

CHAPTER - 2

COMPLIANCE AUDIT OBSERVATIONS (DEPARTMENTS)

Town and Country Planning Department (Haryana Shehri Vikas Pradhikaran)

2.1 Avoidable financial burden

Using the unacquired land in a road project by HSVP in violation of the constitutional right of the landowners and provisions of LA/LARR Act and its acquisition only after the directions of Hon'ble Court kept the landowners deprived of their land without any compensation for a longer period and also led to an avoidable financial burden of ₹ 3.66 crore.

Article 300A of the Constitution of India provides that no person shall be deprived of his property save by authority of law. As per Section 8 of the Land Acquisition Act, 1894 (LA Act), land needed for public purposes must be marked and measured. Under Section 9 (1) of LA Act, such land can be utilised only after payment of compensation for all interests in the land to the entitled persons.

The Urban Estate Department, Government of Haryana issued (January 2008) a notification under Section 4 of LA Act for acquiring 64.62 acres in Gurugram to develop a 150-metre-wide periphery road linking Dwarka Township (Delhi) to NH-8 near village Kherki Daula (Road project). The declaration under Section 6 of LA Act was issued (March 2008) and an award of ₹ 52.90 crore¹ was announced (September 2008) for 63.84 acres² under Section 11 of LA Act.

Audit of the Zonal Administrator, Haryana Shehri Vikas Pradhikaran (HSVP), Gurugram revealed (November 2022) that, while acquiring 63.84 acres of land for the above road project, HSVP had used three kanal³ (0.375 acre) of land in village Dhanwapur, Gurugram⁴ for road construction, without acquisition and payment of compensation to the landowners. Further, this land was also not acquired during the subsequent process of land acquisition carried out in the year 2009-10 for sector roads in Sector 99 to 115 in Gurugram.

The aggrieved landowners requested (December 2018) the Chief Administrator, HSVP, Gurugram, for compensation under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act). No action was taken by the HSVP on the request of the landowners,

¹ ₹ 60 lakh per acre and other charges viz. compensation of structure, compulsory acquisition etc.

² Measured at the spot by the field staff under Section 8 of LAA.

³ One Kanal = 605 Sq. yards; One Acre = 8 Kanal

⁴ Khasra No. 40//13/2min (0-13) and 14min (2-7)

despite the fact that unacquired land was used by it in road construction. This inaction caused the landowners to file (April 2019) a Civil Writ Petition in the Punjab and Haryana High Court. The Hon'ble Court directed (October 2021) HSVP to initiate acquisition proceedings for the above unacquired land under the LARR Act. Subsequently, a Committee⁵, in accordance with clause A (ii) of HSVP's revised policy (8 March 2019)⁶, recommended (October 2021) purchase of the 3-kanal (0.375 acre) of land for ₹ 3.97 crore⁷. The land was formally transferred to HSVP through the Sale Deed executed (August 2023) by the landowners in favour of HSVP on payment of ₹ 3.97 crore by it.

Thus, use of the unacquired land in a road project by HSVP in violation of the constitutional right of the landowners and provisions of LA/LARR Act and its - acquisition only after the directions of the Hon'ble Court not only kept the landowners deprived of their land without any compensation but also led to additional financial burden of ₹ 3.66 crore (₹ 3.97 crore – ₹ 0.31 crore⁸) on HSVP.

The Administrator, HSVP stated (November 2024) that during the execution of development work at site, it was revealed that some portion of adjoining unacquired land was much essential to be utilised for completion of HSVP project. To avoid lengthy acquisition process as per new Land acquisition Act, 2013, the HSVP framed a policy regarding purchase of unacquired land for infrastructure projects and paid ₹ 3.97 crore accordingly.

The reply is not acceptable as HSVP was aware of the fact at the stage of development work at site that the unacquired land was to be used in the road project. However, it had used it in road project without acquisition and purchased the same after an inordinate delay of 11 years and only after intervention of the Hon'ble High Court of Punjab and Haryana.

The matter was referred (May 2024) to the Additional Chief Secretary, Government of Haryana, Town and Country Planning Department; the reply was awaited (July 2025).

Recommendation: The State Government may consider fixing responsibility for using the private land in a road project without acquisition, in violation of the constitutional right of the landowners and provisions of the LA/LARR Act.

⁵ A committee comprising Land Acquisition Officer (LAO), Gurugram, DTP/ATP, Gurugram, SE-I, HSVP, Gurugram and Estate Officer-I, HSVP, Gurugram was constituted under the chairmanship of Zonal Administrator, HSVP, Gurugram for deciding the compensation of unacquired portion of land.

⁶ Payment of the updated cost of land based on the award announced for the land abutting/adjoining to the land of the landowner or the collector rate of the revenue estate in which the land is situated, whichever is higher.

⁷ Calculated at ₹ 4.48 crore per acre plus 100 per cent solatium and 12 per cent interest for 1,094 days.

⁸ Proportionate cost i.e. ₹ 52.92 crore/63.84 acre*0.375 acre.

2.2 Violation of policy guidelines for oustees

Violation of the policy guidelines by HSVP led to loss of ₹ 1.97 crore on allotment of a plot to the claimant oustee at a far lesser rate, undue benefit of which, was eventually extended to a non-oustee person while allowing transfer/re-transfer of the plot within four months from its allotment.

Haryana Shehri Vikas Pradhikaran (HSVP) introduced (September 1987) a scheme to provide plots to oustees⁹ whose land had been acquired by HSVP. Accordingly, the oustees were required to submit an application to the concerned Estate Officer in response to advertisements inviting applications against oustees' claims/quota, along with a copy of the award, *nakal jamabandi* or registry, and earnest money equal to 10 *per cent* of the cost of the plot. Clause 15 of the HSVP's policy guidelines (August 2016) stipulated that an oustee who had previously applied for a plot under the oustees' policy and whose application was either pending for decision or had been rejected but remanded back to HSVP by a Court/Authority/Forum, should be advised to apply for a plot in response to a fresh advertisement. The above policy guidelines were amended in May 2018, which among others, included clause 15a and clause 19, as stipulated below:

- **Clause 15a** provides that if an application is made by an oustee in pursuance of a fresh advertisement, the price of the plot charged would be the rates as advertised in the new advertisement. However, if a plot could not be allotted against an earlier advertisement despite determining the oustee's eligibility, the prevalent price at the time of the application by the oustee in pursuance to an advertisement would be charged, along with simple interest at 11 *per cent* per annum until the date of allotment. It was clarified that eligibility would be considered/determined only when the oustee had completed and satisfied all formalities/conditions as per the applicable policy.
- **Clause 19** provides that the plot allotted shall not be sold or transferred for five years from the date of issue of the allotment letter.

Audit observed (December 2023) that a landowner was eligible for allotment of a one-kanal¹⁰ plot under the oustees' quota against acquisition of his agriculture and admeasuring 11 kanal¹¹ 8 marla¹² (village Ramgarh, Tehsil and District Panchkula) by the HSVP in the year 1992. The landowner did not submit an application for allotment of a plot under the oustees' quota, as he passed away

⁹ Persons whose land had been acquired by HSVP.

¹⁰ In urban areas, one kanal equals to 500 square yards.

¹¹ For agricultural land, one kanal equals to 605 square yards.

¹² One marla equals to 30 square yards.

in February 2006, prior to an advertisement of the oustees' scheme by the HSVP in March 2006. On the applications by three individuals, including the landowner's widow and two others, each possessing different 'Wills' from the deceased landowner, for allotment of a plot against the oustee claim, the Apex Appellate Body of the HSVP decided (February 2008) that a plot would be allotted to all the three applicants jointly. However, the HSVP issued (July 2009) a speaking order entitling only two of the applicants, excluding the landowner's widow. This order was contested (July 2009). in court by the legal heirs of the deceased.

The Court of Additional District Judge, Panchkula, while ruling out the entitlement of the above three applicants for a plot under oustees quota, decided (March 2019) that the legal heirs of the deceased landowner were entitled to the plot under the oustees' quota but strictly in accordance with the oustees' policy of the HSVP. Subsequently, one of the sons of the deceased landowner, submitted (March 2021) an application along with no objection certificates from other legal heirs, for allotment of a plot in his name as the legal heir of the deceased landowner. The Estate Officer, Panchkula, issued (April 2021) an allotment letter in favour of the son of the deceased landowner for allotment of a plot admeasuring 420 sqm. at the rate of ₹ 19,190 per sqm. prevalent in 2006, instead of ₹ 66,000 per sqm. for the year 2019-20, along with interest at the rate of 11 *per cent* per annum, in violation of the HSVP's amended policy guidelines. Further, in violation of clause 19 of the amended policy guidelines, the HSVP allowed transfer of the said allotted plot twice, once in June 2021 in the name of other person and subsequently, in August 2021 in the name of another person.

Thus, it is evident that the HSVP violated its own policy guidelines which led to loss of ₹ 1.97 crore¹³ on allotment of a plot to the claimant oustee at the far lesser rate, benefit of which, was eventually extended to a non-oustee person while allowing transfer/re-transfer of the plot allotted under the oustees' quota, within four months from its allotment.

The Management stated (April 2025) that as per the policies of August 2016 and May 2018, the prices prevalent at the time of submission of application by an oustee was to be charged along with simple interest at the rate of 11 *per cent* per annum. Hence, no loss occurred.

The reply is not acceptable as the plot should have been allotted at the prevalent rate of ₹ 66,000/- per sqm. as per clause 15a of the amended policy guidelines. Further, the reply is silent on allowing transfer/re-transfer of the plot allotted under oustees' quota, in violation of the amended policy guidelines for oustees.

¹³ ₹ 66,000-₹ 19,190 (per sqm.) X 420 sqm.

Recommendation: The State Government may consider fixing responsibility on officers/officials for violation of the oustees' policy guidelines compromising the financial interest of the HSVP and extending undue benefit to a non-oustees person.

Forest Department

2.3 Incorrect demand of Net Present Value

The incorrect demand of NPV and no demand for possession value of the diverted forest land by the Department, in contravention to the extant Guidelines, led to a significant shortfall in realisation of funds in the State CAMPA to the extent of ₹ 22.63 crore.

Ministry of Environment, Forests and Climate Change, Government of India (MOEF&CC) issued (March 2019) Handbook of guidelines for effective and transparent implementation of the provisions of Forest (Conservation) Act, 1980 and Forest Conservation Rules, 2003 (hereinafter referred to as Guidelines). These Guidelines outline the procedures and requirements for the diversion of forest land for non-forest purposes.

Para 3.1 of the Guidelines provides that in addition to the funds realised for compensatory afforestation (CA), the Net Present Value (NPV) of the forest land being diverted for non-forest purposes is also to be recovered from the user agencies, for undertaking forest protection, conservation measures and related activities. Further, Para 3.4 provides that the applicable NPV would be five times of the normal NPV if the area of diverted forest land falls under any Wildlife Sanctuary. Moreover, it is mandatory to conduct a 'cost -benefit analysis (CBA)' in cases where the proposed diverted forest land is situated on hills and involves more than five hectares of forest land. After the 'CBA', the additional costs¹⁴ as the possession value of the forest land diverted is to be recovered from the user agency.

Audit observed (October 2022)¹⁵ that the Forest Department, Government of Haryana (Department) recommended (June 2020) for approval in respect of the diversion of forest land for erection of 220 KV lines in Panchkula and Pinjore from the 440 KV PGCIL Sub-station Naggal (Barwala) by Haryana Vidyut

¹⁴ The forest land diverted for the project such as irrigation, hydropower, railways, roads, wind energy and transmission lines and mining etc. are unlikely to be returned and remains in possession of the user agencies. Therefore, 30 per cent of the NPV of forest land diverted or market rate of adjoining area in the district should be added as a cost component as "possession value of forest land" in addition to the environmental costs due to loss of forests.

¹⁵ During scrutiny of the records of the Divisional Forest Officer (Territorial) Morni – Pinjore.

Prasaran Nigam Limited (HVPNL). The MOEF&CC granted (September 2020) an in-principle approval followed by a final approval (December 2021) for this project. The project involved the diversion of 46.375 hectares of forest land in the Khol Hi Raitan Wildlife Sanctuary, Panchkula, for laying the said transmission lines. The Department demanded ₹ 21.96 crore as total diversion cost (including CA, NPV etc.) of the aforesaid forest land, and the same was deposited (October 2021) by the HVPNL. This amount included NPV of ₹ 4.11 crore¹⁶ only instead of ₹ 20.57 crore¹⁷ (five times the normal NPV) payable for the diversion of Wildlife Sanctuary land. Further, the 'CBA', as provided in the guidelines, was also not conducted. As a result, the possession value of the forest land amounting to ₹ 6.17 crore (30 per cent of NPV) was also not demanded by the Department.

Thus, incorrect demand of NPV and no demand for possession value of the diverted forest land by the Department, in contravention to the aforesaid provisions of the Guidelines, led to significant shortfall in realisation of funds in the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) to the extent of ₹ 22.63 crore¹⁸.

The Divisional Forest Officer (Territorial) Morni – Pinjore accepted (November 2024) the audit observation stating that the demand of NPV, as pointed out by the Audit, has been raised to the user agency, which was yet to be recovered. It was also stated that the HVPNL had again been requested (August 2025) for depositing ₹ 22.63 crore.

The matter was referred (March and May 2024) to Additional Chief Secretary, Government of Haryana, Forest and Wild Life Department; the reply was awaited (July 2025).

Human Resources Department and Finance Department

2.4 Avoidable financial burden on State Exchequer

Inability of the DDOs of the respective 191 indenting entities in making timely payments to HKRNL led to delayed payment of EPF contributions to EPFO and a concomitant levy of penalty which eventually caused an avoidable financial burden of ₹ 8.29 crore on the State Exchequer.

As per Para 38 of the Employees Provident Fund (EPF) Scheme 1952 read with Para 3 of Employees Pension Scheme 1995, the employer of any establishment is required to remit the provident fund contributions within 15 days of the close

¹⁶ ₹ 8,87,000 per hectare*46.375=₹ 4,11,34,625

¹⁷ ₹ 4,11,34,625*5= ₹ 20,56,73,125

¹⁸ ₹ 20.57 crore +₹ 6.17 crore-₹ 4.11 crore (already paid) =₹ 22.63 crore

of every month to the Employee Provident Fund Organization (EPFO). Further, Section 7Q of the Employees Provident Fund and Miscellaneous Provisions Act 1952 (the Act) provides that the employer is liable to pay simple interest at the rate of 12 *per cent* per annum for delays and Section 14B of the Act authorises the Provident Fund Commissioner to impose penalty on the employer for default in payment.

Haryana Kaushal Rozgar Nigam Limited (HKRNL) was incorporated (October 2021) as a State Government Company with the objective of providing contractual manpower to all Government entities of Haryana. For deployment of contractual manpower through HKRNL, Haryana Resources Department (HRD) i.e. administrative department of HKRNL, Government of Haryana (GoR) framed a policy namely, Deployment of Contractual Persons Policy, 2022 (Policy) which was applicable from 01 April 2022¹⁹. As per paragraphs 5.4 and 5.5 of the Policy, each indenting department is required to ensure the availability of sufficient budget provision for the payment of invoices raised on the portal by the 7th of every month. If payment of wages of the deployed manpower is not executed within 7th of every month, HKRNL shall be at liberty to withdraw the deployed manpower and/or levy a penalty of ₹ 50 per day per deployed manpower on the indenting organisation.

The entire process including placing an indent for requisitioning the contractual manpower, maintenance of attendance and raising of monthly invoices for the deployed manpower is automated through the online portal of HKRNL. The monthly invoices are generated automatically on the portal after submission and uploading of attendance of the deployed manpower by the concerned Drawing and Disbursing Officers (DDOs). Accordingly, after receiving the payment of monthly invoices from the indenting Government entities, HKRNL makes payment of monthly salaries to the deployed manpower as per attendance and monthly contribution to the EPFO.

HKRNL requested (August 2022) all the Administrative Secretaries and Heads of all the indenting Departments/Government entities to issue directions to the concerned DDOs to submit correct details of EPF/ESI data for all the contractual manpower on the HKRNL's portal, stating that any penalty levied on HKRNL due to late submission of EPF/ESI payments, has to be borne by the concerned departments.

During audit (August-September 2023) in the office of Chief Executive Officer, HKRNL, Panchkula, it was observed that HKRNL had paid a penalty of ₹ 8.29 crore to the EPFO during the period from July 2022 to September 2023, due to delays ranging from 12 to 530 days in remitting EPF contributions, in

¹⁹ Notified by the State Government on 30 June 2022.

respect of 191 indenting Government entities as detailed in *Appendix 2.1* and summarised in the *Table 2.1*.

Table 2.1: Statement showing delays and payment of penalty

Month of remittance paid	Amount of Penalty paid (₹ in lakh)	Delayed period (in days)	
		Minimum	Maximum
July 2022	169.08	13	142
October 2022	150.27	13	197
November 2022	82.80	25	239
December 2022	56.73	15	350
January 2023	47.46	13	289
February 2023	30.83	14	318
March 2023	39.71	17	352
April 2023	46.01	16	381
May 2023	31.00	15	411
June 2023	51.22	19	442
July 2023	63.70	16	473
August 2023	38.26	15	502
September 2023	22.22	12	530
Total	829.29		

The penalty paid by HKRNL to EPFO was subsequently recovered by it from the DDOs of the respective indenting govt. entities, by adding the amount of penalty in the invoice of the subsequent month(s). Out of total penalty, ₹ 4.69 crore (56.57 per cent) was borne by only nine major defaulting organisations/departments, which ranged from ₹ 0.20 crore to ₹ 1.52 crore, as detailed in *Table 2.2*.

Table 2.2: Details of penalty borne by major defaulting organisations/departments

Sr. No.	Name of the department	Amount of penalty (₹ in lakh)
1	Public Health Engineering	152.33
2	Health	102.50
3	Irrigation and Water Resources	57.58
4	Elementary Education	31.98
5	Dakshin Haryana Bijli Vitran Nigam Limited	29.73
6	Urban Local Bodies	26.84
7	Food, Civil Supplies & Consumer Affairs	25.41
8	Medical Education & Research	21.97

The reasons for delay in remitting EPF contributions of the deployed manpower by HKRNL to EPFO were mainly attributable to incorrect updating of employees' particulars by the concerned DDOs on HKRNL portal and delays in monthly payments to HKRNL.

Audit also observed that HRD, GoH, vide its Circular of 17 March 2023, deleted the paragraph 5.5 of the Policy which had authorised HKRNL to take penal action against the defaulting organisations. Therefore, HKRNL was left with no authority to take penal action against the defaulting entities, except making requests to them, from time to time for making timely payment to it.

Thus, inability of the DDOs of the respective 191 indenting entities in making timely payments to HRKNL led to delayed payment of EPF contributions to EPFO and a concomitant levy of penalty which eventually caused an avoidable financial burden of ₹ 8.29 crore on the State Exchequer. The concerned DDOs stated (April 2025) that the non-availability of budget and submission of incorrect particulars by the contractual manpower were the main reasons for the delayed payment to HKRNL.

After pointing out by Audit, HKRNL issued (November 2024) instructions to all the Government entities to ensure updation of the correct details of EPF data on HKRNL portal in respect of all contractual manpower engaged through HKRNL and to make payment to HKRNL by 7th of every month; in case of any department having budget issues, it should take up matter with the Finance Department.

Audit acknowledges that the State Government notified (May 2025) amendment in the Deployment of Contractual Persons Policy, 2022 by inclusion of paragraph 5.5, authorising HKRNL to take penal action against the defaulting organisations/departments, which was earlier deleted in March 2023.

Recommendation: The State Government may consider fixing responsibility on DDOs for non-updation of the particulars of the deployed manpower and causing avoidable financial burden on the State Exchequer. It may also ensure that budget demand for payment of statutory dues viz. EPF etc. are timely submitted by the concerned organisation/department and the same is also released to them timely.

Public Works Department (Building and Roads)

2.5 Unfruitful expenditure on incomplete works

Non-compliance of the Department with the provisions of the PWD Code led to four works in Kurukshetra, Rewari, Kaithal and Panipat remaining incomplete even after four to five years, rendering the entire expenditure of ₹ 25.86 crore unfruitful.

Haryana PWD Code (hereinafter referred to as Code) notified (October 2009) by the Government of Haryana provides a framework to address various concerns relating to public works viz. timely completion of works, implementation of the programmes in a transparent and cost-effective manner and use of the most appropriate materials, design and construction technologies and management practices, etc. The relevant provisions of the Code are mentioned as below:

- Para 10.1.3 provides that while preparing the estimate of any project, the site should be inspected to ascertain field condition, including availability of land. The estimate should be a cost-effective proposal for the intended purpose and be as accurate as possible.
- Para 9.5.1 provides that the technical sanction accorded by the competent authority for a detailed estimate implies that the proposal is technically sound, specifications are appropriate for the intended service and the estimate is realistic, based on adequate data.
- Paras 9.3.7 and 9.3.10 provide that the revised administrative approval is necessary where expenditure is likely to increase by more than 10 *per cent* of the Administrative Approval (AA). The case for the revised estimate should be sent at the earliest, preferably within one month of the knowledge that revised AA will be required.
- Para 16.37.1 provides, among others, that time overruns are likely to result in higher project cost and contractual claims and further delay in the use of facility. To mitigate the incidents of time overrun, (i) site survey should be conducted thoroughly for ensuring that site conditions do not materially differ from what have been described in the tender document; (ii) site should be handed over to the contractor before commencement of work; (iii) critical activities should be kept in focus for overall completion of the project in an organised way.

Test-check of records of four divisions²⁰, of the Public Works Department (Department) revealed non-compliance with the above provisions of the Code leading to four works remaining incomplete with the expenditure of ₹ 25.86 crore incurred thereon as unfruitful and non-achievement of the intended objectives, as discussed below:

(i) *Incomplete ITI building due to site prone to waterlogging*

The State Government accorded (February 2019) an administrative approval for construction of an Industrial Training Institute (ITI) at village Nalvi, Basantpur, Kurukshetra at the cost of ₹ 11.10 crore. The Engineer-in-Chief, PWD (B&R) accorded (March 2019) technical sanction for the detailed estimate of ₹ 7.78 crore. The works were awarded (June 2019) to a contractor for ₹ 7.57 crore with a stipulated completion period of 18 months (up to 11 January 2021).

The contractor informed (July 2019) the Executive Engineer that the site was a

²⁰ Provincial Division-2, Kurukshetra (December 2023), Provincial Division, Rewari (December 2018 and January 2024), Provincial Division, Panipat (October 2023) and Provincial Division -2, Kaithal (October 2023).

low-lying catchment area prone to waterlogging during rains and requested the Department to carry out earth filling to enable execution of the works, but no action was taken. The Executive Engineer submitted an estimate of ₹ 25.03 lakh for earth filling only in June 2023, which remained unapproved.

The contractor had executed works to the tune of ₹ 4.02 crore up to July 2022 (paid in November 2022), with no further progress or payments thereafter. Instead of resolving the site constraints, the Engineer-in-Chief granted (August 2022) a time extension up to March 2023 to the contractor. The contractor reiterated (September 2022) that if earth filling had been done three years earlier, the work could have been completed within the original schedule.

Thus, inability of the Department to address the site constraints timely led to non-completion of construction of ITI, rendering expenditure of ₹ 4.02 crore unfruitful coupled with non-achievement of the intended objectives, so far, as depicted in the photo below:



**Photograph showing incomplete ITI building as on 13 August 2025
(Provided by the EE, Provincial Division-2, Kurukshetra)**

The Engineer-in-Chief accepted (May 2024) the audit contention, stating that a site survey was conducted prior to preparing the estimate. The project site was predominantly situated within the Markanda river basin, which makes the area vulnerable to flooding and prolonged water submersion during heavy rains. Further, the Executive Engineer intimated (August 2025) that earth filling was executed in April 2025 at a cost of ₹ 20 lakh and the work was likely to be completed by December 2025.

It is evident that, due to delay of over five years in executing the earth filling, the construction of ITI remained incomplete, depriving of the intended benefits.

(ii) *Incomplete RUB and Underpass due to not constructing approach road*

The State Government accorded (June 2017) an administrative approval of ₹ 19.89 crore for construction of a Railway Under Bridge (RUB) on the Rewari–Narnaul line at KM 13/0-1 (RD 65,400) to eliminate accident risks for residents of village Govindpuri commuting to their agricultural fields. As per the proposal

approved (August 2020) by the State Government, the project comprised of construction of the RUB by Railway, an underpass by National Highways Authority of India (NHAI) and an approach road to village Govindpuri by PWD (B&R). For the approach road, acquisition of 6 kanal 2 marla land was required.

Railways constructed the RUB for which Provincial Division (B&R), Rewari deposited ₹ 11.84 crore with the Railways. The NHAI had also constructed road underpass entrusted²¹ to it in September 2020. However, the PWD created the indent on the E-Bhumi portal for purchase of land for the approach road to village Govindpuri only in September 2022. As of June 2024, consent had been received for one kanal land only, which indicated not executing the works of the approach road due to unavailability of sufficient land.

Thus, due to not taking timely action by the Department to acquire land for the approach road, the RUB remained unusable, rendering the expenditure of ₹ 11.84 crore on its construction unfruitful.

The Engineer-in-Chief replied (June 2024) that efforts were being made to persuade the landowners for consent to acquire the remaining 5 kanal 2 marla land. The work would be taken up after purchase of the required land.

However, as per physical and financial progress report (July 2025), consent for the remaining 5 kanal 2 marla land was still awaited.

(iii) Incomplete bridge due to insufficient provision in the estimate

Administrative approval of ₹ 7.48 crore was accorded (December 2017) for the works for construction of a four km long road between villages Bhagal and village Magran, including a bridge over Markanda river, with the objective to provide access to the villagers, to Anaj Mandi, Cheeka (Kaithal). The technical sanction was accorded (March 2019) for ₹ 8.13 crore which included a provision of ₹ 5.74 crore for the bridge. The works were awarded (June 2019) to a contractor for an agreement amount of ₹ 7.58 crore with a time limit of completion up to January 2021. The contractor executed the works to the tune of ₹ 8.14 crore up to July 2021 and no works were executed thereafter.

Audit observed that the bridge could not be completed due to non-provision of retaining walls in the estimate, despite its inclusion in the structural drawings approved by the competent authority. The Executive Engineer submitted a revised rough cost estimate only in April 2023 for ₹ 13.83 crore after adding the cost of retaining wall. The revised AA was accorded (February 2024) by the State Government for ₹ 14.90 crore.

²¹ Being National Highway-11 under construction, NHAI agreed to get constructed the road under pass from their concessionaire for which no funds were demanded from State Government.

Thus, due to preparation of a deficient estimate without including provision for the retaining walls, the bridge could not be completed in the stipulated time, rendering the expenditure of ₹ 8.14 crore incurred thereon, unfruitful and depriving the villagers of its intended benefits, as depicted in the photo below:



**Photograph showing incomplete bridge over Markanda river
at road between villages Bhagal and Magran
(Provided by EE, Provincial Division-2, Kaithal on 19 August 2025)**

The Engineer-in-Chief stated (June 2024) that the revised administrative approval for ₹ 14.90 crore was received from the State Government in February 2024 and that the remaining work would be undertaken shortly.

The reply is not acceptable, as the works have been halted since July 2021 and even after a lapse of four years, and approval of the revised detailed estimate by the competent authority in November 2024, the works could not re-start for want of approval of enhancement in agreement (July 2025).

(iv) Incomplete sports stadium due to not removing hindrances

The State Government accorded AA of ₹ 2.64 crore for the construction of a Sports Stadium at village Waiser, Panipat. Detailed estimate of ₹ 2.60 crore was submitted by the Executive Engineer, Provincial Division (B&R), Panipat in January 2020 to the Engineer-in-Chief, PWD (B&R), however, approval thereon, was awaited (January 2024). The works were awarded (September 2020) to an agency for the contracted amount of ₹ 2.93 crore with a time limit of completion up to December 2021. The contractor executed the work to the tune of ₹ 1.45 crore (amount paid in August 2021).

Audit observed that the Site Inspection Committee (SIC) reported (January 2019) that the site was clear of all the hindrances. The only issue reported was that of a low-lying area and the village panchayat had assured for levelling the site. The Executive Engineer had also certified (June 2020), while uploading the tender documents on the website that the site was clear of all the encumbrances.

However, the said site was not clear as 33 KV and 11 KV electric lines were passing through it and there were also some encroachments. A payment of ₹ 0.21 crore was made in February 2023 for shifting the 33 KV lines which were shifted in November 2023. Due to these hindrances, only boundary wall could be constructed. Further, the contractor had requested earlier (January 2023) for closure of the agreement citing delay in shifting of 33 KV lines and escalation in the prices of the construction materials, making unviable to execute the works at the quoted rates. The Department closed the agreement in April 2024.

Thus, due to execution of works of Sports Stadium based on the incorrect reporting by SIC that the site was clear of all the hindrances and delay in clearance of hindrances (shifting of 33 KV lines) leading to closure of the existing contract, the works of Sports Stadium remained incomplete, rendering expenditure of ₹ 1.66 crore incurred thereon, unfruitful.

The Executive Engineer, Provincial Division (B&R), Panipat replied (September 2024) that tenders were floated in anticipation of shifting the 33 KV lines in due course, but the process got delayed due to various reasons. It was further stated that changes in drawings, as demanded by the client department, had increased the estimated cost to ₹ 4.02 crore and the work would be resumed after finalising the revised detailed estimate and scope of the balance works.

The reply is not acceptable as the Report of the SIC (January 2019) did not have any mention of the existence of 33 KV lines. Further, even after shifting of these lines in November 2023, the works could not resume as of July 2025.

Thus, non-compliance of the Department with the stated provisions of the Code, the four works as discussed above, remained incomplete even after lapse of a period of four to five years, rendering the entire expenditure of ₹ 25.86 crore²² unfruitful and depriving of the intended public benefits.

The matter was referred (July 2024) to the Additional Chief Secretary, Government of Haryana, PWD (B&R); the reply was awaited (July 2025).

Recommendation: The State Government may consider fixing the responsibility on the concerned officers for (i) inordinate delay of over five years in addressing the known site constraints i.e. execution of earth filling on the site prone to waterlogging, (ii) failure to ensure the availability of land for approach road prior to commencement of the related construction works (iii) preparation of a deficient estimate without inclusion of provision for retaining walls and granting technical sanction to it, and (iv) incorrect reporting of site clearance by the members of SIC.

²² ₹ 4.22 crore (including ₹ 0.20 crore on earth filling) + ₹ 11.84 crore + ₹ 8.14 crore + ₹ 1.66 crore.

Women and Child Development Department

2.6 Unfruitful expenditure

Procurement of 4,000 Electric Ultraviolet Water Purifiers without ensuring availability of water tanks and water/electricity supply connections at the play schools led to non-installation of 2,511 EUWPs rendering expenditure of ₹ 1.22 crore unfruitful.

The Government of Haryana, in the budget announcement for the year 2020-21, decided to open 4,000 play schools in the State by upgrading the existing Anganwadi Centres (AWCs). For this, the Women and Child Development Department (W&CD) procured and provided various items²³ including Electric Ultraviolet Water Purifiers (EUWPs) to these AWCs/ upgraded play schools during the year 2021-22 and 2022-23.

Audit observed (June 2023) that the W&CD placed (October 2021) a supply order for procurement of 4,000 EUWPs @ ₹ 4,871 per EUWP with a replacement guarantee of one year from a firm of Odisha. The firm supplied these EUWPs by January 2022, for which, total payment of ₹ 1.95 crore²⁴ was made to it up to March 2023. As of November 2024, out of 4,000 EUWPs, only 1,489 could be made functional. The remaining 2,511 EUWPs could not be made functional due to non-availability of water tanks, water/electricity supply connections or water/electric fittings at the play schools, and the guarantee also elapsed. This clearly indicated that the EUWPs were procured by W&CD without ascertaining the ground reality as most of the play schools lacked requisite water tanks and water/electricity supply connections.

Audit further observed that the W&CD requested (January 2024) the Public Health Engineering Department (PHED) to provide a list of empaneled firms for supplying water tanks along with the estimated cost for providing water tanks and electric motor for water supply at the play schools. The W&CD also requested (February 2024) the District Programme Officers (DPOs) to submit estimates for fitting water tanks and motors for installing the EUWPs duly prepared by PHED. A meeting was held in May 2024, in which, W&CD, PHED and the Panchayati Raj Department participated and it was decided that Panchayati Raj Department would supply the estimated cost of electric motor, water tank and internal fittings for water supply connections. The Chief Engineer, Panchayati Raj Department had supplied the estimate, which was under consideration (November 2024) with the W&CD.

Thus, procurement of 4,000 EUWPs by W&CD without ensuring availability of water tanks and water/electricity supply connections at the play schools led to non-installation of 2,511 EUWPs rendering expenditure of ₹ 1.22 crore

²³ Smart Tables and Chairs, Electric UV Water Purifiers, Office Tables, Chairs and Almirah, and Soft Cotton hand Towels (Medium and Large)

²⁴ ₹ 170.25 lakh in March 2022 and ₹ 24.36 lakh in March 2023.

unfruitful. Moreover, the objective of providing potable drinking water to pre-school children could also not be fully achieved.

The Director, W&CD stated (June 2024) that initially, the matter was processed for 1,135 play schools in the first phase during the year 2020-21 and the remaining were to be processed in the second phase in the year 2022-23, assuming that within these two years, the provisions for electricity and water could be made. Since in the first phase, these items could not be finalised, matter was processed for all the 4,000 play schools. The Director, W&CD further stated (December 2024) that installation of water purifiers got delayed as electric connections were to be provided by the Electricity Department. Moreover, the procurement of water tanks through the GeM Portal was under process.

The W&CD also stated (August 2025) that, as per the latest reports from field offices, 559 play schools were without water tanks and 465 play schools had no electricity connections. Other deficiencies, such as lack of proper water connections, were also reported.

The reply confirms the audit contention that procurement of EUWPs was made without ensuring the availability of essential auxiliary infrastructure at each play school. Further, the reply is silent on the remaining 1,487 EUWPs out of the pointed out 2,511 EUWPs, and the possibility of degradation in condition of the uninstalled EUWPs cannot be ruled out.

The matter was referred (August 2024) to Additional Chief Secretary, Government of Haryana, W&CD, the reply is awaited (July 2025).

Recommendation: The State Government may consider fixing responsibility on the concerned officers for procurement of EUWPs without ascertaining ground reality at each play school and also ensure that the remaining EUWPs are installed/made functional in a time bound manner.

2.7 Excess payment of insurance premium

Women and Child Development Department had not evolved a mechanism for maintaining the list of beneficiaries under the Scheme “Surakshit Bhavishya Yojna” and updating it from time to time led to an excess payment of premium of ₹ 12.66 crore to LIC.

The Women and Child Development (W&CD) Department, Haryana (Department) launched (1 January 2008) a Scheme “Surakshit Bhavishya Yojana”- a Group Savings Linked Insurance Scheme (Scheme) with the assistance of Life Insurance Corporation of India (LIC) for the welfare of Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) working in the

W&CD. A Master Proposal was signed (02 June 2008) by the Department with the LIC for providing benefits of savings as well as insurance to all the AWWs and AWHs.

All AWWs/ AWHs aged not less than 18 years and not more than 60 years and who had completed at least one year of service as on 01 January 2008 (commencement date) were eligible to join the Scheme. The remaining AWWs/AWHs, who had not completed one year of service as on 01 January 2008, were eligible to participate in the Scheme after commencement date, 1st April/1st July/1st October/Annual Renewal Date which was coincident with or which immediately next followed the date on which AWWs/AWHs complete one year of service. As per Rule 7 (iii) of the Master Proposal, the Directorate of W&CD was required to furnish a quarterly return to LIC for additions/deletions of members.

Under the Scheme, the Department was required to pay a monthly premium of ₹ 100²⁵ per AWW/AWH to LIC on quarterly basis in the month of January, April, July and October, which was to commence from the entry date and payable until the terminal date²⁶. As per the Scheme, on reaching the terminal date or early cessation of service other than death, the total amount credited to the account of a member together with interest was payable. Further, in case of death before the terminal date, life insurance benefit of ₹ 50,000²⁷ along with the total amount credited to the account of the member together with interest was payable. The Scheme was withdrawn by LIC on 31 August 2013 with the condition that AWWs/AWHs appointed after 01 January 2014 were not allowed to join this Scheme.

Audit noticed (June 2023) that the Department had not been maintaining the list of the beneficiaries under the Scheme, at the Directorate level as well as in the field establishments i.e. District Program officers (DPOs). Further, the Department had directed (March and September 2017) the officials/ officers to maintain the appropriate list of eligible members, however, the compliance was not monitored. Subsequently, the list of eligible members called for by the Department (December 2020, July 2021 and August 2021) was not provided to it by the DPOs. This indicated that the Department had not verified the actual number of beneficiaries from its field establishments. Accordingly, the payment of insurance premium was being made to LIC based on that made in the previous years without ascertaining the actual number of beneficiaries under the Scheme.

The LIC intimated (December 2021) to the Department that as per the record,

²⁵ ₹ 83 (saving portion) + ₹ 17 (risk portion).

²⁶ The date on which the member completes the age of retirement on superannuation which is 60 years.

²⁷ The Life Insurance benefit revised to ₹ 51,000 from July 2009.

initially 32,449 beneficiaries were covered under the Scheme, which increased to 33,634 beneficiaries in the next annual renewal and after review in August/September 2021, it decreased to 32,103 by August 2021 due to maturity and death claims passed in 1,531 cases. However, Audit scrutiny for the quarters, August 2013 onwards (i.e. withdrawal of Scheme by LIC) revealed that the Department had continued making payment of insurance premium in respect of 46,641 to 48,599 beneficiaries during October 2013 to June 2021 and started making payment for the number of beneficiaries reduced to 22,311 w.e.f. July 2021 (paid in March 2022), after review on the basis of the aforesaid data of the beneficiaries provided by LIC. Accordingly, the Department had made an excess payment of insurance premium to the tune of ₹ 12.66 crore²⁸ to LIC during October 2013 to June 2021, as detailed in **Table 2.3**.

Table 2.3: Detail of excess LIC premium paid during October 2013 to June 2021

(₹ in lakh)

Applicable period	No. of beneficiaries		Payment to LIC		Excess payment	
	whose premium was paid	As per LIC record	Made	Due		
	(2)	(3)	(4) = Months* (2)* 100	(5) = Months* (3)* 100		(6) = (4)-(5)
October 2013 to March 2014	46,641	33,634	279.85	201.80	78.05	
April 2014 to March 2015	48,599		583.19	403.61	179.58	
April 2015 to March 2016	48,599		583.19	403.61	179.58	
April 2016 to December 2016	48,599		437.39	302.71	134.68	
January 2017 to March 2017	48,504		145.51	100.90	44.61	
April 2017 to September 2017	48,504		291.02	201.80	89.22	
October 2017 to March 2018	48,428		290.57	201.80	88.77	
April 2018 to March 2019	48,428		581.14	403.61	177.53	
April 2019 to March 2020	48,428		581.14	403.61	177.53	
April 2020 to March 2021 ²⁹	48,428		476.10	403.61	133.14	
April 2021 to June 2021	48,428		145.28	100.90	44.38	
Total				4,394.38	3,127.96	1,266.42

Thus, inability of the Department in evolving a mechanism for maintaining the list of beneficiaries under the Scheme and updating it from time to time, in contravention to the provisions of the Scheme led to an excess payment of premium of ₹ 12.66 crore³⁰ to LIC.

While accepting the audit observation, the Department stated (September 2023, May 2024 and October 2024) that the matter was taken up with LIC and it agreed to refund the excess amount of the premium after providing the information based on verification of documents of the AWWs/AWHs relating to excess payment. The Department further stated (January 2025) that all the DPOs had been directed to verify the data of actual beneficiaries by personally visiting LIC office. However, the verification of data has not been completed

²⁸ Amount calculated on difference between beneficiaries as per payments made by the Department and number of beneficiaries intimated by LIC.

²⁹ Payment not made for 35010 beneficiaries for January 2021 to March 2021.

³⁰ As per data of the existing beneficiaries provided by LIC, which may vary on verification of actual beneficiaries by the Department.

till date and hence, the recovery from LIC was still awaited (July 2025).

The matter was referred (September 2024) to the Commissioner and Secretary, Government of Haryana, W&CD; the reply was awaited (July 2025).

Recommendation: The State Government may consider (a) fixing the responsibility on the concerned officers for their failure in maintaining the list of beneficiaries and making payment of insurance premium without verification of actual beneficiaries under the Scheme, (b) issuing appropriate directions to the concerned officers to verify the data with LIC in a time bound manner and recover the excess amount paid as insurance premium to LIC.