹ 54.37 crore⁶¹ were still lying in these 58 bank accounts. Keeping the funds in savings and current bank accounts resulted in extra burden of ₹ 15.81 crore⁶² (calculated by applying weighted average rate of interest ranging between 8 and 9.86 per cent on Government borrowing during 2012-17). Further, as per information made available to Audit, interest of ₹ 9.52 crore has been earned on 52 saving accounts but the same had not been deposited in Government account (October 2017).

On being pointed out (August 2016), DRO-cum-LAO Fatehabad stated (October 2016) that Deputy Commissioner had directed to deposit the amount in current accounts of different banks. However, subsequently, all funds were transferred to savings account. DRO-cum-LAO Panchkula stated (May 2017) that bank accounts of all schemes except HSIIDC have been closed after being pointed out by Audit and the balance amount has been deposited in Treasury but Bank account for HSIIDC scheme has not been closed so far as an inquiry was being

⁶⁰ Panchkula: ₹212.21 crore, Fatehabad: ₹ 460.00 crore and Rohtak: ₹ 65.50 crore.

⁶¹ Rohtak: ₹ 39.47 crore, Fatehabad: ₹ 4.42 crore and Panchkula: ₹ 10.48 crore.

⁶² Fatehabad: ₹ 4.72 crore, Rohtak: ₹ 1.96 crore and Panchkula: ₹ 9.13 crore. This does not include the loss suffered in six bank accounts pertaining to DRO, Rohtak as monthly balance in these accounts was not made available to audit.

conducted by Vigilance Department. The reply of LAO, Rohtak was awaited (October 2017).

Thus, in violation of the financial rules and directions of the FD, these LACs kept huge amounts in various Bank accounts. Remedial action taken is only partial as entire funds have not yet been deposited in the treasury. By keeping huge amounts outside Government account, in contravention of codal provisions and in violation of principles of financial propriety, the Government suffered extra burden of ₹15.81 crore on account of interest. Besides, ₹ 9.52 crore earned as interest was also not deposited in Government Account.

The matter was referred to the Government, Revenue and Disaster Management Department in July 2017 for comments. Further reminders were issued in September and November 2017. Their reply was still awaited.

Technical Education Department

3.15 Development of Infrastructure in Technical Institutes for Skill Development

There was lack of planning as five out of seven new Polytechnics were not made functional despite spending ₹ 60.11 crore. Ten new Polytechnics were approved at ₹ 157.17 crore despite seats remaining vacant in existing Polytechnics. Basic infrastructure in existing Polytechnics was found lacking despite availability of funds. Boys' hostel was constructed at a cost of ₹ 4.98 crore without any demand and was lying unutilized. Some polytechnics faced staff shortage and pass percentage and campus placement of students was poor.

3.15.1 Introduction

Technical education plays a vital role in human resource development of the country by creating skilled manpower for enhancing industrial productivity. The Polytechnics in the State offer three-year diploma courses in engineering disciplines. As of March 2017, there were 11 Government Polytechnics, 12 Government Polytechnic Education Societies and four Government Aided Polytechnics in the State. The Director General (DG) Technical Education (TE) is the head of the Department and Principals of Polytechnics are responsible for imparting education and allied activities in the Institutions. Against the budget provision of ₹ 1,402.25 crore, an expenditure of ₹ 1,096.41 crore was incurred in the polytechnics during 2012-17.

To assess the development of infrastructure in technical institutes for skill development, Audit examined the records of DG, TE Department besides those of seven⁶³ out of 27 functional Polytechnics for the period 2012-17. The selection of

⁶³ (i) Ambala, (ii) Narnaul, (iii) Nilokheri, (iv) Cheeka, (v) Nathusari Chopta, (vi) Manesar and (vii) Vaish Technical Institute Rohtak.

polytechnics for test-check was done by adopting Probability to Proportional Size without Replacement (PPSWOR) method. The audit findings are detailed below:

3.15.2 Setting up of new Polytechnics

3.15.2.1 Non-functional Polytechnics

Government of India (GOI) identified (January 2009) seven⁶⁴ unserved and underserved districts of Haryana under coordinated action plan for skill development at a cost of ₹ 86.10 crore (₹12.30 crore per Polytechnic). Of the GOI assistance for each polytechnic, ₹ eight crore was to be spent on civil works and ₹ 4.30 crore on equipment, machinery, library books, etc. Any additional requirement of funds over and above the allocation of ₹ 12.30 crore was to be met by the State Government. Out of total grant of ₹ 86.10 crore, ₹ 67.64 crore had been released up to March 2017 by GOI.

Audit observed that out of seven polytechnics, construction work of only two Polytechnics (Cheeka in Kaithal and Lisana in Rewari) was completed and they were made functional from the year 2010-11. The construction work of buildings of four Polytechnics was completed in 2016-17 and construction work of Polytechnic, Nanakpura was still under progress although construction works were started between November 2013 and November 2014. Essential items such as furniture, machinery/equipment had not been purchased and sanctioning of posts of faculty/ staff was still under process. Thus, though the scheme was a priority item of GOI, yet classes have so far not been started (August 2017) in five out of seven Polytechnics due to non-availability of buildings despite expenditure of ₹ 60.11 crore (**Appendix 3.6**). Audit observed that the Department had not specified any time frame to complete the construction of Polytechnics. Due to non-utilization of released funds and non-submission of utilization certificates, GOI did not release ₹ 18.46 crore, out of ₹ 86.10 crore as of March 2017.

Further, Audit observed that ₹ 3.50 crore each was released (March 2015) to completed Polytechnics of Cheeka and Lisana, for purchase of equipment, machinery, library books, etc. However, machinery and equipment for ₹ 1.32 crore only was purchased and grants of ₹ 5.68 crore were lying unutilized (March 2017) with the polytechnics concerned.

The Department stated (August 2017) that classes were likely to be started from 2017-18 in three⁶⁵ Polytechnics and from 2019-20 at one Polytechnic located at Umri and that the machinery would be purchased after finalization of action plan for procurement of machinery and equipment. The fact, however, remains that even after incurring an expenditure of ₹ 60.11 crore, the objective of setting up of new polytechnics in five unserved and underserved districts has not been achieved. Even

⁶⁴ (i) Fatehabad, (ii) Kaithal, (iii) Kurukshetra, (iv) Panchkula, (v) Panipat, (vi) Rewari and (vii) Yamuna Nagar.

⁶⁵ (i) Hathnikund, (ii) Dhangar and (iii) Jattal, Panipat.

now, the plan of the Department to start new polytechnics from 2017-18 may not fructify as more than half of academic year has elapsed (October 2017).

3.15.2.2 Setting up of new polytechnics without assessment of requirement

In addition to seven Polytechnics approved by GOI, the State Government decided to set up seven⁶⁶ new polytechnics from its own budget and gave administrative approval of ₹113.47 crore between April 2012 to June 2014. Administrative approval of ₹ 43.70 crore was accorded in December 2016 for construction of another three⁶⁷ polytechnics. Of the ten polytechnics, seven Polytechnics had been completed at a cost of ₹ 80.62 crore but none of these Polytechnics have been made functional as of August 2017. The Department stated (August 2017) that it had been decided by the State Government to hand over the buildings of three⁶⁸ polytechnics to Industrial Training Department for gainful utilization of the buildings. In remaining four⁶⁹ Polytechnics, the proposal for sanctioning of requisite posts of faculty/staff and procurement of furniture/machinery/equipment etc. was in process.

Audit observed that as against the intake capacity of 12,640 seats in the 27 functional polytechnics in the State, actual enrollment was 11,070 in 2012-13 which decreased to 8,556 (23 per cent) in 2016-17 (*Appendix 3.7*). Thus, the decision for setting up these new polytechnics was taken without proper assessment of the requirement of polytechnic courses and the creation of new Polytechnics in a scenario where seats in existing Polytechnics remained vacant, was inappropriate and indicated poor planning.

3.15.3 Upgradation of existing Polytechnics

3.15.3.1 Deficient basic infrastructure/facilities

The test checked polytechnics in their annual report to AICTE brought out deficiencies in infrastructure and facilities at the end of March 2017, the details of which are given in *Appendix 3.8*. The main deficiencies were:

- (i) Inadequate availability of Internet Bandwidth.
- (ii) Inadequate number of computers to students in five Polytechnics
- (iii) Inadequate workshop/Lab space in seven Polytechnics

Audit observed that GOI was providing Grants-in-aid (GIA) for up-gradation of 12 existing Polytechnics at the rate of ₹ 2 crore per Polytechnic under the scheme 'Sub-mission on Polytechnics under Coordinated Action for Skill Development'. The funds were to be utilized for purchasing new equipment and replacement of

⁶⁶ (i) Shergarh (Kaithal), (ii) Neemka, (Faridabad), (iii) Indri (Mewat), (iv) Malab (Mewat), (v) Mandkola (Palwal), (vi) Jamalpur Shekhan (Fatehabad) and (vii) Chhappar (Bhiwani).

⁶⁷ (i) Sadhaura (Yamunanagar), (ii) Dhamlawas (Rewari) and (iii) Sector-26, Pnchkula.

⁶⁸ (i) Indri (Mewat), (ii) Jamalpur Shekhan (Fatehabad) and (iii) Chhappar (Bhiwani).

⁶⁹ (i) Shergarh (Kaithal), (ii) Neemka, (Faridabad), (iii) Malab (Mewat), (iv) Mandkola (Palwal).

obsolete equipment, facilities for application of IT in teaching, learning and testing processes and creating infrastructure facilities for introduction of new diploma courses. The GIA was to be utilised within twelve months of the date of sanction. The Principals of the concerned Polytechnics in consultation with the Technical Education Department were required to prepare a comprehensive list of machinery/equipment and get the list vetted from National Institute of Technical Teachers Training and Research (NITTTR) of concerned region before making purchases. Out of ₹ 24 crore sanctioned for 12 Polytechnics, in the State, ₹ 15.31 crore was released by GOI. The remaining ₹ 8.69 crore was not released by GOI as of March 2017 due to non-utilization of released funds and non-submission of utilization certificates.

Out of seven test checked Polytechnics, this scheme was under implementation in five⁷⁰ Polytechnics. Audit observed that ₹ 6.91 crore was released as first and second installments of GIA between March 2010 and December 2016 by the Directorate to five Polytechnics. The polytechnics after getting the detailed specifications of equipment vetted from NITTTR (August 2015), submitted (August 2015) their proposal to Directorate. However, computers and peripherals worth ₹ 2.24 crore only, were purchased and grants of ₹ 5.08 crore including interest were lying unutilized (March 2017) in the bank account of Principals concerned (**Appendix 3.9**). Audit observed that the machinery had not yet been purchased; action plan for purchase of machinery had not been prepared even after two years of submission of proposal to the Directorate. Audit also observed that none of the Polytechnic courses in the State has been accredited by the National Board of Accreditation (October 2017). However, the State Government has sanctioned ₹ 115 crore for accreditation of 23 polytechnics in December 2016.

The Department stated that an action plan for the procurement of machinery and equipment had been prepared (August 2017) and the procurement process has been initiated. However, the fact remains that despite availability of funds in these Polytechnics, there were deficiencies in basic infrastructure/ facilities which were bound to have an adverse effect on quality of education.

3.15.3.2 Construction of hostels

There were 6 blocks of hostels (5 for boys and 1 for girls) in Polytechnic Ambala city with a capacity of 593 students (519 for boys and 74 for girls) as of January 2013. The occupancy rate of students was 31 to 58 *per cent* for boys' hostel and 22 to 73 *per cent* for girls' hostel during January 2013 to December 2016.

Audit observed that the State Government accorded administrative approval (February 2012) for construction of new Scheduled Caste boys' hostel. The hostel building was completed (June 2016) at a cost of ₹ 4.98 crore but was not put to use due to non-availability of students. It was further observed that when 16 *per cent* seats were vacant in Boys hostel, construction of new hostel was approved.

⁷⁰ (i) Ambala, (ii) Manesar, (iii) Narnaul, (iv) Nathusari Chopta and (v) Nilokheri.

Thus, due to ill planning expenditure of ₹ 4.98 crore incurred on construction of hostel remained unutilised. On the other hand, there was shortage of hostels facilities at Polytechnics located at Narnaul and Nathusari Chopta (Sirsa). The occupancy of hostels in these Institutes was in excess of capacity from 6 to 39 *per cent* in boys' hostel, Narnaul and 16 to 66 *per cent* in Nathusari Chopta and there was no hostel facility in Polytechnics located at Cheeka, Bhiwani, Narwana and Sampla. The Department should have instead addressed the issue of excess occupancy and non-availability of hostel facility in these Polytechnics.

The Department stated that (August 2017) due to sharp decline in admissions in polytechnics in the past few years, demand for the hostel has diminished considerably. The Department was silent regarding cases where there was excess occupancy. The reply is not tenable as there was no need for the additional hostels even at the time of according sanction of the hostel.

3.15.3.3 Stand Alone Language Laboratory

As per AICTE norms, a Stand Alone Language Laboratory was essential in the Institutes. These are attended by students who voluntarily opt for remedial English classes. Lessons and exercises are recorded on a weekly basis so that the students are exposed to a variety of listening and speaking drills. This especially benefits student who are deficient in English and also aims at confidence building for interviews and competitive examinations.

In GP Narnaul, 15 computers were installed in language laboratory in March 2007 but those were not in working condition (April 2017). The Institute has neither purchased new computers/language software nor made old system functional despite availability of funds. In Government Polytechnic Education Society, Manesar, the laboratory was not established (August 2017).

The Department stated during the meeting in July 2017 that the requirement of infrastructure (Computer and software) would be fulfilled early as the orders for supply of computers had been placed.

3.15.4 Other issues

3.15.4.1 Continuation of courses despite low demand

Out of test-checked Polytechnics, enrolment of students in three⁷¹ Polytechnics in 10 diploma courses showed declining trend during 2012-17 and enrollment was less than 50 *per cent* of their intake capacity in 2016-17 (**Appendix 3.10**). Further, in Government Aided Institute, Rohtak, four faculties for course on 'Office Management and Computer Application (OMCA)' and three faculties in course on 'Library and Information Science (LIS)' were posted during 2012-17. The enrollment came down from 10 to 8 *per cent* in LIS and 23 to 12 *per cent* in OMCA courses during this period. It was observed that these courses were not in demand but were still continuing. The Department did not take stock of decline in

⁷¹ (i) Narnaul, (ii) Rohtak and (iii) Cheeka.

demand of these courses and had not planned to close/modify those courses or to introduce new courses according to demand.

The Department stated (August 2017) that due to overall declining trends in admissions in polytechnics, enrolment was not satisfactory. It was also added that a Departmental Committee has been constituted to review the courses running in various Government Polytechnics.

3.15.4.2 Staff shortage

As against 926 sanctioned posts in various categories of teaching and non-teaching cadres in test-checked Polytechnics, the actual strength was 496 while 430 posts were lying vacant (***Appendix 3.11***). Thirty nine *per cent* posts in teaching cadre and 56 *per cent* posts in non-teaching cadre were lying vacant as on 31 March 2017 in test-checked seven polytechnics.

Audit observed that the maximum staff vacancies was in courses, which had high enrollment. For instance Civil and Mechanical engineering courses had 74 to 100 *per cent* enrollment during batch 2009-12 to 2013-16. However, staff shortage was 54 and 44 *per cent* in Civil Engineering and Mechanical Engineering respectively (***Appendix 3.12***). Further, there was shortage in post of Junior Programmer, Laboratory Instructor, General English faculty, etc. which are required for all courses.

The Department stated (August 2017) that the department service rules were under preparation. However, the Principals of Polytechnics had been authorised to engage guest faculty.

3.15.5 Performance of the Institutes

3.15.5.1 Pass percentage of students

The overall pass percentage of the polytechnics students was 62 in the State and ranged between 60 and 68 *per cent* during 2011-16 (***Appendix 3.13***). Out of seven test checked Polytechnics, Institutes at Manesar, Nathusari Chopta and Cheeka had average pass percentage of 36, 41 and 44 respectively during 2009-16 which was much below the State average.

There was also wide variation in pass percentage among various courses within same Polytechnics as indicated in ***Appendix 3.14***. At Ambala polytechnic, Civil and Mechanical courses had pass percentage ranging from 70 to 89 in Civil Engineering and 79 to 86 in Mechanical Engineering whereas in Plastic Technology course pass percentage was only 11 to 58 during 2009-16.

The Department attributed (August 2017) the low pass percentage to the increased enrollment of rural students who have studied in Hindi medium up to matric level.

3.15.5.2 Campus placement

The main objective of the Department was to improve the employment of diploma holders through technical education. Audit observed that a campus placement cell had been established in all the Polytechnics. The Department fixed 75 *per cent*

targets for placement of candidates who had completed their studies. Scrutiny of records in test-checked Polytechnics revealed poor campus placement of diploma holders during 2009-16 which ranged between 26 and 52 *per cent* (**Appendix 3.15**). The low campus placement was indicative of poor quality of education which defeated the very purpose for which these Institutes had been set up. Thus, the main objective of the department to improve the employability could not be achieved.

The department stated (August 2017) that Haryana State Board of Technical Education (HSBTE) has taken various measures to improve the soft skills of students by introducing courses relating to development of soft skills in all six semesters w.e.f. session 2017-18 which would improve the result as well as placements.

3.15.6 Conclusion

Instead of improving the quality of technical education in existing institutions, new Polytechnics were set up despite seats in existing Polytechnics remaining vacant. This indicated poor planning. Boys' hostel was constructed at a cost of ₹ 4.98 crore without any demand and was lying unutilized. No action plan for procuring/replacing machinery and equipment had been prepared. Further, basic infrastructure/facilities were deficient and there was shortage of manpower in polytechnics. Accreditation, a mechanism for quality assurance, had not yet been obtained. These deficiencies had adverse impact on quality of education; resultantly the pass percentage and campus placement of students was poor.

These points were referred to the Government in July 2017 and further reminder was issued in November 2017 but their reply was still awaited.

**Town and Country Planning Department
(Haryana Urban Development Authority)**

3.16 Failure to recover Government dues from a defaulter developer

Due to lack of co-ordination, Town and Country Planning Department and Haryana Urban Development Authority failed to recover Government dues of ₹14.29 crore as on June 2017 from a defaulter developer. Instead of recovering/adjusting the Government dues, developer was paid ₹ 14.34 crore.

As per Section 3 of the Haryana Development and Regulation of Urban Area Act, 1975 (the Act), the Town and Country Planning Department (TCPD), Haryana (the department) grants licences to any owner desiring to convert his land into a residential/ commercial/ industrial, etc colony. As per Rule 11(1)(c) of the Haryana Development and Regulation of Urban Area Rules, 1976 (the Rules), the applicant shall undertake to pay proportionate development charges. The proportion and the time within which payment of such development charges was to be made shall be determined by the Director, TCPD.

Test check of records of the Director, TCPD revealed that a licence for setting up of a Group Housing Colony (GHC) over an area measuring 8.77 acres in Sector-

23, Dharuhera (Rewari) was granted to a company in January 2007 under the Act. The External Development Charges (EDC) of ₹ 8.32 crore was to be paid either in lump sum or in ten half yearly installments along with interest and penalty, if any. The developer paid ₹ 2.15 crore including interest to TCPD in two installments up to September 2010 and amount of ₹ 10.22 crore (Principal: ₹ 6.66 crore, Interest: ₹ 2.51 crore, and Penalty: ₹ 1.05 crore) was pending against the developer as of January 2011.

HUDA policy (June 2010) provides that if any approved licensee in an Urban Estate was willing to construct a master road in the same Urban Estate as per the specifications laid down by HUDA, he may be allowed to do so. HUDA allotted four works for ₹ 14.81 crore between March 2011 and April 2012 relating to construction of road, street light, plantation, etc. near the colony of the defaulting developer against whom EDC of ₹ 10.22 crore was pending (January 2011) which further increased to ₹ 14.29 crore at the end of June 2017 after adding interest and penalty.

As per the Clause 22A of the works contract, any sum recoverable from the contractor on any account by any Department of the Haryana Government was to be recovered from the payment due to the contractor. Further, the contractor was responsible to make good any defect attributable to the developer, which may develop or may be noticed during period of defect liability of five years from the date of completion. All such maintenance was to be carried out by the developer free of cost. In case the contractor failed to make good the defects, the Engineer-in-charge could employ other person to make good such defects and all expenses incidental thereto were to be borne by the contractor.

Audit observed that the Executive Engineer (EE), HUDA Division, Rewari, allotted the development works to the defaulting developer and also made payment of ₹ 14.34 crore⁷² between July 2013 and October 2015 to the developer for above works. Audit further observed that though HUDA is under the administrative control of TCPD yet no mechanism has been evolved by the department to ascertain before allotment of development works to any developer, whether development charges have been paid by the developer as per schedule. Had a proper mechanism for co-ordination between TCPD and HUDA on this aspect been in place, TCPD would have been enable to recover outstanding EDC

72

Sr. No.	Name of work	Date of allotment	Allotted amount (₹ in crore)	Date of completion of work	Date of Payment	Amount paid to the developer (₹ in crore)
1.	Construction of road	22 March 2011	9.65	20 April 2013	09 July 2013	9.59
2.	Providing & fixing of kerb & channel interlocking paver block storm water drain	02 December 2011	3.86	25 November 2013	02 December 2013	3.66
3.	Providing street light	05 January 2012	0.95	27 October 2012	22 October 2013	0.95
4.	Turfing of lawn with fine grassing, planting of ornamental trees, Plants and shrubs including five years maintenance.	12 April 2012	0.35	Incomplete	06 October 2015	0.14
Total			14.81			14.34

of ₹14.29 crore as of June 2017. Thus, HUDA extended undue favour to a defaulting developer by making payment of ₹ 14.34 crore instead of deducting outstanding dues from the bills of the agency as per Clause 22A of the works contract.

Further, the firm was liable to keep and maintain the road for a period of five years free of cost from the date of completion. Audit observed that pot holes had developed on the road, drainage work undertaken by the developer was faulty and plantation work of only ₹0.14 crore out of total of ₹ 0.35 crore was executed by the developer. SDE Sub Division-1, Rewari intimated (January 2016) to the EE, HUDA Division, Rewari that despite repeated requests the developer had not repaired the road and the drainage system under liability period. HUDA failed to invoke the provision of defect liability period given in the contract and get the defects rectified by defaulter developer free of cost.

Thus, the Department did not initiate any action to recover Government dues and to penalize the developer. Instead, HUDA allotted works valuing ₹ 14.81 crore and made payment of ₹14.34 crore to the defaulting developer instead of recovering/adjusting outstanding Government dues of ₹ 14.29 crore. Besides, although the quality of works executed by the developer was sub-standard, HUDA failed to invoke risk and cost clause of the agreement to get the repair work done.

The matter was referred to Government, Town and Country Planning Department in July 2017 for comments. Their reply was still awaited despite issue of reminders in September and November 2017.

3.17 Idle expenditure due to non-providing of clear site

Allotment of work for laying of Master Water Supply Pipelines without ensuring availability of clear site not only led to idle expenditure of ₹ 4.12 crore but also intended benefits of water supply scheme to the residents of the area could not be derived.

Paragraph 10.1.3 of Haryana PWD Code provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including availability of land.

Scrutiny of records of the office of Executive Engineer (EE), Haryana Urban Development Authority (HUDA), Division No.III, Gurugram for the year 2015-16 brought out that a work of “providing master water supply scheme (Distribution mains) for new Sectors 58 to 115 (Zone-IV to VIII), Urban Estate, Gurugram” was administratively approved by Chief Administrator (CA), HUDA in January 2012. The work was allotted (November 2012) to a contractor for ₹ 6.36 crore and was to be completed within a period of six months from the date of allotment of work i.e. May 2013.

Audit observed that the work was taken up without conducting any feasibility study and ensuring availability of land as provided in the PWD Code. As a result, during

execution, EE, HUDA Division No. III, Gurugram could not provide clear site to the agency around village Baliyawas as the work of the laying of pipeline falls across the 'revenue rasta'⁷³ of the village. After completion of 72 per cent of work till January 2013, the work could not progress any further. Thus, the work was lying incomplete after lapse of more than four years. An amount of ₹4.12 crore has been paid (May 2014) to the contractor.

It was observed that villagers of Baliyawas refused to let the work be executed on 'revenue rasta' as it goes to temple of the village and paver blocks had already been constructed on it. The EE had requested Tehsildar, Sohna in February 2014 to depute the concerned Girdawar and Patwari for marking the alignment for the water supply pipeline. However, no action has been taken by the Tehsildar, Sohna so far (August 2017). After February 2014, neither did EE, HUDA take up the matter with the higher authorities of Revenue Department to get the site cleared nor did he bring this to the notice of his higher authorities. Seventy two per cent of the work has been completed as of August 2017. In the absence of completion of remaining work, the laid pipeline could not be put to use. This resulted in idle expenditure of ₹ 4.12 crore.

The EE stated (March and August 2017) that since 'revenue rasta' had already been constructed with paver blocks and goes to temple of Baliyawas, the villagers refused to have the water supply line laid. It was also intimated that proposal for realignment of the pipeline from south side of the village has been sent (August 2017) to Municipal Corporation, Gurugram. However, the approval was awaited (October 2017).

The reply validates the audit contention that HUDA did not conduct a feasibility study nor an inspection, to first ascertain the ground conditions. Reconstruction of 'revenue rasta' with paver block could have either been avoided or taken up along with the water pipeline project if a proper feasibility study had been done beforehand. Further, lack of pursuance and laxity in follow up is evident from the fact that HUDA did not take up the matter with higher authorities of Revenue Department when the Tehsildar, Sohna failed to take any action for marking the alignment for laying of pipeline.

Thus, taking up project without proper feasibility study and lack of pursuance thereafter resulted in idle expenditure of ₹4.12 crore. Thereby residents of the area have been deprived of the intended benefits of water supply scheme, which should have been completed way back in May 2013.

The matter was referred to the Government for comment in April 2017. Their reply was still awaited despite issue of reminders in June and November 2017.

⁷³ Any pathway or access road which is documented or delineated in Government revenue record is defined as *revenue rasta*.

3.18 *Incomplete recycled sewerage water distribution pipeline*

Failure of Haryana Urban Development Authority to ensure availability of encumbrance free land for the project, even after lapse of more than three years from the proposed date of completion, rendered expenditure of ₹108 crore idle.

Paragraph 10.1.3 of Haryana PWD Code (Code) provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including availability of land.

Scrutiny of records of Executive Engineer (EE), Division No.II, Gurugram showed that in order to use tertiary treated sewerage water for construction activities and irrigation of parks and green belts in the city, work for providing distribution mains for recycled water from Sectors 58 to 115, Gurugram was allotted (April 2013) to a company at a cost of ₹ 116 crore with a completion period of twelve months including three months' trial run period. The supply lines were to be fed from the existing Sewerage Treatment Plants (STPs) at Behrampur and Dhanwapur and from the third proposed STP to be constructed in Sector 107, Gurugram. As per scope of the project, 58.4 kilometres pipeline was to be laid. Even after a period of more than three years from the scheduled date of completion the work of pipe line, only 53 kilometres pipeline has been laid and 1.42 kilometres was in progress. Balance work of pipeline has not been taken up so far (May 2017) due to various encumbrances such as buildings, temple, railway crossing, gas pipeline, etc in the right of way⁷⁴ and the laid pipe line was also not put to use due to non-completion of work. An amount of ₹ 108 crore has already been paid to the company so far (May 2017) for this work.

Further, STPs at Dhanwapur and Behrampur had not been connected with the laid pipe line and even the land for the proposed third STP at Sector 107 had not been acquired so far (December 2016). As a result, tertiary treated water was being let out to effluent channels. Had HUDA got the project completed timely, treated water pumped into the effluent channels could have been used for the purposes for which the project was approved and the fast depleting underground water level of the city could have been augmented.

Audit observed that the EE, HUDA did not ascertain availability of encumbrance free land before undertaking the preparation of design and estimate of the project. Moreover, the construction of one RCC box for passing of the pipeline under railway line was to be executed by Railway Department as deposit work but even the rough cost estimate of the work has not been approved so far, whereas the whole project was supposed to be completed by April 2014. These encumbrances were in existence even when the project was commenced. However, they were not properly factored into the project plan and pipeline route by HUDA, as a result of which the project has remained incomplete.

⁷⁴ Route through which pipeline was to be laid.

The EE stated (June 2017) that work was likely to be completed by the end of September 2017. It was further added that treated water was being released into effluent channel which was being used for irrigation purposes. The reply is not tenable and is not based on realistic assessment of ground conditions as the laid pipeline is disconnected at 13 different locations and removal of these encumbrances will take substantial time. Even the rough cost estimate of the work of RCC box has not yet been approved, nor land has been acquired for the proposed third STP so far.

Thus, failure of HUDA to ensure availability of encumbrance free land for the project, even after lapse of more than three years from the proposed date of completion, rendered expenditure of ₹108 crore spent so far on the project idle. Also, the objectives of using tertiary treated water for construction work and irrigation of parks and green belts in the city were not achieved.

The matter was referred to the Government in June 2017 for comments. Further reminders were issued in September and November 2017. Their reply was still awaited.

3.19 Irregular grant of Commercial Colony Licence and undue favour to the developer

Town and Country Planning Department granted licence for developing commercial colony by changing specified area for Special Zone to Commercial land use without notification. Undue favour to the extent of ₹ 18.94 crore was granted to a developer. Besides, thoroughfare through developer's land was not ensured and project was launched without approval of building plan.

Town and Country Planning Department (TCPD), prepares and publishes Development Plans for Controlled Areas declared in the State of Haryana under the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 and Rules framed thereunder. As per section 5 of the Act, it was mandatory for the Government to publish the draft development plan by notification for the purpose of inviting objections and suggestions from general public and local authority. The Department thereafter notifies these plan documents in the Official Gazette. The Draft Development Plan of Gurgaon Manesar Urban Complex-2031 (GMUC-2031) was published in September 2012 for inviting objections or suggestions from the public. Thereafter, the Final Development Plan (FDP) was notified in November 2012 in which various land uses⁷⁵, such as, Residential, Commercial, Industrial, Special zone, Defence land, etc. were earmarked. Out of 114 hectares Special Zone area, there was a provision of 17.768 acres of land in Sector 16, Gurugram as Special Zone for mixed land use i.e. commercial, group housing, recreational and entertainment and institutional uses.

⁷⁵ Residential: 16,021 hectares, Commercial: 1,616 hectares, Industrial: 4,613 hectares, Special zone: 114 hectares, Defence land: 633 hectares, etc.

Test check of records of the District Town Planner (DTP), Gurugram and TCPD, Haryana, showed that individual land owners in collaboration with a private company applied (February 2013) for grant of Licence under section 3 of the Haryana Development and Regulations of Urban Areas Act, 1975 for setting up of a Commercial Colony on land measuring 13.08 acres falling in the Special Zone of Sector 16, Gurugram, which was granted in August 2015. Scrutiny of the records revealed the following:

- **Irregular conversion of whole of Special Zone to Commercial Colony:**

On application of Licence (February 2013) by the developer, the Council of Ministers in a meeting (August 2013) allowed commercial land use of entire Special Zone measuring 17.768 acres located in Sector 16, Gurugram. Thus, effectively the Special zone was converted into Commercial Zone. The Department did not notify this change in GMUC-2031 and thus, failed to bring it to the notice of public for inviting objections. GMUC-2031 was amended and notified in January 2017. This change was not included in the amended notification. As such, the laid down procedure was not followed and the conversion of land use of Special Zone was irregular.

- **Non-provisioning of public thoroughfare**

The applied site was approachable from 24-meter-wide development plan roads between NH-8 and Gurgaon-Mehrauli Road as per Sectoral Plans in GMUC – 2031. But the 24-meter-wide sectoral plan road was not found feasible due to hindrances like change of land use already granted, existence of constructed site and residential structures in some parts of proposed road, etc. To solve this issue, DTP, Gurugram proposed (April 2013 and January 2014) multiple alternate routes and all of these passed through the applied site of Developer. It was also proposed that a consent may be obtained from the developer that the said road would be constructed by them through their own land and at their own cost. The developer also agreed (November 2013) and placed the revised site plan which showed the road passing through his site. Finally, the two alternate routes both passing through developer's land was sent (February 2014) to Chief Administrator HUDA for approval.

However, Zoning Plan of the Commercial Colony was approved (August 2015) by Chief Administrator HUDA without imposing any condition of 24-meter road across the developer's land. The Zoning Plan of the colony shows the whole area as a construction zone. The 24-meter-wide road from NH-8 now ends at the boundary of Developer's land. Thus, the Department had granted undue favour to the Developer by granting license without condition of making 24-meter-wide thoroughfare across developer's site. Reasons for non-provisioning of public thoroughfare across the licensed land as proposed by DTP and duly accepted by the developer were not found on record. On being pointed out (June 2017) by audit, Director General, TCPD (August 2017) asked HUDA to furnish the reasons for approving plan at variance with the plan proposed by DTP, Gurugram. However, reply of HUDA was awaited (October 2017).

- **Non-obtaining of land in lieu of HUDA Green Belt land from developers**

As per the extant procedures being followed by HUDA since September 1992, in case no approach is available to the land of the developer and an approach is to be provided through land acquired by HUDA, 1.5 times of the developer land shall be taken by HUDA in lieu of its land required for providing approach. The approach road for this commercial colony was approved by HUDA in its 108th meeting and was conveyed (August 2014) by Chief Administrator HUDA to Administrator HUDA, Gurugram. The agreed alternate route passed through 2,530 square metres HUDA land and 2,400 square⁷⁶ metres HUDA green belt abutting NH-8 and there was Water Boosting Station installed in green belt.

No land in lieu of 2400 square metres green belt was demanded by HUDA. The same was not discussed in Agenda of 108th meeting of HUDA. As per Collector Rates for commercial land for the year 2014-15, the value of land works out to be ₹ 18.94 crore⁷⁷ on the date of execution of exchange deed.

- **Advertisement of the project without approval of building plan**

Under Section 29 (2) of the Control of National Highways (Land and Traffic) Act, 2002, prior approval from the NHAI was needed for traffic entry/exit affecting the NH. In normal circumstances it is the duty of the coloniser to seek such permission, but in the instant case the request was made (January 2015) by HUDA. The developer requested (June 2015) for 18 months' time relaxation from the date of grant of Licence (August 2015) for obtaining permission from NHAI but the same had not been granted yet (August 2017).

Moreover, as per condition in the license, Building Plan was to be approved only after receipt of permission of NHAI. Further, as per instruction of TCPD issued in May 2011, the colonisers were required to give details of the approvals in the advertisements being given by them for sale of the plots/flats in their licensed colonies. Senior Town Planner was required to have regular check on such advertisements given by colonisers and report to Headquarters about the defaulting colonisers for initiating action to suspend the operation of their licenses. Further, it was stated in the Letter of Intent⁷⁸ (LoI) that coloniser will not pre-launch/sell the space before approval of building plans.

However, it was observed that despite the fact that NHAI approval was awaited and building plan had not been approved so far, the colonizer had given advertisements for the project and building plan was available on various websites in the public domain (since May 2015⁷⁹), which was in violation of the condition of the LoI and licence. The Senior Town Planner had not taken cognizance of the

⁷⁶ 24-metre-wide road with 100 metre length.

⁷⁷ 2,870.37 square yards (2,400 square metres) multiplied by 1.5 multiplied by ₹ 44,000 per square yard.

⁷⁸ Department issues LOI before issuance of licence, which inter alia contains certain conditions viz. to furnish a bank guarantee, undertake to pay proportionate development charges and to execute agreement/undertaking.

⁷⁹ As per Archive.org website.

advertisement with the result that no action could be initiated against the developer (October 2017).

Thus, change of area of entire Special Zone to Commercial land use without notification, non-provisioning of condition of public thoroughfare across the licensed land, provisioning of HUDA Green Belt land without taking land in lieu of it from the developer and pre-launch of the project without approval from NHAI and without approval of the building plan, was irregular and tantamounts to undue favour to the coloniser.

The matter was brought to the notice (July 2017) of Additional Chief Secretary to Government of Haryana, Town and Country Planning Department for comments. Their reply was still awaited despite issue of reminders in September and November 2017.

3.20 Purchase of pipes in excess of requirements

Without ensuring the actual requirement, procurement of excess DI pipes by HUDA resulted in blockade of funds of ₹ 20.80 crore. Pipes valuing ₹ 2.12 crore could not be utilised as contract was given on through rates.

Rule 15.2 (b) of the Punjab Financial Rules Vol-1(PFR) as applicable in Haryana provides that purchases must be made in the most economical manner in accordance with the definite requirements of the public service. At the same time, care should be taken not to purchase stores much in advance of actual requirements. Paragraph 25.3.3(k) of the Haryana PWD Code further provides that the quantities of heavy items of consumption like cement, steel, bitumen, pipes, etc. available at various locations/stores in a Department should be circulated through an appropriate return and before planning procurement particularly of sizeable magnitude, it should be considered whether it is prudent and economical to arrange goods through inter-divisional transfer or through fresh supplies.

Scrutiny of records of Executive Engineer (EE), Division No. II, Gurugram, which is nodal office for purchase of all stores for all Divisions at Gurugram revealed that 10,831 metre Ductile Iron (DI) pipes of different sizes⁸⁰ valuing ₹ 20.80 crore were lying in stock as of March 2017. These pipes were procured between February 2011 and May 2013 by the EE, Division No. II, Gurugram on the requisition given during 2010-12 by the EE, Division No. III, Gurugram for works which were already approved and works for which estimates were under process. Since the works, for which the pipes were procured were not being executed by EE, HUDA Division No. III, Gurugram and pipes were lying in the store, EE, HUDA Division No. II Gurugram intimated (February 2016 and January 2017) to all EEs of HUDA Divisions in the State to send their requisition for DI pipes. However, no demand was received from any Division and HUDA Division No.III Gurugram, which had itself projected the demand for purchase of

⁸⁰ 1,626 metre of 500mm; 619 metre of 700mm; 87 metre of 800mm; 1,054 metre of 900mm; 2,362 metre of 1,100mm and 5,083 metre of 1,200mm diameter.

800 mm and 1200 mm DI pipes costing ₹13.20 crore, informed (April 2017) that these pipes were not required by their Division. However, Audit observed that a project valuing ₹ 76.10 crore was allotted to a contractor on through rates⁸¹ basis in March 2013 without first raising any demand of DI pipes already available in stock. Payment of ₹ 2.12 crore equivalent to value of these DI pipes had already been made upto June 2017 through running bills. Regarding balance stock of various dia (500 mm, 700 mm, 900 mm and 1100 mm) costing ₹7.60 crore, the EE Division No. III, Gurugram stated that these pipes would be utilized by them, but neither any indent for these pipes has been issued by the EE, Division No. III nor pipes have been issued so far. Thus, DI pipes valuing ₹20.80 crore were lying unutilized in the store after four to six years of their purchase. This indicated that demand for pipes was made without proper assessment of requirement.

EE, HUDA Division No. II, Gurgram stated (May 2017) that the pipes would be used in main lines of the Sectors 68-80, 88A and 89A. The work in these sectors has not been taken up yet due to non-availability of land. The reply only validates the audit observation that pipes were purchased in excess of actual requirement without properly assessing the necessity of pipes. Consequently, 10,831 metre DI pipes, valuing ₹ 20.80 crore were lying unutilized for the last four to six years. Despite having sufficient stock of DI pipes, contract was awarded on through rates, in which pipes worth ₹ 2.12 crore could have been utilised. This indicates negligence and violation of canons of financial propriety, for which accountability needs to be fixed.

The matter was referred to the Government, Town and Country Planning Department in June 2017 for comments and further reminder was issued in November 2017 but their reply was still awaited.

Transport Department

3.21 *Undue favour to agency*

Inordinate delay in fixation of lease amount and delayed recovery of provisional lease rent led to non-recovery of ₹ 2.02 crore and loss of interest of ₹ 0.57 crore.

For convenient fuelling of its CNG buses, Haryana Roadways decided (May 2006) to have captive CNG fuelling facility within Faridabad depot at Ballabgarh. Towards this end, General Manager (GM), Haryana Roadways, Faridabad entered into an agreement with a firm on 6 March 2009, which installed captive CNG filling facility at Ballabgarh Bus Stand to deliver CNG at the delivery point. All the costs associated with installing and running of CNG dispensing station including the cost of manpower, electricity etc. was borne by the firm. The GM also provided land to the firm for setting up of sheds and other civil /electrical and mechanical works at site required for gas compressors, storage and dispensing facilities. Ownership of land was to remain with the Haryana

⁸¹ Through rates means work allotted to contractor at both the cost of material and labour.

Roadways and firm was to pay the lease amount for land used. The lease amount was to be fixed by Deputy Commissioner, Faridabad (DC) as per principles, instructions and policy applicable and reviewed every year. The agreement was for a period of five years which could be extended on mutually agreed terms and conditions.

Scrutiny of records revealed that GM, Haryana Roadways, Faridabad had given an area of 1,526.37 square metre to the firm for setting up the CNG dispensing station. However, no record of handing over of the land was available with the Department. As per Government direction (February 2009), the lease amount was to be fixed by the Deputy Commissioner (DC), Faridabad. A provisional lease rent of ₹ 11,000 per month fixed in February 2009, was also to be recovered from the firm till fixation of rent by DC Faridabad. It was noticed that the clause of recovery of provisional rent was not included in the agreement. As such, GM, Faridabad did not recover any provisional lease rent and requested (February 2010) DC, to constitute a Committee⁸² for fixing the lease amount for land occupied by the firm. DC constituted (March 2010) a Committee⁸³ for the purpose but it failed to fix the rent. In the meantime the agreement with the firm expired in March 2014 and the same has not been extended, though the operations of dispensing CNG by the firm were continuing (May 2017).

After being pointed out in Audit (September 2014), the GM took up the matter in October 2014 with the Committee. Though a number of meetings were held by the Committee between January 2015 and March 2016, the lease amount was not fixed. Finally in September 2016, GM, Haryana Roadways Faridabad informed that the Committee has fixed⁸⁴ the lease amount which has also been approved by DC and now the due lease rent will be recovered from the bills of the firm. Director State Transport (DST) stated (October 2016) that provisional lease rent of ₹ 9.67 lakh for the period 06 March 2009 to 30 June 2016 at the rate of ₹ 11,000 per month excluding service tax has been recovered by the Depot and deposited in treasury on 12 July 2016. The GM demanded (October 2016) ₹ 2.07 crore from the firm for the period March 2009 to October 2016 on the basis of rent fixed by the committee headed by DC, against which the firm represented (October 2016). The department decided (November 2016) not to recover the lease rent at higher rate till final decision on the representation of the firm. Only provisional lease rent of ₹ 11,000 per month was continuing to be recovered from the firm. Further, provisional rent of ₹ 1.32 lakh was recovered upto June 2017.

Subsequently, State Government observed (April 2017) that the filling station has been installed for use of Haryana Roadways buses only and desired that the report of Deputy

⁸² Comprising the representatives of District Administration, Revenue Authority and PWD B&R authority.

⁸³ Comprising Sub-Divisional Magistrate (Civil) Ballabgarh, District Revenue Officer Faridabad and Executive Engineer PWD (B&R) Faridabad.

⁸⁴ At the rate per square meter per month: ₹112.32 for 6 March 2009 to 5 March 2012, ₹140.40 for 6 March 2012 to 5 March 2015 and ₹175.50 for the period 6 March 2015 to 5 March 2018.

Commissioner (Faridabad) may be sought again keeping in view the special nature of the arrangement and other relevant factors in mind so that final rate of lease rent may be finalised at the level of Government. However, audit noticed that these aspects had already been considered before finalisation of the agreement.

This resulted in accumulation of lease amount of ₹ 2.02 crore⁸⁵ recoverable from the firm upto 30 June 2017 and loss of interest of ₹ 0.57 crore⁸⁶ upto March 2017. Any delay in recovery will result in interest amount increasing with time.

Thus, the Department had a very casual approach since the very beginning, as it did not even have a record of handing over of the land. The provisional lease rent was also recovered on being pointed out in Audit after lapse of more than seven years. Further, it took more than eight years to get the lease rent fixed which has also not been accepted. In the mean time the agreement expired in March 2014 which has not been renewed (October 2017) but the operations were continuing. Inordinate delay in fixation of lease rent and in recovery of provisional lease rent tantamounts to undue favour to the firm. Differential lease rent of ₹ 2.02 crore and loss of interest of ₹ 0.57 crore thereon was yet to be recovered.

The matter was referred to the Government for comments (July 2017). Their reply was still awaited despite issuance of reminder in September and November 2017.

Urban Local Bodies and Development and Panchayats Departments

3.22 Construction of toilets under Swachh Bharat Mission

In 12 test-checked municipalities, households having insanitary toilets were not identified and in 23 municipalities community and public toilets were not constructed. Incentives of ₹ 1.80 crore were released to 2,571 beneficiaries without verification of their genuineness. Further, only partial incentives were released to 2,192 beneficiaries in urban areas and 1,364 beneficiaries in rural areas. Cases of double/triple payments of incentive were observed. There was shortfall in coverage of households for construction of toilets and even those toilets which were constructed were incomplete in a number of cases. There was also lack of awareness, monitoring and social audit.

3.22.1 Introduction

Government of India introduced Swachh Bharat Mission on 2 October 2014 with the target of making the country clean by 2 October 2019. It consists of two sub-missions i.e. the Swachh Bharat Mission (Gramin) (SBM (G)) and the Swachh Bharat Mission (Urban) (SBM (U)). The main objectives of the mission were: elimination of open defecation, eradication of manual scavenging, solid waste management, behavioral change regarding healthy sanitation practices, generation

⁸⁵ Calculated at the rate fixed by the DC Faridabad in September 2016. i.e ₹ 2.13 crore upto June 2017 less: amount recovered ₹ 0.11 crore

⁸⁶ Calculated at the weighted average rate of interest ranging between 8 and 9.86 per cent on Government borrowing during 2010-11 to 2016-17.

of awareness about sanitation and its linkage with public health. Construction of Individual Household Latrines (IHHL) and Community toilets were the main components of the mission. A sum of ₹ 114.03 crore was released to municipalities for implementation of SBM (U), of which ₹ 66.69 crore were for construction of IHHL and Community toilets during 2014-17. Similarly, an expenditure of ₹ 148.90 crore was incurred on IHHL under SBM (G) during 2014-17 in the State.

Under SBM (U), the incentive for the construction of household toilets was ₹ 4,000 per household toilet from Central Government. The State Government also decided to provide a maximum of ₹ 10,000 per household toilet from its own sources. Likewise, incentive amount under SBM (G) to identified beneficiaries was ₹ 12,000 for one unit of IHHL with Central share of ₹ 9,000 (75 per cent) and State share of ₹ 3,000 (25 per cent). The sharing pattern for SBM (G) was changed from 75:25 to 60:40 between Central and State Governments from November 2015 onwards.

With a view to assessing the status of construction of toilets under SBM (U), records of Directorate of Urban Local Bodies Department and of 24⁸⁷ out of 80 municipalities in the State for the period 2015-17 were scrutinised during February-August 2017. The municipalities for test check were selected by adopting Probability Proportionate to Size with Replacement Method. A joint physical verification along with staff of the municipalities of 666 out of total 24,909 beneficiaries of test-checked municipalities was also conducted during audit. Beneficiaries for physical verification were selected from different wards of test checked municipalities on the basis of Simple Random Sampling without Replacement Method. Similarly, records of the Directorate of Development and Panchayat and six⁸⁸ selected District Rural Development Agencies (DRDAs) were scrutinized during April-August 2017. The DRDAs for test check were selected by adopting Probability Proportionate to Size with Replacement Method. A joint physical verification of 1,045 beneficiaries from 130 Gram Panchayats of selected districts along with staff of Block Development and Panchayat Offices was also conducted during audit. Beneficiaries for physical verification were selected from different Gram Panchayats of test checked Districts on the basis of Simple Random Sampling without Replacement Method. The important Audit findings are as under:

⁸⁷ (i) Panipat, (ii) Panchkula, (iii) Faridabad; (iv) Hodal, (v) Bhiwani, (vi) Narnaul, (vii) Rewari, (viii) Charkhi Dadri; (ix) Pundri, (x) Rajaund, (xi) Gannaur, (xii) Kanina, (xiii) Bawani khera, (xiv) Barwala, (xv) Kalyat, (xvi) Uklana mandi, (xvii) Narnaud, (xviii) Firozpur Jhirkha, (xix) Nissing, (xx) Uchana, (xxi) Sampla, (xxii) Safidon, (xxiii) Julana and (xxiv) Mahendergarh.

⁸⁸ (i) Ambala, (ii) Bhiwani, (iii) Jind, (iv) Rewari, (v) Sonapat and (vi) Yamunanagar.

3.22.2 Identification of beneficiaries and sites for household, community and public toilets

Paragraph 4.3 of guidelines of SBM (U) states that beneficiary shall mean any household that does not have access to individual household toilet or has an insanitary toilet (dry/*bahou* and single pit latrine). Urban Local Bodies (ULBs) were expected to carry out a house-to-house survey. Based on this survey, all households practising open defecation were to be identified and ULBs were required to approve either household toilets or plan for community toilets for each of such identified household/group of households. ULBs were to identify suitable piece of land adjoining their houses/dwelling units and design the toilets.

Scrutiny of records of the test checked municipalities revealed that 12 municipalities⁸⁹ had identified only those households which did not have toilets but households having insanitary latrines and single pit latrines were neither identified nor targeted for coverage under the mission. Thus, the survey was not conducted as per guidelines and eligible households remained deprived of the benefits, and achievement of the mission objective was also diluted to that extent.

On being pointed out, municipalities concerned (except Rajound, Uklana Mandi and Narnaul which did not furnish reply) while accepting the facts stated (February-August 2017) that these type of households would also be identified and covered in future.

Further, community toilets had not been constructed except by Municipal Corporation, Panipat. Eleven municipalities⁹⁰ stated (February-August 2017) that beneficiaries and space for community toilets would be identified and community toilets would be constructed in future. Six other municipalities⁹¹ stated that beneficiaries and space had been identified but funds are yet to be sanctioned by the Directorate of ULBs while Municipal Committee of Uchana stated (July 2017) that land at appropriate place was not available for community toilets.

- Paragraph 6.1 of the guidelines of SBM (U) provides that ULBs will ensure that a sufficient number of public toilets are constructed in each city at prominent places attracting floating population. For this component, there would be no financial support from Central Government and ULBs would be required to identify suitable land and also to construct and manage the public toilets through a PPP (Private Public Participation) mode. Construction of Public toilets had not been undertaken by any of the municipalities except Panipat.

⁸⁹ (i) Panchkula, (ii) Hodal, (iii) Narnaul; (iv) Rajound, (v) Kanina, (vi) Bawanikhera, (vii) Kalayat, (viii) UklanaMandi, (ix) Safidon, (x) Mahendergarh, (xi) Sampla and (xii) Firozpurjhirika.

⁹⁰ (i) Hodal, (ii) Bhiwani, (iii) Ganaur, (iv) Pundri, (v) Kanina (vi) Bawanikhera, (vii) Kalayat, (viii) Narnaul, (ix) Nissing, (x) Safidon and (xi) Sampla.

⁹¹ (i) Panchkula, (ii) Charkhi Dadri, (iii) Rewari (iv) Mahendergarh, (v) Firozpur Jhirika, and (vi) Barwala.

Eleven municipalities⁹² while admitting non-implementation of this component, stated (February-August 2017) that space for public toilets would be identified and this component would be implemented in future.

3.22.3 Financial management

(i) Delay in release of funds

Urban

Paragraph 10.4.6 of the guidelines of SBM (U) specified that State Government would evolve a suitable mechanism to release funds along with its share to ULBs (municipalities) within 30 days of release of Central share by GOI. Scrutiny of records of Directorate Urban Local Bodies (DULB) revealed that funds were not released within 30 days and delay ranged between one and six months (*Appendix 3.16*).

Rural

As per Para 13.2 of guidelines of SBM(G), the State Government was required to release Central grants along with the matching share of the State to the District implementing agency/agencies (DRDA) within 15 days of receipt of Central grants. Scrutiny of the records of the Directorate of the Development and Panchayats Department revealed that the funds were not released within 15 days of the release of funds by GOI and delay ranged between one to nine months (*Appendix 3.16*).

Delay in release of funds to ULBs/DRDAs delayed the release of funds to beneficiaries and implementation of this component of the mission.

(ii) Diversion of funds

Scrutiny of records of selected municipalities revealed that MCs, Barwala and Charkhi Dadri had spent ₹ 2.06 lakh and ₹ 0.72 lakh respectively out of IHHL funds on repairs/construction of toilets of their offices. This resulted in diversion of IHHL funds of ₹ 2.78 lakh. Similarly, Directorate of ULB spent ₹ 4.04 lakh on purchase of computers and maintenance of vehicles out of funds of SBM under capacity building and administrative and office expenses although expenditure on these items was prohibited under paragraph 9.8 of the guidelines.

MC, Barwala stated (May 2017) that the matter would be investigated and MC, Charkhi Dadri stated (June 2017) that the amount would be recouped from the municipal fund.

⁹² (i) Hodal, (ii) Bhiwani, (iii) Ganaur, (iv) Pundri, (v) Kanina (vi) Bawanikhera, (vii) Kalayat, (viii) Narnaud, (ix) Nissing, (x) Safidon and (xi) Sampla.

(iii) Release of incentive without verification of beneficiaries

Paragraph 4.4.2 of the guidelines of SBM (U) stipulates that the ULBs shall verify each application before releasing any incentive within seven working days of its submission by the beneficiaries. Scrutiny of records of test checked municipalities revealed that in six municipalities, assistance for construction of IHHL was released to 3,429 beneficiaries. Audit observed that out of 3,429 beneficiaries, assistance to 2,571 beneficiaries involving ₹ 179.97 lakh was released without verification of genuineness of beneficiaries which was in contravention of the guidelines as given in **Table 3.9** below:

Table 3.9: Details showing release of incentive without verification

Municipalities	Number of beneficiaries	Incentive released without verification	Amount (₹ in lakh)
Pundri	667	418	29.26
Rajaund	254	16	1.12
Kanina	114	114	7.98
Panchkula	2,000	2,000	140.00
Kalayatt	184	14	0.98
UklanaMandi	210	9	0.63
Total	3,429	2,571	179.97

Source: Data compiled from records of municipalities.

Release of incentive without verification entails risk of payment of incentive to ineligible households as during physical verification of 130 beneficiaries in these municipalities; it was found that four beneficiaries were provided incentive although they already had sanitary toilets. Besides, 11 beneficiaries could not be located at specific addresses.

Four municipalities⁹³ stated (March –May 2017) that guidelines would be kept in view in future and reply from remaining two municipalities was awaited (October 2017).

(iv) Partial/non-release of incentive to beneficiaries

Urban

As per paragraph 4.4 of the guidelines of SBM (U) Central Government, incentive for the construction IHHL will be ₹ 4,000 per household. Fifty *per cent* of incentive was to be released as first installment along with share of the State Government. The State Government decided (November 2015) to provide ₹ 10,000 as its share in two installments of ₹ 5,000 each. Thus, total incentive per beneficiary was ₹ 14,000.

Scrutiny of records of test checked municipalities revealed that three municipalities released ₹ 51.87 lakh to 2,192 beneficiaries as first installment at the rate between ₹ 2,000 and ₹ 3,500 per beneficiary as against the requirement of releasing ₹ 1.53 crore (₹ 7,000 per beneficiary). This resulted in less release of payment of first installment of ₹ 1.02 crore as detailed in **Table 3.10**.

⁹³ Pundri, Kanina, Panchkula and Kalayat.

Table 3.10: Details showing less release of first installment of incentive

(₹ in lakh)					
Sr. No.	Name of municipality	Number of beneficiaries who received partial incentive	Incentive required to be released at the rate of ₹7000	Partial incentive paid to beneficiaries	Less paid
1	Panipat	1,651	115.57	33.02	82.55
2	Narnaud	525	36.75	18.37	18.38
3	Nissing	16	1.12	0.48	0.64
Total		2,192	153.44	51.87	101.57

Source: Data compiled from records of municipalities.

MC Narnaud stated (June 2017) that the matter would be investigated while MC, Nissing stated (June 2017) that balance payment to 16 beneficiaries would be made shortly. Audit also observed that the second installment of incentive had not been released in these cases.

Rural

- According to paragraph 4.6 of guidelines of SBM (G), incentive of ₹ 12,000 per IHHL unit was required to be released to eligible beneficiaries after completion of IHHL. Scrutiny of records of DRDA, Rewari revealed that in 1,364 cases of Rewari and Bawal Blocks, the incentive for IHHL was paid at ₹ 4,600 instead of ₹ 12,000. This resulted in less payment of ₹ 7,400 per beneficiary. Total less payment works out to ₹ 1.01 crore. The DRDA, Rewari stated (August 2017) that the incentive at ₹ 4,600 per IHHL was disbursed as per verbal instructions of the then Additional Deputy Commissioner. Thus, less incentive was given without any justification which was contrary to the Mission guidelines.
- Scrutiny of records revealed that in six blocks of three districts, an amount of ₹22.44 lakh pertaining to 184 IHHL beneficiaries was lying undisbursed in bank accounts of DRDAs since February 2015 to December 2016. The amounts were released earlier but could not be credited in beneficiaries' accounts due to incorrect details about the bank account numbers of the beneficiaries. The details are given in **Table 3.11** below:

Table 3.11: Details showing amount lying undisbursed in bank accounts

Sr. No.	Name of block	Name of district	No of beneficiaries	Amount (₹ in lakh)
1.	Jind	Jind	72	3.83
2.	Safidon	Jind	50	2.96
3.	Rewari	Rewari	32	9.89
4.	Bawal	Rewari	19	4.44
5.	Murthal	Sonepat	3	0.36
6.	Ganaur	Sonepat	8	0.96
Total			184	22.44

Source: Information compiled from the records of blocks

Audit observed that the DRDAs had not made efforts to make the payment in these cases though the amounts were lying undisbursed for more than six to 26 months. The concerned DRDA stated (August-September 2017) that the undisbursed incentive would be released to the concerned beneficiaries shortly.

(v) **Double/triple release of first installment**

Urban

Scrutiny of records and analysis of computerized data of test-checked municipalities revealed that five municipalities provided first installment of financial assistance twice to 108 beneficiaries and thrice to one beneficiary. This resulted in excess payment of ₹ 7.10 lakh as detailed in **Table 3.12** below:

Table 3.12: Details showing double/triple release of first installment

Municipalities	Amount of installment	Cases of double/triple transfer	Excess payment made (in ₹ lakh)
Faridabad	7,000	13(Double)	0.91
Panchkula	7,000	79 (Double)	5.53
	7,000	1(Triple)	0.14
Bawani Khera	7,000	1(Double)	0.07
Bhiwani	7,000	3(Double)	0.21
Panipat	2,000	12(Double)	0.24
	Total	109	7.10

Source: Data compiled from the records of municipalities concerned

Audit further observed that double/triple payments were made due to improper scrutiny of applications as applicants had submitted two/three different applications by minor change in name, father's/husband's name, address, bank account number, etc. Thus, proper checks were not applied while scrutinizing the applications.

Four municipalities⁹⁴ stated (May 2017) that matter would be investigated and results of the investigation would be reported to the audit. Municipal Corporation, Faridabad, however, accepted (August 2017) the double payment of 13 beneficiaries.

Rural

Scrutiny of records and computerized data of DRDA Sonapat through IDEA software revealed that financial assistance was provided to seven beneficiaries of Murthal block twice. This resulted in excess payment of ₹ 0.79 lakh (**Appendix 3.17**). Audit observed that double payments to beneficiaries occurred due to non-maintenance of records of payment against each application. The DDPO, Sonapat admitted the facts and stated (September 2017) that efforts were being made to recover the double payments.

It is recommended that the Unique Identification number for release of incentive to beneficiaries should be linked with AADHAR.

3.22.4 Awareness, monitoring and social audit

(i) **Non-conduct of awareness programme**

Paragraph 8.1 of the guidelines of SBM (U) states that a key strategy under SBM (Urban) is to bring about behavioral changes and ensure that sanitation as an issue

⁹⁴ (i) Panchkula; (ii) Bhiwani; (iii) Bawani Khera and (iv) Panipat.

is mainstreamed with the general public at large. It should cover issues of open defecation, prevention of manual scavenging, hygiene practices, proper use and maintenance of toilet facilities and its related health and environmental consequences. Separate funds were provided for Information Education Communication (IEC) and Public Awareness to each municipality for change in behavior and awareness about sanitation.

Scrutiny of records of test checked municipalities revealed that 21 municipalities had not incurred any expenditure on this component though ₹ 38.04 lakh were provided for the purpose. Details of funds given to each municipality are given in **Appendix 3.18**. Only three municipalities⁹⁵ had spent ₹ 40.85 lakh as against the availability of ₹ 44.91 lakh. This shows that enough publicity was not given to popularize the mission.

Municipalities concerned except four⁹⁶ stated (February-August 2017) that the amount would be spent on public awareness in future.

(ii) Non-constitution of District Level Review and Monitoring Committees

Paragraph 12 of guidelines SBM (U) provides that a District Level Review and Monitoring Committee (DLRMC) will be constituted with a view to ensuring satisfactory implementation of the projects under the chairmanship of Honorable Member of Parliament. Audit observed that DLRMCs were not constituted except in Jind district. Municipalities concerned except four⁹⁷ stated (February to August 2017) that the DLRMCs would be constituted shortly in future.

(iii) Social audit not conducted

As per paragraph 8.3 of the guidelines SBM (G), both Block level and District level Panchayati Raj Institutions (PRIs) must regularly monitor the implementation of the Programme. Gram Panchayats (GPs) must also play a role in the monitoring of implementation of the programme. The GP will organise and assist in organizing Social Audits of the Programme. Social audit meeting will be held in each GP once in six months. The District and the Block Programme Management Unit shall be responsible to ensure that this schedule is adhered to. Scrutiny of the records of six selected Districts revealed that social audit had not been conducted in any of the test-checked districts. The DRDA/ DDPO concerned admitted (March-September- 2017) the facts about non-conduct of social audit.

3.22.5 Impact assessment

Urban

(i) Inadequate coverage of beneficiaries

As per SBM (U) guidelines (para 4.4.1), 50 per cent of the incentive (₹ 2,000) from Central Government was to be released to the identified beneficiary

⁹⁵ (i) Faridabad: ₹ 36.87 lakh, (ii) Nissing: ₹ 0.20 lakh and (iii) Panchkula: ₹ 3.78 lakh.

⁹⁶ (i) Rajound, (ii) Julana, (iii) UklanaMandi, and (iv) Narnaul.

⁹⁷ (i) Rajaund, (ii) Uklana mandi, (iii) Narnaul and (iv) Faridabad.

household by the ULBs as first installment along with 50 per cent share of the State Government (₹ 5,000). The remaining 50 per cent of Central Government incentive as second installment was to be released to the identified beneficiary household along with the State Government's incentive upon verification of physical progress of construction of the household toilet.

Test checked municipalities identified/selected 36,176 beneficiaries to be covered under the mission. Scrutiny of records revealed that out of 36,176 identified beneficiaries, only 24,909 (69 per cent) beneficiaries were covered as first installment was released to these beneficiaries. Thus, 11,267 identified beneficiaries had not yet been covered under the mission (September 2017).

Further, second installment was released only to 366⁹⁸ (1 per cent) out of 24,909 beneficiaries to whom the first installment was released (**Appendix 3.19**). No mechanism was evolved for physical verification to ensure the construction of toilets by the beneficiaries. Specific time limit for completion of toilets was neither fixed in the guidelines of the GOI nor did the State Government fix any time limit on its own. This shows that monitoring was not being done to ensure the completion of construction of toilets by the beneficiaries to achieve the main objective of the mission. On being pointed out, municipalities concerned, except five municipalities⁹⁹, stated (February-September 2017) that second installment would be released after verification of the construction of toilets. The fact remains that the municipalities had only partially covered the identified beneficiaries. Further, there was no assessment even for those who had received the first installment as municipalities had not monitored the same.

(ii) Physical verification

A joint physical verification along with officials of municipalities concerned was conducted in selected municipalities of 666 beneficiaries to ascertain the status of construction of toilets. The verification revealed that out of 666 IHHLs, only 184 (28 per cent) toilets were found to be completed while 120 beneficiaries had not even commenced the construction of toilets. The toilets were lying incomplete in respect of 285 cases for want of water supply, doors, roof, etc. It was also observed that five beneficiaries were also given first installment who already had sanitary toilets. Seventy two beneficiaries could not be located at the specific addresses, in the absence of which it could not be verified whether the first installment was given to genuine beneficiaries and whether they had constructed their toilets or not. The municipality wise details are given in **Appendix 3.20**.

⁹⁸ (i) Municipal Council Narnaul (155) and (ii) Municipal Committee Sampla (211).

⁹⁹ (i) Rajaund, (ii) Julana, (iii) Uklana Mandi, (iv) Narnaul and (v) Faridabad which had not finished the reasons.



The municipalities concerned except five¹⁰⁰ stated (February to August 2017) that matter would be investigated and appropriate action would be taken.

Rural

(iii) Status of individual household latrines

According to baseline survey 2012, there were 7.64 lakh households without toilets in the State. After the implementation of the mission, though the State had declared it as Open Defecation Free (ODF) State from June 2017, the progress report of the mission as on 31 July 2017 showed that 14,959¹⁰¹ households were without IHHLs. Thus, declaration of the state as ODF was not consistent with the progress report. Apart from this, physical verification of households along with the staff of concerned BDPOs also brought out non-completion of IHHLs and utilisation of IHHLs for other purposes as detailed below:

- As per para 5.4.1 of guidelines of SBM (G), a duly completed household sanitary latrine shall comprise of a toilet unit including a substructure which is sanitary (that safely confines human faeces and eliminates the need of human handling before it is fully decomposed), a super structure, with water facility and hand wash unit for cleaning and hand washing. Audit observed that 10¹⁰² out of 1,045 physically verified IHHLs were not completed although incentive of ₹1.16 lakh was released to households during 2014-16. The toilets were found without wash basins, doors, roof, water tank and incomplete basic infrastructure in seven villages of three blocks. The DRDA, Jind and Block Development and Panchayat Officer, Mustfabad stated (March-August 2017) that concerned beneficiaries would be instructed to complete the IHHLs as per norms.
- Four beneficiaries of three blocks¹⁰³ were not using the IHHLs as toilets.

¹⁰⁰ (i) Rajaund, (ii) Julana, (iii) Uklana Mandi, (iv) Narnaul and (v) Faridabad.

¹⁰¹ (i) Bhiwani: 1,280, (ii) Charkhi Dadri: 1,233, (iii) Faridabad: 5,248, (iv) Gurugram: 44, (v) Jind: 496, (vi) Palwal: 1,699 and (vii) Sonapat: 4,959.

¹⁰² (i) Jind (3 cases: ₹ 36,000), (ii) Safidon (4 cases: ₹ 48,000) and (iii) Mustfabad (3 cases: ₹ 32,000).

¹⁰³ (i) Bilaspur (Yamunanagar), (ii) Ganaur (Sonapat) and (iii) Rewari.

These toilets were being used as store, for storing cow dung cake and in one case it was not being utilised at all. An incentive of ₹ 44,000 was released to these beneficiaries for the construction of IHHL (*Appendix 3.21*). The BDPO, Bilaspur and DDPO, Sonapat stated (March-September 2017) that the beneficiaries had started the use of toilets while DRDA, Rewari stated (August 2017) that the matter would be investigated and appropriate action would be taken against the defaulting beneficiaries.

3.22.6 Conclusion

In 12 municipalities, households having insanitary toilets were not identified besides component of construction of community and public toilets were not implemented except in MC, Panipat. Incentive of ₹ 1.80 crore was released to 2,571 beneficiaries without verification of their genuineness. Further, partial incentive was released to 2,192 beneficiaries in urban areas and 1,364 beneficiaries in rural areas. Cases of double/triple payments of incentive were observed. There was shortfall in coverage of beneficiaries and lack of awareness, monitoring and social audit. Thus, there was scope for improved and more concerted implementation of the various components of the mission.

These points were referred to the Government in September 2017 and further reminder was issued in November 2017 but their reply was still awaited.

Welfare of Scheduled Castes and Backward Classes Department

3.23 Suspected fraudulent payment of scholarships

District Welfare Officer, Jhajjar made payment of ₹5.15 crore as scholarships to students without ensuring full documentation and genuineness of the claims resulting in fraudulent payment of ₹5.15 crore.

With a view to providing financial assistance to the Scheduled Castes (SCs) students studying at post-matriculation or post-secondary stage and enabling them to complete their higher education, Government of India (GOI) introduced a Centrally Sponsored Scheme of Post Matric Scholarships (PMS) for SC students for studies in India in 2003. The scheme guidelines were revised in 2010 and 2013. As per scheme guidelines, the scholarships were to be given to those SC students who were pursuing post-matriculation or post-secondary recognized courses in recognized institutions. The State Government would announce the details of the scheme and invite applications by issuing advertisements in leading newspapers of the State, their respective websites and other media outfits during May-June every year. The applicant would submit applications for scholarship in the prescribed form containing his/ her particulars viz name, father's name, photograph, address, bank account details, institute and course details, etc. The application complete in all respects, addressed to an officer specified for this purpose by the State Government, was to be submitted to the Head of Institution by the candidates. The payment of the

scholarship was to be made directly into the bank account of the applicant after a thorough scrutiny of the application form and supporting documents.

In case of SC students of Haryana pursuing Veterinary and Livestock Development Diploma (VLDD) course in recognized institutions, the Institutes had to submit duly filled in applications of eligible students to the District Welfare Officer (DWO) of the district concerned. The DWO was responsible for verifying all the details of the applications before submission of bills to the treasury.

Audit observations

3.23.1 Payments of scholarships without verification of facts by DWO

Scrutiny of records (December 2016) of District Welfare Officer (DWO), Jhajjar, for the period from December 2012 to November 2016 revealed that payment of ₹5.28 crore was made between March and November 2014 on account of PMS to the SC students pursuing VLDD Course in an Institute in District Jhajjar.

Audit observed that Lala Lajpat Rai University of Veterinary and Animal Sciences (LUVAS) had given only provisional affiliation to the Institute in December 2013 on the condition that it would make good the deficiencies. However, the Institute admitted students in session 2012-13 on its own without entrance test and without permission even before grant of provisional affiliation. The provisional affiliation was also withdrawn in June 2014 after surprise inspection conducted by the LUVAS during May 2014 in which serious irregularities like non-availability of faculty and students in the Institute were noticed. No student from the Institute ever appeared in examinations and no diploma was issued by the University to any student of the said Institute. The scholarships were paid against 353 applications of 185 SC students and the DWO approved the release of payments by 42 different sanction orders. However, the DWO, Jhajjar could produce only 160 out of 353 application forms. Scrutiny of these 160 application forms revealed fraudulent payment of ₹197.43 lakh as detailed below:

- In 28 forms, same Bank account number was shown against two different students i.e. 14 bank accounts only were depicted against 28 different applicants. Payments of ₹ 41.71 lakh was made into these accounts.
- In 90 forms, the names and addresses of forty-five students were repeated but their photographs were different in each case. These forms were attested and signed by the Institute. Payments of ₹ 134.79 lakh was made into these accounts.
- In two cases, involving payment of ₹ 3.00 lakh, the name and other particulars were different in the application forms whereas photograph was same on each application form.

- Payment of ₹17.93 lakh was made to three students involving 11 different bank accounts on 12 occasions.
- No photographs were affixed on 28 forms in violation of the conditions mentioned in guidelines.

It is clear from the above that DWO, Jhajjar made payment without verifying all the facts and without properly scrutinizing the applications of PMS. It clearly indicated negligence and possible collusion with the Institute.

3.23.2 Payments of scholarships by Banks

Audit noticed that payment of PMS was made into 227 Bank accounts maintained in 16 branches of various Banks. With a view to ascertaining the genuines of details of students as appearing in vouchers, details of those accounts in which payments were made, were sought from all bank branches in May 2017. Fifteen Banks supplied the details in respect of 222 accounts involving scholarship of ₹ 5.15 crore. Managers of these Banks intimated (May-July 2017) that as per their records, details of account holders of none of these accounts except one, matched with the details of the students in the vouchers. Thus, list of applicants mentioned in vouchers did not match with the details of account holders in which funds were transferred. As a result, payments of PMS were not made to applicants shown in vouchers. Further, it was observed that in eight different banks, particulars (name of applicant and father's name) of five account holders were found to be same. Payments of ₹ 95.84 lakh was made to these accounts resulting in fraudulent drawal of funds. Information from remaining one Bank was awaited (October 2017).

Thus, the Institute submitted PMS claims for students even though it was not a recognized Institute. The DWO, Jhajjar also passed the claims despite the non-affiliation and without ensuring full documentation and genuineness of the claims as prescribed in the guidelines even though the forms submitted by the Institute had multiple discrepancies. Observations of Inspection Committees of LUVAS, the discrepancies brought out in forms submitted by the Institute to audit and cross verification of Bank account details, establish that the claims of students were submitted fraudulently and calls for a thorough investigation apart from recovery of the fraudulent payments of ₹ 5.15 crore. The total disregard of fulfillment of conditions for payment of scholarships by the then DWO, Jhajjar indicates a possible collusion between the DWO and the Institute. It also indicates poor internal controls which resulted in suspected fraudulent payment of ₹ 5.15 crore. No responsibility has been fixed for negligence and fraudulent payment by DWO, Jhajjar.

The Director, Welfare of Scheduled Castes and Backward Classes Department, Haryana informed (June 2017) that a team of the officers was constituted to enquire into the matter. It was further intimated that the process would take at least three weeks and a fact finding report shall be submitted within a month. However, the fact finding report was still awaited (November 2017).

The matter was referred to the Government in May 2017 and further reminders were issued in August and November 2017 but their reply was still awaited.

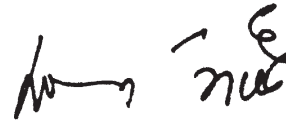


(MAHUA PAL)

Chandigarh

Dated: 31 January 2018 Principal Accountant General (Audit), Haryana

Countersigned



(RAJIV MEHRISHI)

New Delhi

Dated: 6 February 2018 Comptroller and Auditor General of India