

Overview

OVERVIEW

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments, autonomous bodies and public sector undertakings of the Government of Haryana. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this Report is to bring important results of audit to the notice of the State Legislature. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations, thus contributing to better governance.

This Report of Comptroller and Auditor General of India (CAG) relates to matters arising from compliance audit of seven Departments, 17 Public Sector Undertakings and seven Autonomous bodies under three clusters of Energy and Power, Industries and Commerce and Urban Development. Chapter 1 is an introductory chapter, which contains financial profile of the state, details of the Budget and actual expenditure, planning and conduct of audit and follow up of the issues featured in past Audit Reports in respect of these three clusters. Chapters 2, 3 and 4 contain observations emanating from compliance audit in government departments, autonomous bodies and public sector undertakings pertaining to the three clusters.

(Para 1.1, Page 1)

The Report contains nine paragraphs, including one compliance-based paragraph on Implementation of Deen Dayal Upadhyaya Gram Jyoti Yojana.

Energy and Power Cluster

Chapter 2 contains Compliance Audit observations which highlight deficiencies in the management of State Public Sector Enterprises under Energy and Power cluster:

Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited

Implementation of Deen Dayal Upadhyaya Gram Jyoti Yojana

The works for all the 21 projects, were awarded with a delay ranging between 306 days and 657 days with average delays of 470 days. None of the project was completed within the stipulated time and the delay ranged between 47 days and 690 days. Failure to achieve milestones in respect of timely award

and completion of the scheme and in achievement of targets of reduction in Aggregate Technical and Commercial losses as per trajectory finalised by Ministry of Power, Government of India and power distribution companies of Haryana are likely to result in loss of opportunity to avail additional grant amounting to ₹ 36.93 crore.

(Para 2.1, Page 9)

Dakshin Haryana Bijli Vitran Nigam Limited

Inadequacy of Automatic Power Factor Capacitors

The Company had to pay reactive energy charge of ₹ 40.98 crore during 2016-17 to 2020-21 due to non-installation and maintenance of adequate Automatic Power Factor Capacitors.

(Para 2.2, Page 20)

Haryana Vidyut Prasaran Nigam Limited

Infructuous expenditure on construction of 220 KV Sub-station

The Company awarded and executed the work of construction of a substation without waiting for the decision of Court on land acquisition resulting in infructuous expenditure of ₹ 12.76 crore and loss of interest of ₹ 9.47 crore on idle sub-station equipments.

(Para 2.3, Page 22)

Industries and Commerce Cluster

Chapter 3 contains Compliance Audit observations which highlight deficiencies in the management of State Public Sector Enterprises under Industries and Commerce Cluster:

Haryana State Industrial and Infrastructure Development Corporation Limited

Undue reduction in extension fee

The Company, by granting extension beyond permitted time for construction of building, extended undue favour to the allottee in excess of ₹ 57.77 crore.

(Para 3.1, Page 25)

Non-levy of penalty

The Company extended undue favour to the allottee in declaring project complete without levy of fee/ penalty of ₹ 13.27 crore as per provisions of Estate Management Procedure of the Company.

(Para 3.2, Page 27)

Avoidable interest burden due to short deposit of advance income tax

The Company delayed adoption of Income Computation and Disclosure Standards and had to pay penal interest of ₹ 14.99 crore. In the process it had to bear avoidable additional interest cost of ₹ 4.05 crore.

(Para 3.3, Page 29)

Urban Development Cluster

Chapter 4 contains Compliance Audit observations which highlight deficiencies in the management of State Government Departments under Urban Development Cluster:

Town and Country Planning Department**Non-recovery of differential amount of license fee at revised rates**

Due to non-initiation of timely action, the department failed to recover the differential amount of license fee amounting to ₹ 1.94 crore even after a period of more than eight years.

(Para 4.1, Page 31)

Non-revalidation of bank guarantees caused loss to the State Exchequer of ₹ 9.84 crore

Due to not enforcing the provisions of HDRUA Rules, Town and Country Planning Department failed to protect the interests of the State exchequer and extended undue favour to the licensees on account of non-revalidation of bank guarantees resulting into a loss of ₹ 9.84 crore.

(Para 4.2, Page 32)

Revenue and Disaster Management Department, Forest Department, Department of Town and Country Planning, Urban Local Bodies Department, Haryana and the Municipal Corporation of Faridabad (MCF)**Illegal construction of a multi-storey building in notified land (preserved and protected with prohibitions of non-forestry activities) allotted by the MCF and consequent illegal sale of commercial office spaces valuing ₹ 182.46 crore**

The Municipal Corporation of Faridabad (MCF) allotted land notified under Punjab Land Preservation Act, 1900 (PLPA) (preserved and protected with prohibitions of non-forestry activities) to a developer who after getting a NOC from the Forest Department constructed a multi-storied building on this land. The building plans were sanctioned by the MCF and also granted Occupation Certificate in contravention of the terms of allotment. Thereafter, registration of illegal Conveyance Deeds were executed by the Developer from the Sub-Registrar. The total valuation of the building works out to ₹ 182.46 crore.

(Para 4.3, Page 35)

