



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Social, General and Economic Sectors
(Non-Public Sector Undertakings)
for the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Haryana
Report No. 3 of the year 2020

**Report of
the Comptroller and Auditor General of India**

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PREFACE

This Report for the year ended 31 March 2019 has been prepared for submission to the Governor of the State of Haryana under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the departments/autonomous bodies of Government of Haryana under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2018-19 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2018-19 have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains one Performance Audit on Post-Matric Scholarship Schemes for Scheduled Castes and Other Backward Class Students and 17 paragraphs relating to excess, irregular, unfruitful expenditure, avoidable payments, losses to State Government, shortcomings in implementation of rules and programmes, etc. involving ₹ 269.65 crore. Some major findings are mentioned below:

PERFORMANCE AUDIT

Post-Matric Scholarship Schemes for Scheduled Castes and Other Backward Class Students

A performance audit of the Post-Matric Scholarship Schemes implemented for providing financial assistance to Scheduled Castes (SC)/ Other Backward Class (OBC) students pursuing higher studies brought out deficiencies in planning and financial management, inadequate scrutiny of applications of students, irregularities in disbursement of scholarship, suspected fraudulent payment, weak monitoring mechanism, etc. The department did not evaluate the outcome/ effectiveness of the schemes. While the total financial implication of this Performance Audit is ₹ 89.05 crore including suspected fraudulent payments, some of the significant audit findings are summarised below:

Annual Action Plan and database of eligible students to ascertain coverage of SC/ OBC students under the schemes was not prepared.

(Paragraph 2.1.6.1)

Only 52.24 per cent applicants were paid scholarship during 2015-19, while 37 per cent of approved cases were not paid Scholarship. Technical Education Department did not pay scholarship totalling to ₹ 17.98 crore to 7,757 students though the amount was sanctioned and drawn from the treasury.

(Paragraph 2.1.6.3)

Funds drawn in anticipation of expenditure were kept in bank accounts and unspent funds were not deposited in Government account resulting in loss of interest of ₹ 6.43 crore to the State exchequer.

(Paragraph 2.1.7.2)

Suspected fraudulent payment of ₹ 18.98 crore was made by manipulating Aadhaar numbers of students.

(Paragraph 2.1.8.1)

Payment of scholarship of ₹ 9.65 crore was suspected to be fraudulent as their details could not be verified with supporting records.

(Paragraph 2.1.8.2)

Inadequate scrutiny of income/ caste certificates, etc. of students resulted in irregular payment of scholarship totalling to ₹ 1.91 crore.

(Paragraph 2.1.8.6)

Suspected fraudulent scholarship payments totalling to ₹ 4.74 crore was made to students studying outside the State.

(Paragraph 2.1.8.7)

Monitoring mechanism was weak. Evaluation of the schemes to assess its outcome/effectiveness was not conducted.

(Paragraphs 2.1.9.1 and 2.1.9.2)

COMPLIANCE AUDIT

Animal Husbandry and Dairying Department and Revenue and Disaster Management Department

Suspected embezzlement

Suspected embezzlement of ₹ 1.54 lakh occurred in the Sub Division Office, Animal Husbandry and Dairying Department, Kaithal due to short accountal and non-accountal of Government receipts in the Cash Book and ₹ 1.02 lakh in the office of Deputy Commissioner, Bhiwani (Nazir Branch) by fraudulently increasing the amount of vouchers in the abstracts and drawing the contingent bills with increased amount.

(Paragraph 3.1)

AYUSH Department

Loss of revenue

Shri Krishna Government Ayurvedic College, Kurukshetra did not charge fee for *Panchkarma* therapies as per instructions of the Government resulting in loss of revenue of ₹ 82.48 lakh.

(Paragraph 3.2)

School Education Department

Double disbursement of scholarships

Non observance of the codal provisions and inadequate internal control in Directorates of Elementary Education and Secondary Education led to double disbursement of scholarship of ₹ 30.76 crore to the beneficiaries. The Directorates irregularly kept the unutilised funds blocked in current account resulting avoidable loss of interest.

(Paragraph 3.3)

Finance Department

Excess payment to the pensioners

Non-reconciliation of monthly scrolls submitted by the Central Pension Processing

Centre of State Bank of India by the Director General, Treasuries and Accounts Department, resulted in excess disbursement of pension of ₹ 81.68 lakh to 84 pensioners during April 2012 to May 2018. This had happened due to non-deduction/discontinuation of deduction of commuted portion of pension by the Bank.

(Paragraph 3.4)

Food, Civil Supplies and Consumer Affairs Department

Misappropriation of paddy due to violation of laid down norms by the department

Allotment of paddy by the District Food Civil Supplies and Consumer Affairs Controller, Kurukshetra to an unregistered miller and that too in excess of permissible limit resulted in loss of ₹ 2.99 crore as the miller had misappropriated the paddy.

(Paragraph 3.5)

Extra burden of interest due to delay in claiming driage charges

Five District Food, Civil Supplies and Consumer Affairs Controllers had not claimed paddy driage charges of ₹ 101.59 crore from the Food Corporation of India in regular bills at the time of supply of custom milled rice resulting in delayed receipt of driage charges between 22 and 1,577 days which caused an interest burden of ₹ 13.45 crore on State exchequer.

(Paragraph 3.6)

Forest Department

Use of forest land for non-forest purposes in Aravalli and Shivalik Hill areas

There were encroachments on forest land at six sites, due to weaknesses in exercising controls by the Forest Department. Possession of 170.74 acre land was not taken at three sites for compensatory afforestation. Compensatory afforestation was carried out only on 39.07 hectare against the availability of 122.18 hectare land. Inadequate watch and ward controls of the department led to illegal mining in forest areas. Delay in taking action against the offenders of forest rules resulted in loss of ₹ 2.74 crore. Further, the expenditure of ₹ 2.90 crore on salary of Protection Watchers was not incurred in a transparent manner.

(Paragraph 3.7)

Home Department

Unauthorised use of golf course on Government land

The golf course developed on Government land with Government resources at 3rd Battalion, Haryana Armed Police, Hisar was allowed for use by private persons unauthorisedly by the Police Department for more than five years. Revenue

amounting to ₹ 80.87 lakh generated was kept outside the Government accounts by its Management Committee.

(Paragraph 3.8)

Housing Department (Housing Board Haryana)

Avoidable payment of income tax and non-realisation of interest

Due to non-reduction of the unrealisable amount of surrendered properties from the income, in the subsequent year, the Housing Board, Haryana had to make avoidable payment of income tax of ₹ 1.45 crore. Further, excess refund of ₹ 0.41 crore was made in seven cases due to ignoring of the interest on outstanding amount till the date of surrender of properties.

(Paragraph 3.9)

Public Health Engineering Department

Injudicious expenditure on new water supply scheme

Instead of laying 1.5 kilometre (km) separate pipeline for supplying drinking water to village Khariawas, the Public Health Engineering Division, Tosham, District Bhiwani opted for construction of independent water works after laying 6 km pipeline for carrying canal water and treated water which led to incurring of an injudicious and avoidable expenditure of ₹ 1.48 crore.

(Paragraph 3.10)

Unfruitful expenditure on incomplete work

The water supply scheme for village Bhurawas, district Jhajjar remained incomplete even after seven years of the targeted date of completion due to starting the work by the Public Health Engineering Division No. 1, Jhajjar without assessing the site conditions, which resulted in unfruitful expenditure of ₹ 1.29 crore, besides, potable water could not be provided to villagers.

(Paragraph 3.11)

Public Works Department (Buildings and Roads)

Unfruitful expenditure on widening and strengthening of link road

Despite knowing the fact that the land for construction of 3.430 kilometer (km) road belonged to private persons, the Provincial Division, Public Works Department (Buildings and Roads) Naraingarh incurred an expenditure of ₹ 6.30 crore on construction of 10.57 km road (km zero to km 7.370 and km 10.800 to km 14.000). Resultantly, the expenditure remained unfruitful as both ends remained separate and the road could not be utilised by the commuters.

(Paragraph 3.12)

Science and Technology Department

Unfruitful expenditure on non-functional cafeteria

Expenditure of ₹ 0.82 crore incurred on the construction of a cafeteria in Kalpana Chawla Memorial Planetarium at Kurukshetra remained unfruitful, due to lack of firm plan with the Haryana State Council for Science and Technology for its utilisation.

(Paragraph 3.13)

Town and Country Planning Department

Enforcement of Land Use Regulations

Unauthorised colonies grew in the State due to non-compliance to the extant provisions in the Acts and Rules. There were instances of granting of licences in excess of permissible area, delay in initiation of action for cancellation of licences, etc. Further, construction of buildings without approval of building plans, issuance of part occupation certificate without recovering External Development Charges, non-development of colonies of cancelled licences, non-recovery of revised licence fee, non-obtaining/ revalidation of bank guarantees, etc. were also observed. Change of Land Use permissions were granted in violation of rules. Besides compliance issues, total financial implication of this audit is ₹ 91.19 crore. Apart from these issues, an amount of ₹ 15,216.61 crore was outstanding against the colonisers on account of pending External Development Charges/ Infrastructure Development Charges for 1 to 16 years.

(Paragraph 3.14)

Town and Country Planning Department Haryana Shehri Vikas Pradhikaran

Excess payment to contractor

The Executive Engineer, Haryana Shehri Vikas Pradhikaran, Sonapat did not recover the amount of decrease in cost of bitumen/emulsion as per provisions of contract document resulting in excess payment of more than ₹ 5.61 crore to the contractor.

(Paragraph 3.15)

Execution of works irregularly and without calling tenders

The Executive Engineer, Haryana Shehri Vikas Pradhikaran, Division No. III, Gurugram executed four works valuing ₹ 16.11 crore irregularly without obtaining administrative approval and technical sanction from the competent authorities. These works were awarded to a contractor on nomination basis without inviting competitive tenders, disguising these as enhancements of an agreement of ₹ 0.19 crore to ₹ 16.30 crore. Further, in contravention of codal provisions, performance guarantee of ₹ 0.81 crore, to protect the Government interest, was not obtained.

(Paragraph 3.16)

Transport Department

Excess expenditure due to award of work at higher rates

The General Manager, Gurugram Depot of Haryana Roadways awarded the cleaning work of three bus stands, one workshop and buses to L5 bidder arbitrarily and extended the agreement upto 52 months from original six months' period. This resulted in excess expenditure of ₹ 1.03 crore.

(Paragraph 3.17)

Chapter 1

Introduction

CHAPTER 1

INTRODUCTION

1.1 Budget profile

There are 56 departments and 30 autonomous bodies functioning under the Government of Haryana. The position of budget estimates and actual expenditure there against by the State Government during 2014-19 is given in Table 1.1.

Table 1.1: Budget and actual expenditure of the State during 2014-19

(₹ in crore)

Expenditure	2014-15		2015-16		2016-17		2017-18		2018-19	
	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual
General Services	16,639	16,765	19,668	18,713	21,663	21,631	24,379	26,699	29,788	28,169
Social Services	21,498	19,120	25,015	21,539	29,403	25,473	31,404	28,061	34,176	29,743
Economic Services	14,372	13,088	16,549	18,691	23,482	20,875	23,752	18,107	20,916	19,022
Grants-in-aid and Contributions	194	145	213	293	248	424	401	390	306	222
Total (1)	52,703	49,118	61,445	59,236	74,796	68,403	79,936	73,257	85,186	77,156
Capital Outlay	5,747	3,716	5,904	6,908	8,817	6,863	11,122	13,538	15,780	15,306
Loans and Advances Disbursed	1,001	843	1,367	13,250	4,729	4,515	1,326	1,395	1,766	756
Repayment of Public Debt	13,850	8,227	10,036	7,215	9,677	5,276	9,945	6,339	12,466	17,184
Contingency Fund	-	-	-	63	-	80	-	27	-	13
Public Accounts disbursements	52,478	25,609	84,833	28,650	96,756	29,276	2,04,107	31,171	2,32,569	37,386
Closing Cash balance	-	6,508	-	6,218	-	5,658	-	4,417	-	2,985
Total (2)	73,076	44,903	1,02,140	62,304	1,19,979	51,668	2,26,500	56,887	2,62,581	73,630
Grand Total (1+2)	1,25,779	94,021	1,63,585	1,21,540	1,94,775	1,20,071	3,06,436	1,30,144	3,47,767	1,50,786

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

1.2 Application of resources of the State Government

As against the total budget outlay of ₹ 3,47,767 crore, the application of resources was ₹ 1,50,786 crore during 2018-19. The total expenditure¹ of the State increased by 74 per cent from ₹ 53,677 crore to ₹ 93,218 crore during the period 2014-15 to 2018-19 while the revenue expenditure increased by 57 per cent from ₹ 49,118 crore to ₹ 77,156 crore during the same period. The revenue expenditure constituted 75 to 92 per cent of the total expenditure while capital expenditure was seven to 16 per cent during the period from 2014-15 to 2018-19.

¹ Total of Revenue Expenditure, Capital Outlay and Loans and Advances.

During the period from 2014-15 to 2018-19, total expenditure increased at an annual average rate of 16 per cent whereas revenue receipts grew at an annual average growth rate of 12 per cent.

1.3 Persistent savings

During the last five years, 18 grants and one appropriation showed persistent savings of more than ₹ 10 crore and which were also 10 per cent or more of the total grants (Table 1.2).

Table 1.2: Grants indicating persistent savings

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings				
		2014-15	2015-16	2016-17	2017-18	2018-19
Revenue (Voted)						
1.	05-Excise and Taxation	29.40 (16)	45.48 (22)	35.12 (16)	65.89 (25)	48.40 (20)
2.	07-Planning and Statistics	333.58 (81)	237.74 (58)	283.17 (62)	10.76 (26)	22.00 (37)
3.	09-Education	1,369.49 (14)	2,317.26 (20)	3,436.36 (25)	2,345.71 (17)	1,799.79 (13)
4.	10-Technical Education	137.08 (28)	93.47 (20)	98.19 (21)	92.61 (21)	68.17 (15)
5.	11-Sports and Youth Welfare	58.82 (25)	84.43 (27)	105.84 (25)	211.20 (46)	114.86 (29)
6.	13-Health	576.18 (21)	547.14 (18)	595.38 (18)	434.07 (12)	497.37 (12)
7.	14-Urban Development	32.64 (24)	63.06 (37)	12.47 (13)	53.95 (51)	38.93 (36)
8.	15-Local Government	584.00 (28)	1,407.70 (43)	879.77 (25)	1,462.93 (27)	2,168.63 (43)
9.	17-Employment	25.15 (31)	29.62 (38)	16.12 (23)	56.52 (24)	45.37 (13)
10.	18-Industrial Training	24.00 (11)	30.39 (12)	52.67 (19)	122.11 (29)	185.11 (37)
11.	19-Welfare of SCs, STs, Other BCs and Minorities	95.10 (26)	323.20 (49)	213.79 (27)	357.63 (47)	325.97 (45)
12.	21-Women and Child Development	195.08 (22)	268.23 (27)	368.88 (33)	232.26 (22)	476.58 (34)
13.	23-Food and Supplies	166.43 (45)	122.74 (33)	115.61 (14)	311.20 (54)	108.50 (28)
14.	27-Agriculture	473.74 (37)	374.19 (27)	826.91 (43)	648.44 (34)	956.78 (35)
15.	32-Rural and Community Development	580.95 (23)	815.54 (28)	366.90 (10)	1,193.68 (26)	1,261.75 (26)
Capital (Voted)						
16.	21-Women and Child Development	163.97 (74)	168.82 (79)	37.37 (34)	110.87 (64)	77.01 (48)
17.	34-Transport	29.13 (15)	79.85 (38)	149.58 (57)	45.64 (17)	163.57 (47)
18.	38-Public Health & Water Supply	146.74 (13)	323.70 (28)	310.50 (25)	273.98 (19)	294.53 (17)
Capital (Charged)						
19..	Public Debt	5,622.44 (41)	2,820.83 (28)	4,401.67 (45)	3,606.12 (36)	2,081.88 (11)

Note: Figures in parenthesis show percentage of savings to total provision
(Source: Appropriation Accounts of concerned years)

1.4 Grants-in-aid from Government of India

The Grants-in-aid (GIA) from Government of India (GoI) increased by ₹ 1,888.42 crore (36.42 per cent) in 2018-19 over the previous year as shown in Table 1.3.

Table 1.3: Grants-in-aid received from GoI

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan Grants	1,723.20	3,744.39	3,078.49	-	-
Grants for State Plan Schemes	2,815.36	2,268.18	2,327.52	-	-
Grants for Central Plan Schemes	24.57	27.53	34.50	-	-
Grants for Centrally Sponsored Schemes	439.75	338.66	237.07	2,326.62	2,843.09
Finance Commission Grants	-	-	-	1,316.68	1,274.26
Compensation for Loss of Revenue arising out of implementation of GST				1,199.00	2,820.00
Other Transfer/Grants to States	-	-	-	342.82	136.19
Total	5,002.88 (21)	6,378.76 (28)	5,677.58 (-11)	5,185.12 (-9)	7,073.54 (36)

(Source: Finance Accounts for respective years)

In addition to above, GoI had been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes. The GoI decided to route these funds through State Budget from 2014-15 onwards. However, during 2018-19, the GoI transferred ₹ 4,226.45 crore directly to various implementing agencies/Non-Governmental Organisations of the State.

1.5 Planning and conduct of audit

The audit process commences with risk assessment of various departments, autonomous bodies and schemes/projects which involves assessing the criticality/complexity of activities, the level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on the risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

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

During 2018-19, compliance audit of 546 drawing and disbursing officers of 56 departments of the State and 69 units of 15 autonomous bodies under sections 19(2), 19(3) and 20(1) of Comptroller and Auditor General's (Duties, Powers

and Conditions of Service) Act 1971, was conducted by the office of the Accountant General (Audit), Haryana. In addition, performance audit on Post Matric Scholarship schemes for Scheduled Castes and Other Backward Class Students was also conducted.

1.6 Significant audit observations and response of Government to audit

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have negative impact on the success of programmes and functioning of the departments. The focus was on offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens. The departments are required to send their responses to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks.

This Audit Report contains one Performance Audit and 17 compliance audit paragraphs which were forwarded to the concerned Administrative Secretaries. Replies from the administrative Departments have been received for Performance Audit and four compliance audit paragraphs which have been suitably incorporated in the Audit Report.

1.7 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice in the course of test audit of accounts of Government departments were referred to the various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit. An amount of ₹ 2.31 crore was recovered in 66 cases during 2018-19 by various departments after being pointed out by the Audit through Inspection Reports.

1.8 Responsiveness of Government to Audit

After periodical inspection of the Government departments, the Accountant General (Audit) issues the Inspection Reports (IRs) to the head of offices audited with copies to the next higher authorities. The executive authorities are expected to promptly rectify the defects and omissions pointed out and report compliances to the Accountant General (Audit) within four weeks. Half yearly reports of IRs pending for more than six months are also sent to the concerned Administrative Secretaries of the departments to facilitate monitoring and compliance of the audit observations in the pending IRs. As of September 2019, 25,964 paragraphs pertaining to 8,340 IRs were outstanding against various

auditable units pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings).

A review of Inspection Reports audited up to March 2019 relating to various offices of Public Works Department (Buildings and Roads) revealed that 934 paragraphs of 264 IRs with money value of ₹ 9,884.43 crore were outstanding as of September 2019 as indicated in **Table 1.4**.

Table 1.4: Year wise breakup of outstanding Inspection Reports and paragraphs (₹ in crore)

Year	Number of IRs	Number of paragraphs	Amount
1992-93 to 2013-14	102	163	1,892.76
2014-15	28	81	2,669.72
2015-16	33	94	338.73
2016-17	38	189	2,658.47
2017-18	32	201	1,071.90
2018-19	31	206	1,252.85
Total	264	934	9,884.43

{Source: Information derived from IR Registers maintained in AG (Audit) Office}

Category-wise details of irregularities pointed out through these IRs which had not been settled as of September 2019 are indicated in **Appendix 1.1**.

1.9 Follow-up on Audit Reports

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

A review of the position of the paragraphs included in the Audit Report for the year 2016-17, revealed that paragraph numbers 3.9 and 3.10 pertaining to Public Health Engineering Department were yet to be discussed in Public Accounts Committee (September 2019). Sixteen administrative departments had not taken any action to recover the amount of ₹ 1,745.85 crore in respect of 35 paragraphs and performance audits (**Appendix 1.2**).

Further, the response of the administrative departments towards the recommendations of the Public Accounts Committee was not encouraging as 735 recommendations relating to Audit Reports for the period from 1971-72 to

2015-16 were still awaiting final action by the concerned administrative departments (*Appendix 1.3*).

1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly

Several autonomous bodies have been set up by the Government in the fields of Urban Development, Housing, Labour Welfare, Agriculture and Justice. The audit of accounts of 30 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature is indicated in *Appendix 1.4*.

District Legal Services Authority, Jhajjar had not submitted its annual accounts for the years 1996-97 to 2010-11 and had submitted annual accounts for subsequent years. Delay in respect of seven autonomous bodies ranged between one year and two years. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

SARs in respect of Haryana Building and Other Construction Workers Welfare Board, Chandigarh (2009-10 to 2017-18) have not been placed before the State Legislature.

Chapter 2

Performance Audit

CHAPTER 2

PERFORMANCE AUDIT

Welfare of Scheduled Castes and Backward Classes, Technical Education, Higher Education, Skill Development and Industrial Training and Medical Education and Research Departments

2.1 Post-Matric Scholarship Schemes for Scheduled Castes and Other Backward Class Students

With a view to provide financial assistance to the Scheduled Castes (SC) and Other Backward Class (OBC) students for pursuing their post-matriculation/ secondary courses through recognised institutions, Post-Matric Scholarship Schemes were introduced in 1944 for SC students and in 1998-1999 for OBC students as centrally sponsored schemes. A performance audit of the schemes brought out lack of planning, deficiencies in financial management, inadequate scrutiny of applications of students, irregularities in disbursement of scholarship, suspected fraudulent payment, weak monitoring mechanism, etc. Further, no evaluation of the schemes was conducted by the Department to assess the outcome/ effectiveness of the schemes. While the total financial implication of this Performance Audit is ₹ 89.05 crore including suspected fraudulent payments, some of the significant audit findings are summarised below:

Highlights

Annual Action Plan and database of eligible students to ascertain coverage of SC/ OBC students under the schemes was not prepared.

(Paragraph 2.1.6.1)

Only 52.24 per cent applicants were paid scholarship during 2015-19. 37 per cent of approved cases were not paid Scholarship. Technical Education Department did not pay scholarship to 7,757 students though the amount was sanctioned and drawn from the treasury.

(Paragraph 2.1.6.3)

Funds drawn in anticipation of expenditure were kept in bank accounts and unspent funds were not deposited in Government account resulting in loss of interest of ₹ 6.43 crore to the State exchequer.

(Paragraph 2.1.7.2)

Suspected fraudulent scholarship payment of ₹ 18.98 crore was made by manipulating Aadhaar numbers of students.

(Paragraph 2.1.8.1)

Payment of scholarship of ₹ 9.65 crore was suspected to be fraudulent as their details could not be verified with supporting records.

(Paragraph 2.1.8.2)

Inadequate scrutiny of income/caste certificates, etc. of students resulted in irregular payment of ₹ 1.91 crore.

(Paragraph 2.1.8.6)

Suspected fraudulent scholarship payment of ₹ 4.74 crore was made to students studying outside the State.

(Paragraph 2.1.8.7)

Monitoring mechanism was weak. Evaluation of the schemes to assess its outcome/effectiveness was not conducted.

(Paragraphs 2.1.9.1 and 2.1.9.2)

2.1.1 Introduction

Post-Matric Scholarship (PMS) schemes are Centrally Sponsored and implemented by the State Government. The main objective of the schemes is to provide financial assistance to the Scheduled Castes (SC) and Other Backward Class (OBC) students for pursuing their post matriculation/secondary courses through recognised institutions. The schemes were introduced in 1944 for SC students and in 1998-99 for OBC students. However, the guidelines were revised by Government of India (GoI) from time to time.

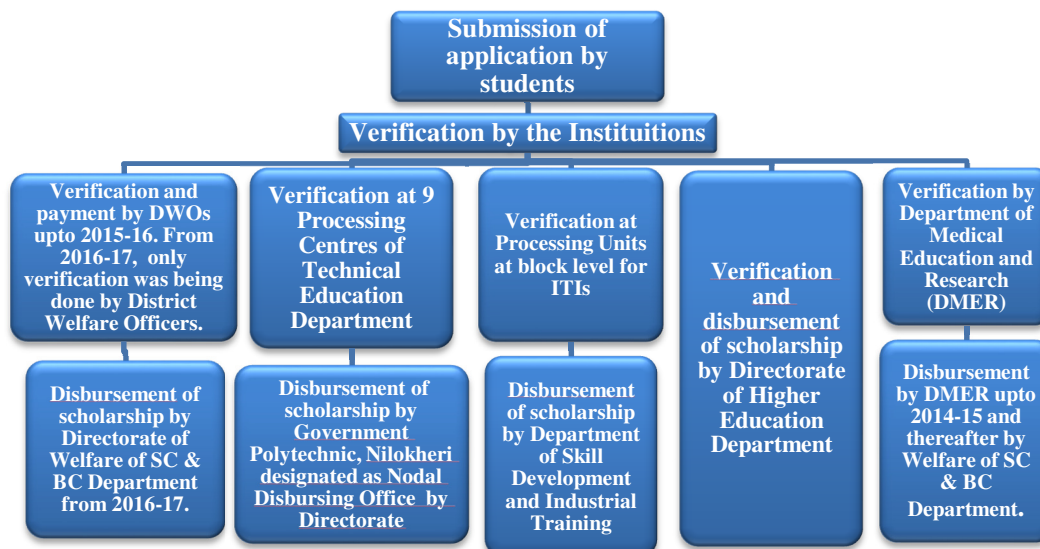
SC and OBC students whose parents/guardians' income from all sources does not exceed ₹ 2.50 lakh (w.e.f 2013-14) and ₹ 1.00 lakh per annum respectively were eligible for scholarship under the scheme. The income limit for OBC students was revised from ₹ 1.00 lakh to ₹ 1.50 lakh from September 2018. To be eligible for the schemes, the students should be resident of Haryana. The scholarship included (i) Maintenance Allowance (ii) Additional Allowances for students with disabilities (iii) All Compulsory Non Refundable Fees (iv) Study Tours (v) Thesis Typing/ Printing Charges (vi) Book Allowance for Students pursuing Correspondence/ Distance Education Courses and (vii) Book Banks. The quantum of scholarship under each item is given in **Appendix 2.1**. The award once made was payable from the stage at which it was given to the completion of course subject to good conduct and 75 per cent attendance in every academic year. As per guidelines, the amount of scholarship was to be paid to beneficiaries through their accounts in post office/banks.

2.1.2 Organisational set-up and procedure for disbursement of scholarship

The Schemes were implemented under the overall control and supervision of Welfare of Scheduled Castes and Backward Classes Department. The scholarship

is being disbursed by seven departments¹ in the State. The procedure followed by test-checked departments for disbursement of scholarships is depicted in **Chart 2.1**.

Chart 2.1: Chart showing procedure for disbursement of scholarship



2.1.3 Audit objectives

The objectives of the Audit were to ascertain whether:

- planning and implementation of the scheme was efficient and effective;
- financial management was prudent;
- disbursement of scholarship was efficient and transparency ensured in processing of applications; and
- internal controls and monitoring system was adequate at various levels.

2.1.4 Scope and methodology of Audit

Performance Audit for the period 2014-19 was conducted between February and August 2019. Out of seven departments involved in disbursement of scholarship,

¹ (i) Welfare of Scheduled Castes and Backward Classes Department, (For students studying outside the State of all categories for all courses, students of all categories for Medical courses studying in Haryana also and all OBC students for all courses excluding students under Higher Education Department), (ii) Technical Education Department (All SC students of technical courses studying in Haryana), (iii) Skill Development and Industrial Training Department (All SC students of ITI courses studying in Haryana), (iv) Medical Education and Research Department (All SC students of medical courses studying in Haryana upto year 2014-15), (v) Higher Education Department (SC and OBC students of General courses like BA, BCOM etc in Haryana), (vi) Secondary Education Department (11th and 12th class students) and (vii) Chaudhary Charan Singh, Haryana Agricultural University, Hisar (Agriculture courses in the same university).

five² major departments were selected for test-check based on combined amount of scholarships. Only negligible amount of ₹ nine lakh was disbursed by remaining two departments during this period. Using statistical sampling method, seven³ out of 22 districts were selected and within each selected district, three institutes of each selected department (one institute in case of Skill Development and Industrial Training Department) were selected. Accordingly, total of 61 institutes⁴ were selected. Further, a survey of 616 beneficiaries of 58 institutes was also carried out for assessing the availability of human and physical infrastructure in the institutes and disbursement of scholarship to students.

An entry conference was held in January 2019 with Additional Chief Secretary to Government of Haryana, Welfare of SC and BC Department and other officers of the Department, Department of Skill Development and Industrial Training and Technical Education Department wherein audit objectives, audit criteria and scope of audit were discussed. The findings were discussed in the exit conference held in July 2020 with the Principal Secretary, Welfare of SC and BC Department and officers of all concerned departments. The replies received from the departments and deliberations of the exit conference have been suitably incorporated in the report.

2.1.5 Audit criteria

The audit criteria were derived from the following sources:

- Scheme guidelines for SC students issued by GoI in December 2010 and April 2018.
- Scheme guidelines for OBC students issued by GoI in July 2011 and September 2018.
- Instructions issued by GoI and State Government from time to time.

² (i) Welfare of Scheduled Castes and Backward Classes Department, (ii) Technical Education Department, (iii) Skill Development and Industrial Training Department, (iv) Medical Education and Research Department and (v) Higher Education Department.

³ (i) Rohtak (ii) Faridabad (iii) Yamunanagar (iv) Sonapat (v) Bhiwani (vi) Fatehabad (vii) Mahendergarh

⁴ (i) Welfare of Scheduled Castes and Backward Classes Department/Medical Education and Research Department (21), (ii) Technical Education Department (21), (iii) Skill Development and Industrial Training Department (7), and (iv) Higher Education Department (12).

Audit findings

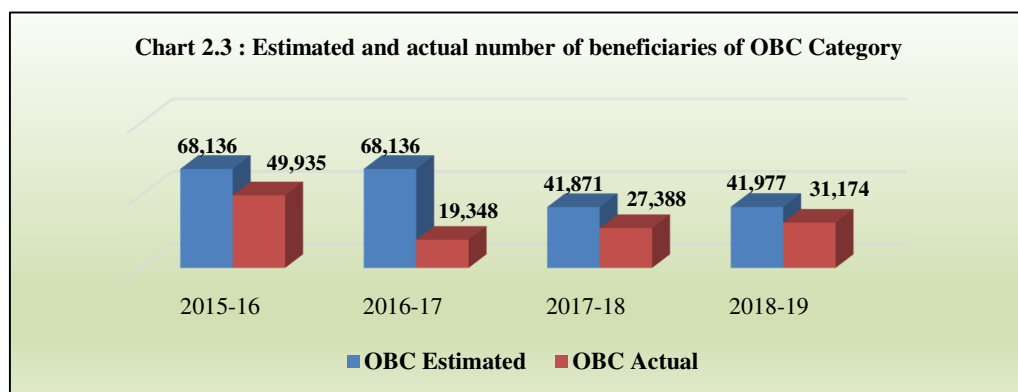
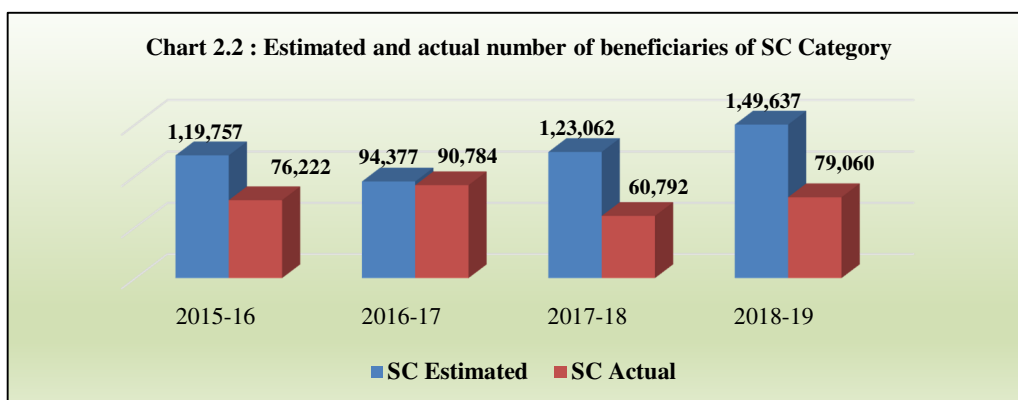
2.1.6 Planning and implementation

2.1.6.1 Annual work plan and database of eligible beneficiaries not prepared

Preparation of Annual Action Plan is essential for ensuring systematic and realistic assessment of requirement of funds and coverage of eligible beneficiaries. Audit observed that:

- No Annual Action Plan or perspective plan was prepared during 2014-19 for assessing the number of eligible beneficiaries and the strategy for their timely coverage.
- None of the test checked districts prepared year-wise database which could be used to arrive at estimates for number of students for succeeding year(s).
- The Departments had not maintained any database of eligible students. The estimates regarding number of eligible students for scholarship were prepared on *ad hoc* basis without collecting any data from field offices or conducting any survey regarding eligible students under the schemes.
- In the absence of Annual Action Plan and database of eligible students, the Department was not able to ascertain coverage of students with the result that no follow up action could be taken to cover left out students, if any.

Audit noted wide variations in the number of beneficiaries estimated *vis-à-vis* actual number of beneficiaries in the State as depicted in **Charts 2.2 and 2.3**.



(Source: Information provided by the Welfare of SC and BC Department)

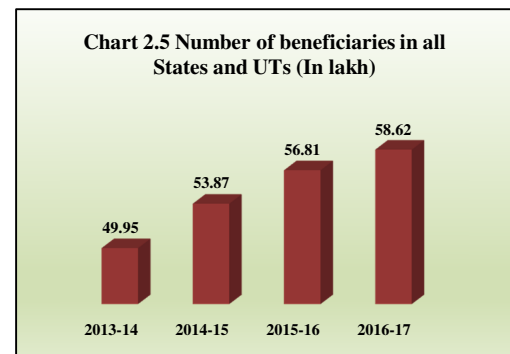
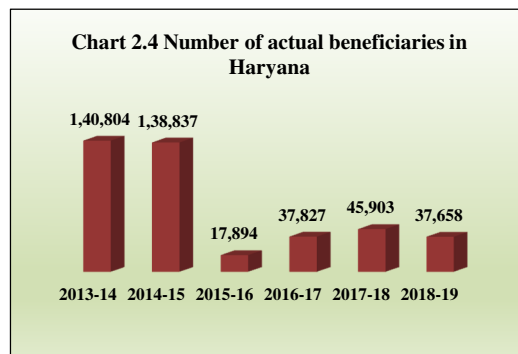
The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that Annual Action Plan is now being prepared on the basis of proposals received from concerned implementing departments. It was further added that estimates were prepared on the basis of admission of students. Variation in estimated and actual number of beneficiaries was attributed to income criteria/meagre amount of scholarship.

The reply is not acceptable in view of the systemic deficiencies noted in the process of arriving at the estimated number.

Recommendation: The Departments should prepare a database of all eligible students and make Annual Action Plan for coverage of all the eligible students in a time bound manner.

2.1.6.2 Decline in number of SC beneficiaries

The number of SC students who benefitted under this scheme during the years 2013-14 to 2018-19 in Haryana is given in **Chart 2.4** and that of all States and Union Territories (UTs) is given in **Chart 2.5**.



(Source: Information for Haryana provided by Welfare of SC and BC Department and for all States and UTs taken from GoI website).

The Charts show increasing trend of beneficiaries in all States while in Haryana there was a sharp decline in number of students during 2015-19 in comparison to that of 2013-14 and 2014-15. Audit observed that pendency of cases with the department as discussed in **paragraph 2.1.6.4** was one of the reasons for decline in number of beneficiaries after 2014-15.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that decline in number of beneficiaries was due to processing of applications through online portal as applicants may not be aware about applying online on the portal or some technical issues related to application and adaptability, etc. The reply is not convincing as pendency of cases with the departments was observed. The department also failed to create awareness about applying online and resolving the problems of the applicants.

2.1.6.3 Non-payment of scholarship to SC students

Table 2.1 shows the position of number of applications received, scholarship disbursed and scholarship not disbursed during 2015-19.

Table 2.1: Position of number of applications received, scholarship disbursed and scholarship not disbursed during 2015-19

Year to which beneficiaries pertain	Total number of applications received	Total number of applications approved	Number of beneficiaries to whom scholarship disbursed	Number of beneficiaries to whom scholarship not disbursed	Percentage of beneficiaries to whom scholarship disbursed to actual application
(Number of students are in lakh)					
2015-16	1.10	0.85	0.18	0.92	16.36
2016-17	0.46	0.38*	0.38	0.08	82.61
2017-18	0.46	0.46*	0.46	0	100.00
2018-19	0.66	0.54	0.38	0.28	57.58
Total	2.68	2.23	1.40	1.28	52.24

* This includes the cases sanctioned offline after closing of portal.

(Source: Information taken from website portal of Welfare of SC and BC Department)

The departments concerned did not analyse the poor percentage of scholarship disbursed. Scrutiny in audit showed that scholarship was not disbursed to number of beneficiaries to whom sanction was accorded/ recommendations were made by the departments as discussed below:

- While 83 *per cent* of the applications were approved, scholarship was disbursed to only 52 *per cent* of the students despite availability of funds (para 2.1.7.1).
- Scholarship of ₹ 202.58 crore was withdrawn from treasury for 92,383 students after sanction by the Technical Education Department during 2014-18. Of this, scholarship of ₹ 17.98 crore remained unpaid to 7,757 students. The Nodal Disbursing Officer stated (June 2019) that the action would be taken after verification of the facts. Further developments are awaited (September 2020).

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that the applications were rejected due to incomplete applications/documents or on the basis of eligibility.

Reply is not accepted as the numbers of rejected/ incomplete applications were only 31,407 as per portal data. Non-payment of scholarship deprived the students of benefits under the scheme.

2.1.6.4 Timelines for scholarship disbursement not prescribed

The Government of Haryana (GoH) did not prescribe timelines for payment of scholarship to a student under the scheme. In the absence of the above, audit noted that there were delays in payment of scholarships to the students in different test checked departments during the period 2014-19 as given in **Table 2.2**.

Table 2.2: Statement showing the delay in payment of scholarship

Name of the department	Total number of students	Number of students with delayed receipt of scholarship (per cent)	Average and range of delay in months (from the end of financial year of admission)
Technical Education Department [#]	11,167	7,182 (64.31)	7.52 (1-33)
Welfare of SC and BC Department ^{##}	41,035	35,000 (85.29)	6.88 (1-72)
Higher Education Department	64,625	56,975 (88.16)	8.02 (1-11)

Data pertains to 21 selected institutes

Data pertains to selected districts

(Source: Information compiled from departmental records)

It was seen that majority of the students could not receive the scholarship in time, while there was no benchmark to assess the performance in disbursement of the implementing departments.

Delay in disbursement of scholarship adversely affects the objectives of the scheme intended to ensure uninterrupted studies of students belonging to vulnerable sections of society, and exposes the students to undue hardships.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that State Government has now issued instructions to all implementing departments to make payment within one year from the date of closing of portal.

2.1.6.5 Dropout of students

Data regarding discontinuance of studies of students of selected 61 institutes for the period 2011-19 is given in **Table 2.3**.

Table 2.3: Details of students who discontinued their studies in 61 selected institutes

Name of Department	Category	Total admission	Number of students who completed study	Number of students continuing study	Number of students who left study (Percentage)
Welfare of SC/BC	SC	4,358	2,628	1,409	321 (7)
	OBC	767	575	144	48 (6)
Higher Education	SC	2,307	910	1,134	263 (11)
	OBC	1,566	577	744	245 (16)
Skill Development and Industrial Training	SC	2,051	1,477	107	467 (23)
	OBC	105	55	0	50 (48)
Technical Education	SC	4,716	1,240	1,359	2,117 (45)
	OBC	1,549	1,113	367	69 (4)
Total		17,419	8,575	5,264	3,580 (21)

(Source: Information compiled from the records of the selected institutes)

As is evident from the above, out of 17,419 SC/ OBC students, 8,575 completed the studies, study of 5,264 students was in progress and 3,580 students had left the studies incomplete, although scholarship was paid to them. Reasons for discontinuance of studies were not on record of the institutes. The department had not analysed the reasons for the dropout of students.

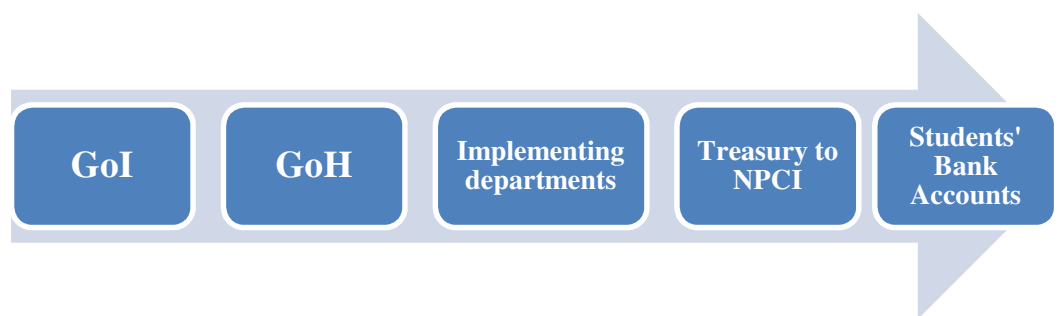
Further, as per paragraph X (iv) of the scheme for SC, a scholar was liable to refund the scholarship amount at the discretion of the State Government, if the scholar discontinues the studies. The State Government had, however, not framed any rules in this regard as a deterrent to students.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that action would be taken after examination of the data.

2.1.7 Financial management

The process of fund flow for scholarship is given in **Chart 2.6**.

Chart 2.6: Flow of scholarship funds



Upto the year 2014-15, the departments were releasing funds to students through cheques. From 2015-16, the scholarship is being directly released into the *Aadhaar* seeded bank account of beneficiary students.

2.1.7.1 Budget allocation and expenditure

The scheme is funded by the Union and the State Governments. The expenditure incurred by a State on the scheme during the terminal year of any Plan period is termed as committed liability of that State and is required to be borne by the State Government for each year during the next plan period from its own budgetary provisions. Any further requirement of funds over committed liability is borne by the Union Government. Budget provision and expenditure incurred during 2014-19 is given in **Table 2.4**.

Table 2.4: Statement showing budget allotment and actual expenditure

(₹ in crore)

Year	Budget allotted			Actual expenditure ⁵		Total expenditure (per cent)
	SC	OBC	Total	SC	OBC	
2014-15	129.76	12.36	142.12	109.18	4.11	113.29(80)
2015-16	388.12	35.56	423.68	176.31	11.78	188.09(44)
2016-17	313.87	37.36	351.23	239.00	5.12	244.12(70)
2017-18	325.14	37.36	362.50	110.23	8.52	118.75(33)
2018-19	313.87	37.36	351.23	158.75	6.84	165.59(47)
Total	1,470.76	160.00	1,630.76⁶	793.47	36.37	829.84 (51)

(Source: Information extracted from Detailed Appropriation Accounts)

Year-wise expenditure incurred by implementing departments is given in *Appendix 2.2*.

It was observed that:

- Allocation to the extent of 49 per cent was not utilised by the GoH, at the same time there were constant shortfalls in the number of beneficiaries against the number estimated during this period. In the absence of realistic data of students of SC and OBC categories, budget estimations were made on *ad hoc* basis leading to persistent savings. The department should have prepared the budget with reference to estimated number of beneficiaries and their entitlements as per scheme guidelines to arrive at correct estimates.
- The committed liability of the State Government for next five years (2017-18 to 2021-22) was to be fixed on the basis of expenditure pertaining to the beneficiaries of 2016-17 i.e terminal year of 12th five year plan period that was ₹ 82.57 crore for SC students per year. Audit observed that the Department did not send the information relating to expenditure of 2016-17. In the absence of information in prescribed format, the committed liability at ₹ 317.61 crore per year was fixed by GoI on the basis of highest expenditure incurred in any year during 12th five year plan period. Actual expenditure on the students pertaining to the year 2017-18 was ₹ 102.25 crore which was within committed liability fixed by the GoI. Had the committed liability been fixed at ₹ 82.57 crore on the basis of actual number of beneficiaries pertaining to 2016-17, the State Government would have been able to claim funds of ₹ 19.68 crore from GoI.

⁵ This includes the expenditure incurred on students pertaining to previous years but paid during the respective years.

⁶ Funds of ₹ 261.11 crore for SC (2014-15: ₹ 27 crore, 2015-16: ₹ 68.67 crore, 2016-17 ₹ 107.35 crore, 2018-19: ₹ 58.09 crore) and ₹ 27.29 crore for OBC (2015-16: ₹ 14.94 crore, 2018-19: ₹ 12.35 crore) were received from GoI.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that State Government had requested (October 2015) GoI to reconsider the fixation of committed liability and matter was under their consideration.

Recommendation: The State Government should take up the issue with GoI to abolish the system of committed liability and provide assistance to State Government on sharing basis like other Centrally Sponsored Schemes.

2.1.7.2 Irregularities in financial administration

Rule 2.10 (b) (5) of Punjab Financial Rules, as applicable in Haryana, stipulates that no money should be withdrawn from the treasury unless it is required for immediate disbursement. Rule 2.15 of these rules stipulates that if it is found at any time that the balance in hand is larger than requirement to meet the anticipated expenditure, the surplus should be returned into the nearest treasury. The Finance Department issued (May 2014) instructions to make payment of scholarships directly into bank account of beneficiaries. To ensure that all payments are made directly to the ultimate beneficiaries, instructions were issued by the Finance Department that all intermediate bank accounts should be closed.

Following procedure is adopted by the implementing departments to release the scholarship to the beneficiary's accounts:

- I. Departments of Welfare of SC and BC and Skill Development and Industrial Training release scholarship direct from treasury to student's accounts through National Payment Corporation of India (NPCI).
- II. The departments of Technical Education and Higher Education have opened intermediate accounts for disbursement of scholarship, contrary to the instructions of the Finance department.

Following observations are made based on scrutiny of records relating to payment of scholarship:

(i) Technical Education and Higher Education departments had withdrawn (during 2014-19) funds of ₹ 360.03 crore⁷ from Government account and deposited in bank accounts and made further payment of scholarship to students from the bank accounts. This included ₹ 25 crore drawn by Technical Education Department, at the fag end of financial year (March 2017) to avoid lapse of budget grant, however, the amount was disbursed to students in 2017-18. Drawal of funds in anticipation of requirement and parking these funds in bank accounts was in violation of Government instructions and resulted in loss of interest of ₹ 5.99 crore⁸ to the State exchequer.

⁷ (i) Higher Education Department ₹ 151.03 crore (ii) Technical Education Department ₹ 209 crore.

⁸ (i) Higher Education Department ₹ 2.32 crore (ii) Technical Education Department ₹ 3.67 crore.

It was further observed that the amounts were drawn on regular contingent bills without vouchers, whereas these amounts should have been drawn on Abstract Contingent (AC) bills. As a result, incurring of expenditure or refund of unspent amounts against these drawals was not being ensured by the Drawing and Disbursing Officers (DDO). Further, the Accountant General (A&E) also could not monitor the utilisation of these funds through the mechanism of AC bills.

(ii) In Welfare of SC and BC Department and Skill Development and Industrial Training Department, an amount of ₹ 10.93 crore remained undisbursed during 2015-19⁹ and the amount was returned by NPCI in the shape of 120 bankers' cheques. The Departments did not deposit the amount into treasury. This resulted in irregular parking of funds outside the Government account and consequential loss of interest of ₹ 25.27 lakh. The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that undisbursed funds with their Department had been deposited in the treasury during November 2019 to January 2020.

(iii) In Nodal Disbursing Office of Technical Education Department, 421 cheques of ₹ 144.13 lakh were prepared (between February 2011 and November 2013) for making payment of scholarship to students. Audit observed that out of 421 cheques, 279 cheques for ₹ 30.21 lakh had neither been delivered to the beneficiaries nor the amount had been deposited in Government account. These cheques remained with the department for a period ranging between 65 and 98 months (*Appendix 2.3*) from the date of their preparation and ₹ 30.21 lakh remained outside the Government Account resulting in loss of interest of ₹ 18.61 lakh. Nodal Disbursing Office stated (June 2019) that the matter would be investigated. Further developments were awaited (September 2020).

(iv) In Higher Education Department, 1,442 transactions involving ₹ 65.17 lakh of students studying in Rohitash Degree College, Ateli and Rohitash Institute of Management, Ateli had failed due to improper *Aadhaar* mapping. The Department did not try to remit the undisbursed funds again after rectification of *Aadhaar* numbers. The said amount after three failed attempts was required to be deposited in the receipt head of the Department as per Finance Department orders (September 2017). However, in violation of scheme guidelines, the amount was paid to the colleges. Disbursement of scholarship to students could not be verified. Possibility of misappropriation of funds in these cases cannot be ruled out. The Higher Education Department stated (May 2020) that notices had been issued (March 2020) to the Colleges and responsibility for the lapse would be fixed.

During Exit Conference all the officers of the concerned departments agreed that the payment should be made directly to the beneficiaries' account and stated that the present mechanism would be stopped.

⁹ 2015-16: ₹ 1.17 lakh, 2016-17: ₹ 6.16 lakh, 2017-18: ₹ 74.43 lakh and 2018-19: ₹ 1,011.36 lakh.

2.1.7.3 Non-reconciliation of bank balances with response files

Soft data of response files¹⁰ provided by the Nodal Disbursing Office of Technical Education Department for 2014-18 revealed that an amount of ₹ 17.98 crore remained undisbursed (July 2018) to 7,757 students. Audit observed that the bank balance in scheme account was only ₹ 10.71 crore (July 2018). Thus, there was a difference of ₹ 7.27 crore. The Department had not reconciled the amount of bank statement with response files to ascertain the reasons for less closing balance. In the absence of reconciliation, possibility of misappropriation of funds cannot be ruled out. During exit conference, it was assured that the reconciliation would be done within 15 days and results would be intimated to Audit. However, further developments were awaited (September 2020).

2.1.8 Irregularities in disbursement of scholarship

Guidelines issued (December 2010) by GoI and instruction issued (July 2015) by Welfare of SC and BC Department stipulate that before sanctioning the amount under the scheme to the students, all the sanctioning authorities would ensure that application forms submitted by the students have been filled properly and other documents like income and caste certificate (issued by the Tehsildar/ Sub Divisional Officer), details of fee (verified by the concerned institution), mobile number of the students, affiliation of concerned Institution/college/university, etc. were submitted. Audit noticed a number of cases of inadequate scrutiny of applications as discussed in the following paragraphs:

2.1.8.1 Suspected fraudulent payments

(i) As per data of response files of Welfare of SC and BC Department, scholarship of ₹ 41.16 crore was disbursed to 7,022 SC students of Sonapat, Fatehabad, Rohtak, Yamunanagar, Jhajjar, Palwal and Panipat districts during 2014-19. Audit observed that:

- Name and *Aadhaar* numbers of beneficiaries mentioned in the sanction files maintained in the Department did not match with the details of names and *Aadhaar* numbers as mentioned in the bank response files in respect of 1,690 cases involving ₹ 13.80 crore (*Appendix 2.4*).
- In respect of 756 cases, incorrect¹¹ *Aadhaar* numbers were mentioned against the name of beneficiaries in sanction files. When the name of recipients of scholarship indicated in response files were compared with sanction files, it was observed that name of beneficiaries indicated in sanction files did not match with

¹⁰ File submitted by the banks indicating successful/ un-successful payment of scholarship.

¹¹ *Aadhaar* numbers of applicants were not matching as payment was made to persons holding different *Aadhaar* numbers.

the persons to whom the payments were made by the banks. Thus, suspected fraudulent payment of scholarship of ₹ 5.11 crore was made (*Appendix 2.4*).

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that the matter was under investigation of State Vigilance Bureau.

(ii) Scholarship for 407 students was claimed by IIET, Samani (Kurukshetra) in 2014-15 and sanctions were issued (March 2016) by Technical Education Department. Scrutiny of 313 response files in respect of these sanctions revealed that two *Aadhaar* numbers were used against four students for making payment of first instalment for 2014-15 and 15 *Aadhaar* numbers were used against 30 students for making payment of second instalment for 2014-15. Thus, 17 *Aadhaar* numbers were used twice for claiming payment of 34 different scholars. This led to double payment of ₹ 5.02 lakh to 17 students. The Nodal Disbursing Office stated (May 2020) that scholarship in-charge had not checked the *Aadhaar* numbers.

Similarly, payment of ₹ 1.63 lakh was made to three beneficiaries of two institutions (DAV College of Engineering, Kanina and BLS Jakhoda) by Nodal Disbursing Office, Nilokheri for the period from 2014-15 to 2016-17 by changing *Aadhaar* numbers.

Thus, suspected fraudulent payment of ₹ 18.98 crore was made by manipulating *Aadhaar* numbers. No system was evolved by the Department to reconcile or to check that payment was made by the banks to the persons for whom the amount of scholarship was sanctioned. Further, the Department had not prescribed any system for checking and authentication of *Aadhaar* numbers of the applicants.

Recommendation: The Department may examine all the cases to detect fraudulent payments. Further, the Department may evolve proper systems for authentication of *Aadhaar* numbers of applicants and checking of payment made to students by banks with reference to sanctions.

2.1.8.2 Payment of scholarship to students not registered with Universities

The Higher Education Department paid scholarship of ₹ 10.54 crore to two colleges (Rohitash Degree College, Ateli and Rohitash Institute of Management, Ateli) during 2014-18 for 3,598 SC/OBC students shown to have studied in these institutes. These institutes were affiliated with Maharshi Dayanand University, Rohtak during 2014-17 and Indira Gandhi University, Meerpur during 2017-18. All admission to various Graduate and Post-Graduate courses are done through University only and their examination are also conducted by the same affiliating University. Audit obtained registration data of all students admitted to these colleges from these Universities and matched the details of all students shown to have studied in these Institutions with the University registration data and observed that:

- These institutes had claimed and received payment of scholarship of ₹ 7.36 crore for 2,490 students who were not registered with the respective Universities. Further, 12 students of General category had claimed scholarship of OBC category amounting to ₹ 0.07 crore and 182 students of General and OBC category had claimed scholarship of SC category resulting in excess claim of ₹ 0.52 crore. However, 102 students who were of SC category had claimed scholarship of OBC category. Audit observed that the Department had not evolved any system to verify the genuineness of students from the University records.
- Details of 532 students for whom payment of ₹ 1.70 crore was made to the colleges matched with the university data, but their courses did not match with that of University record.

Thus, the payment of ₹ 9.65 crore of scholarship in respect of 3,216 students was suspected to be fraudulent. The Director, Higher Education stated (May 2020) that a special investigation team had been constituted by the Department in October 2019 for examination of all claims of concerned institutes.

Recommendation: The Departments may put in place a mechanism for verification of details of all students shown to have studied in institutions with the Universities/Boards registration data.

2.1.8.3 Disbursement of scholarship to students not registered with DMER

Counselling for admission in General Nursing and Midwifery (GNM) and Auxiliary Nursing Midwifery (ANM) courses in the State was being conducted by Department of Medical Education and Research (DMER). The Department used to issue a Unique Registration Number for every registered student who had taken admission for such courses.

Welfare of SC and BC Department disbursed scholarship of ₹ 31.68 lakh to 75 SC students of two colleges¹² in Hisar and Sonapat districts. Audit noticed that 28 out of 75 students, to whom scholarship of ₹ 11.56 lakh was disbursed during 2016-18, were not registered with DMER. Audit observed that no system was evolved for verification of registration numbers of students. The Department disbursed the scholarship to students without verification of their registration with DMER. The Director, DMER accepted (February 2019) that the students were not registered with their Department.

2.1.8.4 Payment of scholarship in excess of prescribed limit

(i) DMER fixed (July 2013) fee for General Nursing and Midwifery (GNM) and Auxiliary Nursing Midwifery (ANM) courses at ₹ 63,000 for first year and ₹ 46,000 for second and third years. The Welfare of SC and BC Department and

¹² (i) Chaudhary Bhagmal Nursing College, Hisar: 11 and (ii) Gajraj Nursing Institute, Sonapat: 17.

District Welfare Officer (DWO), Sonapat paid scholarship of ₹ 48.47 lakh¹³ in excess to 458¹⁴ out of 2,333 SC students of different institutes of Fatehabad and Sonapat districts in first, second and third years for ANM and GNM courses during 2015-18. Audit observed that no system was evolved to restrict the fee as fixed by the DMER. The DWO, Sonapat stated (August 2019) that recovery of excess scholarship would be made from the students through institutions.

(ii) Haryana State Admission and Fee Fixation Committee fixed tuition fee for ITM Murthal for B. Tech/B.E. courses at ₹ 40,000 and development fund at ₹ 10,000 per student. The Nodal Disbursing Office, Nilokheri, however, paid tuition fees and development fees at the rate of ₹ 44,000 and ₹ 11,000 during 2016-18. This resulted in excess payment of ₹ 1.57 lakh (one instalment to 33 SC students i.e ₹ 82,500 and second instalment to 30 SC students i.e ₹ 75,000). The Nodal Disbursing Office admitted (May 2020) that payment was made as per fee structure submitted by the institute.

2.1.8.5 Double payment of scholarship

(i) Scholarship of ₹ 5.70 lakh was disbursed as first instalment of session 2014-15 to 20 SC students of R.N. College twice i.e in February 2016 and March 2016. Similarly, first instalment of ₹ 0.15 lakh to one student for session 2014-15 of another college was sanctioned twice as well as paid twice i.e in July 2015 and February 2016. In other cases, payment of first instalment of ₹ 0.51 lakh was paid (July 2017) to two students twice against the same sanction. Thus, scholarship of ₹ 6.36 lakh was paid twice to 23 students. The Nodal Disbursing Office admitted (May 2020) that double payment was made by the then in-charge scholarship.

(ii) In Welfare of SC and BC Department, DMER and DWOs, Sonapat and Rohtak, a sum of ₹ 14.89 lakh¹⁵ was disbursed twice to 26 SC students during 2014-19.

The Director, DMER stated (February 2019) that double payment of scholarship would be recovered from beneficiaries. However, further developments were awaited (May 2020). The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that the matter regarding double payment of scholarship relating to their department was under investigation of State Vigilance Bureau.

2.1.8.6 Lack of scrutiny regarding income, caste, education qualification, etc

Scrutiny of 5,585 out of 11,167 scholarship applications of Technical Education Department of six processing centres of selected districts for the period 2014-19

¹³ WSCBC, for Fatehabad ₹ 46.72 lakh and DWO Sonapat ₹ 1.75 lakh.

¹⁴ WSCBC, for Fatehabad 334 and DWO Sonapat 124.

¹⁵ WSCBC: ₹ 2.03 lakh (5 students), DWO Sonapat: ₹ 1.01 lakh (2 students), DWO Rohtak: ₹ 0.51 lakh (1 student) and DMER: ₹ 11.34 lakh (18 students).

revealed that verification of documents was deficient in 478 applications as discussed in succeeding paragraphs.

- 55 SC applicants¹⁶ of eight institutes claimed scholarship on the basis of bogus income/resident/caste certificates in five Processing Centres. The certificates attached with the applications were verified by audit from the *edisha.gov.in* website of the Haryana Government and it was noticed that these certificates were checked neither by the institutes nor by the Processing Centres concerned. Audit observed that name of applicants along with other particulars of certificates were altered/edited manually/electronically. Even photos and certificates numbers of the original certificate holder were retained while preparing bogus certificates. Thus, the payment of ₹ 24.91 lakh in these cases was suspected to be fraudulent.
- In 35 cases¹⁷, affidavits of income were not signed by the deponent but these affidavits were certified by the Revenue Authorities. Neither the Institutes nor the Processing Centres checked the affidavits properly and scholarship of ₹ 7.42 lakh was disbursed.
- 142 applicants¹⁸ in 16 institutes claimed scholarship on the basis of self-declaration income affidavits or photo copy of self-declaration income affidavits, which were attested by the Notaries whereas certificates issued by the Tehsildar/ Sub Divisional Magistrate were required to be submitted. Scholarship of ₹ 59.56 lakh was disbursed in violation of instructions of Welfare of SC and BC Department to these applicants.
- Annual parental income of the 27 SC applicants¹⁹ in respect of 13 institutes were found more than ₹ 2.50 lakh per annum as per income proof attached with the applications. These applicants were not eligible for grant of benefit under the scheme. However, scholarship of ₹ 14.09 lakh was disbursed without verification of documents to these ineligible students.
- In eight cases of Processing Centre, Narnaul, it was also noticed that fathers of the applicants were Government employees and income certificate issued by DDO was required to be submitted but the required certificates were not found attached. Thus, payment of ₹ 6.07 lakh to these beneficiaries was irregular.
- A total of 211 applications²⁰ in five Processing Centres were found to be incomplete as income/resident/caste certificates/certificates of essential educational qualification were not attached. The Department had paid scholarship of

¹⁶ Faridabad: 9 (₹ 2.19 lakh), Sirsa: 1 (₹ 0.27 lakh), Sonapat: 1 (₹ 0.70 lakh), Narnaul: 5 (₹ 1.94 lakh) and Jhajjar: 39 (₹ 19.81 lakh)

¹⁷ Faridabad: 28 (₹ 3.86 lakh), Jhajjar: 7 (₹ 3.56 lakh)

¹⁸ Jhajjar: 37 (₹ 18.80 lakh), Sirsa: 6 (₹ 1.32 lakh), Sonapat: 2 (₹ 0.87 lakh) and Narnaul: 77 (₹ 30.22 lakh) and Ambala: 20 (₹ 8.35 lakh).

¹⁹ Jhajjar: 4 (₹ 2.03 lakh), Sirsa: 2 (₹ 0.53 lakh), Faridabad: 1 (₹ 0.14 lakh), Sonapat: 11 (₹ 6.89 lakh) and Narnaul: 9 (₹ 4.50 lakh).

²⁰ (i) Jhajjar: 108 (₹ 52.53 lakh), (ii) Narnaul: 24 (₹ 7.19 lakh), (iii) Sirsa: 75 (₹ 18.05 lakh), (iv) Faridabad: 2 (₹ 0.27 lakh) and (v) Sonapat: 2 (₹ 0.87 lakh).

₹ 78.91 lakh to these students. The Principals of Processing Centres, Jhajjar, Narnaul, Sirsa and Sonapat stated (March-August 2019) that efforts would be made to recover the amount from students. However, recovery had not been made (September 2020).

2.1.8.7 Suspected fraudulent payment to students studying outside the State

As per instruction issued (July 2015) by Welfare of SC and BC Department, the payment of scholarship was to be disbursed by DWOs to students studying outside the State only after verification of affiliation of the institutes. In case of any doubt regarding institutes or where more than 20 student of the Out-of-State were involved, the DWOs were required to enquire personally and verify the facts.

Directorate and DWOs, Rohtak and Fatehabad disbursed an amount of ₹ 2.76 crore to 349 SC students pursuing various courses²¹ during 2014-19 from private Universities outside the State (**Appendix 2.5**). On being verified by Audit from these universities/institutes, it was found that these students were not enrolled in the Universities. Neither the DWOs nor the Welfare of SC and BC Department verified the facts of genuineness of claims from the Universities resulting in suspected fraudulent payment of ₹ 2.76 crore. The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that the matter was under investigation of State Vigilance Bureau.

Similarly, in DWO, Fatehabad and Rohtak an amount of ₹ 1.98 crore was disbursed to 212 students during 2014-15 pursuing various courses from study centres stated to be affiliated with Karnataka State Open University, Mysore. Audit obtained the list of study centres affiliated with the University but names of these study centres were not appearing in the list. Thus, the payment of scholarship was made without verification of facts of genuineness of study centres from the University and the payment of ₹ 1.98 crore (**Appendix 2.5**) made to these students was suspected to be fraudulent. DWO Fatehabad stated (June 2020) that matter would be investigated. Further developments were awaited (September 2020).

Recommendation: The Department may examine all the cases to detect such fraudulent payments. Further, action may be taken against District Welfare Officers for not verifying the facts of genuineness of claims from the Universities.

2.1.8.8 Scholarship paid for same stage of education

Guidelines issued (December 2010) by GoI provide that candidates who after passing one stage of education take admission in same stage of education in

²¹ Multi-Purpose Health Worker, Veterinary and Livestock Development Assistant, Diploma in fire safety, Diploma in Agriculture Science, Diploma in Civil Engineering, MA (Political Science), MA (History), BBA, BA.LLB, LLM, MBA, etc.

different subjects, were not eligible for scholarship i.e. a student after passing BA, studying in B.Com was not eligible for scholarship.

Scrutiny of response files of scholarship of Skill Development and Industrial Training Department for the period 2015-19 showed that 658 (one *per cent*) out of 78,795 SC students took admission in different courses in different Private and Government ITIs repeatedly two or more times and the Department had paid scholarship of ₹ 64.74 lakh for subsequent courses of same stage to these students. Similarly, 142 out of 37,006 students took admission in different courses in same Private ITIs repeatedly two or more times after completion of one course and scholarship of ₹ 21.12 lakh was paid to these students. This resulted in excess payment of scholarship of ₹ 85.86 lakh.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that the case had been referred (December 2019) to GoI for providing relaxation in the matter.

2.1.8.9 *Doubtful payment of scholarship*

Om Prakash Joginder Singh (OPJS) University, Churu requested (October 2013) Welfare of SC and BC Department for re-imburement of scholarship to 71 SC students pursuing various courses in their institute but their claim was rejected by DWO, Sirsa, as it was submitted late. The WSCBC Department directed (March 2014) DWO, Sirsa to personally verify these claims so that delay could be condoned. The DWO, Sirsa in its report submitted (May 2014) that out of 71 applications of Multi-Purpose Health Worker (MPHW) course, 55 were not found in order and hence, payment was not made. Audit, however, observed that claims of ₹ 4.48 crore of the same Institute were entertained by other DWOs and WSCBC Department (October 2019) as per details given in **Table 2.5**.

Table 2.5: Statement showing doubtful payment of scholarship

District	Disbursing Authority	No of Students	Amount (₹ in crore)
Rohtak	DWO Rohtak	280	2.06
Jhajjar	WSCBC	15	0.08
Yamunanagar	WSCBC	41	0.25
Fatehabad	DWO Fatehabad	117	0.97
Rohtak	WSCBC	172	1.12
Total		625	4.48

(Source: Information compiled from departmental records)

- Audit observed that bank accounts of students were opened only in a few banks irrespective of their residential addresses. In Rohtak district, out of 172 students, same mobile number 'X' was used in case of 54 students (31 *per cent*) and another mobile number 'Y' was used by 31 students (18 *per cent*). Opening of bank accounts by students in only few banks irrespective of their residential addresses and using of same mobile numbers by so many students could be indicative of malafide drawal and disbursement of scholarship.

- Scholarship of ₹ 0.83 lakh was disbursed (March 2014) by DWO Rohtak to a scholar who was shown to have been pursuing MPHW course from OPJS University but at the same time he was pursuing Diploma in Computer Science course in Swami Vivekanand University and scholarship of ₹ 0.44 lakh was disbursed (January 2016). Similarly, another scholar shown as enrolled in the course of MPHW from OPJS University in the academic year 2014-15 was also shown in the same academic year in different course of M.A (Psychology) to whom scholarship of ₹ 0.46 lakh was disbursed in September 2014 and July 2015.
- A student shown as enrolled in Polytechnic in Civil Engineering course in academic year 2014-15 to whom scholarship of amount ₹ 50,460 was disbursed by DWO, Rohtak in July 2015 was also shown as enrolled in Polytechnic in the course of Electrical Engineering in the academic year 2016-17 and scholarship of ₹ 40,500 was disbursed to him by Welfare of SC and BC Department in March 2018.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that these issues were under investigation of State Vigilance Bureau.

2.1.8.10 Payment made to students who were not residents of Haryana

Guidelines issued (December 2010) by GoI stipulate that scholarship should be awarded by the State Government to which the applicant actually belongs.

Processing Centre, Jhajjar disbursed scholarship of ₹ 1.52 lakh during 2014-19 to three SC applicants of BLS Institute of Management Studies, Jakhoda (Jhajjar) who were not residents of Haryana. The Principal of Processing Centre Jhajjar stated (March 2019) that efforts would be made to recover the scholarship amount from students. However, recovery had not been made (September 2020).

2.1.8.11 Excess payment of Scholarship

Duration of Post Graduate Diploma in Management Studies (PGDM) course was two years and thus, students were to claim maximum four half yearly instalments of scholarship. It was observed that 10 out of 186 SC students of PGDM courses in BLS Institute of Management Studies, Jakhoda claimed scholarship for two years and six months (2014-15, 2015-16 and 2016-17) at ₹ 50,800 for each year per student instead of two years resulting in excess payment of scholarship of ₹ 2.54 lakh (10 x ₹ 25,400). The Nodal Disbursing Office stated (June 2019) that matter would be got investigated. Further developments were awaited (September 2020).

2.1.8.12 Payment to overage students

Maximum age for entering into Haryana Government service is 47 years. As per instructions issued by Welfare of SC and BC Department in July 2015, sanctioning authority was required to check that applicant on completion of the course had

minimum three years left (43 years for one year course) for applying to Government services.

Analysis of portal data for the year 2015-19 revealed that in 78 SC cases, age of the applicants was more than 43 years at the time of registration. They were not eligible for scholarship as per these instructions. In test checked districts, three cases²² among these 78 cases came under scrutiny. Scholarship of ₹ 1.30 lakh was disbursed to these students. The Department should verify all the remaining cases to ascertain as to whether payment of scholarship to ineligible students was made or not.

2.1.9. Monitoring and evaluation

2.1.9.1 Monitoring

(i) Returns to assess the progress of students not prescribed

Paragraph X (i) of guidelines of the scheme provides financial assistance to SC/OBC students studying at post-matriculation level to enable them to complete their education. The guidelines further provide that the scholarship is based on the satisfactory progress and conduct of the scholar. If it is reported by head of an institution at any time that a scholar has, by reasons of his/her own act of default, failed to make satisfactory progress or has been guilty of misconduct such as resorting to or participating in strikes, irregularity in attendance without the permission of the authorities concerned, etc; the authority sanctioning the scholarship may either cancel the scholarship or stop or withhold further payment for such period as it may think fit.

No such returns had, however, been prescribed by the State Government for the institutes. Thus, monitoring mechanism prescribed to assess the progress and conduct of scholars was not followed and as such action against defaulting beneficiaries could not be taken and scholarships were being disbursed in routine.

The Principal Secretary, Welfare of SC and BC Department stated (May 2020) that instructions had been issued to scheme implementing departments to comply with scheme guidelines.

(ii) Annual inspection of educational institutions

The Ministry of Social Justice and Empowerment, GoI had asked (June 2016) the State Governments to ensure annual inspection of educational institutions by a State Government Officer not below the level of a Group 'A' officer and intimate the number of institutes cancelled after verification.

²² Two cases of BLS Institute of Management Studies, Jhajjar, one case of Akash Institute of Technology, Kanina (Mahendergarh)

It was noticed in Audit that inspection of institutes was not carried out during 2014-19 as no data of field inspections was maintained at Directorate or district level. Audit conducted survey and contacted 616 students of 58 institutes, the result of which are enumerated below:

- 40 students of eight institutes stated that satisfactory infrastructure was not available in their institutes.
- 165 students of 20 institutes stated that book bank facility was not available in their institutes.
- 51 students of nine institutes stated that only one teacher was available in their institutes and all the subjects were being taught by him.

Had the system of annual inspection been in place, these issues could have been addressed.

The Director, Welfare of SC and BC Department stated (May 2019) that annual inspection of all institutions was not carried out by the Department. However, inspection of institutes was being carried out by the orders of Directorate from time to time. Thus, the mechanism to have a control over institutes regarding quality of education though prescribed in the guidelines was not put in place.

(iii) Grievances Redressal Mechanism at State and District level

The Guidelines of the scheme (December 2010) provide that State will designate Grievance Redressal Officers at the State and District levels to ensure expeditious redressal of grievances of SC/OBC students. Grievances redressal mechanism for the scheme neither existed at District level nor at State level.

A field survey of 616 students of 58 institutes in audit brought out that:

- 82 students of 10 institutions stated that institutes had taken blank cheques from them.
- 31 students of six institutions had informed that their accounts were being operated by the concerned institutions.
- 87 students of 15 institutions informed that their Automated Teller Machine cards (8 students), Cheque Books (19 students) and Pass Books (60 students) were in the custody of the concerned institutions and were being operated by them.
- 200 students informed that they had paid an additional amount ranging between ₹ 500 and ₹ 1,03,500 in addition to scholarship.
- 109 students stated that institutions took entire amount of scholarship including maintenance allowance as fee.
- 202 students stated that they had not received maintenance allowance.

Had grievances redressal mechanism been in place, these irregular practices could have been addressed at appropriate level.

The Deputy Director, Welfare of SC and BC Department admitted (May 2019) that there was no grievances redressal mechanism in the Department.

2.1.9.2 Evaluation of the scheme

The Committee on restructuring of Centrally Sponsored Schemes (CSS) by Planning Commission emphasised (September 2011) the need for independent evaluation of all CSS on regular basis as it had observed that no comprehensive evaluation of the schemes was being carried out to assess the outcome or impact of these schemes. Audit observed that evaluation of the scheme had not been carried out by the Department during the period of Performance Audit. No specific outcome indicators were fixed by GoI or the State Government for measuring the impact of the scheme. As a result, effectiveness/outcome of the scheme could not be assessed. The Government should fix measurable outcome indicators such as completion of studies by students, getting employment/engaged in self-employment for earning livelihood, etc. and conduct the evaluation to assess the outcome of the scheme.

The Principal Secretary, Welfare of SC and BC Department, stated (May 2020) that the matter regarding evaluation of the scheme was under consideration with the Department.

2.1.10 Conclusions

The Scheme of Post Matriculation Scholarship for SC and OBC students was implemented without adequate planning, monitoring and evaluation systems in place. Consequently, it did not achieve the objectives of providing due financial support to deserving students in a timely and correct manner, depriving them of the Scheme benefits. The Scheme guidelines and Government instructions issued from time to time were not followed in entirety and systemic controls were inefficient in preventing frauds and irregular disbursement of scholarships. 37 per cent of students found eligible for scholarship did not receive the funds while Scheme reported a 49 per cent savings during the period under the Performance Audit. This is indicative of inefficiency and imprudent financial management of the Scheme. Government of Haryana did not take timely steps to evaluate the performance of scheme and could not provide a platform to the students for redressal of grievances. Overall, there is an immediate requirement of eliminating the deficiencies as discussed in the report with the perspective of its impact on the State as a whole with remedial measures, as highlighted in the recommendation to this report.

2.1.11 Recommendations

2.1.11.1 The Government may consider the following:

- (a) preparation of database of all eligible students to make Annual Action Plan for their coverage in a time bound manner;**
- (b) taking up the matter with GoI to abolish the system of committed liability and pursue the GoI to provide assistance on sharing basis like other Centrally Sponsored Schemes;**
- (c) evolving proper systems for authentication of *Aadhaar* numbers of applicants and checking of payment made to students by banks with reference to sanctions;**
- (d) putting in place a mechanism for verification of details of all students shown to have studied in institutions with the Universities/ Boards registration data;**
- (e) taking action against District Welfare Officers for not verifying the facts of genuineness of claims from the out of State Universities;**
- (f) putting in place an end to end online system right from uploading the applications to credit of scholarship directly in the beneficiaries accounts instead of routing the funds through intermediate bank accounts; and**
- (g) evolving monitoring mechanism in the form of submission of returns by institutes, make a time frame for inspections of educational institutions, and putting in place a grievance redressal mechanism.**

2.1.11.2 In light of the instances of irregular and suspected fraudulent payments of scholarship brought out by audit through its test check, the Government may carry out a detailed examination of all similar cases to obviate the risk of irregular payments and malpractices. Responsibility may be fixed and appropriate action may be taken against the responsible officers for fraudulent payments.

The Principal Secretary, Welfare of SC and BC Department, stated (May 2020) that the recommendations would be considered.

Chapter 3

Compliance Audit

CHAPTER 3

COMPLIANCE AUDIT

Animal Husbandry and Dairying Department and Revenue and Disaster Management Department

3.1 Suspected embezzlement

Suspected embezzlement of ₹ 1.54 lakh occurred in the Sub Division Office, Kaithal due to short accountal and non-accountal of Government receipts in the Cash Book and suspected embezzlement of ₹ 1.02 lakh occurred in the office of Deputy Commissioner, Bhiwani (Nazir Branch) by increasing the amount of vouchers in the abstracts, fraudulently and drawing the contingent bills with increased amount.

(i) Rule 2.1(b) of Punjab Financial Rules Volume-I (applicable to Haryana State) provides that every Government employee is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the relevant account as well as for the correctness of the account in every respect. Rule 2.2 (iii) provides that the Cash Book should be closed regularly and completely checked. The head of the office should verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book and initial it as correct. Further, Rule 2.33 states that every Government employee should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government employee to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

The office of Sub Divisional Officer, Animal Husbandry and Dairying Department, Kaithal (SDO) was assigned with the responsibility of collecting Artificial Insemination (AI) fee received by 36 Veterinary Hospitals in its jurisdiction. The collected receipts were subsequently deposited with the Semen Bank Officer, Haryana Live Stock Board after closing of month.

During audit (May 2018) of Cash Book maintained in the SDO office, it was noticed that for nine months between the period September 2014 and March 2018 the total of receipts were understated at the closing of month and hence the receipts were short accounted for ₹ 99,914 as detailed in **Table 3.1**.

Table 3.1: Detail of short accountal of receipts in Cash Book

(Amount in ₹)

Month	Totals as per Cash Book	Actual Totals worked out	Amount of Short accountal/ Suspected embezzlement
September 2014	2,63,816	2,78,816	15,000
January 2017	2,61,262	2,72,422	11,160
February 2017	2,65,740	2,75,930	10,190
March 2017	3,53,268	3,65,328	12,060
August 2017	2,80,966	2,90,986	10,020
November 2017	3,59,530	3,71,044	11,514
December 2017	4,25,498	4,40,048	14,550
January 2018	3,83,552	3,95,732	12,180
March 2018	4,84,304	4,87,544	3,240
Total	30,77,936	31,77,850	99,914

(Source: Information compiled from Cash Book and Receipt Book)

This amount was never deposited with the Semen Bank Officer and suspectedly embezzled. It was also found that ₹ 54,460¹ received from two veterinary hospitals in February and March 2018 were not entered in the Cash Book and further not deposited with Semen Bank Officer. Thus, total suspected embezzlement of ₹ 1,54,374 had occurred.

Audit observed that the suspected embezzlement occurred due to intentional reduction in the monthly totals which ultimately led to short accounting of monthly receipts and by not making entry of receipts in the Cash Book. It is also observed that the Drawing and Disbursing Officer (DDO) cannot be spared of the responsibility as the monthly closure certificates of Cash Book were signed by the DDO.

In reply to the audit observations, the SDO intimated (April 2019) that ₹ 1.54 lakh have been deposited with the Semen Bank Officer in July 2018. The reply was incomplete as to the officers/officials responsible for the embezzlement have not been identified and investigation has not been conducted regarding loopholes in the system for facilitating misappropriation of Government receipts of ₹ 1.54 lakh.

The matter was referred (April 2019) to the Additional Chief Secretary, Animal Husbandry and Dairying Department, Haryana and subsequent reminders were issued in May 2019 and May 2020; their reply was awaited (September 2020).

¹ (i) Government Veterinary Hospital (GVH), Habri (Kaithal), 78 dated 19 February 2018: ₹ 22,500 and (ii) GVH, Padla (Kaithal), March 2018: ₹ 31,960.

Recommendation: The State Government may consider conducting thorough investigation in this case and fix responsibility of the delinquent officers/officials.

(ii) Rule 2.31 of the Punjab Financial Rules, as applicable to Haryana, provides that the drawer of bill for contingent expenses will be held responsible for any overcharges, frauds and misappropriations. Therefore, he should exercise various financial checks to detect immediately any attempt of defalcation and should pay special care to those points in financial processing at which leakage may occur. Rule 8.26 further provides that the controlling officer is required to see that items of expenditure included in a contingent bill are of obvious necessity and are at fair and reasonable rates; that the requisite vouchers are in order; and that the calculations are correct.

During test check of records (February 2019) in the office of the Deputy Commissioner (DC), Bhiwani, it was noticed that while drawing seven contingent bills between the period September 2016 and March 2017, the amount was overcharged by ₹ 1.02 lakh by fraudulently increasing amounts in respect of 20 vouchers in abstracts attached with the contingent bills. Against the actual amount of ₹ 16,624/-, payable for tea and snacks served in various meetings, ₹ 1,18,804/- were drawn by the District Revenue Officer, Bhiwani in the name of the then clerk of Nazir Branch. Hence, an amount of ₹ 1,02,180/- was over charged. All these contingent bills and abstracts of vouchers were signed by the City Magistrate, Bhiwani.

Thus, the drawing and controlling officers in the office of Deputy Commissioner, Bhiwani failed to apply requisite financial checks in drawing contingent bills which resulted in suspected embezzlement of ₹ 1.02 lakh.

The Additional Chief Secretary, Revenue and Disaster Management replied (June 2020) that the amount of ₹ 1.24 lakh including interest has been recovered from the concerned official and the official has been chargesheeted under Rule 7 of Haryana Civil Services (Punishment and Appeal) Rules, 2016.

The reply is not convincing as action has not been taken against the drawing officer. Further, investigation has not been conducted for strengthening internal control system to ensure that no such irregularity occur in future. Final action against the delinquent official is awaited.

Recommendation: The State Government may consider fixing responsibility on drawing officer for not applying checks while drawing contingent bills resulting in overcharging and misappropriation of

Government funds. The matter requires thorough investigation for strengthening the internal control mechanism.

AYUSH Department

3.2 Loss of revenue

Shri Krishna Government Ayurvedic College, Kurukshetra did not comply with instructions of the State Government for charging fee for *Panchkarma* therapies which resulted into loss of revenue of ₹ 82.48 lakh.

Shri Krishna Government Ayurvedic College, Kurukshetra is being run under the aegis of AYUSH Department, Haryana. The college provides *panchkarma* Therapies and Procedures to the patients.

The Director General, AYUSH (DG) Haryana issued instructions on 4th November 2015 to the Principal of the college that Government has taken a decision to make available *panchkarma* therapies to the patients as well as to common people who want to avail these facilities and to charge fee on prescribed rates for eight therapies (*Appendix 3.1*) with effect from 9th November 2015.

The DG, AYUSH, on 26th November 2015, invited suggestions and comments from the college regarding charging rates for the *panchkarma* therapies as some District Ayurveda Officers gave a feedback that the rates fixed were quite high and there was resentment amongst people. The college intimated (December 2015) that performing the *panchkarma* therapies is essential for practical teaching of the students and rates for the therapies were quite high. Hence, it was requested by the college to withdraw prescribed charges. However, the DG did not withdraw the prescribed charges and instructed (May 2016) to ensure compliance of the instructions for charging fee.

During the scrutiny of records (June 2019) of Shri Krishna Government Ayurvedic College, Kurukshetra, it was observed that in contravention of departmental instructions, the college continued to provide the therapies without charging any fee. As per information made available by the College, during April 2016 to May 2019 the college performed 36,431 *panchkarma* therapies on OPD and IPD patients without charging any fee, which resulted into loss of revenue to the extent of ₹ 82.48 lakh² to the State exchequer.

² (i) Sarwang Swedan; ₹ 70.72 lakh (35,358 OPDs * ₹ 200 per OPD) (ii) Nasyam; ₹ 1.56 lakh (782 OPDs * ₹ 200 per OPD) (iii) Shiro Dhara; ₹ 10.20 lakh (2913 OPDs * ₹ 350 per OPD)

On being pointed out by Audit, Principal of the college stated (June 2019) that proposal was sent (December 2015) to the DG, AYUSH for not charging the fee for *panchkarma* therapies but no instructions were received regarding the same. As a result, fee could not be charged. It was further contested that during 2015-17 the college did not perform one of the therapies (Sarwang Swedan).

The reply was factually incorrect as the DG, AYUSH had issued instructions in May 2016 for compliance of orders of charging the prescribed fee for various therapies. Further, the statement that no therapy for Sarwang Swedan was provided in the college during 2015-17 was not maintainable as the audit observation is based on the information supplied by the college itself. DG, AYUSH in its reply (September 2019) had also acknowledged that no instructions were issued for not charging fee and non-compliance was at the level of college. Further, the college has started charging the prescribed fee since August 2019.

The matter was referred to the State Government in October 2019 and subsequent reminders were issued in December 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility on the Principal, Shri Krishna Government Ayurvedic College, Kurukshetra for non-compliance of departmental instructions and incurring a revenue loss of ₹ 82.48 lakh.

School Education Department

3.3 Double disbursement of scholarships

Non observance of the codal provisions and inadequate internal control in Directorates of Elementary Education and Secondary Education led to double disbursement of ₹ 30.76 crore to the beneficiaries. The Directorates had also kept the unutilised funds blocked in current account resulting into avoidable loss of interest.

Rule 2.2 of the Punjab Financial Rules, as applicable to the Haryana Government, provides that all the monetary transactions are entered in the Cash Book as soon as they occur and attested by the head of office in token of this check. The Cash Book should be reconciled on a monthly basis and closed regularly. Further, Rule 2.10 provides that no money should be withdrawn from the treasury unless it is required for immediate disbursement. As per RBI

instructions, Government Departments/bodies are allowed to open savings account with an authorisation from the respective Departments/bodies.

(i) During Audit (January 2019) in the office of the Director, Elementary Education, Haryana, Panchkula (DEE), it was noticed that an amount of ₹ 66.31 crore was drawn (February 2017) by the DEE from the treasury for disbursement of cash award³ to 6.41 lakh students belonging to Scheduled Castes (SC). The amount was deposited in current account maintained with the State Bank of India (the bank). The DEE issued (March 2017) authority letters to the bank for disbursement of ₹ 65.02 crore to 5.27 lakh beneficiary SC students alongwith list and *Aadhaar* linked bank account numbers of the beneficiaries. Out of this, an authority letter was for disbursing ₹ 10.21 crore as cash award to one lakh students. The bank debited ₹ 10.21 crore in March 2017. During audit it came to notice that the account was again debited in April 2017 with the same amount of ₹ 10.21 crore. Hence, the amount was withdrawn twice. However, the Direct Benefit Transaction (DBT) valuing ₹ 2.02 crore in respect of 20,455 beneficiaries failed due to mismatch in data and ₹ 8.19 crore were paid twice to the beneficiaries.

Audit noticed that the Department had neither maintained the Cash Book nor obtained monthly bank statements for reconciliation, which was in gross contravention of the codal provisions. After being pointed out by Audit, the Department requested (February 2019) the bank to provide the bank account statement, details of disbursal of amount for the year 2016-17 and refund the amount along with penal interest which is indicative of failure of internal control in the Department. Thus, due to not complying with codal provisions and failure of internal control, double payment of ₹ 8.19 crore as scholarship occurred and remained unnoticed for more than 22 months. The bank credited ₹ 8.19 crore in July 2019 i.e. after 27 months.

On being pointed out by Audit, the DEE confirmed (February 2019) that second disbursal of ₹ 10.21 crore was made by the bank without any authority letter and bank account could not be reconciled as bank statements were not obtained from the bank. The DEE further intimated (August 2019) that the amount of ₹ 8.19 crore had been deposited in Government receipt head.

The reply itself points out that the DEE had not maintained proper Cash Book and had not carried out monthly reconciliation with the bank statement which was violation of the applicable financial rules. Interest amount for the period of 27 months had also not been recovered from the bank. Further, the amount

³ One-time cash award to students of Scheduled Castes of classes 1st to 8th

received as refund should be booked as decrease in expenditure head instead of depositing as revenue receipts of the department.

(ii) It was seen during Audit (January-February 2019) in the office of the Director, Secondary Education (DSE), Haryana that a current account was opened (December 2016) with State Bank of India (the bank) and an amount of ₹ 154.27 crore was transferred in the account during the period between December 2016 and March 2017 for disbursement of scholarships to students of classes 9th to 12th. DSE issued (March 2017) an authority letter to the bank for disbursement of ₹ 28.45 crore of monthly stipend to 1.08 lakh students belonging to SC and Below Poverty Line (BPL) categories which was debited by the bank in March 2017. However, the bank again debited the same amount in March 2017 itself without any authority letter.

Audit observed the same irregularity of not maintaining the Cash Book and not obtaining bank statements for reconciliation led to double disbursement. The DSE lodged an FIR only in September 2018 against the bank for not providing the bank statements. The bank provided the bank statements in October 2018 wherein it was found that the DBT for ₹ 28.45 crore (₹ 27.26 crore + ₹ 1.19 crore) had been debited twice resulting into double payment of ₹ 22.57 crore as DBT valuing ₹ 5.88 crore to 22,200 beneficiaries failed due to mismatch in data. The bank refunded the excess paid amount to the DSE in January 2019 i.e. after more than 21 months with a request to refund the excess amount from the future scholarships of students who have been given double credit. Had the DSE maintained proper Cash Book and carried out monthly reconciliation with the bank statement as required under the financial rules, the double disbursement could have been avoided.

The DSE replied (August 2020) that they lodged an FIR in September 2018 against the bank for not providing the bank statements. The bank provided the bank statements in October 2018 wherein the double disbursement of ₹ 22.57 crore was noticed. The bank refunded the excess paid amount to the DSE in January 2019 i.e. after more than 21 months.

The reply itself points out that the DSE had not maintained proper Cash Book and had not carried out monthly reconciliation with the bank statement which was violation of financial rules. Interest amount for the period of 21 months had also not been recovered from the bank.

Thus, non-observance of the codal provisions and inadequate internal control in Directorates of Elementary Education and Secondary Education resulted in double payment of ₹ 30.76 crore to the beneficiaries by the bank leading to blockade of Government funds for more than 20 months. Further, the wrongly disbursed Government funds should have been recovered from the bank along

with interest at the rate not less than the State Government paid on borrowings i.e. 8.1 *per cent* per annum. Thus, ₹ 4.69 crore⁴ were recoverable from the bank as interest.

Audit further noticed that the funds were kept parked in current account instead of refunding the unutilised funds to the State Exchequer or keeping the funds into saving bank accounts resulting into avoidable loss of interest.

The matter was referred to the State Government in May 2019 and subsequent reminders were issued in July 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility of officers concerned for not complying with codal provisions and for failure of internal control which led to double disbursement of ₹ 30.76 crore and for parking of funds in current account which resulted in avoidable loss of interest.

Finance Department

3.4 Excess payment to the pensioners

Due to non-reconciliation of monthly scrolls submitted by the Central Pension Processing Centre, excess pension of ₹ 81.68 lakh was disbursed to 84 pensioners during April 2012 to May 2018 by not deducting/discontinuing the deduction of commuted portion of pension.

Rule 95 of Haryana Civil Services (Pension) Rules provides that a Government employee, on retirement from service, who is entitled for pension may opt for commutation of a fraction not exceeding 40 *per cent* of his pension for a lump sum payment. The commutation of pension shall be subject to reduction in the amount of pension for a period of 15 years or upto the recovery of commuted value with interest, whichever is later. Thereafter, the commuted portion of pension shall be restored. The pensions to State pensioners are disbursed through Centralised Pension Processing Centres (CPPC) in banks which act as single window for payment of pensions. The CPPCs sends monthly scrolls directly to pension accounting authorities of the State (Director General, Treasuries and Accounts Department (DG, T&A)) for reconciliation of pension

⁴ ₹ 22.57 crore for 21 months upto January 2019 @ 8.1 *per cent* per annum = ₹ 3.20 crore
₹ 8.19 core for 27 months upto July 2019 @ 8.1 *per cent* per annum = ₹ 1.49 crore

transactions. The DG, T&A is responsible for reconciliation of monthly scrolls and report discrepancies/anomalies to CPPC.

There are 2.48 lakh pensioners drawing pension from State Government Haryana. The Centralised Pension Processing Centre (CPPC) of State Bank of India (SBI) was monitoring/disbursing pension to 60,477 pensioners of Haryana Government (as of June 2018) whose bank accounts are with SBI.

Out of 60,477 pensioners, record in respect of 985 pension cases of commutation were test checked during June and July 2018 wherein it was seen that since April 2012 full monthly pension without reduction of commuted portion was being disbursed to 23 pensioners. This resulted in excess payment of ₹ 43.16 lakh to these pensioners during the period between April 2012 and May 2018. Further, deduction of commuted portion of pension discontinued without full recovery of commuted value alongwith interest in respect of another 61 pensioners which resulted into excess payment of ₹ 38.52 lakh during the period between April 2012 and May 2018. It was observed that the DG, T&A never reported these discrepancies to the CPPC.

Thus, due to non-reconciliation of monthly scrolls with the database available with the DG, T&A, an excess payment of ₹ 81.68 lakh was made to the 84 pensioners during the period between April 2012 and May 2018 on account of non-deduction/discontinuing deduction of the commuted portion of the pension. The matter needs thorough examination and excess payment along with interest thereupon, if any, needs to be recovered from the pensioners concerned. Further, monthly reconciliation of scrolls is required to check the discrepancy between authorisation by DG, T&A and credit to pensioners' accounts by banks.

On being pointed out by Audit, Director General, Treasuries and Accounts Department (DG, T&A) stated (February 2019) that the issue has been checked from the CPPC and it has been intimated by the CPPC that the recovery has been initiated from the pensioners. Further, it was intimated (June 2020) that out of total 84 accounts, where overpayment was detected by Audit, the CPPC has recovered ₹ 66.26 lakh in 73 accounts and remaining ₹ 15.42 lakh will also be recovered in monthly instalments. The reply was not convincing as DG, T&A has not ensured examination of remaining pension accounts besides, reconciliation of monthly scrolls with departmental database for checking discrepancies/anomalies.

The matter was referred (May 2019) to Additional Chief Secretary, Finance Department and subsequent reminders were issued in July 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider to issue instructions to DG, T&A for thorough examination of all the pension accounts and to ensure regular reconciliation of monthly scrolls received from CPPC with departmental database to check excess payments. Responsibility may be fixed on officers for not checking the pensioners' data processed by CPPC and for not reconciling the monthly scrolls received from the CPPC.

Food, Civil Supplies and Consumer Affairs Department

3.5 Misappropriation of paddy due to violation of laid down norms by the department.

Allotment of paddy to an unregistered miller in excess of permissible limit resulted in loss of ₹ 2.99 crore as the miller misappropriated the paddy.

As per State Government guidelines, for custom milling of paddy, the District Food Civil Supplies and Consumer Affairs Controllers (DFSCs) were authorised to issue registration certificates to rice millers after assessing financial and technical capability of the miller on the basis of income tax returns, connected electric load, per hour milling capacity of the mill, documents with regard to ownership or lease, etc. The registration certificate is issued for three years, but required to be reviewed every year by the district milling committee before allotment of paddy. A security of ₹ 10 lakh for first tonne capacity and ₹ five lakh for every additional one tonne in the shape of fixed deposit receipt (FDR) was to be obtained from the miller. Additional guarantee in shape of signed MICR cheque in favour of the DFSC of ₹ 50 lakh for each tonne milling capacity was to be obtained from the miller. Further, mills on lease could be allotted paddy upto 4,000 metric tonne (MT) for custom milling.

During scrutiny of records (July 2018 and August 2019) of DFSC, Kurukshetra, it was noticed that DFSC, Kurukshetra had issued a registration certificate to a partnership firm M/s Veer Agro Foods⁵ for custom milling of paddy as the owner of a rice mill, while in actual the firm had taken a rice mill⁶ on lease for Kharif Marketing Season (KMS) 2016-17. For the KMS 2017-18, the composition and address of partnership firm changed⁷ as the firm took different rice mill on lease. Instead of registering the firm as new miller, after assessing the financial and technical capacity, the DFSC, Kurukshetra included the firm

⁵ Having two partners i.e. Mr. Anil Jangra and Mr. Manik Goyal

⁶ M/s Garg Rice and General Mills, Jhansa Road, Kurukshetra

⁷ M/s M. B. Modern Rice Mill, Salarpur Road, Kurukshetra with partners Mr. Anil Jangra and Ms. Priya Ahlawat

as registered miller with the earlier registration number. The miller deposited four signed cheques of ₹ 50 lakh each as guarantee and FDR of ₹ 10 lakh as security against the requisite FDR of ₹ 25 lakh⁸. The firm had not submitted any application for getting the new firm registered for KMS 2017-18.

Against the maximum permissible limit of 4,000 MT paddy, the Department released 10,483.80 MT paddy to the miller directly. The miller was to supply 7,024.15 MT⁹ Custom Milled Rice (CMR) by the end of March 2018. The DFSC Kurukshetra conducted a physical verification of the mill in June 2018 and found a shortage of 1,138.10 MT CMR. However, upto August 2018, the firm delivered 6,171.42 MT CMR and balance 852.73 MT¹⁰ of CMR costing ₹ 3.09 crore remained undelivered. After encashing fixed deposit receipt of ₹ 10 lakh, the department suffered a loss of ₹ 2.99 crore. Four cheques of ₹ two crore were not encashed by the bank due to insufficient balance.

The DFSC lodged FIR on 06 September 2018 against the partners of the firm. But no disciplinary action had been initiated against the defaulting officers/officials who facilitated the allotment of paddy to an unregistered miller.

The Director General, Food, Civil Supplies and Consumer Affairs, Haryana admitted (November 2019) that 10,484 MT paddy was allotted to the miller against the permissible limit of 4,000 MT. It was also intimated that a court case for cheque bounce was pending in the District Court, Kurukshetra. Further, departmental orders were issued to take disciplinary action against the defaulting officials/officers. The reply is not convincing as there was lack of in-built mechanism to check the entry of unregistered millers in list of registered millers, to verify the actual milling capacity of mill, to verify the ownership/leasehold status of mill and to monitor the release of paddy to each miller. Moreover, final action against the defaulting officers/officials was still awaited (August 2020). Thus, allotment of paddy to an unregistered miller in excess of permissible limit resulted in loss of ₹ 2.99 crore.

The matter was referred (February 2020) to the State Government and subsequent reminder was issued in May 2020; their reply was awaited (September 2020).

⁸ ₹ 10 lakh for first tonne and ₹ five lakh for each subsequent capacity of one tonne i.e. ₹ 10 lakh + ₹ 5 lakh * 3 = ₹ 25 lakh

⁹ 67 per cent of 10,483.80 MT paddy

¹⁰ CMR to be supplied: 7,024.15 MT – CMR actually delivered: 6,171.42 MT = CMR remained undelivered: 852.73 MT

Recommendation: The State Government may consider evolving proper mechanism to verify the physical and financial capacity of the millers before allotment of paddy. Responsibility may be fixed for allotting excess paddy to an unregistered miller and causing a loss of ₹ 2.99 crore to the State exchequer.

3.6 Extra burden of interest due to delay in claiming driage charges

Five District Food, Civil Supplies and Consumer Affairs Controllers had not claimed paddy driage charges of ₹ 101.59 crore from FCI in regular bills at the time of supply of custom milled rice resulting in delayed receipt between 22 and 1,577 days which caused an interest burden amounting to ₹ 13.45 crore.

The Food, Civil Supplies and Consumer Affairs Department, Haryana procures paddy for the Central pool on behalf of the Food Corporation of India (FCI) and delivers the Custom Milled Rice (CMR) to FCI. The rates of CMR are fixed by Government of India (GoI), Department of Food and Public Distribution which include minimum support price (MSP) of paddy payable to farmers, statutory charges, interest charges for two months, milling charges, driage charges at the rate of one *per cent* of MSP and other incidental charges for each kharif marketing season (KMS).

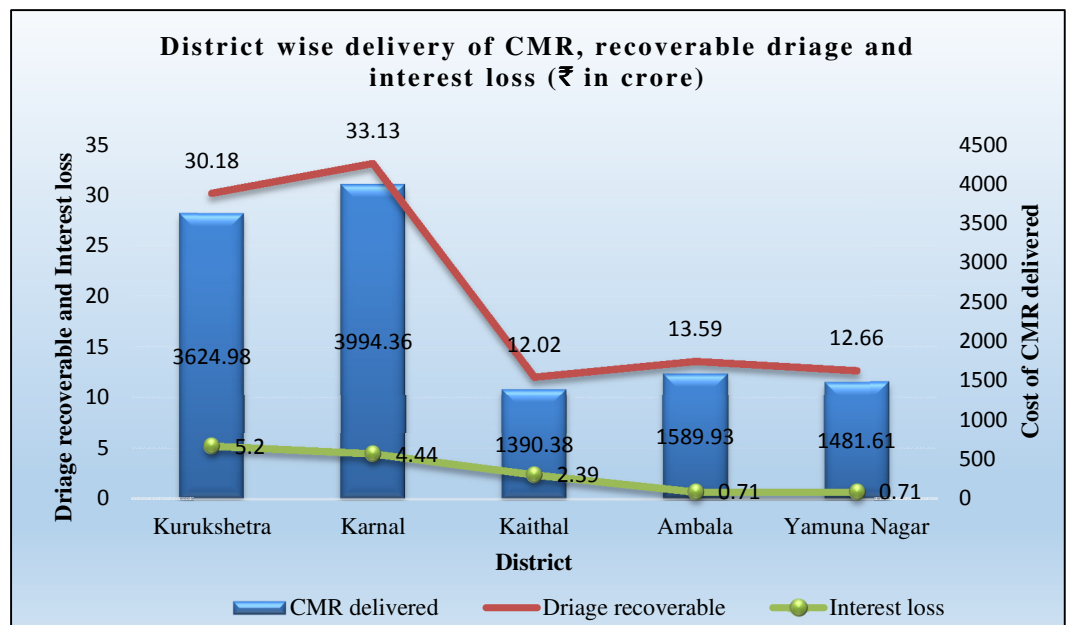
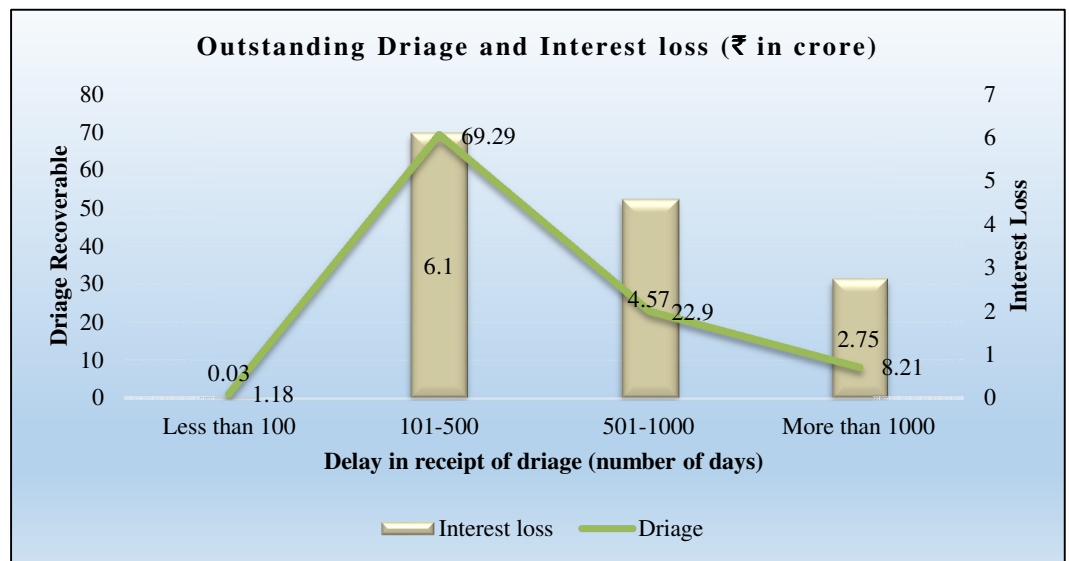
The Department procures paddy by availing Cash Credit Limit (CCL) from State Bank of India. The District Food, Civil Supplies and Consumer Affairs Controllers (DFSCs) raise bills on FCI as per rates fixed by GoI at the time of delivery of CMR to central pool and generally receive payments from the FCI within a week. The FCI allows interest for limited period of two months for delivering CMR and no interest is allowed on any supplementary bills. To minimise the interest burden on withdrawal from CCL, the State Government has stressed on delivery of CMR within prescribed time schedule.

During audit of five DFSCs¹¹, it was found that 45.83 lakh metric tonne CMR costing ₹ 12,081 crore for KMS 2014-15 to 2017-18 was supplied between October 2014 and October 2018 to the FCI. Against this quantity, ₹ 101.59 crore were receivable as driage charges from FCI. It was seen that the DFSCs did not claim the driage charges at the time of delivery of CMR instead these were claimed through supplementary bills between July 2015 and March 2019 which resulted in delayed/non realisation of driage charges. We observed that there were delays ranging between 22 and 1,577 days in receipt of driage charges from the FCI. As such, as on 31 March 2019, against the total receivable driage

¹¹ (i) Ambala, (ii) Kaithal, (iii) Karnal, (iv) Kurukshetra and (v) Yamunanagar

charges of ₹ 101.59 crore, ₹ 93.58 crore had been received and ₹ 8.01 crore was pending realisation.

Due to delayed receipt of driage charges, such amount remained withdrawn from CCL for extended period resulting in extra interest burden of ₹ 13.45 crore on the State exchequer. As the FCI does not allow interest on supplementary bills, therefore, it was financially imprudent to delay the claim for the State. Age-wise and district-wise analysis of interest burden on State Exchequer due to delay in receipt of driage charges from the FCI has been presented in the Charts below.



As evident from above, out of the five test-checked districts, the loss of interest was alarming in three districts viz. Kurukshetra (₹ 5.20 crore), Karnal (₹ 4.44 crore) and Kaithal (₹ 2.39 crore).

In reply to audit observation, the Director, Food, Civil Supplies and Consumer Affairs Department stated (August 2018) that directions had been issued for claiming driage charges from FCI in timely manner in future. The reply was not complete as reasons for not claiming the driage charges at the time of supplying CMR to FCI were not specified. Despite the fact that FCI does not allow interest on supplementary bills, the driage charges were claimed through supplementary bills resulting in receipt after a delay upto 1,577 days. Further, outcome of the directions was awaited (April 2019).

Thus, due to non-claiming of paddy driage charges of ₹ 101.59 crore through regular bills at the time of supply of CMR but at a later date through supplementary bills, driage charges were received after a delay upto 1,577 days and consequently an extra burden of ₹ 13.45 crore (upto 31 March 2019) on account of interest was paid on cash credit limit.

The matter was referred (May 2019) to the Additional Chief Secretary, Food, Civil Supplies and Consumer Affairs Department, Haryana and subsequent reminders were issued in May 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility on District Food, Civil Supplies and Consumer Affairs Controllers for not claiming driage charges from Food Corporation of India in regular bills at the time of supply of custom milled rice. Instructions may also be issued for compliance in future to avoid extra burden of interest.

Forest Department

3.7 Use of forest land for non-forest purposes in Aravalli and Shivalik Hill areas

Audit noticed encroachments on forest land at six sites, due to weaknesses in exercising controls by the Forest Department. Possession of 170.74 acre land was not taken at three sites for compensatory afforestation. Compensatory afforestation was carried out only on 39.07 ha. against the availability of 122.18 ha. land. Inadequate watch and ward controls of the department led to illegal mining in forest areas. Delay in taking action against the offenders of forest rules resulted in loss of ₹ 2.74 crore. Further, the expenditure of ₹ 2.90 crore on salary of Protection Watchers was not incurred in a transparent manner.

3.7.1 Introduction

Haryana is primarily an agricultural State with almost 80 per cent of its land under cultivation. Out of total 44,212 square kilometers (kms) geographical area

of the State, only 3.9 *per cent* is under notified forests. Forestry activities in the State are dispersed over Shivalik Hills in north, Aravalli hills in south, sand dunes in west and wastelands, saline-alkaline lands and waterlogged sites in the central part of the State.

The Aravallis of Haryana falls in seven districts¹². Ecological degradation in the Aravalli Region is in alarming situation due to increasing population of human and cattle, injudicious use of natural resources, unscientific mining, uncontrolled grazing and felling of trees, etc. The National Capital Region including Gurugram/Faridabad has witnessed exponential growth in terms of industries, habitations, etc., causing tremendous pressure on the limited natural resources. Resultantly, the Aravalli region remains ecologically, economically and socially backward in comparison with the other parts of the State.

The Shivalik region in Haryana is spread over 3,514 square kms in districts of Ambala, Panchkula and Yamunanagar. In less than half a century, burgeoning population of human and livestock have stressed the natural resources of Shivalik thereby threatening the survival of its flora and fauna.

Protection of forests and use of forest land for non-forest purposes is governed by Forest (Conservation) Act 1980, Environment Protection Act 1986, Punjab Land Preservation Act 1900 and rules made thereunder.

The Range Forest Officers and Foresters were responsible for protection of forests. Conservator of Forest and Divisional Forest Officers (DFO) were required to make frequent tours for inspection every month and to write an inspection note on the forest visited at the end of each month showing the state of protection of forest, encroachment of forest land, etc. The Principal Chief Conservator of Forests and other higher authorities were required to monitor the working of the Department for protection of forests.

With a view to assessing the effectiveness of Forest Department in protecting forest area under these hilly zones from illegal mining and encroachments, records for the period 2015-19 were test checked in the Office of Principal Chief Conservator of Forests and eight¹³ out of ten divisional offices located in Aravalli and Shivalik areas during July 2018 to April 2019.

¹² (i) Gurugram, (ii) Mewat, (iii) Faridabad, (iv) Palwal, (v) Mahendragarh, (vi) Rewari and (vii) Bhiwani.

¹³ (i) DFO (Territorial), Nuh, (ii) DFO, Yamunanagar, (iii) DFO, Gurugram, (iv) DFO, Mahendragarh, (v) DFO, Ambala, (vi) DFO, Rewari, (vii) DFO, Pinjore and (viii) DFO, Faridabad

3.7.2 Encroachment¹⁴ of forest land

The Additional Chief Secretary, Government of Haryana, Forest Department desired (October 2016) to identify blank and encroached areas using Geographical Information System (GIS). In compliance, the GIS Cell identified (February 2017) that a total of 454.88 acre area (except Pinjore) under encroachment in seven test checked divisions. The Principal Chief Conservator of Forests ordered (March 2017) the Divisional Forest Officers (T) concerned to do field verification of the said encroached areas. A report regarding status of encroachment of forest land and its eviction was sent to Government in September 2018. Scrutiny of this data revealed that there was a significant difference in data of encroachment on forest land as per divisional records (185.528 ha) and GIS Survey (1,125.01 ha). The area freed from encroachment was only 25.28 ha as against the encroachment of 1,125.01 ha. The division-wise detail of area under encroachment as per GIS survey, divisional records and area freed from encroachment is given in *Appendix 3.2*.

Thus, the divisional officers were oblivious of the actual forest land under encroachment, which clearly indicates lack of proper watch and ward by the Forest Department to protect/maintain the forest land.

Though field verification of encroachment with reference to data of GIS survey was stated to have been carried out by the divisions but no documentary evidence in support of having field verification done, was available with the divisions. As there was a significant difference of 939.482 ha in encroached area as per GIS survey and divisional records, a joint physical verification of five sites¹⁵ in five districts was conducted (November 2018 to April 2019) in audit to verify the actual encroachment¹⁶.

Chapter 5 of the Forest (Conservation) Rules and guidelines (2003) envisage that whenever clearances are accorded for diversion/de-reservation of forest land under the provisions of the Forest (Conservation) Act, 1980, certain conditions are imposed by the Ministry to minimise impact on forest land. Any violation of these conditions would lead to cancellation of sanction for non-forestry use and lease agreement would be revoked and the forest land

¹⁴ Any unauthorised use/access of forest land for non-forest purposes is said to be encroachment on forest land.

¹⁵ (i) Near Jhir village in Nuh, (ii) Rao-Majra village in Ambala, (iii) Mukundpura village in Mahendragarh, (iv) Bawal in Rewari and (v) Radha Swami Satsang (Beas) at Bir Ghaggar in Panchkula.

¹⁶ Shown as encroached area as per GIS survey but was not recorded as encroached in divisional records.

would be restored to the Forest Department for further management as forest. Section 3B of the Act further provides that where any offence is committed by any Department of Government, the Head of Department or by any authority, every person who, at the time of offence was committed, was directly incharge of and was responsible to the authority for the conduct of business of the authority as well as the authority shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

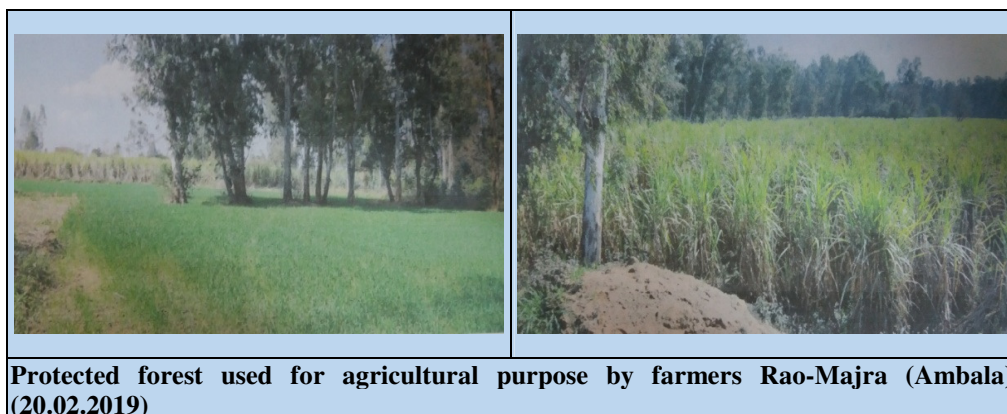
The cases of encroachment of forest land and violation of rules and regulations detected during audit are discussed below:

(i) Forest land in Industrial Estate, Bawal (Rewari), Mustil No. 26, Khasra/Kila no. 2 and part of Kila no. 1 of Village Suthani was under encroachment and large factories were built on this land. Audit observed (April 2019) that the above cited area was transferred (2009) to the Forest Department by Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) for developing forest in the area in lieu of forest land taken for Kundli-Manesar-Palwal Expressway. There was no encroachment on the land at the time of transfer of land to Forest Department. Thus, the Forest Department failed to protect the forest area from encroachment (construction of factories).



(ii) The land measuring 2.42 acre¹⁷ of Rao-Majra village of Hamidpur beat (Naraingarh block of Ambala district) which was recorded as protected forest but was being used by farmers for agriculture purpose. This was tantamount to encroachment of forest land.

¹⁷ Murabba number/kill number 30//7,8,9, 33//11, 23//1,2 (Naraingarh range)



(iii) In Narnaul range (Mahendragarh), *pakka structures* were constructed in Mukundpura village and adjoining *dhanis* (Chirag and Dhun) at six¹⁸ sites. According to Revenue records, these sites were part of reserve forest and were, thus, tantamount to encroachment of forest land.



(iv) In exercise of powers conferred by sub-section (1) and section 3 (2) (v) of the Environment (Protection) Act, 1986 read with Rule 5 of the Environment (Protection) Rules 1986, the Ministry of Environment and Forests, Government of India (GoI) prohibited (May 1992) carrying out construction of any cluster of dwelling units, farm houses, sheds, community centres, etc., in specified areas of Aravalli Range which were causing environmental degradation. It was seen that in Jhir village (Nuh) (a specified area of Aravalli Range), *pakka structures* were constructed by the residents on forest land and were living illegally for the last seven-eight years which indicates that the Department was not aware of encroachment on the forest land and had not done watch and ward of the forest area to protect it from illegal activities.

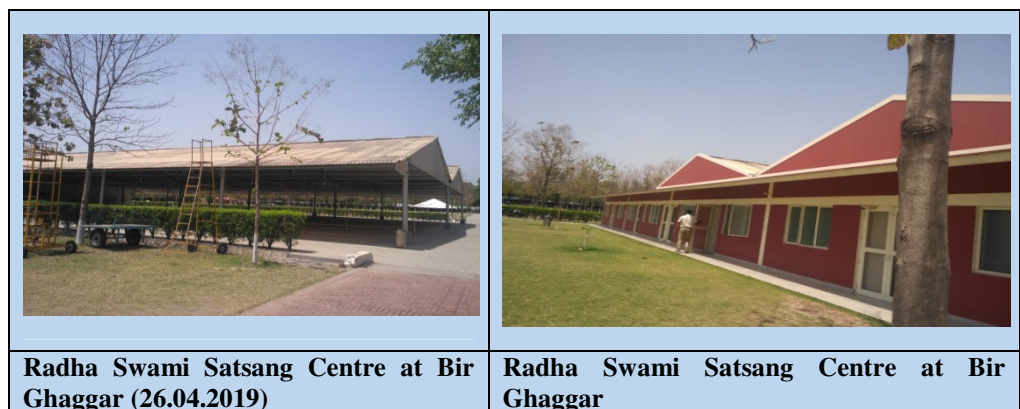
¹⁸ Between coordinates (i) 27°59'5.45"N and 76°4'31.81"E, (ii) 27°59'19.69"N and 76°4'44.80"E, (iii) 27°59'58.62"N and 76°4'22.44"E, (iv) 27°57'29.89"N and 76°4'7.99"E, (v) 28°0'3.80"N and 76°4'23.28"E; and (vi) 28°0'0.88"N and 76°4'21.55"E.



(v) Radha Swami Satsang (Beas) requested (April 1992) the Forest Department to divert 100 acres (40.34 ha) of protected forest land for setting up a Satsang Centre at Bir Ghaggar. The permission was granted for diversion of land for setting up Satsang Centre in January 1998 subject to the conditions that legal status of forest land shall remain unchanged and the forest land diverted would be utilised only for plantation of trees and no construction would be undertaken in the area.

Due to encroachment on 35 acre land, the Forest Department and Radha Swami Satsang (Beas) executed a lease agreement for 28 years for 65 acre of land in November 2009. Subsequently, possession of additional 19.50 acre (Total 84.50 acre) land was also given by April 2011 after getting the land freed from encroachment.

Construction activities were carried out by the Radha Swami Satsang Society on the said forest land in violation of the terms and conditions of lease agreement. As per Forest (Conservation) Rules and guidelines, the lease was to be terminated and sanction was to be cancelled and possession of the land was to be taken by the Forest Department. According to Google imagery (coordinates were between 30°43'57.23"N and 76°53'48.26"E.), the buildings were constructed between January 2006 and April 2009.



Thus, the Department failed to protect the forest area from non-forest activities.

(vi) An area of 497.325 acre land was acquired (2004) by the State Government for setting up of Police Training and Research Centre in Bhondsi village of Gurugram district. Out of this, 395.956 acre land was covered under Sections 4 and 5 of Punjab Land Preservation Act, 1900 (PLPA). The Forest Department officials visited the site (March 2008) and intimated to the Police Department about construction activities on the said land in violation of provisions of PLPA. No damage report was chalked out by the concerned officials for violations of PLPA.

Further, initially in October 2009, the proposal was for diversion of 24.28 ha. (60 acre) of forest land and in lieu of this 59.1 acre of land of Irrigation Department was transferred (December 2011) to Forest Department in Indri (Karnal). The matter was again discussed (December 2012) in the meeting of State Advisory Group of Ministry of Environment and Forests (MoEF) under Forest Conservation Act, 1980 wherein it was decided that a revised layout plan showing all the buildings, structures and other facilities including dimensions, total built-up area etc. would be submitted by the user agency in order to ascertain the requirement of obtaining environment clearance. In the meantime, new guidelines were issued by MoEF (July 2014) for sending proposal for diversion of forest land online. Thereafter, a field visit was done by forest officials in December 2015 and it was observed that actual area being utilised by the user agency for non-forest purpose was more than 300 acre. It was further suggested that a fresh proposal as per actual area must be sent by the user agency. The proposal for diversion of 160.97 ha of forest land was sent (August 2017) to GoI and the total compensation for afforestation was worked out to be ₹ 26.42 crore. However, the case had not yet been finalised (August 2019). Thus, due to indifferent approach of the Forest Department, the forest land was being utilised illegally for construction activities i.e. construction of buildings for training centre for more than 15 years without payment of compensation and non-transfer of equivalent non-forest land for forestry.

Thus, due to improper monitoring by the departmental authorities, encroachment of forest land was taking place continuously. Audit observed that proper inspection as per requirement of Haryana Forest Manual to protect forest area from any unauthorised activity was not carried out as no records in support of inspection having been carried out by the officers were available with the division to verify as to whether inspection were conducted by staff of Forest Department. Further, the Range Forest Officers and Foresters responsible to check protection of forests also did not perform their duties properly to protect the forests from encroachments.

Audit further observed that despite the provisions in the Forest (Conservation) Act, 1980 for prosecution against the departmental officers, no action was initiated against the officers for their failure to protect the forests from encroachment.

3.7.3 Failure to increase forest cover due to non-receipt of possession of non-forest land and delay in plantation

Paragraph 4.5.1 of the Haryana Forest Policy-2006 provides that Forest land should not be treated merely as a source readily available to be utilised for various projects and programmes, but as a national asset, which requires to be properly safeguarded for providing sustained benefits to the entire community. Further, paragraph 3.4(i) of the guidelines issued under Forest Conservation Act, 1980 states that equivalent non-forest land identified for the purpose of compensatory afforestation was to be transferred to the Forest Department and the transfer must take place prior to the commencement of project. Scrutiny of records revealed that the department diverted forest land for non-forest purposes but failed to get possession of the non-forest land in lieu of that as discussed below:

(i) Haryana Urban Development Authority (HUDA¹⁹) utilised 12.79 ha. (31.59 acre) forest land for development works from time to time. In lieu of this, HUDA agreed (May 1997) to transfer 31.38 acre land to Forest Department along Gurgaon Water Supply (GWS) Channel but later on, in October 1998, HUDA agreed to transfer 24.24 acre of land to Forest Department at different locations in the State. No reasons for change of locations and decrease in area from 31.38 acre to 24.24 acre were on record. The land (24.24 acre) was mutated between June 2006 and October 2010 in favour of Forest Department but the possession could not be taken due to encroachments. As the transfer of non-forest land to Forest Department was to be taken prior to the commencement of the projects, granting permission for diverting forest land to HUDA without possession was not appropriate. This resulted in decrease in forest area.

(ii) The National Highway Authority of India (NHAI) applied (August 2010) for diversion of 10.86 ha of forest land for widening of NH-8 to the Forest Department. NHAI agreed (November 2011) to give non-forest land measuring 27 acre 3 Kanal of Pavti village in Bawal sub division in lieu of diverted equivalent forest land. Scrutiny of records of the office of Divisional Forest Officer (T) Rewari revealed that this non-forest land had not been transferred to

¹⁹ Currently known as Haryana Shehri Vikas Pradhikaran (HSVP)

Forest Department (June 2019). As per rules, the same was to be transferred to Forest Department before granting final approval.

(iii) The HSIIDC had applied (November 2006) for diversion of 89 acre of forest land for construction of Kundli-Manesar-Palwal expressway. In lieu of this, 111.78 acre land (Industrial Estate; Bahadurgarh: 46 acre and Growth center Bawal: 65.78 acre) was to be transferred to Forest Department for compensatory afforestation by HSIIDC. Scrutiny of records revealed that the land transferred to Forest Department in Growth Center, Bawal was already a green belt which was mandatory to be developed for maintaining ecological balance as per Environmental rules while developing an industrial estate. Thus, HSIIDC had transferred green belt land to Forest Department instead of non-forest land for developing forest. The then Range Officer had objected (January 2008) the transferring of green belt and had asked HSIIDC to transfer some other land to Forest Department in lieu of green belt area. Further action taken in this matter was not on record of the Forest Department and no land had been transferred to the Forest Department in lieu of green belt area (May 2019).

(iv) While according approval, the GoI directed that compensatory afforestation should be done within one year of issue of approval order of diversion of land. Forest Department diverted 44.65 ha. of land in 75 cases in Rewari division and approval for diversion was received in these cases during 2015-18. The Department had carried out compensatory afforestation only on 23.37 ha. of the diverted land while no compensatory afforestation had been carried out on the remaining 21.28 ha diverted land. Similarly, Divisional Forest Office (T), Gurugram, diverted 77.53 ha. of land in 74 cases during this period. However, compensatory afforestation was carried out on merely 15.70 ha land. Thus, the Forest Department was slow in carrying out compensatory afforestation, resulting in decrease in forest area.

3.7.4 Poor/inadequate control

(i) *Damage to forest property due to illegal activities on forest land*

The Department detected 10,436 cases of encroachments/ illicit felling of trees/illegal mining during April 2015 to March 2019 in test checked divisions and realised revenue of ₹ 2.56 crore as damage charges (**Appendix 3.3**). Thus, natural resources in the forest areas were continued to be damaged illegally. Besides, Audit conducted joint inspection (between November 2018 and February 2019) with departmental officials at three²⁰ sites on the basis of

²⁰ (i) Khudana village in Mahendragarh, (ii) Khod Basai and (iii) Hirwari Bamatheri in Nuh.

Google imagery where suspected illegal activities were being done as detailed below:

- In Khod Basai (Nuh Division) illegal mining was taking place as fresh debris of stone was lying at site. (27.11.2018)



- In Hirwari Bamatheri (Firozpur Jhirka range in Nuh Division) area, sand was extracted from bhood areas and fresh traces of tractor tyres were also noticed. (29.11.2018)



- In Khudana (Mahendragarh) instances of fresh mining were noticed. Departmental officials stated that damage reports were being chalked out against the offenders whenever cases of mining were observed. (12.02.2019)



As evident from the above, illegal mining was being done by offenders in the areas where departmental action was lacking. Audit recommends that these cases are based on test-check of few cases; the department should evolve proper system to control unauthorised activities in forest areas with the help of Google imagery or any other system.

(ii) ***Loss of revenue due to time barred cases of illegal mining, construction and encroachment***

Paragraph 17.79 of the Haryana Forest Manual 2015 *inter-alia* stipulates that prosecution cases should be finalised within two months of the issue of the damage report.

During test check of records of Divisional Forest Officer (T), Faridabad, it was observed that 46 cases of illegal felling of trees, illegal mining and illegal encroachment, on which penalty of ₹ 2.18 crore was leviable, were not filed in the Environment Courts, within the stipulated period of two months and had become time barred. DFO Faridabad recommended (June 2018) to Conservator of Forest, South circle, Gurugram that action against the then Forest Range Officer, Faridabad must be taken as he was responsible for failure of filing the cases in Environment Courts, with a copy to Chief Conservator of Forest (Protection-II) Gurugram. No action has been taken against the defaulting officer. However, during exit meeting held in July 2018, the Divisional Office stated that the matter was under investigation.

Similarly, 176 cases of time barred damage reports (2015-19) involving damage charges of ₹ 55.63 lakh were also noticed in four²¹ divisions.

Thus, due to not taking action within stipulated period of two months, 222 damage reports had become time barred. This resulted in loss to the State Exchequer of ₹ 2.74 crore due to non-recovery of damage charges. It is recommended that the department may initiate disciplinary action against the defaulting officers for the loss of revenue due to failure in filing the cases in the Environment Courts within the stipulated time period.

3.7.5 Irregularities in outsourcing of services

The State Government through its policy (February 2009) allowed outsourcing of auxiliary or supporting services/activities in Government departments/organisations.

The State Government further issued (February 2014) guidelines for compliance of labour laws in respect of outsourcing agreements. It provides that the principal employer should supervise the disbursement of wages; audit the record of wages and leave etc; and obtain copies of monthly contributions of Provident Fund (PF) and Employees State Insurance (ESI) along with the corresponding list of workers. Separate Escrow accounts²² were to be opened and deposit of ESI and PF should be validated only if the dossier of workers and

²¹ (i) Gurugram: 34 cases: ₹ 8.58 lakh, (ii) Nuh: 87 cases: ₹ 24.04 lakh, (iii) Yamunanagar: 33 cases: ₹ 10.40 lakh and (iv) Ambala: 22 cases: ₹ 12.61 lakh.

²² An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. This is a temporary account as it operates until the completion of a transaction process, which is implemented after all the conditions between both the parties are settled.

their account numbers are provided. No bill of the service provider should be paid unless a copy of such dossier is provided.

To stop illegal mining in the area falling under Aravalli hills, Protection Watchers were deployed on various sensitive areas (mining prone area). Five²³ divisional offices had spent ₹ 2.90 crore on salary of Protection Watchers during 2015-18. The divisions were unable to provide documents relating to tenders executed for hiring of Protection Watchers. As a result, it could not be ensured that the Protection Watchers were deployed by calling tenders in a transparent manner. The department neither had any data regarding persons employed as Protection Watchers nor had any record regarding their ESI/PF contributions, in the absence of which authenticity of these protection watchers whether they were actually been employed/hired or not could not be ascertained. Further, the objective of stopping illegal mining by deploying Protection Watchers could not be fully achieved as cases of illegal mining were noticed by Audit during physical verification of sites.

3.7.6 Conclusions

The delicate ecology under the forest cover in Aravalli and Shivalik range constantly suffered due to encroachments and unauthorised activities. The Government of Haryana was ineffective in checking illegal mining, and controlling offenders and expenditure incurred on surveillance, watch and ward of the forests did not bear desired results.

3.7.7 Recommendations

The Government may consider the following:

- **Carrying out field verification of encroachment of land with reference to data of GIS survey, and take appropriate action to get land freed from encroachment;**
- **Strengthening the watch and ward and monitoring mechanism to eliminate the encroachment and other illegal activities to protect the forest areas;**
- **Strengthening the mechanism to obtain possession of land for carrying out compensatory afforestation as provided in the guidelines issued under the Forest (Conservation) Act, 1980; and**

²³ (i) DFO (T) Faridabad, (ii) DFO (T) Gurugram, (iii) DFO (T) Mahendragarh, (iv) DFO (T) Nuh and (v) DFO (T) Rewari.

- **Fixation of responsibility for the failures of the departmental officers in carrying out their duties for protection of forests and initiating prosecution proceedings as per provisions of the Forest (Conservation) Act, 1980.**

These points were referred to the Government in November 2019 but their reply was awaited (September 2020).

Home Department

3.8 Unauthorised use of golf course on Government land

The golf course developed on Government land with Government resources at 3rd Battalion, Haryana Armed Police, Hisar was allowed for use by private persons unauthorisedly for more than five years. Revenue amounting to ₹ 80.87 lakh generated by its Management Committee was kept outside the Government account.

Section 3(a) of the Public Premises and Land (Eviction and Rent Recovery) Act, 1972 states that a person shall be deemed to be in unauthorised occupation of any public premises if he enters into possession thereof otherwise than under and in pursuance of any allotment, lease or grant. Further, Section 3(c)(i) of the Public Premises and Land (Eviction and Rent Recovery) Act, 1972 and Rule 3.29 of Punjab Police Rules, Volume I (PPR) specifically prohibit the use/lease of public premises without the permission of the State Government. Further, Rule 4.1 of the Punjab Financial Rules (PFR) provides that the departmental controlling officers should see that all sums due to Government are regularly and promptly assessed, realised and duly credited into the treasury.

The 3rd Battalion, Haryana Armed Police (HAP), Hisar occupies approximately 83 acres of land. It imparts training to the newly recruited constables of the Haryana Police. Out of total area of 83 acres, the Commandant, 3rd Battalion developed a golf course in 55 acres with the approval of Director General of Police, Haryana (DGP) and formally started the golf course in October 2010 under the name of Haryana Armed Police Green Golf Course, Hisar. In November 2013, the golf course was opened to private persons by allowing membership. Private persons were made members to make the golf course self sustainable and for generating funds for its upkeep and maintenance. A Managing Committee under the chairmanship of Inspector General of Police, Hisar Range was also set up for managing the affairs of the golf course like a private enterprise. The Managing Committee generated and retained the revenue of ₹ 80.87 lakh upto December 2018 as membership and maintenance

fee whereas Government resources were used on payment of electricity and water charges and deployment of manpower for operation and maintenance of the golf course.

Managing the affairs of the golf course through a Managing Committee and allowing membership to private persons in the golf course was tantamount to leasing it out to a private body as permission/sanction of the Government was not obtained for constructing the golf course on the Government land and funds generated by the body were being kept outside the Government account and were spent by the body without following the Government rules and regulations.

The Director General of Police, Haryana replied (April 2019) that membership fee and maintenance charges were being deposited in a separate bank account and were managed by a Committee headed by Inspector General, Hisar Range. The operation of this account was done as per procedure prescribed in the constitution of the club. All expenditures were incurred strictly as per constitution of the club.

The reply was not tenable as funds generated by way of membership and maintenance fee were kept out of Consolidated Fund of the State without specific authorisation. Further, Government resources were being used for operation and maintenance of golf course as payments of electricity and water charges were made from the government funds and police manpower was deployed for development of the golf course.

Thus, the golf course was leased out to a private body without specific approval of the Government by violating the provisions of Section 3(a) and 3(c)(i) of the Haryana Public Premises and Land (Eviction and Rent Recovery) Act, 1972 and was under unauthorised use of a private body for more than five years. Audit further observed that more than 2/3rd of the area allotted for the battalion by the Government was utilised for the golf course, without payment of any lease money to the Government. The action of the Police Department was in violation of extant Government rules and regulations.

The matter was referred to the State Government in March 2019, subsequent reminders were issued in June 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility for violating the provisions of Sections 3(a) and 3(c)(i) of the Haryana Public Premises and Land (Eviction and Rent Recovery) Act, 1972 and allowing unauthorised use Government land by a private body for golf course.

**Housing Department
(Housing Board Haryana)**

3.9 Avoidable payment of income tax and non-realisation of interest

By not reducing the unrealisable amount of surrendered properties from the income, in the subsequent year, avoidable payment of income tax to the extent ₹ 1.45 crore was made. Further, excess refund of ₹ 0.41 crore was made in seven cases due to ignoring of the interest on outstanding amount till the date of surrender.

The Housing Board, Haryana (HBH) was established in May 1971 under the Haryana Housing Board Act, 1971. The HBH decided (June 2013) to dispose off built up houses/flats, shops and commercial sites through auction. The successful bidder had to deposit 25 per cent of auction amount on the spot and 15 per cent within 30 days from the date of acceptance of the bid. Remaining 60 per cent of auction amount was to be deposited through monthly/half yearly equal instalments which included interest at the rate of 10 per cent per annum on the outstanding amount. As per policy (May 1985), the HBH allows surrender of properties after forfeiting 10 per cent of the total bid amount and charging interest on overdue instalments.

During test check of records (March 2017) in the office of Chief Administrator, HBH, it came to notice that in the financial year 2013-14, the HBH sold 25 properties by auction for ₹ 11.35 crore against the book value of ₹ 1.65 crore. The HBH earned income of ₹ 9.70 crore from these properties which was accounted as income from auctioned properties in the financial statements for the year 2013-14. These 25 properties also include four shop cum offices²⁴ (SCOs) situated at Dadri Gate, Bhiwani which were auctioned for ₹ 5.04 crore against the book value of ₹ 0.85 crore and earned income was ₹ 4.19 crore.

The buyers of these four SCOs surrendered the properties in May 2015 and July 2015. During audit, the following irregularities were noticed in the accounting treatment of surrendered properties and charging of forfeited amount as well as interest on overdue amount:-

- The income earned from auction of four SCOs i.e. ₹ 4.19 crore was taken as accrued income from auction of properties in the financial statements for the year 2013-14. However, at the event of surrender and refund of deposited amount, the income for the year 2015-16 was not reduced and

²⁴ Shop cum office numbers 5, 6, 7 and 8 situated in Bhiwani town at Dadri Gate.

adjustment of income tax to the extent of ₹ 1.45 crore was not claimed in the financial statements of 2015-16.

On being pointed out, the Chief Accounts Officer, HBH (CAO) stated (October 2019) that in accordance with accounting policy of the HBH the book value of surrendered properties has been revised to equal to the bid amount and the forfeited amount has been reduced from the revised book value of the properties concerned. The accrued income of surrendered property cannot be reversed by adjustment and the final adjustment would be made at the time of re-auction of surrendered property.

The reply was not acceptable as income tax to the extent of ₹ 1.45 crore could have been saved by reducing the income from auctioned properties in the year 2015-16 as ₹ 4.19 crore would never be realised as the properties had been surrendered. Further, in contravention to the accounting policy, the HBH had taken the stock of surrendered properties on market value instead of original cost of property.

- As per 1985 policy in respect of surrendering the property, the bidder was liable to pay 10 *per cent* of bid value and interest on overdue instalments. During scrutiny of calculation sheets of refund in the above four surrendered properties it was found that except one property (SCO No. 5) the interest was ignored which resulted in excess refund of ₹ 0.29 crore in three properties. The same irregularity was also noticed in other four properties wherein excess refund of ₹ 0.12 crore was made. Thus, in seven cases excess refund ₹ 0.41 crore was made by not taking into account the interest on outstanding amount.

The CAO stated (October 2017) that in case of SCO No. 5, the interest was deducted on overdue instalments as per policy. In other cases, the instalments were received on due dates, therefore, interest was not realisable.

The reply was not acceptable as the ten half yearly equal instalments of the 60 *per cent* bid amount include principal as well as interest on outstanding amount till the due date of instalment. The HBH considered the whole instalment as principal amount and refunded the whole amount after deducting only 10 *per cent* of bid value. By ignoring interest component of the paid instalments a loss of ₹ 0.41 crore was caused to the HBH.

Thus, by not reducing the unrealisable amount of surrendered properties from the income of the HBH in the subsequent year, avoidable payment of income tax to the extent ₹ 1.45 crore was made and loss of ₹ 0.41 crore caused to the

HBH by not recovering interest on outstanding amounts till the date of surrender of seven properties.

The matter has been referred (January 2020) to the State Government and subsequent reminder was issued in May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility on officers for not complying with the accounting policy and not reducing the unrealisable amount of surrendered properties from the income, in the subsequent year which resulted in avoidable payment of income tax and for excess refund by ignoring the interest on outstanding amount.

Public Health Engineering Department

3.10 Injudicious expenditure on new water supply scheme

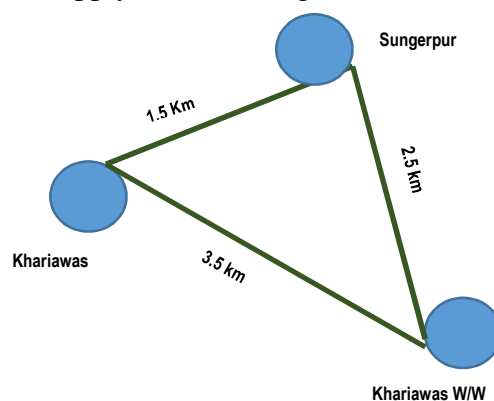
Instead of laying 1.5 km separate pipeline for supplying drinking water to village Khariawas, the department opted for construction of independent water works after laying 6 km pipeline for carrying canal water and treated water and incurred an injudicious and avoidable expenditure of ₹ 1.48 crore.

Para 10.1 of the State PWD code provides that the estimate of the project should be a cost effective proposal. Alongwith estimated expenditure to be incurred, it should explain in clear terms the objective to be gained and reasons for proposing the estimated project in preference to others. Section 3(i) of the Haryana Underground Pipeline (Acquisition of Right of User in Land) Act, 2008 authorises the State Government to acquire the right of user in any land for laying underground pipeline for carrying water or gas from one locality to another locality in public interest. Further, Rule 2.10 (a) of the Punjab Financial Rules (Vol. I) (as applicable in Haryana) demands that every Government employee should exercise same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of his own money.

During audit (August 2018) of the office of Executive Engineer, Public Health Engineering Division, Tosham, District Bhiwani (EE), it came to notice that the water supply scheme of village Sungerpur was supplying water to approximately 5,000 inhabitants of two villages namely, Sungerpur and Khariawas. The drinking water to the village Khariawas was being carried through a 1.5 km long pipeline from water works Sungerpur. As the water allowance was 66 litres per capita per day (LPCD), the scheme was augmented in 2012 for supplying 70 LPCD water to the prospective population of both the

villages upto the year 2026 with an expenditure of ₹ 0.79 crore. As the inhabitants of village Khariawas were facing problem due to defects and punctures in pipeline meant for carrying treated water, an estimate for ₹ 0.31 crore was approved in April 2013 for laying a new pipeline for carrying treated water from water works Sungerpur to village Khariawas and the work was completed in August 2013.

However, it was noticed that a new estimate for construction of an independent water works at Khariawas was proposed in September 2013 for water allowance of 70 LPCD for the prospective population of village Khariawas upto year 2027. The basis for new estimate was taken that the pipeline laid from water works Sungerpur to Khariawas was punctured by the Sungerpur inhabitants and sufficient water was not reaching to Khariawas. The estimate was administratively approved by the Water Supply and Sewerage Board in July 2014 for ₹ 2.36 crore. The land was provided by the village panchayat free of cost, which was 3.5 km away from the village *abadi* for which Ductile Iron (DI) pipeline was proposed. The raw water was to be carried through 2.5 km DI pipeline from water works Sungerpur as no separate source for raw water was identified.



The work of construction of water works alongwith laying of DI pipes and pumping machinery for carrying raw water as well as treated water was awarded to a contractor in September 2016 for an agreement amount of ₹ 0.60 crore (excluding the cost of pipes). The work was completed in August 2018 and an expenditure of ₹ 1.48 crore had been incurred on the work so far which included contractor payment of ₹ 0.60 crore and cost of pipes ₹ 0.88 crore.

Audit observed that the expenditure incurred on construction of new water supply scheme Khariawas was injudicious in light of the following audit observations:

- The department had augmented the water supply scheme Sungerpur only in the year 2012 for catering the need of 70 LPCD drinking water for the prospective population of both the villages upto the year 2026. So there was no instant need for construction of new water works for village Khariawas.
- The DI rising main had been laid in 2013, from water works Sungerpur for supplying 70 LPCD water to Khariawas with a cost of ₹ 0.31 crore. The water generally runs in rising main by pressure through pumping

and it is not possible to puncture the pipeline by the villagers without connivance of departmental officials.

- Further, instead of opting for laying underground DI pipeline for only 1.5 km by acquiring user right, if need arises, the department opted for constructing a new independent water works for supplying same 70 LPCD water to village Khariawas by laying six km DI rising main for carrying raw water and treated water.

The Additional Chief Secretary, Public Health Engineering Department stated (June 2020) that new water works was constructed on demand of villagers due to puncturing of rising main by the inhabitants, illegal connections and shortage of power supply. The reply was not maintainable as the demand of villagers of supplying adequate quantity of water could have been met out by laying underground pipe line and illegal connections were to be controlled by the department itself.

Thus, the expenditure of ₹ 1.48 crore incurred on construction of new water works at village Khariawas was injudicious and avoidable.

Recommendation: The State Government may consider fixing responsibility on officers responsible for proposing an injudicious proposal and for incurring avoidable expenditure.

3.11 Unfruitful expenditure on incomplete work

The water supply scheme for village Bhurawas, district Jhajjar remained incomplete even after seven years from the targeted date of completion due to starting the work without assessing the site conditions, which resulted in unfruitful expenditure of ₹ 1.29 crore, besides potable water could not be provided to villagers.

Paragraph 10.1.3 of the Haryana PWD Code provides that while preparing the estimate of any project the site shall be inspected to ascertain field conditions and the fact of visit should be clearly brought in the estimate. Paragraph 16.37.1 observes that time overruns are likely to result in higher project cost, contractual claims and delay in the use of facility. The measures to mitigate time overrun include effective enforcement of contractual clauses. As per paragraph 6.5.1 of the Code, the Divisional Officer is responsible for the execution and management of all works within his division. He is responsible for administration of contracts, quality of works and their timely completion.

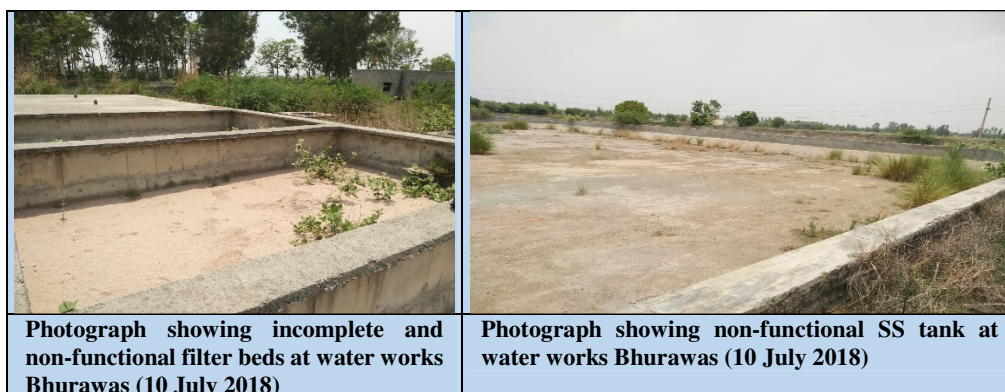
With the objective to provide potable drinking water to population of 4,000 inhabitants of village Bhurawas, district Jhajjar, an estimate of ₹ 1.32 crore was

prepared in May 2011 for which administrative approval of ₹ 1.22 crore was accorded in February 2012. The work was awarded (August 2011) to a contractor for ₹ 1.25 crore with a completion time limit of 12 months i.e. upto August 2012.

During scrutiny of records (July 2018) relating to the work in the office of Executive Engineer, Public Health Engineering Division No. 1, Jhajjar (EE), it was noticed that the contractor intimated in October 2012 and January 2013 i.e. after targeted date of completion that the work of Storage and Sedimentation Tank (SS Tank) could not be completed due to rise in sub-soil water level at the site. The contractor was granted (July 2013) time extension upto March 2014 to complete the work. As per 4th running bill paid in June 2014, the contractor had executed the work to the tune of ₹ 0.83 crore and had constructed almost 90 *per cent* of the civil structures. Thereafter, no work was executed and the site left abandoned since June 2014. The EE imposed (December 2015) penalty of ₹ 0.12 crore on the agency as per clause-2 of the contract agreement for delaying the completion of work and instructed the contractor to execute the balance work at the earliest.

In the meanwhile, the estimate of the work was revised (February 2017) to ₹ 2.12 crore due to change in site condition and change in policy to use Ductile Iron (DI) pipes instead of Asbestos Cement (AC) pipes and revised administrative approval was granted for ₹ 2.12 crore in April 2017. However, effective monitoring and follow up was not done by the department to get the work completed. After almost six years from the actual due date of completion, the EE rescinded (May 2018) the agreement under clause 3C of the agreement for getting the work completed at the risk and cost of the contractor. An expenditure of ₹ 1.29 crore has been incurred on the work till date (July 2019) which include contractor payment and cost of pipes issued on work.

During joint physical verification of the site (July 2018), it was observed that the works viz. inlet channel for raw water, SS tank, suction and scouring well, filter beds, pump chamber, etc. were lying incomplete as depicted in the photographs:



Thus, the detailed estimate was prepared and work was awarded to the contractor without assessing the site conditions which resulted in non-completion of project and the expenditure of ₹ 1.29 crore incurred on the work rendered unfruitful and exposed to degeneration with the passage of time. Besides, objective of the scheme of providing potable water to the inhabitants of village Bhurawas could not be achieved. As such, due to non-execution of 10 per cent work, 90 per cent expenditure of ₹ 1.29 crore on incomplete project was lying unfruitful since June 2014 i.e. for six years.

The Additional Chief Secretary, Public Health Engineering Department endorsed (June 2020) the reply of Engineer-in-Chief (January 2020) which stated that the work could not be completed within time limit (i.e. up to 20 August 2012) due to the rise in sub-soil water level at the site and electric line and poles were passing over the land given by the Panchayat. The balance work has been taken up and targeted to be completed by 31 March 2020.

The reply was not maintainable as the department prepared estimate and started the work without assessing site conditions such as higher level of sub-soil water which resulted in inordinate delay in execution of work and still after eight years of targeted date of completion, 90 per cent investment of ₹ 1.29 crore was lying unfruitful due to non-execution of only 10 per cent work.

Recommendation: The State Government may consider fixing responsibility on officers for not assessing the site conditions while preparing detailed estimate and before starting the work resulting in incomplete water supply scheme even after eight years of targeted date of completion.

Public Works Department (Buildings and Roads)

3.12 Unfruitful expenditure on widening and strengthening of link road

Despite knowing the fact that the land for construction of 3.430 km road belonged to private persons, the department incurred ₹ 6.30 crore on construction of 10.57 km road (km zero to km 7.370 and km 10.800 to km 14.000). Resultantly, the expenditure remained unfruitful as both ends remained separate and the road could not be utilised by the commuters.

Para 15.1.4(a) of the State PWD Code stipulates that before commencement of a work, it should be seen that the land/site on which construction is to take place is in the possession of the department (preferably without encumbrances).

The Public Works Department (Buildings and Roads) had constructed a 14 kilometer (km) long link road from Sadhaura to village Mugalwali via

villages Rattuwala and Safilpur in Yamuna Nagar district in 1992. The road from km 7.370 to 10.800 (3.430 km) was constructed on private land without acquiring it and paying compensation to land owners. A landowner filed a civil suit in the Court in November 2010 for getting the land vacated. The Court decided (January 2014) the case in favour of plaintiff and directed the department to handover the vacant possession of land to the plaintiff.

The department filed an appeal, against the above decision, in the District Court, which was dismissed in March 2017, and further appeal filed by the department in the High Court of Punjab and Haryana was also dismissed in September 2017.

In the meanwhile, the department prepared an estimate for widening and strengthening of total 14 km length of the link road which was administratively approved by the State Government in May 2016 for ₹ 8.55 crore.

During audit of records (February 2019) in the office of the Executive Engineer, Provincial Division, PWD (B&R) Naraingarh (EE), it was noticed that the above cited work was awarded (November 2016) to a contractor at an agreement amount of ₹ 8.32 crore with a time limit of nine months. The contractor started the work in March 2017 and executed the work upto km 7.370 and from km 10.800 to km 14.000 by December 2017. But no work could be executed between km 7.370 and km 10.800 due to non-availability of land as it belonged to private persons. The department finalised the agreement in December 2017 and made (January 2019) a final payment of ₹ 6.25 crore to the contractor for the work done by him in kms zero to 7.370 and 10.800 to 14.000. A total expenditure of ₹ 6.30 crore had been incurred on the project so far (July 2019). The road between km 7.370 and 10.800 remained unrepaired and was found almost in non-existent condition. During physical verification (February 2019) alongwith departmental officers it was observed that the road was not through as both the ends remained separate due to non-existence of road.



Photograph showing non-existent Sadhaura – Mugalwali road via Rattuwala and Safilpur as on 14 February 2019.

Thus, due to commencement of work despite knowing the fact that encumbrance free land was not in possession of the department and the land belonged to private persons, the expenditure of ₹ 6.30 crore incurred on partially constructed road remained unfruitful as the commuters were unable to utilise the road for going from Sadhaura to Mugalwali via Rattuwala and Safilpur.

On being pointed out by Audit (February 2019), the EE replied (February 2020) that only one landowner had approached the Court before the preparation of estimate. Though the stretch between km 7.370 to km 10.800 remained unconstructed, commuters of five villages were using the constructed road i.e. from km zero to km 7.370 and km 10.800 to km 14.000. Further, there was a proposal to complete the work by realigning the road through available consolidated path parallel to the existing metalled road. But the work could not be started due to encroachments on this consolidated path.

The reply was not tenable, as the Court had directed (January 2014) to hand over the vacant possession of the land in question to the landowners. In the absence of availability of encumbrance free land, the expenditure of ₹ 6.30 crore incurred on constructed road, without joining both the ends, remained unfruitful. The department had incurred the expenditure even after knowing the fact that the through road from km zero to km 14.000 was not feasible due to non-availability of land with the department. The proposal regarding re-alignment of road through consolidated path has also not been finalised so far (February 2020) due to encroachment.

The matter was referred (December 2019) to Additional Chief Secretary, Public Works Department (Buildings and Roads) and subsequent reminders were issued in January 2020 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility for incurring expenditure on construction of road without ensuring availability of land for joining both ends of the road.

Science and Technology Department

3.13 Unfruitful expenditure on non-functional cafeteria

Expenditure of ₹ 0.82 crore incurred on the construction of a cafeteria in Kalpana Chawla Memorial Planetarium at Kurukshetra remained unfruitful, due to lack of a firm plan of utilisation by the Haryana State Council for Science and Technology.

Rule 2.10 (a) of the Punjab Financial Rules, Volume-I as applicable to the State of Haryana provides that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Rule 2.10 (a) (1) further provides that every Government employee 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.

During audit (August 2019) of Haryana State Council for Science and Technology (HSCST), it was observed that the Kalpana Chawla Memorial Planetarium at Kurukshetra (KCMP) was constructed in 2007 with the joint collaboration of HSCST and National Council of Science Museums, Ministry of Culture, Government of India in the memory of Late Astronaut Ms. Kalpana Chawla. The Planetarium was receiving at an average 1.25 lakh visitors annually, out of which half were students. As the KCMP is located outside the main city, the Chairman, Executive Committee of the HSCST decided (March 2015) to provide a cafeteria for the visitors in the campus without any proposal as how this was to be run after construction.

The cafeteria was got constructed from Haryana Tourism Corporation Limited, (HTCL) at a total cost of ₹ 0.82 crore including furniture and fixture for ₹ 0.10 crore in July 2016. However, the department took over the possession of the cafeteria in January 2017. No concrete efforts were made to start the cafeteria and to provide food items to visitors till September 2017, after more than one year of completion of the facility, when the Secretary, Executive Committee, HSCST requested the Managing Director, HTCL to take over the cafeteria on lease basis. There were further delays, as the officers of HTCL visited the cafeteria in November 2018 (after lapse of fourteen months) to study the feasibility of the proposal. After visiting the KCMP campus, the HTCL replied (November 2018) that the proposal was not financially viable and due to shortage of manpower, they would be unable to run the cafeteria. After that, the HSCST constituted (January 2019) a three member departmental committee to call tenders for giving the cafeteria on lease. But the tenders were never called and cafeteria was not put to use. As a result, even after lapse of three years, the cafeteria remained non-functional (February 2020).

The Additional Chief Secretary, Department of Science and Technology intimated (February 2020) that the Committee constituted for calling e-tender has written to HTCL and Public Works Department (Building and Roads) for assessing the annual rent for the food complex so that minimum reserve amount for lease could be fixed to call tenders and efforts would be made to make the cafeteria functional during 2020-21.

Thus, construction of the cafeteria without a prior firm plan of utilisation, rendered the expenditure of ₹ 0.82 crore unfruitful, and exposed to depreciation, while the intended benefits from the investment could not be derived (February 2020).

Recommendation: The department may firm up a plan of action for putting the asset created to use for the purpose intended in a time bound manner.

Town and Country Planning Department

3.14 Enforcement of Land Use Regulations in Urban and Controlled Areas

Unauthorised colonies grew in the State due to non-compliance to the extant provisions in the Acts and Rules. There were instances of granting of licences in excess of permissible area, delay in initiation of action for cancellation of licences, etc. Further, construction of buildings without approval of building plans, issuance of part occupation certificate without recovering External Development Charges, non-development of colonies of cancelled licences, non-recovery of revised licence fee, non-obtaining/ revalidation of bank guarantees, etc. were also observed. Change of Land Use permissions were granted in violation of rules. Besides compliance issues, total financial implication of this audit is ₹ 91.19 crore. Apart from these issues, an amount of ₹ 15,216.61 crore was outstanding against the colonisers on account of pending External Development Charges/ Infrastructure Development Charges for 1 to 16 years.

3.14.1 Introduction

Town and Country Planning Department (TCPD) is the nodal department to regulate urban development in the State. The Department carries out functions of prevention of unauthorised and unplanned construction and regulation of planned urban development under the Punjab New Capital Periphery (Control) Act, 1971 and Haryana Development and Regulation of Urban Areas (HDRUA) Act, 1975 and Rules made thereunder in the year 1976. The Department also grants change of land use (CLU) permission for residential, industrial, commercial, institutional, farm house, recreational use, etc. under the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development (PSRCARUD) Act, 1963 and Rules made thereunder in 1965. About 27 per cent of the total geographical area of the State has been declared as Controlled Area by the Government. The TCPD is the regulating authority in respect of controlled and restricted areas around towns in the State. In municipal areas, the concerned municipalities are the regulating authorities for urban development.

The Principal Secretary (PS) to Government of Haryana, TCPD is overall in-charge of the Department. The Director General (DG) is head of the Department who is assisted by two Chief Town Planners (CTPs). Further, there are five Senior Town Planners at circle level and District Town Planners (DTPs)

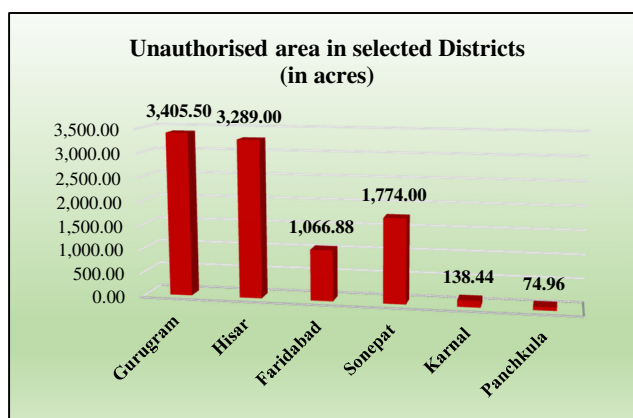
at district level (except district Charkhi Dadri whose charge is looked after by DTP, Bhiwani) for enforcement of rules and regulations.

With a view to assessing enforcement of land use regulations, records of Director General (DG), TCPD, and six²⁵ District Town Planners (DTPs) out of 22 districts in the State for the period 2014-19 were test checked during March to July 2019. The selection of districts for test-check was done by adopting Random Sampling Method.

3.14.2 Growth of unauthorised colonies

Under Section 3 and Section 7 of the HDRUA Act, grant of licence by the TCPD is mandatory for developing a colony, transfer or agree to transfer plots in a colony/ make an advertisement or receive any amount in respect thereof and erect or re-erect any building in any colony. Further, 'No Objection Certificate' (NOC) issued by the TCPD is required for registering a sale or lease deed in respect of any agricultural land having an area of less than two kanals²⁶ in an urban area or as may be notified specifically by the Government under Section 4(1) of PSRCARUD Act.

Scrutiny of records of selected districts showed that 5,144 unauthorised colonies



with an area measuring 9,748.777 acres (39.45 sq. km.) as of March 2019 (*Appendix 3.4*) had grown in the controlled areas. Audit observed that neither any licence as required under Section 3 nor any exemption under Section 9 of the HDRUA Act was

obtained. The unauthorised area comprises 0.83 *per cent* of the total Controlled Area (4,758.99 sq. km.) under the selected districts. Out of these, 892 colonies had developed during last five years i.e. 2014-19. Growth of unauthorised colonies was alarming in Gurugram, Hisar, Faridabad and Sonapat districts.

Audit carried a detailed scrutiny of one case of development of unauthorised colony in Karnal, and observed that the level of compliance with Acts and Rules

²⁵ (i) Faridabad, (ii) Gurugram, (iii) Hisar, (iv) Karnal, (v) Panchkula and (vi) Sonapat.

²⁶ One Kanal of land comprises of 605 square yard of land

by the concerned authorities was poor and the department failed to control the development of unauthorised colonies, as discussed below:

- i. The department detected (2012) an unauthorised colony spread over an area about 5.5 acres in village Mangalpur, Karnal, while Part II of the colony was detected in adjoining areas in 2017. However, no licence as required under Section 3 or exemption if any under Section 9 of the HDRUA Act was obtained.
- ii. DTP, Karnal issued (June 2012) show cause notices to colonisers of the area and passed restoration order under Section 10 (2) of the Act. However, no concrete action was taken against the colonisers between June 2012 and January 2018, when the restoration orders were passed again. As such, department lost the crucial time to stop the activities of the colonisers before it gained ground.
- iii. A joint demolition operations was undertaken only in March, June and September 2018, with the help of District Administration, in which road network, under construction houses/Damp-Proof Course (DPC) level structure were demolished. However, by that time, some houses were constructed and occupied at the site, which could not be demolished due to resistance from the public. The coloniser again constructed roads to develop unauthorised colony.
- iv. Office of the Deputy Commissioner (DC), Karnal had instructed (June 2012) all the Tehsildars/Naib Tehsildars under District Karnal not to register *bainama*²⁷ entry without obtaining NOC from DTP in unauthorised colonies. DTP, Karnal also issued similar instructions (June 2012 and February 2018) to Tehsildar, Karnal. In violation of these instructions, 34 sale deeds were executed by Tehsildar in the colony without obtaining NOC. Audit observed that no action was initiated by the DC Karnal against the Tehsildar for this act of violation of instructions.

Thus, the department proved ineffective in restoration of the area and initiating prosecution proceedings against the colonisers from the initial stage. Timely and appropriate action would have ensured that the coloniser obtained a licence, proper development took place, besides the department would have earned revenue on account of licence fees, External Development Charges (EDC), Infrastructure Development Charges (IDC), etc.

Recommendation: The Government may consider evolving proper monitoring mechanism to control the growth of unauthorised colonies, and initiate action against defaulting Tehsildars for registering sale documents

²⁷ Bainama signifies conveyance deed for sale of property.

pertaining to the unauthorised colonies in violation of orders of the competent authority.

The Director General, TCPD stated (October 2020) that DTPs concerned were taking action such as issue of show cause notices, passing of restoration orders, demolishing of unauthorised construction, lodging of First Information Reports, etc regularly against the unauthorised colonisers. The reply is not convincing as efforts of the Department are not effective as growth of unauthorised colonies was showing increasing trend. As regards unauthorised colonies spread over in Karnal district, it was stated that Additional Deputy Commissioner was asked (June 2018) to conduct an inquiry into the matter but their report was awaited (October 2020). It was also added that Additional Chief Secretary, Revenue had been requested for taking disciplinary action against the Tehsildar for execution of sale deeds despite the communication made by DTP Karnal not to register sale deeds in the unauthorised colony. Thus, effective action had not yet been taken in the matter.

3.14.3 Licences for development of colonies

The Department grants licences to the private colonisers for development of residential, commercial and industrial areas in accordance with HDRUA Act and Rules framed thereunder. A total of 322 licences were passed through various processes in test checked districts during 2014-19. Of the 41 test checked licences, building plans were not approved in 14 cases and Part Occupation Certificates (POC)/ Occupation Certificates (OC) were not granted in 34 cases. Scrutiny of licence cases brought out the following shortcomings:

3.14.3.1 Licences granted in excess of permissible area

To regulate the development of urbanised sector in harmonious manner, Government framed (December 2006) a policy for grant of licences and permission for change of land use (CLU). Paragraph 3 of the policy provides that the area under Residential Group Housing (RGH) should not exceed 20 *percent* of the net planned area of the Sector. Issue of licence in excess of norms would hamper the development of areas in harmonious manner. Further, there was no relaxation in the policy.

The net planned area of Sector 37D, Gurugram was 533.22 acres. Therefore, licences for RGH were to be granted upto an area of 106.64 acres i.e. 20 *percent* of net planned area. The Department had issued licences for RGH for an area of 115.512 acre upto 2009 which was already in excess of the permissible limits. Further, another licence number 94 of 2011 for land area measuring 19.74 acre was granted. Audit observed that the department had obtained the

approval of the Government in November 2010 on the plea that the applicant was senior to the applicants to whom the licences had already been granted and the applicant in question was not at fault. This violated the provisions of the policy for granting licence as there was no relaxation envisaged in the policy.

DG, TCPD stated (October 2020) that a conscious decision was taken to grant license on 19.744 acres of land as the application was received in 2007 and the same was existing in the seniority. It was also added that the relaxation was given as a special case. The reply is not tenable as there was no provision for relaxation in the policy of 2006.

3.14.3.2 Delay in initiation of action for cancellation of licence

Rule 13 of the HDRUA Rules provides for renewal of licence in cases where the coloniser fails to complete the development work in the colonies within a period of two years. The Licensees are required to get the licences renewed by submitting the applications along with renewal fee at prescribed rates. The licence is liable to be cancelled in case of non-renewal after giving proper notices.

Licence number 1 of 2002 over an area of 5.61 acres was granted (December 2002) for setting up a commercial colony in the revenue estate of village Patti Mehar, Ambala City. The validity period of the licence was two years i.e. up to December 2004. Audit observed (September 2018) that neither did the licensee apply for renewal of licence nor did the department take cognisance of the matter till October 2013 when a show cause notice was issued i.e after the lapse of nine years of licence period. Thereafter, the licence was cancelled in July 2015. It was seen that the licensee had sold land measuring 2,368 square yard through sale deed although the layout plan was not approved which was the basic requirement for registration of sale deeds under the provisions of Section 7A of the HDRUA Act.

After cancellation of the licence (July 2015), licensed colony was taken over by the TCPD under its jurisdiction. A Public Notice was embedded at site advising the general public not to indulge in sale/purchase transactions with the licensees in respect of the said colony. The Department instructed (November 2017 and June 2018) the Tehsildar, Ambala and Deputy Commissioner-cum-Registrar Revenue not to register sale deed in the colony. Despite this, 16 sale deeds (12.89 Marla) were executed during the period from February 2016 to May 2018 by Tehsildar after cancellation of licence. No action was taken against the Tehsildar for non-compliance of instructions of the department.

Thus, the Department failed to initiate action against the licensee for non-renewal of licence and sale of land without approval of layout plan of the colony. Further, execution of sale deeds of a cancelled colony was illegitimate and against the extant rules. The department may evolve proper mechanism for monitoring the renewal of licences and action against defaulting developers. Responsibility needs to be fixed for the registration of sale deeds in cancelled colonies despite the instructions of the department. There was also lack of co-ordination between TCPD and Registration Authorities.

DG, TCPD stated (October 2020) that necessary action was initiated against the coloniser in April 2014 and the licence was cancelled in July 2015. It was also added that action in the matter regarding non-compliance of public notice has now been initiated by the revenue authorities. The reply indicates that there was abnormal delay in initiating action against the coloniser as well as Registration Authorities.

3.14.3.3 Lack of action against defaulting developer

License number 30 of 2009 was granted (July 2009) for setting up of a Group Housing Colony at village Nangal Moginand in Sector 30, Panchkula. The Developer had committed the following violations:

- (i) Construction of four blocks (31,882.036 sqm) without approval of building plans in contravention of Section 3 B of the HDRUA Act.
- (ii) The Developer had not submitted the documents in compliance with HDRUA Rules 26, 27 and 28 relating to accounting of sale proceeds for plots sold and bank account details of the developer.
- (iii) An amount of ₹ 31.89 crore was due for recovery on account of External Development Charges²⁸ (EDC) as of March 2019 which was not paid as of September 2019.

No action was taken against the developer by the Department for these violations, although the Government was empowered to cancel the licence under Section 8 of the HDRUA Act, 1975 for contravening any of the conditions of licence or the provisions of the Act or Rules made thereunder. Thus, the Department had not been enforcing the rules and regulations to protect the interests of purchasers of land in the licensed colonies and was extending undue favour to the licensee. Non-enforcement of recovery of EDC would also affect

²⁸ EDC include expenditure on infrastructure development works like water supply, sewerage, drains, provisions of treatment and disposal of sewage, sullage and storm water, road, electrical works, solid waste management, etc.

the external development in the area as these works were to be executed out of these charges.

DG, TCPD stated (October 2020) that it was a serious lapse on the part of the coloniser and after giving a final opportunity to deposit the dues, completion of formalities for approval of building plan and renewal of licence, action regarding cancellation of licence would be taken as per Act/Rules.

3.14.3.4 Part occupation certificate issued without recovering EDC

As per instruction issued (April 2013) by the Government, for grant of Occupation Certificate or Completion/ Part Completion Certificate, balance EDC is required to be paid in full by the developer.

Part Occupation Certificate (POC) was granted in July 2018 to Ultratech Township Developers Private Limited, Karnal bearing licence number 46 of 2011 without recovering EDC of ₹ 3.20 crore including interest. The outstanding amount of EDC had accumulated to ₹ 7.13 crore as of June 2020. This tantamounts to extending undue favour to the developer. Responsibility needs to be fixed for issuance of POC without recovering EDC.

DG, TCPD stated (October 2020) that the licensee had adopted EDC relief policy (April 2016), according to which third instalment of EDC was not due before grant of POC. The reply is not convincing as the coloniser had not even deposited earliest instalments which were overdue.

3.14.3.5 Non-development of colonies of cancelled licences

As per provisions of Section 8 (1) of HDRUA Act, 1975 a licence is liable to be cancelled by the Department if the coloniser contravenes any of the conditions of the licence or the provisions of the Act or the Rules made thereunder. After the cancellation, as per Section 8 (2) of the Act, the Department may carry development works in the colony and recover the charges incurred on the said development works from the coloniser and the plot-holders.

The Department had cancelled four²⁹ licences in test checked districts between July 2015 and July 2018 having an area of 26.12 acres and taken over the colonies under its jurisdiction. Committees under the Chairmanship of the Administrators, Haryana Urban Development Authority (HUDA) of the concerned areas were also constituted to make an assessment of the amount which was to be incurred on deficient development works in the licensed

²⁹ License numbers (i) 01/2002 (5.61 acre) of Ambala, (ii) 54/2009 (6.08 acre) of Hisar, (iii) 10/2010 (10.93 acre) of Faridabad and (iv) 169/2008 (3.50 acre) of Sonapat

colonies. Audit observed that after taking possession of the colonies, the *ibid* committees had neither assessed the amount required for carrying out development works nor were development works carried out. Thus, the Department was not discharging its duty of completing cancelled licensed colonies.

DG, TCPD stated (October 2020) that out of four cases, in one case the coloniser had appealed to Principal Secretary, TCPD against cancellation of licence and in other two cases appropriate action would be taken as per rules. However, no reply was furnished in respect of remaining one case. Thus, appropriate action for development of cancelled colonies was lacking on the part of the department.

3.14.3.6 Short-transfer of Economically Weaker Sections plots/ flats

Government formulated (July 2013) a policy regarding allotment/transfer of Economically Weaker Sections (EWS) plots/flats in the licensed colonies. The licensees were to transfer all the EWS category plots to Housing Board Haryana (HBH) within six months after approval of zoning plan. Regarding allotment of EWS flats, complete scheme was to be floated by the licensees within four months from issuance of occupation/part-occupation certificate (POC) of EWS flats. For delay in allotment of EWS plots/flats, the colonisers were liable to be penalised with composition charges as per policy of the Government declared in August 2013.

Scrutiny of records of selected districts revealed that 56 developers/licensees had transferred 11,531 EWS plots as against the total 17,960 EWS plots and 6,429 were not transferred to HBH. Similarly, 48 developers/licensees had allotted/transferred 4,988 flats as against the total 7,915 EWS flats and 2,927 flats were not transferred to HBH/allotted to eligible candidates (**Appendix 3.5**). No monitoring mechanism had been evolved to ensure allotment of plots/flats to EWS categories. The department had not initiated any action against defaulter developers/licensees. The composition charges were not recovered as provided in the policy. Thus, the Department was not protecting the interests of EWSs as per policy of the Government. Responsibility needs to be fixed for not initiating action against defaulters.

DG, TCPD stated (October 2020) that the Housing Board Haryana (HBH) had not even allotted the transferred plots/flats to the beneficiaries. It was also added that as and when HBH demand for further plots/flats, the department would direct the colonisers to transfer the required plots/flats to HBH. The reply is not convincing as plots/flats were required to be transferred to HBH as per policy of July 2013.

3.14.3.7 Non-recovery of External Development Charges/Infrastructure Development Charges

As per Section 3(3) of HDRUA Act and Rule 11 (C) of Rules made thereunder, the applicant should undertake to pay proportionate EDC. The charges should be paid within 30 days from the date of grant of licence or in eight equal quarterly installments along with interest. Section 3A of the Act further provides that any coloniser to whom a licence has been given shall deposit Infrastructure Development Charges (IDC) in two equal installments. Further, as per agreement entered by coloniser with the Department, if coloniser breaches any of the terms and conditions of the agreement or violate any provisions of Act and Rules, the Director is empowered to cancel the licence.

Scrutiny of records in the office of the Director, TCPD revealed that in 601 cases, an amount of ₹ 15,216.61 crore on account of EDC (₹ 14,383 crore) and IDC (₹ 833.61 crore) was pending for recovery against the colonisers for one to 16 years as per detail given in **Table 3.2**.

Table 3.2 : Detail of recoverable EDC/IDC from colonisers

(₹ in crore)				
Period	Total Number of Licences	Amount of EDC recoverable	Amount of IDC recoverable	Total recoverable EDC and IDC
Licences issued upto 2009	154	2,881.48	128.57	3,010.05
Licences issued from January 2010 to December 2014	361	10,947.97	548.84	11,496.81
Licences issued from January 2015 to March 2019	86	553.55	156.20	709.75
Grand Total	601	14,383.00	833.61	15,216.61

Audit observed that the Department had not taken adequate action against the defaulters, although the amount of ₹ 3,010.05 crore was outstanding for more than 10 years in respect of 154 cases. Director was empowered to cancel the licences of the colonisers but the licences were not cancelled.

As the outstanding amount is huge, the recovery of EDC and IDC needs to be monitored at the Government level. Further, the Government should consider initiating action, as per rules, to cancel the licences and take possession of plots of the defaulter colonisers while ensuring the protection of interests of genuine end buyers of plots/apartments.

DG, TCPD stated (October 2020) that due to proper internal checks and balances, no major default risk was faced by the Department despite certain delays in recovery of EDC. The reply is not convincing as huge amount was outstanding against the colonisers for the last one to 16 years, appropriate action such as cancellation of licences was required to be taken to recover the outstanding amount.

3.14.3.8 Non-recovery of revised licence fee

State Government revised (August 2013) licence fee and the revised rates were effective from 1 June 2012. Rate of licence fee was further revised in February 2015 and the revised rates were effective from 4 April 2014.

Scrutiny of records revealed that licence fee was charged at the pre-revised rates from eight developers in four³⁰ selected districts during the period from July 2012 to June 2014 resulting in loss of revenue to ₹ 13.14 crore. On being pointed out by audit, demand notices for ₹ 9.05 crore (including interest) were issued against four³¹ licensees by the Department but the recovery had not been made (June 2020).

The Department may re-check all the cases of licence fees to ensure recovery of licence fee at the revised rates to avoid loss of revenue to the Government. Responsibility needs to be fixed for non-recovery of licence fee at the revised rates.

DG, TCPD stated (October 2020) that the Department had identified and demanded difference of licence fee in a few cases. Audit is of the opinion that the Department should re-check all the cases to ensure recovery of licence fee at revised rates.

3.14.3.9 Bank-guarantees not obtained from colonisers

According to clause 7 of Affordable Housing Policy 2013 (August 2013), as a matter of security against any possible delinquencies in completion of the project, the colonisers were required to furnish bank guarantee against the total realisation from the project at the rate of 10/15 *per cent* according to the location of the project within 90 days of the date of commencement of the project. A total of 73 licences were granted to the developers/colonisers under the policy during the period from 2014 to 2019.

Audit observed that no bank guarantees were being taken from the colonisers against the total realisation from the project as envisaged in policy. The Chief

³⁰ (i) Faridabad, (ii) Gurugram, (iii) Panchkula and (iv) Sonapat.

³¹ (i) Panchkula: ₹ 2.22 crore, (ii) Gurugram: ₹ 4.96 crore, (iii) Sonapat: ₹ 1.30 crore and (iv) Faridabad: ₹ 0.57 crore

Town Planner also directed (July 2018) all DTPs to issue notices to the colonisers for submission of bank guarantees within 15 days but the bank guarantees were not submitted (September 2019).

Further, a licence bearing number 70 of 2014 granted to SRS Real Estates Limited, Palwal was cancelled in August 2018 due to non-completion of project within stipulated period of four years. However, as no bank guarantee was taken against the total realisation from the allottees, no amount could be realised to carry out development works.

The Department stated (July 2019 and October 2020) that the clause 7.1 of the notification had been omitted in July 2019. The reply is not tenable as the condition of the policy was omitted in July 2019 whereas bank guarantees were required to be taken on the projects approved prior to July 2019.

3.14.3.10 Non-revalidation of bank guarantees

As per provision of Rule 11 of HDRUA Rules, colonisers were required to furnish bank guarantee equivalent to 25 per cent of the estimated cost of development works. In the event of breach of any clause of agreement by the colonisers, the Department was entitled to cancel the licence granted and the bank guarantee in that event was required to be encashed.

Audit observed that the validity period of 18 bank guarantees in seven cases involving ₹ 26.13 crore (*Appendix 3.6*) though expired between November 2003 and March 2019, were not got revalidated by the colonisers even though the works were not completed. Thus, the Department was not enforcing the provisions of HDRUA Rules to protect the interests of buyers of plots in licensed colonies. The matter needs to be examined in detail to fix the responsibility.

DG, TCPD stated (October 2020) that one bank guarantee (out of 18) for ₹ 11.98 lakh had been encashed. For rest of the cases, it was stated that licences had been cancelled, cases were pending in courts, letters issued to banks for revalidation/revocation of bank guarantees, etc. The fact remains that the department was not prompt for revalidation/revocation of bank guarantees to protect the interest of buyers of plots/flats holders as per HDRUA Rules.

3.14.3.11 Non-recovery of demolition charges

Section 12(3) of PSRCARUD Act and Section 10(3) of HDRUA Act, 1975 provide that recovery of expenditure incurred on giving effect to restoration orders passed under Section 12(2) of Act, 1963 and section 10(2) of Act, 1975 should be made from the offenders as arrears of land revenue. An expenditure

of ₹ 1.14 crore was incurred during April 2008 to March 2019 on demolition of unauthorised construction/structures in selected districts against which only ₹ 0.18 crore was recovered by the DTPs (*Appendix 3.7*). Efforts for recovery such as recovery orders as arrears of land revenue as per provision in the Acts were not made by the Department.

DG, TCPD stated (October 2020) that a reference had been made to the concerned Deputy Commissioners for recovery of demolition charges as arrear of land revenue.

3.14.4 Change of Land Use Permission

The department grants CLU permission for residential/industrial/commercial/institutional/farm house/recreational use under the PSRCARUD Act, 1963 and its Rules, 1965. A total of 71 CLU cases were selected (out of 646) in test checked districts. Out of these 71 cases, building plans were approved in 55 cases and Part Occupation/Occupation certificates (OC) were issued in 30 cases.

3.14.4.1 Grant of CLU permissions in violation of rules and regulations

(i) Government of India (GoI) vide notification (May 1994) imposed restrictions on the use and enjoyment of land lying in the vicinity of distance of approximately 914.40 meters (1,000 yards) from the crest of the outer parapet of Terminal Ballistics Research Laboratory (TBRL), Range Ramgarh.

The Executive Officer, Municipal Corporation, Panchkula was requested (December 2017) to grant of land use permission for setting up of an Educational Institute (Bhartiya Bhavan Vidyalaya) in Municipal area falling in the revenue estate of village Moginand, Sector-30, Panchkula. DTP, Panchkula sent (January 2018) a report stating that requirement of NOC from defence authorities was not applicable for the site. Accordingly, CLU was granted by Urban Local Bodies (ULB) Department.

Audit observed that the site of Educational Institute falls within the vicinity of 1,000 yards of TBRL and DTP, Panchkula sent the report without proper verification and taking into consideration the notification of GoI issued in May 1994.

DTP (Enforcement) Panchkula admitted the facts and stated (May 2019) that distance of the site in question falls within the restricted belt of TBRL, Range Ramgarh. No action was taken by the Department to fix responsibility.

DG, TCPD stated (October 2020) that CLU permission was granted by Urban Local Bodies Department. Therefore, any query in the matter may be sought from that department. The reply is not tenable as CLU was granted by ULB Department on the basis of report of DTP, Panchkula. Therefore, responsibility needs to be fixed for submission of incorrect report on the basis of which CLU was granted.

(ii) In view of the volume of traffic movement originating and destined to industrial units falling in industrial/agriculture zone and warehouses in the industrial zone, the Government revised (November 2011) policy regarding minimum width of approach/revenue rasta for grant of CLU permission. Condition number (iv) of the policy stipulates that the applications for sites having approach from existing rasta not less than 33 feet can be considered for CLU permission.

The department granted CLU permission in January 2015 for setting up of an Industrial Unit in village Garnala, District Ambala. Building plan for construction of Industrial Unit was approved in June 2015. Audit scrutiny revealed that on the basis of shazra plan submitted (September 2010) with application for grant of CLU permission, the width of the approach road from which site was approachable was indicated as 38.5 feet (7 Karam). On the basis of a complaint against the CLU applicant, the matter regarding width of approach road was examined by DTP Ambala and it was found that width of the approach road was 22 ft (4 Karam) for which a revised shazra plan was also placed on record (April 2018). The Senior Town Planner, Panchkula also stated in July 2018 that the width of approach road in front of the site in question is 22 feet. Thus, CLU permission was granted to the applicant on the basis of incorrect shazra plan. Audit observed that the incorrect report regarding width of approach road, on the basis of which CLU permission granted, was prepared by the Patwari and Junior Engineer of DTP office and submitted to DTP. No action was taken by the Department to fix the responsibility for submitting incorrect shazra plan.

Thus, the CLU was granted in violation of policy of the Government regarding minimum width of revenue rasta for industrial units falling in industrial/agriculture zone and warehouses in the industrial zone which may hamper smooth flow of traffic.

DG, TCPD stated (October 2020) that the matter was again inquired by STP Panchkula who reported that 30 feet metalled road was at site. It was further added that PWD B&R, Ambala has also informed that the width of the road from Garnala to Barnala was 30 feet. The reply is not convincing as PWD B&R Ambala informed that width of the road was ranging between 25 and 33 feet

and as per Shazra plan width of the road was 22 feet. The reply furnished by the department is contradictory; therefore, the matter needs to be properly investigated.

(iii) DTP (Enforcement), Gurugram granted a CLU in June 2016 to a company for setting up Asian Tennis Centre for Excellence in village Jhund Sarai Veeran, Sector 97, Gurugram. The land falls in Controlled area declared in January 1994. As per proposal of published Draft Development Plan of Gurugram-Manesar Urban-Complex (GMUC)-2031 AD, entire area of the site falls in Transport and Communication Zone. Use of land for sports purpose did not fall in the permissible activity in the area. This was tantamount to extending undue favour to the applicant in disregard of rules and regulations.

Recommendation: Department may examine all similar cases of irregular grant of CLU and take corrective action.

3.14.4.2 Violations of conditions of CLU permission

The applicants desiring to seek permission for CLU for any purpose are required to submit their applications in prescribed form to Director, under PSRCARUD Rules. After fulfilling the conditions laid down in Rules, the Director shall grant the permission to the applicants.

According to terms and conditions of the Building Plan, the CLU holders are required to get the Occupation Certificate (OC) from the competent authority before occupying the building or part thereof. The building plan is approved with the condition that the OC will stand automatically cancelled if the permitted use of the building or part thereof is changed or any additional construction in the said building is raised without approval of the competent authority.

A joint physical verification of 25 CLU sites carried out with departmental officials brought out the violations detailed in **Table 3.3**.

Table 3.3: Detail of violations in selected CLU cases

Type of violations	Number of cases in selected District						
	Karnal	Panchkula	Gurugram	Hisar	Faridabad	Sonepat	Total
Unauthorised construction in CLU area	4	1	2	3	2	8	20
Construction of gate post/boundary wall/parking area in green belts	4	1	3	1	0	8	17
Covering of additional land adjoining CLU area and carrying out unauthorised construction	4	0	3	2	2	2	13
Utilisation of land for the purpose other than that mentioned in the CLU permission	4	0	0	0	1	0	5
Utilisation of buildings without obtaining OC	2	1	1	0	1	2	7

(Source: Cases of violation noticed during joint physical verification)

Audit observed that the department had not initiated any action against the CLU applicants for violation of the terms and conditions. DTPs were responsible to check these violations. However, they had not discharged their duties. Further, proper mechanism to monitor these violations had not been evolved at the directorate level.

Five DTPs concerned accepted the violations in respect of nine cases³² and stated that appropriate action has been initiated against the defaulters while DTPs Karnal and Sonapat stated (March-July 2019) that since the area falls in the jurisdiction of respective Municipal Corporations, appropriate action was required to be taken by them. However, the fact remains that action had neither been taken by the Department nor by Municipal Corporations against the defaulting CLU holders. Proper co-ordination should be evolved with Municipal Corporations for taking action where CLU was issued by TCPD.

DG, TCPD stated (October 2020) that in 15 out of 25 cases appropriate action was required to be taken by the concerned Municipal Corporation, and in one case by Gurugram Metropolitan Development Authority (GMDA) since the areas fall in their respective jurisdiction. It was also added that appropriate action had been initiated in respect of eight cases. However, no reply was furnished in remaining one case. The fact remains that action had neither been taken by the Department nor by Municipal Corporations/GMDA against the 16 defaulting CLU holders. Proper co-ordination should be evolved with

³² Faridabad-02, Hisar-02, Panchkula-01, Sonapat-03 and Karnal-01

Municipal Corporations/GMDA for taking action where CLU was issued by TCPD.

3.14.4.3 Non-recovery of External Development Charges

External Development Charges in case of change of land use was fixed by HUDA in July 2002. EDC was not chargeable in the cases of CLU allowed in the agriculture zone. In other cases, 10 *per cent* EDC was to be recovered at the time of grant of permission and the balance 90 *per cent* in installments i.e. 40 *per cent* at the time of acquisition of land for the Sector by HUDA in which the said area falls and balance 50 *per cent* amount in four equal annual installments along with interest at the rate of 15 *per cent* per annum.

Scrutiny of records of test checked cases revealed that the Department recovered only 10 *per cent* amount of the EDC in four³³ cases and 50 *per cent* amount in two cases of Sector 32, Karnal. As the area of Sector 32, Karnal was notified in December 2002 and Sector 88, Faridabad in August 2008 under Section 6 of the Land Acquisition Act, 1894 by HUDA, full amount of EDC was recoverable from CLU applicants. Audit, however, observed that the Department neither demanded EDC of ₹ 11.22 crore from applicants nor these applicants deposited the amount (*Appendix 3.8*). Audit further observed that Department had not initiated any action to recover the balance amount of EDC.

Recommendation: The Department may examine all similar CLU cases of non-recovery of EDC and take corrective action.

DG, TCPD stated (October 2020) that three cases were being transferred to Urban Local Bodies Department for recovery of EDC as these cases fall in the jurisdiction of Municipal Corporation, Karnal. It was also assured that the Department would take coercive action for recovery of EDC in other CLU cases.

3.14.4.4 Grant of Occupation Certificate to incomplete building

The Department granted CLU permission in December 2011 (valid upto November 2013) to applicants for setting up of a dispensary. Occupation Certificate was issued (January 2015) by the STP Gurugram for Basement-1 (1547.88 sqm), Basement-2 (1437.05 sqm) and Ground Floor (957.99 sqm).

Joint physical verification of the site along with staff of the DTP in August 2019 revealed that doors and windows were not fixed; toilets, railing of stairs, plaster

³³ One case of Sector 32, Karnal and three cases of Sector 88, Faridabad.

of buildings, pucca approach road, etc were also not complete as shown in photographs below:



Occupation Certificate was granted to the applicants although the building was incomplete which was against the norms. The department had extended undue benefit to the applicant.

DG, TCPD stated (October 2020) that the complete status report of the case was awaited from DTP (Enforcement) Gurugram and final report would be sent after receipt of the same.

3.14.4.5 Irregular utilisation of agriculture warehouse

The Department granted CLU permission (March 2012) for setting up of an agriculture warehouse in 78,255.43 sqm area in village Dukheri, Ambala. Rate of conversion charges was ₹ 50 per sqm in respect of agriculture warehouse. If the godown is found to be used for storage of non-agriculture produce (for which conversion charges are higher i.e. ₹ 75 per sqm), an amount equivalent to double the difference of conversion charges would be recovered along with interest at 12 *per cent* per annum from the date of grant of change of land use permission.

The POC of two Sheds (2 and 3) was granted by the Department (August 2014). As per report of the DTP Ambala, six godowns/shed occupied at site were being used for logistic purpose i.e. storage of medicines, cosmetic goods, paint material, etc. instead of agriculture godown purpose.

The Department issued (October 2016) show cause notice to the applicants as to why not the application for grant of OC be rejected and action taken for violation of terms and conditions of permission of CLU. The Department did

not take any further action for recovery of difference of conversion charges resulting in loss of revenue of ₹ 0.72 crore³⁴.

DG, TCPD stated (October 2020) that further action in the matter would be taken as per Act/Rules on receipt of the action taken report from DTP Ambala.

3.14.4.6 Fulfillment of the terms and conditions not ensured

As per terms and conditions of CLU permission, it was mandatory for applicants to provide 75 per cent of employment to domiciles of Haryana where the posts were not of technical nature and a quarterly statement in this regard was required to be furnished to the concerned General Manager, District Industries Centre (DIC).

In selected districts, the required quarterly statement was not being furnished by CLU applicants. It showed that proper monitoring was not done by DTPs/DG, TCPD and DIC offices to ensure the compliance with the terms and conditions of CLU.

3.14.5 Conclusions

Extant provisions in the Acts and Rules to control unauthorised colonies/constructions were not being enforced due to which unauthorised colonies grew in the State. There were instances of granting of licences to a colony in excess of permissible area, delay in initiation of action for cancellation of licences, etc. Further, construction of buildings without approval of building plans, issuance of part occupation certificate without recovering EDC, non-development of colonies of cancelled licences, non-transfer of EWS plots/flats, non-recovery of EDC/ IDC, non-recovery of revised licence fee, non-obtaining/revalidation of bank guarantees, etc. were also observed.

Apart from above, CLU permissions were granted in violation of rules and terms and conditions of CLU. Cases of non-recovery of EDC, grant of occupation certificate for incomplete building, utilisation of agriculture warehouse for storing non-agriculture produce, etc. came to notice. Surveillance system of the department was not effective.

3.14.6 Recommendations

The Government may consider the following:

- **evolving proper mechanism to control the growth of unauthorised colonies in coordination with revenue authorities and municipalities;**

³⁴	78,255.43 sqm * ₹ 50/sqm	= ₹ 39,12,772/-
	₹ 39,12,772 * 12% per annum * 7 year	= ₹ 32,86,728/-
	Total	= ₹ 71,99,500/-

- evolving proper system for monitoring the renewal of licences, action against defaulting developers and monitoring the recovery of EDC and IDC;
- re-checking of all the cases of licence fees to ensure recovery of licence fee at revised rates to avoid loss of revenue;
- examining all cases of irregular grant of CLU and take corrective action; and
- fixation of responsibility of officers for failure to control the growth of unauthorised colonies, registration of sale deeds in unauthorised and cancelled colonies and non-recovery of licence fee at revised rates.

These points were referred to the Government in January 2020, their reply was awaited (October 2020).

**Town and Country Planning Department
Haryana Shehri Vikas Pradhikaran (HSVP)**

3.15 Excess payment to contractor

The Executive Engineer, HSVP, Sonapat violated the provisions of contract document and made excess payment of more than ₹ 5.61 crore to the contractor by not recovering the amount of decrease in cost of bitumen/emulsion.

The award letter and additional conditions for bitumen rates of the contract entered into for construction of twelve sector dividing master roads in Urban Estate, Sonapat provided that the rate of bitumen/emulsion at the refinery on the date of receipt of tender to be considered as base rate. If during execution of works, the rate of bitumen/emulsion increases or decreases at refinery the difference in cost shall be paid/recovered from the contractor, subject to the condition that no increase in prices of bitumen/emulsion was to be reimbursed to the contractor beyond the original time period allowed for contractor as per contract agreement irrespective of extension in time limit granted to the agency for any reason whatsoever.

The Chief Engineer, Haryana Shehri Vikas Pradhikaran (HSVP), Panchkula approved (March 2014) a Detailed Notice Inviting Tender (DNIT) for ₹ 82.74 crore for construction of 12 sector dividing master roads³⁵ in Urban Estate, Sonapat. Tenders for the work were opened in June 2014 wherein three contractors participated. The Executive Engineer (EE), HSVP Sonapat awarded

³⁵ 65 metre, 60 metre and 45 metre roads between Sectors 30/37, 34/35, 35/36, 32/33, 4/32, 26/26A, 26A/34, 34/33, 27/33 and 26/33 in Urban Estate, Sonapat

the work (August 2014) to L1³⁶ for ₹ 70.08 crore (15.30 per cent below the DNIT amount), with a time limit of nine months i.e. upto May 2015. The agreement was eventually enhanced (February 2017) under Clause 41 of the contract by the Chief Engineer, HSVP upto ₹ 90.88 crore and the time limit was extended under Clause 5 of the contract upto September 2017. The contractor completed the entire work by September 2017 and was paid total ₹ 90.31 crore upto May 2019.

Scrutiny of records (January 2018) relating to the work in the office of the EE, HSVP, Sonapat revealed that during the period between June 2014 and September 2017 (the period of execution of the work), the prices of bitumen/emulsion decreased considerably. But the EE violated the conditions laid in contract document and did not make any recovery on this account from the bills of the contractor.

It was observed that payment for total 4,862.72 MT bitumen/emulsion was made for executing various bituminous items of the work (*Appendix 3.9*). But the EE had not maintained proper record for receipt and consumption of bitumen on work and could produce invoices for only 3,326.54 MT bitumen/emulsion consumed on the work. Bill wise comparison of base rate and actual rate for 3,326.54 MT quantity showed that ₹ 5.61 crore were recoverable from the contractor (*Appendices 3.10 A and 3.10 B*). For balance quantity of 1,536.18 MT the recoverable amount could not be calculated due to non-availability of invoices or bitumen register.

On being pointed out by Audit, the Chief Engineer-I, HSVP, Panchkula intimated (July 2020) that the amount of ₹ 5.65 crore has been recovered from the contractor from final bill of the work, security deposits of contractor for this work and by another division in Panchkula. The reply was not correct as the amount was only withheld as deposits of the contractor from the payable amounts and not yet booked as reduction in expenditure of the work. Further, amount recoverable for balance quantity of 1,536.18 MT bitumen has not been worked out.

The matter was referred (December 2019) to the State Government and subsequent reminders were issued in March 2020 and May 2020; their reply was awaited (September 2020).

Recommendation: Department may consider fixing responsibility on officers concerned for not implementing clauses of agreement which led to excess payment of more than ₹ 5.61 crore. Recovery may be made from

³⁶ M/S KCC Buildcon Pvt. Ltd., Gurugram

the contractor for entire quantity of bitumen consumed in the work. Further, suitable instructions may be issued to all the field offices for compliance of clauses of contract.

3.16 Execution of works irregularly and without calling tenders

The HSVP got executed four works valuing ₹ 16.11 crore irregularly without obtaining administrative approval and technical sanction from the competent authorities. These works were awarded to a contractor on nomination basis without inviting competitive tenders, disguising these as enhancements of an agreement of ₹ 0.19 crore to ₹ 16.30 crore. Further, in contravention of codal provisions, Government interest was not protected as performance guarantee of ₹ 0.81 crore was not obtained.

Paragraphs 9.1.1 of the Haryana PWD Code provides that for every work proposed to be carried out, administrative approval from competent authority and technical sanction from the competent engineering officer in respect of specifications and soundness of the proposal are mandatory. The instructions issued (June 2017) by Haryana Shehri Vikas Pradhikaran (HSVP) stipulate that Chairman, HSVP is authorised to accord administrative approval for works between ₹ 10 crore and ₹ 20 crore and the estimates of these works are required to be got scrutinised from Engineer-in-Chief, Public Works Department (Buildings and Roads) or Public Health Engineering Department, as the case may be.

As per paragraph 13.7.2 of the PWD code and Government instructions, tenders for works should invariably be invited in the most transparent manner and every work above ₹ one lakh can be awarded only through e-tendering process.

Executive Engineer, Haryana Shehri Vikas Pradhikaran (HSVP) Division No. III, Gurugram (EE) had got executed a work of installation of water supply motor worth ₹ 0.19 crore from M/s Grover Appliances, (the contractor) in June 2013. After more than three years of completion of this work, four new works valuing ₹ 16.11 crore were awarded to the same contractor on nomination basis between February 2017 and August 2018 by disguising them as enhancements to the earlier agreement of June 2013. The works were carried out from savings of earlier administrative approval³⁷ of ₹ 498.05 crore dated January 2012. Payment of ₹ 12.94 crore had been made to the contractor (March 2018). Further, payment was held up as the enhancement case upto ₹ 16.30 crore was

³⁷ Master water supply scheme (Distribution Mains) for new sectors 58 to 115 (for zone IV to VIII) urban estate, Gurugram for ₹ 498.05 crore endorsed vide Chief Administrative, HSVP memo number 2655 dated 19 January 2012.

submitted (August 2018) for ex-post facto approval and the same has not been sanctioned by the competent authority so far (May 2019). Details of works awarded to the contractor are given in **Table 3.4**.

Table 3.4: Details of works awarded to M/s Grover Appliances

Sl. No.	Description of work	Date of enhancement	Cost of new work awarded	Agreement enhanced upto	Agreement enhanced by	Reasons given for awarding new works
			(₹ in crore)			
1.	Additional work at intermediate boosting station at Sector-51, Gurugram	23 February 2017	1.95	0.19 to 2.14	Additional Chief Engineer, HSVP, Gurugram	To maintain proper water supply before summer season
2.	Additional work at intermediate boosting station at Sector-16, Gurugram	23 August 2017	4.04	2.14 to 6.18	Chief Engineer, HSVP, Panchkula	For bifurcation of common header for independent functioning of line from WTP Basai to Dundhahera.
3.	Upgradation of the Water Treatment Plant (WTP), Basai and work of common header of WTP Chandu Budhera, Gurugram and online booster station at Sector 5, Gurugram (Phase-I)	6 December 2017	6.78	6.18 to 12.96	Chief Engineer, HSVP, Panchkula	Upgradation of machinery and increasing the capacity of WTP, Basai
4.	Upgradation of the WTP, Basai and work of common header of WTP Chandu Budhera, Gurugram and online booster station at Sector-05, Gurugram (Phase-II)	Concurrence 19 November 2018	3.34	16.30	Chief Engineer, Infra-II, Gurugram Metropolitan Development Authority, Gurugram	Additional works carried out by the contractor such as replacement of machinery, installation of water flow meters, submersible pumps, etc.
Total			16.11	0.19 to 16.30		

Source: Information compiled from HSVP record.

As depicted from the table above, four new works costing ₹ 16.11 crore were awarded to the contractor on nomination basis under the camouflage of enhancements of an agreement of ₹ 0.19 crore upto ₹ 16.30 crore which was irregular in the absence of administrative approval from the Chairman, HSVP and technical sanction from the competent authority. Further, the works were awarded after more than three years of completion of initial work.

Following irregularities were noticed:

- Awarding of four new works worth ₹ 16.11 crore disguising them as enhancements was irregular in absence of administrative approval from the Chairman, HSVP.

- Detail estimate for obtaining technical sanction for ensuring soundness and necessity of proposal was not prepared. The economy factor also cannot be assessed in absence of the detailed estimate.
- The work was awarded to the contractor without calling for tenders which exterminated the principle of competitiveness in awarding and execution of works. Awarding four new works under the camouflage of enhancement of an agreement from ₹ 0.19 crore upto ₹ 16.30 crore after more than three years of completion of original work tantamount to undue benefit to the contractor and goes against the spirit of fair and competitive bidding.
- Performance security of ₹ 0.81 crore (five *per cent* of contract price of ₹ 16.11 crore) was required to be obtained from the contractor as per paragraph 13.12.1 of the PWD code for keeping the same as surety for ensuring the satisfactory completion of work by the contractor and for protecting Government interest. However, it was not obtained.

On being pointed out by audit, the EE, Division No.-IV, Gurugram stated (January 2020) that works were awarded to the contractor through enhancement due to urgency for proper maintenance of water supply and major repair. The enhancement of works were approved by the competent authority.

The reply of the department was not tenable as each work was a new work and before incurring any expenditure on a new work, administrative approval and technical sanction from the competent authorities are mandatory. Further, these works were awarded to the contractor on a nomination basis disguising them as enhancements in original agreement and codal provision was violated which stipulates that work can be awarded only after inviting tenders in the most transparent manner. Thus, awarding new works by enhancing the original contract of ₹ 0.19 crore upto ₹ 16.30 crore after more than three years of completion of original work was arbitrary and irregular. The argument of urgency is not acceptable as these works were awarded over a long period of time between February 2017 and November 2018. Moreover, Government interest remained unprotected as performance guarantee of ₹ 0.81 crore was not obtained from the contractor.

The matter was referred to the State Government in October 2019 and subsequent reminders were issued in December 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The State Government may consider fixing responsibility on officers of HSVP for violating the codal provisions and

Government instructions for extending undue benefit to a contractor against the spirit of fair and competitive bidding by awarding new works of such magnitude without calling tenders.

Transport Department

3.17 Excess expenditure due to award of work at higher rates

The General Manager, Gurugram Depot of Haryana Roadways awarded the cleaning work of bus stands, workshop and buses to L5 bidder arbitrarily and extended the agreement upto 52 months. This resulted in excess expenditure of ₹ 1.03 crore.

The State Government issued a policy in February 2009 for outsourcing and contractual engagement. The policy provides that the services such as cleaning of premises, horticultural work, housekeeping, etc. can be outsourced as and when required. It provides that the nature of service required to be outsourced should be specified and clearly defined in the tender notice as well as contract document instead of only mentioning the number of personnel required to perform the services. The tender form and the contract document shall be finalised with the approval of the head of the department, depending upon the existing delegation of powers in the department. Open tenders can then be invited and decided in a transparent manner through a competitive bidding process. As per policy guidelines issued (May 2010) by the State Government, Department of Industries and Commerce, the negotiation can be held only with the L1 bidder and on failure of negotiation, fresh tenders will be invited.

The General Manager, Haryana Roadways, Gurugram Depot (GM) invited (June 2014) tenders for cleaning activity which included cleaning of three bus stands³⁸, workshop, office building and ordinary as well as Volvo buses for a period of six months. The conditions of the tender document, *inter alia*, provided that the bidders were to submit the technical bid along with supporting financial, tax, technical and experience documents. The financial bids of only technically qualified bidders were to be opened. In response, seven parties submitted their bids. All the bidders were found technically qualified,

³⁸ Gurugram, Sohna and Pataudi

resultantly financial bids of all the seven bidders were opened (June 2014). The rates quoted by L1 (Firm A³⁹) were ₹ 3.25 lakh per month⁴⁰.

Audit observed the following deviations in the matter:

1. Rates of L1 were ignored on the pretext of offering opportunity to bidders with good track record. This was done despite the L1 bidder clearing the technical bid with due experience and track record documents supporting the same.

2. Negotiations were held with L5 (Firm B⁴¹) and L7 (Firm C⁴²) bidders and work was allotted (July 2014) to L5 at a negotiated rate of ₹ 4.70 lakh per month, initially for six months. However, this was extended multiple times, upto October 2018, for a total of 46 months. On account of difference in rates between L1 and L5 (₹ 3.25 lakh per month and ₹ 4.70 lakh per month), department incurred extra expenditure of ₹ 1.03 crore.

3. As per tender document and award letter, ₹ 29 per bus per day was payable to the contractor for complete washing and cleaning of ordinary buses. However, from the first month i.e. July 2014 instead of composite work of washing and cleaning of buses, only cleaning work was got executed from the contractor and a payment at the rate of ₹ 26 per bus per day was made. It was found that during July 2014 to October 2018 composite washing and cleaning of 68,816 buses was executed and payment of ₹ 19.96 lakh were made while cleaning (without washing) of 2,26,324 buses was got done during the same period and payment of ₹ 58.84 lakh was made for it. The execution of cleaning work only was irregular and the basis for arriving at the rate of ₹ 26 per bus per day for only cleaning work was not available on record.

Thus, due to not considering the financial bid of L1 and awarding the outsourcing work to L5 bidder arbitrarily, excess expenditure of ₹ 1.03 crore was incurred. This irregularity was pointed out earlier in December 2016 by Audit, but the department extended the Firm B's contract upto October 2018.

The Director, State Transport stated (June 2020) that the rates quoted by L1 were not viable and to maintain cleanliness at depots, buses, etc. contract was awarded to L5. The reply was not tenable as all the firms were technically

³⁹ M/s Public Security and Placement Services, Hisar

⁴⁰ For cleaning of Gurugram bus stand and workshop ₹ 1.80 lakh per month, Sohna bus stand @ ₹ 48,000 per month, Pataudi Bus stand ₹ 45,000 per month, Ordinary buses ₹ 11.66 per bus per day and Volvo buses ₹ 1,093.75 per bus per month.

⁴¹ M/s Jai Hind Enterprises, Gurugram

⁴² M/s R.S. Enterprises, Gurugram

qualifying but the Tender Evaluation Committee ignored first four bidders and picked up L5 bidder directly for negotiation and disrupted the transparent and competitive bidding process. No justifiable reasons were recorded in the minutes for ignoring the L1 bidder, despite the fact that L1 bidder was more experienced and financially sound than the L5 bidder (*Appendix 3.11*). The undue favour to the L5 bidder resulted in excess expenditure of ₹ 1.03 crore.

The matter was referred (April 2019) to Additional Chief Secretary, Transport Department and subsequent reminders were issued in June 2019 and May 2020; their reply was awaited (September 2020).

Recommendation: The Government may consider fixing responsibility on officials/officers concerned for vitiating the transparent and competitive bidding process and extending undue benefit to a contractor by awarding work at higher rates.

Chandigarh

Dated: 10 December 2020



(FAISAL IMAM)

Accountant General (Audit), Haryana

Countersigned

New Delhi

Dated: 22 December 2020



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

Appendices

Appendix 1.1
(Reference: Paragraph 1.8; Page 5)

**Statement showing detail of category wise amount of outstanding paragraphs
(₹ in crore)**

Sr. No.	Nature of irregularities	Amount
1.	Non-levying liquidated damages for delay in completion	1,211.20
2.	Undue benefit to contractors	309.29
3.	Avoidable expenditure due to lack of monitoring	1,934.88
4.	Irregularities in Cashbook	65.78
5.	Irregular expenditure beyond estimate/agreement	354.96
6.	Irregular splitting of works and purchases	51.56
7.	Shortcomings in maintenance of buildings, execution of sub-standard works, etc.	155.09
8.	Shortcomings in Tools and Plants Returns, Stores, etc.	5.67
9.	Irregular execution of work due to change in scope, faulty estimates, etc.	995.77
10.	Recoverable amount from railways, non-adjustment of advances, etc.	4,766.42
11.	Irregularities in outsourcing of labourers, labour cess, etc.	33.81
Total		9,884.43

(Source: Information compiled from Inspection Reports register)

Appendix 1.2
(Reference: Paragraph 1.9; Page 5)

Details of recoverable amount pointed out in paragraphs and performance audits

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
1.	Agriculture	2000-01	6.3	40.45
		2013-14	3.1	4,131.00
		2015-16	2.1.7.5	12,644.00
		2015-16	2.1.9.3	21.41
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2013-14	3.7	2,021.00
4.	Food, Civil Supplies and Consumer Affairs	2002-03	4.6.8	23.89
		2014-15	3.6.2	2,446.00
		2014-15	3.6.3	240.00
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		2011-12	2.4.10.2	2.60
6.	Town and Country Planning (HSVP)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
		2011-12	2.3.10.8	16,700.00
			2.3.10.6	1,266.00
			2.3.10.11	37,386.00
		2015-16	3.20	84.64
			3.18(a)	41,715.00
2015-16	3.18(b)	1,077.00		
7.	Social Justice and Empowerment (District Red Cross Society)	2011-12	3.3.5.1	1,572.00
8.	PWD (Irrigation Branch)	2010-11	3.1.2	62.25
9.	Labour and Employment	2011-12	2.1.9.4	79.95
10.	Urban Local Bodies	2012-13	2.2.8.1	17,040.00
			2.2.8.6	10,182.00
			3.20	554.00
11.	Cooperation	2012-13	2.5.7.4	494.00
			2.5.9.3	767.00
12.	Health and Medical Education	2012-13	3.6	125.00
13.	Education	2014-15	3.3	251.00
14.	Public Works (B&R)	2015-16	3.12.4.1	53.00
15.	Higher Education Department	2016-17	2.1.7.3	118.00
			2.1.8 (b)	2,631.00
16.	Home (Jail) Department	2016-17	2.2.7.3	112.00
			2.2.9.4	391.00
Total			35	1,74,584.69

(Source: Action taken notes on proceedings of the Public Accounts Committee)

Appendix 1.3
(Reference: Paragraph 1.9; Page 6)

Detail of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision as on 31 March 2019

Sr. No.	PAC Report	Year of Audit Report	Total paras outstanding as on 31 March 2019
1.	9 th	1971-72	1
2.	14 th	1973-74	1
3.	16 th	1975-76	1
4.	18 th	1976-77	1
5.	22 nd	1979-80	2
6.	23 rd	1979-80	1
7.	25 th	1980-81	1
8.	26 th	1981-82	1
9.	32 nd	1984-85	3
10.	34 th	1985-86	5
11.	36 th	1986-87	8
12.	38 th	1987-88	4
13.	40 th	1988-89	7
14.	42 nd	1989-90, 90-91,91-92	2
15.	44 th	1990-91, 91-92,92-93	7
16.	46 th	1993-94	6
17.	48 th	1993-94, 1994-95	3
18.	50 th	1993-94,1994-95, 1995-96	26
19.	52 nd	1996-97	14
20.	54 th	1997-98	8
21.	56 th	1998-99	13
22.	58 th	1999-2000	23
23.	60 th	2000-01	32
24.	61 st	2001-02	11
25.	62 nd	2002-03	19
26.	63 rd	2005-06	20
27.	64 th	2003-04	9
28.	65 th	2004-05	19
29.	67 th	2007-08	28
30.	68 th	2006-07	35
31.	70 th	2008-09	25
32.	71 st	2009-10	21
33.	72 nd	2010-11	54
34.	73 rd	2011-12	93
35.	74 th	2013-14	55
36.	75 th	2012-13	64
37.	77 th	2014-15	50
38.	79 th	2015-16	62
		Total	735

(Source: Information compiled from the reports of Public Accounts Committee)

Appendix 1.4
(Reference: Paragraph 1.10; Page 6)

Statement showing the detail of rendering of accounts to CAG and submission of Audit Report to State Legislature by the autonomous bodies

Sr. No.	Name of the body	Period of entrustment of audit accounts to CAG	of which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 30 th June 2019)
1.	Haryana Khadi and Village Industries Board, Panchkula	2017-18 to 2021-22	2016-17	2016-17	2014-15	2017-18	One year
2.	Haryana Labour Welfare Board, Chandigarh	2018-19 to 2022-23	2017-18	2017-18	2017-18	--	--
3.	Haryana Shehri Vikas Pradhikaran (HSVP), Panchkula	2017-18 to 2021-22	2017-18	2015-16	2014-15	--	--
4.	Haryana Housing Board, Panchkula	2014-15 to 2018-19	2017-18	2016-17	2015-16	--	--
5.	Haryana State Agricultural Marketing Board, Panchkula	2015-16 to 2019-20	2017-18	2017-18	2015-16	--	--
6.	Haryana Wakf Board, Ambala Cantt.	2018-19 to 2022-23	2017-18	2017-18	Not required to be laid down	--	--
7.	Haryana State Legal Services Authority, Chandigarh	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2015-16	2015-16	2013-14	2016-17 and 2017-18	Two years
8.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority (CJM-Secretary DLSA), Bhiwani	-do-	2017-18	2016-17	1996-97	--	--
9.	CJM-Secretary DLSA, Faridabad	-do-	2017-18	2016-17	1996-97	--	--
10.	CJM-Secretary DLSA, Fatehabad	-do-	2017-18	2015-16	1996-97	--	--
11.	CJM-Secretary DLSA, Gurgaon	-do-	2016-17	2016-17	1996-97	2017-18	One year
12.	CJM-Secretary DLSA, Jhajjar	-do-	2016-17	-	2011-12	2017-18	One year ¹
13.	CJM-Secretary DLSA, Kaithal	-do-	2017-18	2016-17	1996-97	--	--
14.	CJM-Secretary DLSA, Panchkula	-do-	2017-18	2015-16	1999-2000	--	--
15.	CJM-Secretary DLSA, Panipat	-do-	2016-17	2016-17	1996-97	2017-18	One year

¹ Annual accounts for the years 1996-97 to 2010-11 had not been submitted by the body.

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 30 th June 2019)
16.	CJM-Secretary DLSA, Rewari	-do-	2017-18	2015-16	1996-97	--	--
17.	CJM-Secretary DLSA, Rohtak	-do-	2017-18	2016-17	1996-97	-	-
18.	CJM-Secretary DLSA, Sonapat	-do-	2017-18	2015-16	1996-97	--	--
19.	CJM-Secretary DLSA, Yamunanagar	-do-	2015-16	2015-16	1996-97	2016-17 and 2017-18	Two years
20.	CJM-Secretary DLSA, Hisar	-do-	2017-18	2015-16	1996-97	--	--
21.	CJM-Secretary DLSA, Narnaul	-do-	2017-18	2016-17	1996-97	--	--
22.	CJM-Secretary DLSA, Sirsa	-do-	2017-18	2017-18	1996-97	--	--
23.	CJM-Secretary DLSA, Ambala	-do-	2017-18	2016-17	1996-97	--	--
24.	CJM-Secretary DLSA, Jind	-do-	2016-17	2016-17	1996-97	2017-18	One year
25.	CJM-Secretary DLSA, Karnal	-do-	2017-18	2016-17	1996-97	--	--
26.	CJM-Secretary DLSA, Kurukshetra	-do-	2017-18	2016-17	1996-97	--	--
27.	CJM-Secretary DLSA, Mewat (Nuh)	-do-	2017-18	2014-15	2009-10	--	--
28.	CJM-Secretary DLSA, Palwal	-do-	2017-18	2016-17	2012-13	--	--
29.	Haryana Building and Other Construction Workers Welfare Board, Chandigarh	-do-	2017-18	2016-17	2008-09	--	--
30.	Haryana Electricity Regulatory Commission	-do-	2017-18	2017-18	2015-16	--	--

[Source: Information compiled from the data available in AG (Audit) Office]

Appendix 2.1

(Reference: Paragraph 2.1.1; Page 8)

Statement showing the quantum of scholarship under various components of the schemes

Component	Amount			
	For SC category students		For OBC category students	
➤ Study tour charges	Upto ₹ 1,600 per annum		Upto ₹ 900 per annum	
➤ Thesis typing/printing charges (for research scholars)	Upto ₹ 1,600 per annum		Upto ₹ 1,000 per annum	
➤ Book allowance (for students pursuing correspondence courses)	₹ 1,200 per annum		Not mentioned in the guidelines	
➤ Book bank facility for specified courses	₹ 2,400 to ₹ 7,500 per course		Not mentioned in the guidelines	
➤ Additional allowance for students with disabilities	₹ 160 to ₹ 240 per month		Group Reader Allowance for Group A, B: ₹ 175; Group C: ₹ 130 and Group D: ₹ 90 per month	
➤ Maintenance allowance	Hosteller	Day scholar	Hosteller	Day scholar
	(₹ per month)		(₹ per month)	
Group-I includes degree/post graduate degree level professional courses such as engineering, all medical, business, finance and computer sciences and higher courses such as PhD, M.Phil, CA, ICWA, C.S, PGDM and Commercial Pilot Licensing.	1,200	550	750	350
Group-II includes graduate/post graduate courses and other equivalent professional courses not included in Group-I such as Nursing, Pharmacy and Hotel Management.	820	530	510	335
Group-III includes all other courses leading to a graduate degree not covered under Group I & II.	570	300	400	210
Group-IV includes all post-matriculation level non-degree courses.	380	230	260	160

(Source: Scheme Guidelines of 2010)

Appendix 2.2

(Reference: Paragraph 2.1.7.1; Page: 16)

Department-wise expenditure on scholarship to SC and OBC students during 2014-15 to 2018-19

(₹ in crore)

Name of the Department	For Scheduled Castes						For Other Backward Classes						Grand Total
	2014-15	2015-16	2016-17	2017-18	2018-19	Total	2014-15	2015-16	2016-17	2017-18	2018-19	Total	
(i) Welfare of SC and BC	61.19	43.72	65.26	54.05	111.47	335.69	3.21	0.58	1.12	1.52	6.84	13.27	348.96
(ii) Higher Education	11.96	27.34	24.00	29.97	25.00	118.27	0.90	11.20	4.00	7.00	0.00	23.10	141.37
(iii) Technical Education	24.99	78.12	115.55	10.14	10.00	238.80	0.00	0.00	0.00	0.00	0.00	0.00	238.80
(iv) Skill Development and Industrial Training	3.00	6.47	6.98	16.07	12.28	44.80	0.00	0.00	0.00	0.00	0.00	0.00	44.80
(v) Secondary Education	0.04	0.04	0.01	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.09
(vi) Medical Education and Research	8.00	20.62	27.20	0.00	0.00	55.82	0.00	0.00	0.00	0.00	0.00	0.00	55.82
(vii) Chaudhary Charan Singh, Haryana Agricultural University, Hisar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	109.18	176.31	239.00	110.23	158.75	793.47	4.11	11.78	5.12	8.52	6.84	36.37	829.84

(Source: Information provided by Welfare of SC and BC Department)

Appendix 2.3

(Reference: Paragraph 2.1.7.2 (iii); Page 18)

Statement showing details of cheques not delivered to students and consequent loss of interest

Sr. No.	Year	Cheques issued	Number of cheques	Amount (₹ in lakh)	Delay in months (upto March 2019)	Loss of interest (₹ in lakh)
1.	2010-11	February 2011	5	0.92	98	0.59
2.	2011-12	April 2011 to February 2012	14	3.51	86 to 96	2.13
3.	2012-13	April 2012 to February 2013	192	17.73	74 to 84	8.71
4.	2013-14	April 2013 to November 2013	68	8.05	65 to 72	7.18
	Total		279	30.21		18.61

(Source: Information compiled from the records of Technical Education Department)

Appendix 2.4

(Reference: Paragraph 2.1.8.1 (i); Page 19)

Statement showing the detail of students where Aadhaar number did not match and Aadhaar number same but name did not match with the bank response file

(₹ in lakh)

Sr. No	Name of district	Bill No. and date	Total amount of bill		Aadhaar number not matched		Aadhaar number same but name not matched	
			Students	Amount	Students	Amount	Students	Amount
1.	Sonepat	03 of August 2016	311	169.06	311	169.06	0	0
2.	Sonepat	07 of August 2016	62	29.14	11	5.17	0	0
3.	Sonepat	114 of January 2017	72	33.84	0	0	01	0.41
4.	Sonepat	163 of February 2017	20	7.79	03	1.24	0	0
5.	Sonepat	176 of March 2017	173	72.32	01	0.17	01	0.35
6.	Sonepat	197 of March 2017	84	39.48	77	36.19	0	0
7.	Sonepat	46 of November 2017	07	8.61	0	0	01	1.23
8.	Sonepat	92 of March 2018	232	107.72	0	0	184	84.78
9.	Sonepat	112 of March 2018	512	210.45	01	0.47	12	5.35
10.	Sonepat	155 of March 2018	144	104.10	120	86.50	0	0
11.	Sonepat	159 of March 2018	119	128.80	107	115.40	0	0
12.	Sonepat	162 of March 2018	51	21.72	0	0	10	4.70
13.	Sonepat	37 of June 2018	194	132.79	133	92.93	0	0
14.	Sonepat	18 of August 2017	27	11.15	07	2.89	0	0
15.	Sonepat	76 of August 2018	464	245.83	211	139.33	0	0
16.	Sonepat	106 of October 2018	695	430.19	0	0	407	271.22
17.	Sonepat	148 of November 2018	271	124.55	94	78.64	0	0
18.	Sonepat	Treasury number 45 of March 2019	59	28.59	01	0.47	15	9.50
19.	Sonepat	Treasury number 115 of March 2019	70	29.97	04	2.49	12	7.48
20.	Sonepat	224 of March 2019	352	353.10	303	308.79	0	0
21.	Fatehabad	85 of September 2018	736	394.29	31	33.46	0	0
22.	Fatehabad	163 of December 2018	123	139.53	0	0	107	122.61
23.	Rohtak	19 of August 2017	98	123.79	67	86.70	0	0
24.	Rohtak	01 of April 2018	76	103.26	72	97.24	0	0
25.	Rohtak	67 of January 2018	134	116.82	0	0	01	0.87
26.	Rohtak	153 of March 2018	50	56.58	47	53.08	0	0
27.	Rohtak	154 of March 2018	21	29.58	21	29.58	0	0
28.	Panipat	147 of November 2018	94	61.15	68	40.49	0	0
29.	Yamunanagar	101 of March 2018	373	138.57	0	0	01	0.29
30.	Jhajjar	72 of January 2018	99	47.84	0	0	01	0.51
31.	Jhajjar	127 of October 2018	119	59.75	0	0	01	0.48
32.	Palwal	110 of October 2018	1,180	555.18	0	0	02	0.73
		Total	7,022	4,115.54	1,690	1,380.29	756	510.51

(Source: Compiled by Audit from the departmental records)

Appendix 2.5

(Reference: Paragraph 2.1.8.7; Page 24)

Statement showing details of students who were not found enrolled in the Universities, but were paid scholarship

Sr. No.	Disbursing authority	Name of the University	Session	Number of students	Amount (₹ in lakh)
1.	Directorate of WSCBC	Desh Bhagat University, Punjab	2016-17	40	44.78
2.	DWO, Rohtak	Kalinga University, Chattisgarh	2014-15	58	34.83
3.	DWO, Rohtak	Swami Vivekanand University, Sagar, Madhya Pradesh	2014-15	93	51.56
4.	DWO, Rohtak	Shri Venkateshwara University, UP	2014-15	81	73.51
5.	DWO, Rohtak	Monad University UP	2014-15	61	55.66
6.	DWO, Fatehabad	Shri Venkateshwara University, UP	2014-15	16	15.72
Total				349	276.06

Sr. No.	Disbursing authority	Name of the College	Number of students	Amount (₹ in lakh)
1.	DWO, Rohtak	ACE Community College Bikaner Rajasthan	53	57.16
2.	DWO, Rohtak	SDM Institute of Delhi	95	101.42
3.	DWO, Fatehabad	Universal College of Paramedical Science	64	39.04
Total			212	197.62

(Source: Compiled by Audit from the departmental records)

Appendix 3.1

(Reference: Paragraph 3.2; Page 34)

Detail of charges for different Panchkarma therapies

Sr. No.	Name of the <i>Panchkarma</i> therapy	Charges per sitting	Charges for six sittings (amount in ₹)
1.	Sarvang Abhyang	300	1,800
2.	Sarvang Dhara	600	3,600
3.	Shiro Dhara	350	2,100
4.	Shiro Abhyang	150	900
5.	Akshi Tarpan	300	1,800
6.	Nasyam	200	1,200
7.	Udvartan	500	3,000
8.	Sarvang Swedan	200	1,200

(Source: Information provided by the Department)

Appendix 3.2

(Reference: Paragraph 3.7.2; Page 46)

Statement showing the division-wise area under encroachment as per Divisional Records and GIS Survey

(As of September 2018)

Sr. No.	Division	Forest area under encroachment as per GIS survey (in ha.)	Forest area under encroachment as per divisional records (in ha.)	Area freed from encroachment (in ha.)
1.	Nuh (Mewat)	140.54	31.46	1.00
2.	Yamunanagar	466.10	133.32	0.03
3.	Gurugram	155.93	0.028	21.86
4.	Rewari	24.18	0.04	0.04
5.	Ambala	161.94	1.63	1.63
6.	Mahendragarh	73.73	3.27	0.68
7.	Pinjore	GIS survey not done	13.78	0.04
8.	Faridabad	102.59	2.00	0.00
	Total	1,125.01	185.528	25.28

(Source: Information compiled from departmental records)

Appendix 3.3

(Reference: Paragraph 3.7.4 (i); Page 52)

Statement showing the district-wise detail of damage reports

Sr. No.	Division	Total damage reports chalked	Total amount realised (₹ in lakh)	DR pending for finalisation in Environment Court
1.	DFO(T), Rewari	2,584	51.74	26
2.	DFO(T), Gurugram	1,228	31.31	91
3.	DFO(T), Mahendragarh	1,817	42.23	142
4.	DFO(T), Yamunanagar	1,550	44.01	300
5.	DFO(T), Ambala	544	20.94	24
6.	DFO(T), Nuh	1,332	18.61	44
7.	DFO(T), Faridabad	496	18.42	149
8.	DFO(T), Pinjore	885	29.01	43
Total		10,436	256.27	819

(Source: Information compiled from departmental record)

Appendix 3.4

(Reference: Paragraph 3.14.2; Page 69)

Statement showing the detail of unauthorised colonies in selected districts

Sr. No.	Name of district	Number of unauthorised colonies as of April 2014	Number of unauthorised colonies developed during 2014-2019	Total Number of unauthorised colonies as of March 2019	Total area of unauthorised colonies (in acres)
1.	Karnal	1,143	77	1,220	138.436
2.	Panchkula	NA	311	311	74.961
3.	Hisar	1,086	61	1,147	3,289.000
4.	Faridabad	194	202	396	1,066.880
5.	Gurugram	1,224	128	1,352	3,405.500
6.	Sonepat	605	113	718	1,774.000
	Total	4,252	892	5,144	9,748.777

NA: Not available

(Source: Information provided by the TCPD)

Appendix 3.5

(Reference: Paragraph 3.14.3.6; Page 75)

Detail of non-transfer of EWS plots/flats in selected districts

District	Number of colonisers	EWS Flats			Number of colonisers	EWS Plots		
		To be transferred	Actually transferred	Not transferred		Total	Transferred	Not transferred
Faridabad	15	2,880	2,102	778	08	2,473	1,665	808
Sonepat	07	1,255	600	655	10	3,828	2,536	1,292
Hisar	01	120	117	03	02	21	0	21
Gurgaon	18	3,093	1,970	1,123	26	10,850	7,227	3,623
Karnal	04	244	0	244	09	715	103	612
Panchkula	03	323	199	124	01	73	0	73
Total	48	7,915	4,988	2,927	56	17,960	11,531	6,429

(Source: Information compiled from departmental record)

Appendix 3.6

(Reference: Paragraph 3.14.3.10; Page 78)

Statement showing details of lapsed bank guarantees

District	Licence No./year	Name of Bank	Number of bank guarantee (BG)	Validity date/time of BG	Amount of BG (₹ in lakh)
DTP Sonapat	169/2008	United Bank of India	172011ILPER0026	30.03.2018	11.98
		Syndicate Bank	070BGPG102610002	17.09.2018	119.58
			070BGPG102610001	17.09.2018	21.88
	49/2013	Yes Bank Limited	003GM01130710001	11.06.2017	332.33
			003GM01130710002	11.06.2017	99.14
	282/2007	Punjab National Bank	21/2006	14.11.2011	86.25
40/2007			22.10.2012	341.86	
DTP Faridabad	37-39/2007	Bank of Rajasthan	2/2006-07	26.05.2009	39.75
		Oriental Bank of Commerce	GU/Triveni/021700419606/9	26.11.2009	260.41
		Bank of India	6703/FSSI/06-07/9/33	17.05.2009	40.25
		Bank of Rajasthan	3/2006-07	26.05.2009	42.97
		Oriental Bank of Commerce	GU/Triveni/021700/9506/P	26.11.2009	680.46
	10/2010	The Karnataka Bank Ltd.	13261BG000058	26.11.2017	43.90
		IndusInd Bank	0022F109011138	31.03.2019	29.24
		The Karnataka Bank Ltd.	13261BG000057	26.11.2017	345.34
Hisar	54/2009	State Bank of India	3027609BG2100063	25.11.2017	37.97
Ambala	01/2002	Central Bank of India	BG No.12/4	17.11.2003	35.07
		Central Bank of India	BG No. 12/3	17.11.2004	44.87
Total					2,613.25

Say ₹ 26.13 crore

(Source: Information compiled from departmental records)

Appendix 3.7

(Reference: Paragraph 3.14.3.11; Page 79)

Details of expenditure incurred, recovery made and pending recovery of demolition charges

(₹ in lakh)

Name of district	Expenditure incurred	Recovery made	Recovery pending
Karnal	12.01	2.72	9.29
Panchkula	3.11	1.15	1.96
Hisar	19.38	1.73	17.65
Faridabad	31.36	7.22	24.14
Gurgaon	33.56	3.16	30.40
Sonepat	14.45	2.11	12.34
Total	113.87	18.09	95.78

(Source: Information compiled from departmental records)

Appendix 3.8

(Reference: Paragraph 3.14.4.3; Page 83)

Statement showing the detail of balance EDC in respect of CLU cases

(₹ in lakh)						
Sr. No.	File No.	Location/ Controlled Area	Purpose	CLU permission	EDC recovered	Balance EDC to be recovered
1.	K-737	Sec-32, Phooshgarh, Karnal	Recreational	10.02.2009	52.43 (50 per cent)	52.43
2.	K-738	-do-	Health Club	10.02.2009	21.75 (50 per cent)	21.75
3.	K-669	-do-	Hotel and Restaurant	24.01.2007	34.46 (10 per cent)	310.14
4.	FD-1352	Sector-88, Palwali, Faridabad	Sr. Secondary School	15.07.2016	37.13 (10 per cent)	334.17
5.	FD-1369	Sector-88 Kheri Kalan	Petrol pump	26.10.2017	22.55 (10 per cent)	202.95
6.	FD-1330	Badshahpur Sector-88	Sr. Secondary School	09.09.2014	22.31 (10 per cent)	200.79
				Total:	190.63	1,122.23

Say ₹ 11.22 crore

(Source: Information compiled from departmental records)

Appendix 3.9

(Reference: Paragraph 3.15; Page 87)

Detail of bituminous items executed and consumption of bitumen/emulsion on these items

Item no. in final bill	Item of work	Consumption unit	Quantity executed	Consumption of bitumen/emulsion (in MT)
13	Prime coat	60 kg/100 sq mtr	3,58,315.60 sq mtr	214.99
14	Tack coat	30 kg/ 100 sq mtr	4,31,208.15 sq mtr	129.37
15	50 mm Dense Bituminous Macadam	4.5 <i>per cent</i> by weight	50,818.64 MT	2,286.84
21	Tack coat	30 kg/ 100 sq mtr	4,40,975.21 sq mtr	132.29
22	40 mm Bituminous Concrete	5 <i>per cent</i> by weight	41,984.62 MT	2,099.23
Total				4,862.72
Invoices of bitumen/emulsion produced to audit				3,326.54
Balance quantity for which no record provided to audit				1,536.18

(Source: Calculated from contractor's bill)

Appendix 3.10 (A)

(Reference: Paragraph 3.15; Page 87)

Excess payment in respect of VG-30 bitumen

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
1.	16.10.2015	14.27	42,260.00	28,790.00	13,470.00	1,92,216.90
2.	20.10.2015	14.47	42,260.00	28,790.00	13,470.00	1,94,910.90
3.	23.10.2015	14.34	42,260.00	28,790.00	13,470.00	1,93,159.80
4.	24.10.2015	14.40	42,260.00	28,790.00	13,470.00	1,93,968.00
5.	26.10.2015	14.48	42,260.00	28,670.00	13,590.00	1,96,783.20
6.	26.10.2015	14.34	42,260.00	28,790.00	13,470.00	1,93,159.80
7.	26.10.2015	14.53	42,260.00	29,110.00	13,150.00	1,91,069.50
8.	28.10.2015	15.95	42,260.00	28,790.00	13,470.00	2,14,846.50
9.	30.10.2015	14.67	42,260.00	28,790.00	13,470.00	1,97,604.90
10.	14.11.2015	14.63	42,260.00	28,670.00	13,590.00	1,98,821.70
11.	15.11.2015	14.46	42,260.00	28,670.00	13,590.00	1,96,511.40
12.	16.11.2015	14.87	42,260.00	28,670.00	13,590.00	2,02,083.30
13.	17.11.2015	14.48	42,260.00	28,670.00	13,590.00	1,96,783.20
14.	18.11.2015	22.98	42,260.00	28,670.00	13,590.00	3,12,298.20
15.	18.11.2015	14.18	42,260.00	28,670.00	13,590.00	1,92,706.20
16.	18.11.2015	14.34	42,260.00	28,670.00	13,590.00	1,94,880.60
17.	21.11.2015	14.71	42,260.00	23,670.00	18,590.00	2,73,458.90
18.	22.11.2015	18.66	42,260.00	23,670.00	18,590.00	3,46,889.40
19.	23.11.2015	18.92	42,260.00	23,670.00	18,590.00	3,51,722.80
20.	23.11.2015	19.12	42,260.00	23,670.00	18,590.00	3,55,440.80
21.	25.11.2015	19.62	42,260.00	23,670.00	18,590.00	3,64,735.80
22.	26.11.2015	18.72	42,260.00	23,670.00	18,590.00	3,48,004.80
23.	26.11.2015	19.07	42,260.00	23,670.00	18,590.00	3,54,511.30
24.	26.11.2015	18.53	42,260.00	23,670.00	18,590.00	3,44,472.70
25.	04.12.2015	18.81	42,260.00	23,410.00	18,850.00	3,54,568.50
26.	09.12.2015	18.67	42,260.00	23,410.00	18,850.00	3,51,929.50
27.	09.12.2015	18.87	42,260.00	23,410.00	18,850.00	3,55,699.50
28.	29.02.2016	18.56	42,260.00	25,992.00	16,268.00	3,01,934.08
29.	29.02.2016	21.16	42,260.00	25,992.00	16,268.00	3,44,230.88
30.	02.03.2016	18.09	42,260.00	26,835.60	15,424.40	2,79,027.39
31.	03.03.2016	18.08	42,260.00	26,835.60	15,424.40	2,78,873.15
32.	06.03.2016	23.41	42,260.00	26,835.60	15,424.40	3,61,085.20
33.	07.03.2016	18.78	42,260.00	26,835.60	15,424.40	2,89,670.23
34.	07.03.2016	18.92	42,260.00	26,835.60	15,424.40	2,91,829.64
35.	07.03.2016	18.50	42,260.00	26,835.60	15,424.40	2,85,351.40
36.	07.03.2016	19.51	42,260.00	26,835.60	15,424.40	3,00,930.04
37.	07.03.2016	19.42	42,260.00	26,835.60	15,424.40	2,99,541.84
38.	07.03.2016	17.83	42,260.00	26,835.60	15,424.40	2,75,017.05

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
39.	08.03.2016	18.02	42,260.00	26,835.60	15,424.40	2,77,947.69
40.	08.03.2016	19.18	42,260.00	26,835.60	15,424.40	2,95,839.99
41.	09.03.2016	21.32	42,260.00	26,835.60	15,424.40	3,28,848.21
42.	09.03.2016	14.77	42,260.00	26,835.60	15,424.40	2,27,818.39
43.	13.03.2016	19.17	42,260.00	17,861.00	24,399.00	4,67,728.83
44.	13.03.2016	19.14	42,260.00	17,861.00	24,399.00	4,66,996.86
45.	15.03.2016	19.01	42,260.00	26,289.54	15,970.46	3,03,598.44
46.	15.03.2016	19.03	42,260.00	26,289.54	15,970.46	3,03,917.85
47.	15.03.2016	17.93	42,260.00	26,289.54	15,970.46	2,86,350.35
48.	15.03.2016	18.02	42,260.00	26,289.54	15,970.46	2,87,787.69
49.	15.03.2016	22.75	42,260.00	26,289.54	15,970.46	3,63,327.97
50.	15.03.2016	18.72	42,260.00	26,289.54	15,970.46	2,98,967.01
51.	15.03.2016	19.29	42,260.00	17,861.00	24,399.00	4,70,656.71
52.	16.03.2016	14.86	42,260.00	19,061.00	23,199.00	3,44,737.14
53.	16.03.2016	19.15	42,260.00	19,061.00	23,199.00	4,44,260.85
54.	18.03.2016	14.84	42,260.00	19,061.00	23,199.00	3,44,273.16
55.	03.04.2016	19.17	42,260.00	20,361.00	21,899.00	4,19,803.83
56.	05.04.2016	18.44	42,260.00	20,361.00	21,899.00	4,03,817.56
57.	05.04.2016	19.05	42,260.00	20,361.00	21,899.00	4,17,175.95
58.	22.04.2016	13.93	42,260.00	25,681.00	16,579.00	2,30,945.47
59.	02.05.2016	13.68	42,260.00	25,661.00	16,599.00	2,27,074.32
60.	02.05.2016	19.94	42,260.00	29,481.54	12,778.46	2,54,802.49
61.	16.05.2016	22.96	42,260.00	13,537.92	28,722.08	6,59,458.96
62.	20.03.2016	18.94	42,260.00	19,061.00	23,199.00	4,39,389.06
63.	20.03.2016	19.24	42,260.00	19,061.00	23,199.00	4,46,348.76
64.	21.03.2016	19.13	42,260.00	19,061.00	23,199.00	4,43,796.87
65.	23.03.2016	19.13	42,260.00	19,061.00	23,199.00	4,43,796.87
66.	23.03.2016	18.50	42,260.00	19,061.00	23,199.00	4,29,181.50
67.	24.03.2016	14.80	42,260.00	19,061.00	23,199.00	3,43,345.20
68.	25.03.2016	18.58	42,260.00	19,061.00	23,199.00	4,31,037.42
69.	26.03.2016	18.21	42,260.00	19,061.00	23,199.00	4,22,453.79
70.	26.03.2016	19.09	42,260.00	19,061.00	23,199.00	4,42,868.91
71.	26.03.2016	14.90	42,260.00	19,061.00	23,199.00	3,45,665.10
72.	27.03.2016	19.05	42,260.00	19,061.00	23,199.00	4,41,940.95
73.	28.03.2016	18.17	42,260.00	19,061.00	23,199.00	4,21,525.83
74.	29.03.2016	19.13	42,260.00	19,061.00	23,199.00	4,43,796.87
75.	21.03.2016	17.75	42,260.00	24,061.00	18,199.00	3,23,032.25
76.	26.03.2016	17.96	42,260.00	24,061.00	18,199.00	3,26,854.04
77.	28.03.2016	18.17	42,260.00	24,061.00	18,199.00	3,30,675.83
78.	30.03.2016	18.14	42,260.00	24,061.00	18,199.00	3,30,129.86
79.	01.04.2016	13.90	42,260.00	25,861.00	16,399.00	2,27,946.10

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
80.	04.04.2016	13.95	42,260.00	25,861.00	16,399.00	2,28,766.05
81.	06.04.2016	13.96	42,260.00	25,861.00	16,399.00	2,28,930.04
82.	06.04.2016	18.15	42,260.00	25,861.00	16,399.00	2,97,641.85
83.	07.04.2016	13.93	42,260.00	25,861.00	16,399.00	2,28,438.07
84.	08.04.2016	13.98	42,260.00	25,361.00	16,899.00	2,36,248.02
85.	09.04.2016	13.96	42,260.00	25,361.00	16,899.00	2,35,910.04
86.	11.04.2016	18.54	42,260.00	25,361.00	16,899.00	3,13,307.46
87.	12.04.2016	13.94	42,260.00	25,361.00	16,899.00	2,35,572.06
88.	13.04.2016	13.87	42,260.00	25,361.00	16,899.00	2,34,389.13
89.	03.08.2017	18.28	42,260.00	23,540.00	18,720.00	3,42,201.60
90.	03.08.2017	19.54	42,260.00	23,540.00	18,720.00	3,65,788.80
91.	05.08.2017	17.23	42,260.00	23,540.00	18,720.00	3,22,545.60
92.	05.08.2017	17.20	42,260.00	23,540.00	18,720.00	3,21,984.00
93.	07.08.2017	18.60	42,260.00	23,540.00	18,720.00	3,48,192.00
94.	07.08.2017	18.65	42,260.00	23,540.00	18,720.00	3,49,128.00
95.	10.08.2017	16.95	42,260.00	23,540.00	18,720.00	3,17,304.00
96.	10.08.2017	17.49	42,260.00	23,540.00	18,720.00	3,27,412.80
97.	11.08.2017	18.63	42,260.00	23,540.00	18,720.00	3,48,753.60
98.	17.08.2017	18.92	42,260.00	23,540.00	18,720.00	3,54,182.40
99.	18.08.2017	19.24	42,260.00	23,540.00	18,720.00	3,60,172.80
	Total	1,737.52				3,15,27,518.28

(Source: Information compiled from invoices of bitumen available in the division)

Appendix 3.10 (B)

(Reference: Paragraph 3.15; Page 87)

Excess payment in respect of emulsion (CRMB-55 and 60)

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
1.	06.03.2016	17.62	43,650.00	26,743.00	16,907.00	2,97,901.34
2.	08.03.2016	17.64	43,650.00	26,743.00	16,907.00	2,98,239.48
3.	08.03.2016	14.00	43,650.00	26,743.00	16,907.00	2,36,698.00
4.	09.03.2016	13.78	43,650.00	26,743.00	16,907.00	2,32,978.46
5.	09.03.2016	17.89	43,650.00	26,743.00	16,907.00	3,02,466.23
6.	10.03.2016	17.92	43,650.00	26,276.00	17,374.00	3,11,342.08
7.	10.03.2016	18.17	43,650.00	26,276.00	17,374.00	3,15,685.58
8.	11.03.2016	17.86	43,650.00	26,276.00	17,374.00	3,10,299.64
9.	12.03.2016	17.48	43,650.00	26,276.00	17,374.00	3,03,697.52
10.	12.03.2016	18.06	43,650.00	26,276.00	17,374.00	3,13,774.44
11.	19.03.2016	17.27	43,650.00	27,356.00	16,294.00	2,81,397.38
12.	21.03.2016	13.43	43,650.00	27,356.00	16,294.00	2,18,828.42
13.	22.03.2016	14.00	43,650.00	27,356.00	16,294.00	2,28,116.00
14.	22.03.2016	14.00	43,650.00	27,356.00	16,294.00	2,28,116.00
15.	27.03.2016	14.40	43,650.00	27,356.00	16,294.00	2,34,633.60
16.	27.03.2016	18.27	43,650.00	27,356.00	16,294.00	2,97,691.38
17.	23.04.2016	13.09	43,650.00	28,816.00	14,834.00	1,94,177.06
18.	23.04.2016	15.47	43,650.00	28,816.00	14,834.00	2,29,481.98
19.	25.04.2016	16.26	43,650.00	28,816.00	14,834.00	2,41,200.84
20.	28.04.2016	16.66	43,650.00	28,816.00	14,834.00	2,47,134.44
21.	30.04.2016	14.40	43,650.00	28,816.00	14,834.00	2,13,609.60
22.	30.04.2016	15.55	43,650.00	28,816.00	14,834.00	2,30,668.70
23.	30.04.2016	14.89	43,650.00	28,816.00	14,834.00	2,20,878.26
24.	02.05.2016	16.56	43,650.00	28,796.00	14,854.00	2,45,982.24
25.	02.05.2016	18.46	43,650.00	28,796.00	14,854.00	2,74,204.84
26.	03.05.2016	15.05	43,650.00	28,796.00	14,854.00	2,23,552.70
27.	03.05.2016	14.52	43,650.00	28,796.00	14,854.00	2,15,680.08
28.	04.05.2016	14.94	43,650.00	28,796.00	14,854.00	2,21,918.76
29.	04.05.2016	13.66	43,650.00	28,796.00	14,854.00	2,02,905.64
30.	05.05.2016	17.42	43,650.00	28,796.00	14,854.00	2,58,756.68
31.	05.05.2016	14.73	43,650.00	28,796.00	14,854.00	2,18,799.42
32.	06.05.2016	13.71	43,650.00	28,796.00	14,854.00	2,036,48.34
33.	07.05.2016	13.03	43,650.00	28,796.00	14,854.00	1,93,547.62
34.	09.05.2016	13.66	43,650.00	28,796.00	14,854.00	2,02,905.64
35.	09.05.2016	13.18	43,650.00	28,796.00	14,854.00	1,95,775.72
36.	10.05.2016	13.60	43,650.00	28,796.00	14,854.00	2,02,014.40
37.	12.05.2016	14.91	43,650.00	28,796.00	14,854.00	2,21,473.14

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
38.	12.05.2016	13.37	43,650.00	28,796.00	14,854.00	1,98,597.98
39.	14.05.2016	15.12	43,650.00	28,796.00	14,854.00	2,24,592.48
40.	16.05.2016	15.11	43,650.00	28,796.00	14,854.00	2,24,443.94
41.	16.05.2016	13.32	43,650.00	28,796.00	14,854.00	1,97,855.28
42.	18.05.2016	14.91	43,650.00	28,796.00	14,854.00	2,21,473.14
43.	18.05.2016	14.76	43,650.00	28,796.00	14,854.00	2,19,245.04
44.	21.05.2016	14.71	43,650.00	28,796.00	14,854.00	2,18,502.34
45.	24.05.2016	13.59	43,650.00	28,796.00	14,854.00	2,01,865.86
46.	28.05.2016	14.13	43,650.00	28,796.00	14,854.00	2,09,887.02
47.	30.05.2016	14.33	43,650.00	28,796.00	14,854.00	2,12,857.82
48.	03.06.2016	19.25	43,650.00	28,536.00	15,114.00	2,90,944.50
49.	10.06.2016	14.59	43,650.00	28,536.00	15,114.00	2,20,513.26
50.	10.06.2016	15.90	43,650.00	28,536.00	15,114.00	2,40,312.60
51.	13.06.2016	13.11	43,650.00	28,536.00	15,114.00	1,98,144.54
52.	15.06.2016	16.26	43,650.00	28,536.00	15,114.00	2,45,753.64
53.	16.06.2016	13.94	43,650.00	28,116.00	15,534.00	2,16,543.96
54.	17.06.2016	17.48	43,650.00	28,116.00	15,534.00	2,71,534.32
55.	17.06.2016	14.43	43,650.00	28,116.00	15,534.00	2,24,155.62
56.	18.06.2016	13.86	43,650.00	28,116.00	15,534.00	2,15,301.24
57.	18.06.2016	16.14	43,650.00	28,116.00	15,534.00	2,50,718.76
58.	19.06.2016	17.27	43,650.00	28,116.00	15,534.00	2,68,272.18
59.	20.06.2016	15.22	43,650.00	28,116.00	15,534.00	2,36,427.48
60.	20.06.2016	16.66	43,650.00	28,116.00	15,534.00	2,58,796.44
61.	21.06.2016	21.46	43,650.00	28,116.00	15,534.00	3,33,359.64
62.	22.06.2016	16.78	43,650.00	28,116.00	15,534.00	2,60,660.52
63.	23.06.2016	21.90	43,650.00	28,116.00	15,534.00	3,40,194.60
64.	23.06.2016	15.36	43,650.00	28,116.00	15,534.00	2,38,602.24
65.	09.04.2016	17.27	43,650.00	28,526.00	15,124.00	2,61,191.48
66.	20.04.2016	14.27	43,650.00	28,816.00	14,834.00	2,11,681.18
67.	21.04.2016	16.63	43,650.00	28,816.00	14,834.00	2,46,689.42
68.	22.04.2016	16.36	43,650.00	28,816.00	14,834.00	2,42,684.24
69.	29.03.2016	15.33	43,650.00	27,356.00	16,294.00	2,49,787.02
70.	01.04.2016	15.22	43,650.00	28,526.00	15,124.00	2,30,187.28
71.	02.04.2016	13.66	43,650.00	28,526.00	15,124.00	2,06,593.84
72.	06.04.2016	16.23	43,650.00	28,526.00	15,124.00	2,45,462.52
73.	07.04.2016	14.01	43,650.00	28,526.00	15,124.00	2,11,887.24
74.	07.04.2016	17.48	43,650.00	28,526.00	15,124.00	2,64,367.52
75.	08.04.2016	15.34	43,650.00	28,526.00	15,124.00	2,32,002.16
76.	08.04.2016	18.06	43,650.00	28,526.00	15,124.00	2,73,139.44
77.	11.04.2016	13.86	43,650.00	28,526.00	15,124.00	2,09,618.64
78.	11.04.2016	13.94	43,650.00	28,526.00	15,124.00	2,10,828.56

Sr. No.	Date of purchase of bitumen	Quantity purchased (MT)	Rate at the time of allotment (in ₹)	Rate at the time of purchase (in ₹)	Difference in rate (in ₹)	Excess payment (in ₹)
79.	12.04.2016	13.61	43,650.00	28,526.00	15,124.00	2,05,837.64
80.	13.04.2016	12.66	43,650.00	28,526.00	15,124.00	1,91,469.84
81.	13.04.2016	15.96	43,650.00	28,526.00	15,124.00	2,41,379.04
82.	14.04.2016	14.74	43,650.00	28,526.00	15,124.00	2,22,927.76
83.	14.04.2016	15.86	43,650.00	28,526.00	15,124.00	2,39,866.64
84.	15.04.2016	13.74	43,650.00	28,526.00	15,124.00	2,07,803.76
85.	16.04.2016	19.08	43,650.00	28,816.00	14,834.00	2,83,032.72
86.	16.04.2016	15.15	43,650.00	28,816.00	14,834.00	2,24,735.10
87.	16.04.2016	13.37	43,650.00	28,816.00	14,834.00	1,98,330.58
88.	16.04.2016	19.04	43,650.00	28,816.00	14,834.00	2,82,439.36
89.	18.04.2016	13.44	43,650.00	28,816.00	14,834.00	1,99,368.96
90.	19.04.2016	15.19	43,650.00	28,816.00	14,834.00	2,25,328.46
91.	19.04.2016	14.48	43,650.00	28,816.00	14,834.00	2,14,796.32
92.	20.04.2016	14.64	43,650.00	28,816.00	14,834.00	2,17,169.76
93.	21.04.2016	14.38	43,650.00	28,816.00	14,834.00	2,13,312.92
94.	22.04.2016	14.99	43,650.00	28,816.00	14,834.00	2,22,361.66
95.	23.04.2016	17.99	43,650.00	28,816.00	14,834.00	2,66,863.66
96.	23.04.2016	14.18	43,650.00	28,816.00	14,834.00	2,10,346.12
97.	07.08.2017	21.64	43,710.00	26,430.00	17,280.00	3,73,939.20
98.	07.08.2017	20.56	43,710.00	26,430.00	17,280.00	3,55,276.80
99.	09.08.2017	21.46	43,710.00	26,430.00	17,280.00	3,70,828.80
100.	09.08.2017	19.25	43,710.00	26,430.00	17,280.00	3,32,640.00
101.	12.08.2017	17.45	43,710.00	26,430.00	17,280.00	3,01,536.00
	Total	1,589.02				2,46,07,449.73

(Source: Information compiled from invoices of bitumen available in the division)

Appendix 3.11

(Reference: Paragraph 3.17; Page 93)

Experience and Financial Status of L1 and L5 as per their technical bids submitted at the time of tender

Criteria	L1 (M/s Public Security and Placement Services)	L5 (M/s Jai Hind Enterprises)
Status	Partnership firm	Partnership firm
Date of Registration	28 September 2005	14 June 2010
Experience upto date of tender	More than Nine years	Four years
ESIC Registration	18 February 2008	12 January 2011
Gross Turnover 2011-12	₹ 500.89 lakh	₹ 79.60 lakh
Gross Turnover 2012-13	₹ 520.26 lakh	₹ 149.83 lakh
Clientele	79 Government and Private Organisations	Only Executive Engineer, MC, Gurugram

(Source: Comparative statement of technical bids)

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