SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India

for the period ended March 2023

Government of Haryana

Report No. 3 of 2025

(Compliance Audit - Civil, Revenue and Commercial)

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2023 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 Compliance Audit of Government Departments/Autonomous Bodies, receipts and expenditure of major revenue earning departments under Revenue Sector and State Public Sector Enterprises of Government of Haryana.

The instances mentioned in this Report are those which came to notice in the course of test audit during the year 2022-23 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 2022-23 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 of the Comptroller and Auditor General of India (C&AG) covers matters arising out of the Compliance Audit of Government Departments, Autonomous Bodies, audit of receipts and expenditure of major revenue earning Departments under Revenue Sector and Public Sector Undertakings of the Government of Haryana. The Report contains 11 Chapters including one on a Subject Specific Compliance Audit on 'Implementation of Smart City Mission in Haryana' and 25 paragraphs.

Civil

Chapter 2: Compliance Audit Observations (Departments)

Violation of the policy guidelines by Haryana Shehri Vikas Pradhikaran 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.

(Paragraph 2.2)

Incorrect demand of Net Present Value and no demand for possession value of the diverted forest land by the Forest Department, in contravention to the extant Guidelines, led to a significant shortfall in realisation of funds in the State Compensatory Afforestation Fund Management and Planning Authority to the extent of ₹ 22.63 crore.

(Paragraph 2.3)

Inability of the Drawing and Disbursing Officers of the respective 191 indenting entities in making timely payments to Haryana Kaushal Rozgar Nigam Limited led to delayed payment of Employees Provident Fund contributions to Employee Provident Fund Organisation and a concomitant levy of penalty which eventually caused an avoidable financial burden of ₹ 8.29 crore on the State Exchequer.

(Paragraph 2.4)

Non-compliance of the Public Works Department (Buildings and Roads) with the provisions of the Public Works Department 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.

(Paragraph 2.5)

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 leading to an excess payment of premium of ₹ 12.66 crore to LIC.

(Paragraph 2.7)

Revenue Sector

Chapter 3: General

The total revenue receipts of the State Government for the year 2022-23 were ₹ 89,194.69 crore as compared to ₹ 78,091.69 crore during the year 2021-22. Out of this, 80.39 *per cent* was raised through tax revenue (₹ 62,960.80 crore) and non-tax revenue (₹ 8,742.63 crore). The balance 19.61 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 10,378 crore) and Grants-in-aid (₹ 7,113.26 crore).

(Paragraph 3.1.1)

Test check of the records of 117 units pertaining to Sales Tax/Value Added Tax, Stamp Duty and Registration fee conducted during the year 2022-23 revealed under-assessment/short levy of tax/loss of revenue aggregating to ₹ 260.24 crore in 2,516 cases. During the course of the year, the Departments concerned accepted under assessment and other deficiencies of ₹ 79.04 crore involved in 1,980 cases.

(Paragraph 3.10)

Chapter 4: Taxes/Value Added Tax on sales, trade

The Assessing Authorities, while finalising the assessments, allowed concessional rate of tax without verification of statutory forms, resulting in under assessment of tax of ₹ 1.97 crore. In addition, penalty of ₹ 5.90 crore was also leviable.

(Paragraph 4.3)

The Assessing Authorities, while finalising the assessments, assessed the cases on Gross Turnover/Taxable Turnover as ₹ 25.34 crore instead of ₹ 33.04 crore, resulting in under assessment of tax of ₹ 87.87 lakh.

(Paragraph 4.4)

Chapter 5: Stamp Duty

Misclassification/undervaluation of collaboration agreements in 73 cases resulted in short levy of stamp duty and registration fee of ₹ 23.37 crore.

(Paragraph 5.3)

In 218 deeds, stamp duty and registration fee of ₹ 28.69 crore was levied using the rates for agricultural land. However, land records *(Jamabandis)*, revealed that those were residential, commercial or industrial plots/land. Thus, ₹ 46.51 crore was leviable. It led to a shortfall of ₹ 17.82 crore in collection of stamp duty and registration fee.

(Paragraph 5.4)

Seven developers evaded registration of collaboration agreements in contravention of provisions of Section 17 (1)(b) of the Registration Act, 1908 resulting in a loss of stamp duty of ₹ 13.99 crore.

(Paragraph 5.5)

114 farmers purchased agricultural land with the compensation/award received after January 2014 and availed exemption of Stamp Duty and Registration Fee. As no exemption of Stamp Duty and Registration Fee was allowed in such cases, it resulted in non/short levy of stamp duty and registration fee of ₹ 2.23 crore.

(Paragraph 5.6)

Registering Authorities allowed exemption from payment of stamp duty and registration fee of ₹ 1.36 crore to Dakshin Haryana Bijli Vitran Nigam Limited incorrectly treating them as Government entity.

(Paragraph 5.7)

Registering Authorities incorrectly assessed prime *khasra* land at normal rates fixed for agricultural land, resulting in short levy of stamp duty of ₹ 1.31 crore.

(Paragraph 5.8)

Commercial

Chapter 6: Financial Performance of State Public Sector Enterprises

As on 31 March 2023, there were 37 SPSEs (two Statutory Corporations and 35 Government Companies including three inactive Government Companies) in the State. Nineteen SPSEs reported profit as per their latest financial statements in 2022-23 against 20 SPSEs in 2021-22. The profit earned increased from

₹ 648.75 crore in 2021-22 to ₹ 1,049.20 crore in 2022-23. Eleven SPSEs reported losses of ₹ 51.05 crore as per their latest accounts finalised during the year 2022-23. The net worth of four SPSEs out of 31 SPSEs had been completely eroded by their accumulated losses.

(Paragraphs 6.1.3, 6.3.1, 6.5.1 and 6.5.2)

Chapter 7: Oversight Role of Comptroller and Auditor General of India

As of 30 September 2023, accounts for the year 2022-23 were due from 34 Government Companies. However, only nine Government Companies submitted their accounts for the year 2022-23 for audit by CAG by 30 September 2023. Accounts of 25 Government Companies and two statutory corporations were in arrears for a period of one to six years.

(Paragraph 7.2.2)

Chapter 8: Corporate Governance

Out of 32 selected SPSEs, no Independent Directors were appointed in three SPSEs; delays of more than six months were observed in filling vacancies of Independent Directors in six SPSEs; delays of 12 months were observed in filling up vacancies of key managerial personnel in two SPSEs; no Audit Committee was there in three SPSEs; no Nomination and Remuneration Committee was constituted in two SPSEs; no whistle blower mechanism was put in place in one SPSE.

(Paragraphs 8.2.2, 8.4, 8.5.1, 8.6.1 and 8.7.1)

Chapter 9: Corporate Social Responsibility

Out of 11 SPSEs in Haryana, which were required to carry out CSR activities as per the Act, only nine SPSEs were compliant. The focus areas of CSR expenditure were Education and Rural Development. The selection of CSR projects in all SPSEs was done without any need assessment. Reporting and disclosure requirements were not complied with by seven of the 11 SPSEs, which met the criteria.

(Paragraphs 9.6.1, 9.8.1, 9.8.3 and 9.10)

Chapter 10: Subject Specific Compliance Audit

Implementation of Smart City Mission in Haryana

In Haryana, two cities i.e. Faridabad and Karnal were selected by Government of India for implementation of Smart Cities Mission. Accordingly, two Special Purpose Vehicles (SPVs) i.e. Faridabad Smart City Limited (FSCL) and Karnal

Smart City Limited (KSCL) were incorporated.

The effectiveness of citizen consultation and review of previous plans in preparation of Smart City Proposals for both the cities in the State could not be evaluated as relevant records were not made available to Audit.

Against the planned mobilisation of funds of ₹ 3,896.82 crore for implementation of projects under the Mission for two cities, the SPVs could mobilise only ₹ 1,825.86 crore (46.86 *per cent*) primarily through grant-in-aid received from Government. The SPVs failed to leverage grant received from Government and required funds for implementation of the projects from internal and external sources (i.e. Public Private Partnership, debt and land monetisation etc.) could not be arranged. The SPVs failed to implement projects under convergence with schemes of Centre/State Government due to non-issuance of guidelines in respect of funding pattern of convergence of projects by the State Government. KSCL implemented only four projects of ₹ 12.86 crore under convergence with MC Karnal.

The SPVs revised the Smart City Proposals and planned 167 projects of ₹ 1,881.75 crore, out of which, 152 projects were awarded and 112 projects completed by June 2024. However, only 45 projects met their scheduled timelines, while 67 projects faced delays ranging from three to 1,506 days due to issues like lack of encumbrance-free sites, site clearance delays and drawing revisions. KSCL incurred expenditure of ₹ 356.87 crore for execution of new projects outside the selected ABD area in violation of the Mission guidelines.

Monitoring mechanism for implementation of the Mission was deficient at city level as both the SPVs held 10 meetings of city level monitoring committee as against the requirement of 133 meetings. Further, the SPVs had not appointed any agency for carrying out third-party review/ impact assessments of the projects executed under the Mission. Consequently, the achievement of Mission objectives by the SPVs could not be evaluated.

The State Government may:

(i) take steps for convergence of ongoing projects under the Mission with other Central/State Government schemes to drive the maximum benefit in implementation of smart city projects in the State;

(ii) ensure timely execution of on-going projects as per the guidelines of the Mission; and

(iii) identify measurable indices and carry out third-party review for assessing the impact assessments of the projects executed under the Mission.

(Chapter 10)

Chapter 11: Compliance Audit Observations (Public Sector Undertakings)

Imprudent decision of the Haryana Orbital Rail Corporation Limited to retain the share application money beyond the stipulated time, in contravention to the provisions of the Companies Act, 2013 led to payment of an avoidable interest of ₹ 1.20 crore to the share applicants.

(Paragraph 11.1)

Haryana Tourism Corporation Limited delayed transfer of possession of a Convention Centre to the contractor - as well as execution of license agreement. Extension of renovation and upgradation period (without license fee) was given in violation of the agreed terms and conditions of LOI, thus, unduly favouring the contractor and depriving the Company of license fee income of ₹ 0.68 crore.

(Paragraph 11.2)

Civil
(Departments)

Chapter 1

Introduction

CHAPTER-1

INTRODUCTION

1.1 About the Report

There are 41 Departments, 37 Public Sector Undertakings and 42 Autonomous bodies functioning under the Government of Haryana as detailed in ***Appendix 1.1***. This Report covers matters arising out of the compliance audit of the Departments, Public Sector Undertakings and Autonomous Bodies of the State. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the applicable laws, rules and regulations made thereunder 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. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. 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 chapter explains the authority for audit, planning and extent of audit and responsiveness of Government to audit. Chapter 2 contains observations emanating from compliance audit of Government Departments, Chapter 3 on General (Revenue Sector), Chapter 4 on Taxes/VAT on Sales, Trade, Chapter 5 on Stamp Duty, Chapter 6 on Financial Performance of State Public Sector Enterprises, Chapter 7 on Oversight Role of Comptroller and Auditor General of India, Chapter 8 on Corporate Governance, Chapter 9 on Corporate Social Responsibility, Chapter 10 contains observations of the Subject Specific Compliance Audit and Chapter 11 on observations emanating from compliance audit of State Public Sector Undertakings.

1.2 Budget profile

The position of budget estimates and actual expenditure by the State Government during 2018-23 is given in ***Table 1.1***.

Table 1.1: Budget and actual expenditure of the State during 2018-23

(₹ in crore)

Expenditure	2018-19		2019-20		2020-21		2021-22		2022-23	
	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual
General Services	29,788	28,169	35,358	31,884	37,228	34,734	39,680	37,948	44,001	42,069
Social Services	34,176	29,743	36,114	33,726	43,090	36,164	43,293	40,928	47,255	43,680
Economic Services	20,916	19,022	22,770	19,238	25,020	19,048	33,954	19,549	24,943	20,657
Grants-in-aid and Contributions	306	222	0	0	0	0	0	0	0	0
Total (1)	**85,186**	**77,156**	**94,242**	**84,848**	**1,05,338**	**89,946**	**1,16,927**	**98,425**	**1,16,199**	**1,06,406**
Capital Outlay	15,780	15,306	16,260	17,666	13,201	5,870	9,318	11,046	22,344	11,665
Loans and Advances Disbursed	1,766	756	1,407	1,309	1,213	926	1,239	966	3,662	2,462
Repayment of Public Debt	12,466	17,184	20,257	15,776	22,592	29,498	28,161	25,473	35,052	53,021
Contingency Fund	-	13	-	-	-	-	-	-	-	-
Appropriation to Contingency Fund	-	-	-	-	-	800	-	-	-	-
Public Accounts disbursements	2,32,569	37,386	1,41,707	42,171	51,356	50,245	59,394	51,728	55,066	67,825
Closing Cash balance	-	2,985	-	3,999	-	3,148	-	4,946	-	3,834
Total (2)	**2,62,581**	**73,630**	**1,79,631**	**80,921**	**88,362**	**90,487**	**98,112**	**94,159**	**1,16,124**	**1,38,807**
Grand Total (1+2)	**3,47,767**	**1,50,786**	**2,73,873**	**1,65,769**	**1,93,700**	**1,80,433**	**2,15,039**	**1,92,584**	**2,32,323**	**2,45,213**

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

1.3 Application of resources of the State Government

As against the total budget outlay of ₹ 2,32,323 crore, the application of resources was ₹ 2,45,213 crore during 2022-23. The total expenditure[1] of the State increased by 29 *per cent* from ₹ 93,218 crore[2] to ₹ 1,20,533 crore[3] during the period 2018-19 to 2022-23 while revenue expenditure increased by 38 *per cent* from ₹ 77,156 crore to ₹ 1,06,406 crore and capital expenditure decreased by 24 *per cent* from ₹ 15,306 crore to ₹ 11,665 crore during the same period. Revenue expenditure constituted 82 to 93 *per cent* of the total expenditure while capital expenditure was six to 17 *per cent* during the period from 2018-19 to 2022-23.

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

2 ₹ 93,218 crore = Revenue Expenditure: ₹ 77,156 crore + Capital Outlay: ₹ 15,306 crore + Loans and Advances: ₹ 756 crore.

3 ₹ 1,20,533 crore = Revenue Expenditure: ₹ 1,06,406 crore + Capital Outlay: ₹ 11,665 crore + Loans and Advances: ₹ 2,462 crore.

1.4 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 the stakeholders and the 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 a 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 2022-23, compliance audit of 449 auditee units of departments under Section 13, seven auditee units of PSUs under Section 19(1), Section 19(2) and 25 auditee units of autonomous bodies under Sections 14, 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 Principal Accountant General (Audit), Haryana as a field formation of the Comptroller and Auditor General of India.

1.5 Significant audit observations and response of Government to audit

In the last few years, Audit had reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in the selected departments/Public Sector Undertakings (PSUs), which adversely affect the success of programmes and functioning of the departments/PSUs. The focus was on offering suitable recommendations to the Executive/ Management for taking corrective action and improving service delivery to the citizens. The Departments/PSUs are required to send their responses to the draft paragraphs proposed for inclusion in the Reports of Comptroller and Auditor General of India within six weeks.

This Audit Report contains 10 compliance audit paragraphs[4] which were forwarded to the Administrative Secretaries concerned. Exit conference in respect of Subject Specific Compliance Audit (SSCA) had been conducted with the Administrative Secretary and the reply of Chief Administrator, Haryana Shahri Vikas Pradhikaran received in case of one paragraph. The replies were awaited for the eight paragraphs (July 2025).

[4] 10 Compliance Audit Paragraphs = 7 Paragraphs of Departments + 3 paragraphs of Public Sector Enterprises (Including one SSCA).

1.6 Government response to Inspection Reports

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

A total of 24,242 paragraphs pertaining to 8,049 IRs were outstanding as of 31 March 2023, against various auditee units pertaining to different Departments, Public Sector Undertakings and Autonomous bodies in the State as detailed in ***Table 1.2***.

Table 1.2: Year-wise breakup of outstanding Inspection Reports and paragraphs

Year	Number of IRs	Number of paragraphs
Prior to 2016-17	5,624	13,239
2017-18	583	1,804
2018-19	592	2,272
2019-20	465	1,927
2020-21	300	1,445
2021-22	239	1,465
2022-23	246	2,090
Total	**8,049**	**24,242**

Source: Information derived from IR Registers maintained in PAG (Audit) Office.

Category-wise details of irregularities pointed out through these IRs which had not been settled as of March 2023 are indicated in ***Appendix 1.2.***

1.7 Follow-up on Audit Reports

Discussion in Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU)

1.7.1 Compliance to 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 featuring in the Comptroller and Auditor General's Audit Reports regardless of whether the cases were taken up for examination by the Public Accounts Committee (PAC)/Committee on Public Undertakings (COPU) 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 Audit Reports to the Legislature.

Details of Audit Reports placed in the State Legislature during 2020-25 is given in ***Table 1.3***.

Table 1.3: Status of discussion on Audit Reports Laid in State Legislature during 2020-25

Sr. No.	Name of Compliance/Performance Audit Report	Date of placement of Audit Reports in the State Legislature	Committee in which Compliance/PA Report are to be discussed	Status of discussion as of March 2025
1.	Compliance Audit Report on PSUs (Social, General and Economic Sectors) – 2019 (Report No. 2 of 2020)	5 March 2021	COPU	Discussed during 2022-23 & 2023-24
2.	Compliance Audit Report- Non-PSU (Social, General and Economic Sectors) – 2019 (Report No. 3 of 2020)	16 March 2021	PAC	Discussed during 2021-22
3.	Compliance Audit Report on Social, General and Economic Sectors – 2020 (Report No. 4 of 2021)	22 December 2021	PAC/COPU	Discussed during 2022-23 & 2023-24
4.	Performance Audit on Direct Benefit Transfer (Report No. 2 of 2022)	8 August 2022	PAC	Discussed during 2023-24
5.	Performance Audit of Functioning of Transport Department (Report No. 4 of 2022)	8 August 2022	PAC	Discussed during 2023-24
6.	Performance Audit on Functioning of Haryana Power Generation Corporation Limited (Report No. 6 of 2022)	10 August 2022	COPU	Under Discussion
7.	Compliance Audit of Energy & Power, Industries & Commerce and Urban Development clusters for the year ended 31 March 2021 (Report No. 7 of 2022)	10 August 2022	PAC[5] and COPU[6]	Discussed during 2023-24
8.	Compliance Audit Report-2 for the year ended 31 March 2021 (Report No. 1 of 2023)	22 March 2023	PAC and COPU[7]	Discussed during 2023-24
9.	Performance Audit on Rural and Urban Water Supply Schemes (Report No. 3 of 2023)	25 August 2023	PAC	Discussed during 2024-25
10.	Performance Audit on Public Health Infrastructure and Management of Health Services (Report No. 2 of the year 2024)	13 November 2024	PAC	ATNs Awaited

As of March 2025, Report of Performance Audit on Functioning of Haryana Power Generation Corporation Limited (Report No. 6 of 2022) was under discussion with COPU for which ATNs was received in October 2023.

1.7.2 Action awaited for recovery pointed out in Audit reports

Action for recovery of ₹ 1,961.17 crore pointed out through 33 audit paragraphs appeared in Audit Reports for the years 2000-01 to 2019-20 was awaited as of March 2025. The details of outstanding recoveries pointed out by Audit is given

5 Three paragraphs of the Compliance Audit Report (4.1, 4.2 and 4.3).
6 Six paragraphs of the Compliance Audit Report (2.1 to 2.3 and 3.1 to 3.3).
7 One paragraph of the Compliance Audit Report (5.17).

in ***Appendix 1.3***. PAC has also recommended the departments concerned to recover this amount.

1.7.3 Compliance to Reports of COPU and PAC

Final action on 649 recommendations contained in 16th to 91th Reports of PAC for the years 1979-80 to 2024-25 and 265 recommendations contained in 16th to 71th Reports of COPU for the years 1983-84 to 2024-25 was awaited as per details given in ***Appendix 1.4***. Department/PSUs-wise details of the pending recommendations of the Public Accounts Committee and Committee on Public Sector Undertakings is given in ***Appendix 1.5***.

Chapter 2

Compliance Audit Observations (Departments)

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 crore[1] was announced (September 2008) for 63.84 acres[2] 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 kanal[3] (0.375 acre) of land in village Dhanwapur, Gurugram[4] 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,

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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 Committee[5], 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 crore[7]. 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 crore[8]) 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.

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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 oustees[9] 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-kanal[10] plot under the oustees' quota against acquisition of his agriculture and admeasuring 11 kanal[11] 8 marla[12] (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 crore[13] 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-oustee 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 costs[14] 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 crore[16] only instead of ₹ 20.57 crore[17] (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 crore[18].

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 2022[19]. 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 divisions[20], 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 entrusted[21] 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 crore[22] 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 items[23] 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 crore[24] 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 ₹ 100[25] 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 date[26]. 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 ₹ 50,000[27] 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,

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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 crore[28] 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 crore[30] 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.

Revenue Sector

Chapter 3

General

CHAPTER-3

GENERAL

3.1 Trend of revenue receipts

3.1.1 A snapshot of tax and non-tax revenue raised by the Government of Haryana, State's share of net proceeds of divisible Union taxes and duties assigned to States and Grants-in-aid received from Government of India (GoI) during the year 2022-23 and the corresponding figures for the preceding four years are depicted in ***Table 3.1***.

Table 3.1: Trend of revenue receipts

(₹ in crore)

Sr. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23[1]
1.	**Revenue raised by the State Government**					
	Tax revenue	42,581.34	42,824.95	41,913.80	53,377.16	62,960.80
	Non-tax revenue	7,975.64	7,399.74	6,961.49	7,394.13	8,742.63
	Total	**50,556.98**	**50,224.69**	**48,875.29**	**60,771.29**	**71,703.43**
2.	**Receipts from Government of India**					
	Share of net proceeds of divisible Union taxes and duties	8,254.60	7,111.53	6,437.59	9,722.16	10,378.00[2]
	Grants-in-aid	7,073.54	10,521.91	12,248.13	7,598.24	7,113.26[3]
	Total	**15,328.14**	**17,633.44**	**18,685.72**	**17,320.40**	**17,491.26**
3.	**Total revenue receipts of the State Government (1 and 2)**	**65,885.12**	**67,858.13**	**67,561.01**	**78,091.69**	**89,194.69**
4.	**Percentage of 1 to 3**	**76.74**	**74.01**	**72.34**	**77.82**	**80.39**

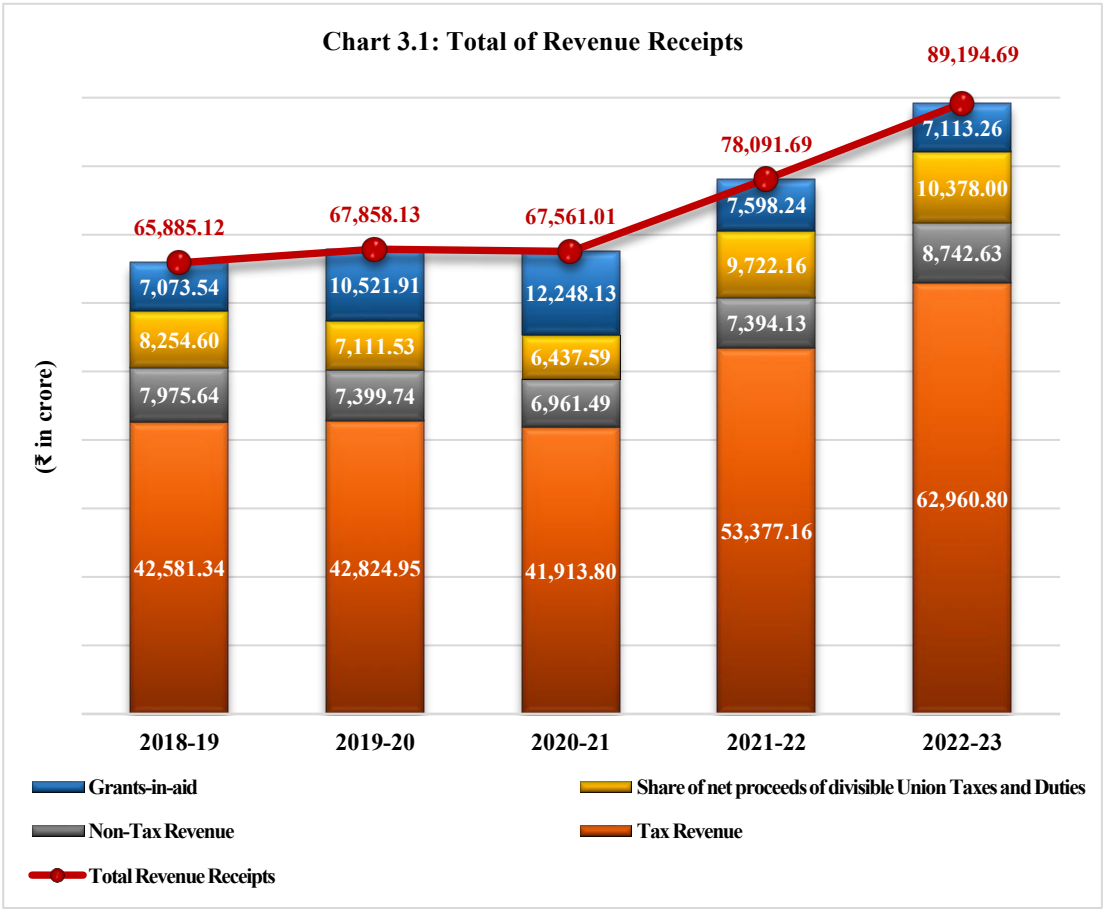
Source: Finance Accounts of the respective years.

1 Finance Accounts of the State Government.

2 This includes amount of ₹ 2,932.91 crore received from Government of India as share of Central Goods and Services Tax.

3 This includes amount of ₹ 2,575.89 crore received from Government of India as compensation for loss of revenue arising out of implementation of Goods and Services Tax.

The trend of revenue receipts during the period 2018-19 to 2022-23 is depicted in ***Chart 3.1***.



Source: Finance Accounts of the respective years.

The revenue receipts of the State increased by 35.38 *per cent* during the period 2018-19 to 2022-23. State's own tax revenue increased by 47.86 *per cent*, grants-in-aid from GoI increased by 0.56 *per cent* and the share of net proceeds of divisible Union taxes and duties increased by 25.72 *per cent* during the same period. During the year 2022-23, the revenue raised by the State Government (₹ 71,703.43 crore) was 80.39 *per cent* of the total revenue receipts. The balance 19.61 *per cent* of the receipts during the year 2022-23 was from the GoI as State's share of net proceeds of divisible Union taxes and duties and of grants-in-aid.

The percentage of revenue receipts of the State Government from its own resources to total revenue receipts increased from 76.74 *per cent* in 2018-19 to 80.39 *per cent* in 2022-23.

3.1.2 The details of tax revenue raised during the period 2018-19 to 2022-23 are given in ***Table 3.2***.

Table 3.2: Details of Tax Revenue raised

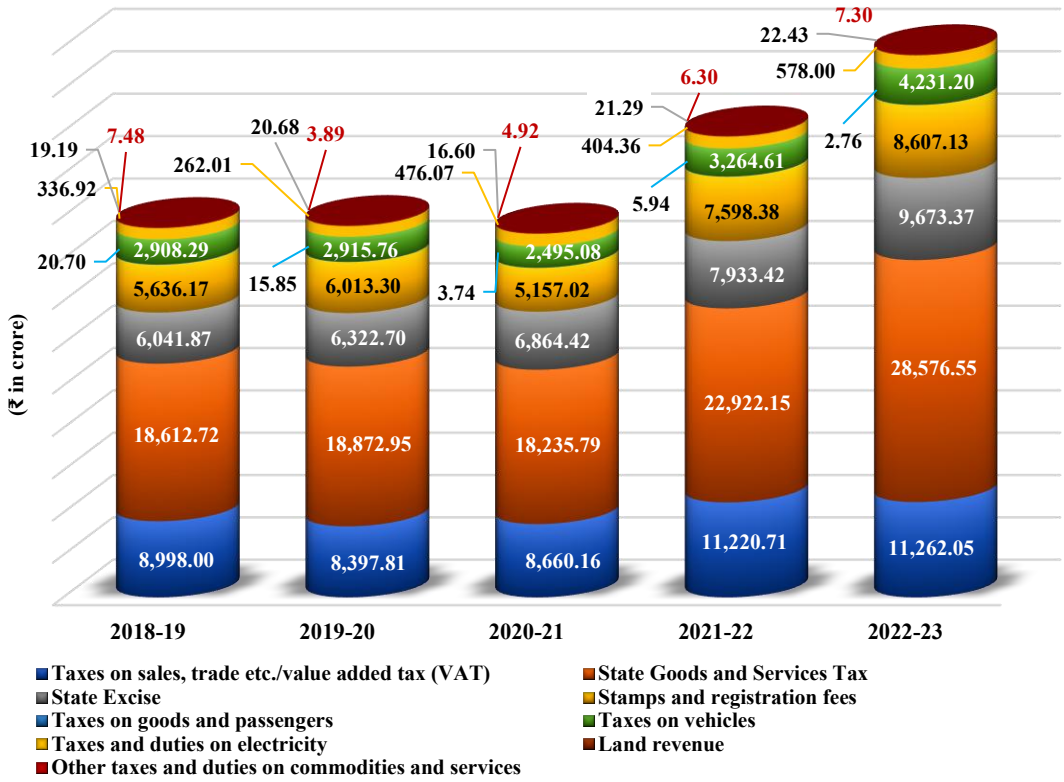
(₹ in crore)

Sr. No.	Head of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage of increase (+) or decrease (-) of Actuals of 2022-23 over actuals of 2021-22
		Actual (percentage to total receipts)					
1.	Taxes on sales, trade, etc./ Value added tax (VAT)	8,998.00 (21.13)	8,397.81 (19.61)	8,660.16 (20.66)	11,220.71 (21.02)	11,262.05 (17.89)	0.37
2.	State Goods and Services Tax (SGST)	18,612.72 (43.71)	18,872.95 (44.07)	18,235.79 (43.50)	22,922.15 (42.94)	28,576.56 (45.39)	24.67
3.	State Excise	6,041.87 (14.19)	6,322.70 (14.76)	6,864.42 (16.38)	7,933.42 (14.86)	9,673.37 (15.36)	21.93
4.	Stamps and registration fees	5,636.17 (13.23)	6,013.30 (14.04)	5,157.02 (12.30)	7,598.38 (14.24)	8,607.13 (13.67)	13.28
5.	Taxes on goods and passengers	20.70 (0.05)	15.85 (0.04)	3.74 (0.01)	5.94 (0.01)	2.76 (0.00)	(-) 53.54
6.	Taxes on vehicles	2,908.29 (6.83)	2,915.76 (6.81)	2,495.08 (5.95)	3,264.61 (6.12)	4,231.20 (6.72)	29.61
7.	Taxes and duties on electricity	336.92 (0.79)	262.01 (0.61)	476.07 (1.14)	404.36 (0.76)	578.00 (0.92)	42.94
8.	Land revenue	19.19 (0.05)	20.68 (0.05)	16.60 (0.04)	21.29 (0.04)	22.43 (0.04)	5.35
9.	Other taxes and duties on commodities and services	7.48 (0.02)	3.89 (0.01)	4.92 (0.02)	6.30 (0.01)	7.30 (0.01)	15.87
	Total	**42,581.34**	**42,824.95**	**41,913.80**	**53,377.16**	**62,960.80**	**17.95**
	***Per cent* increase/ decrease over previous year**	**3.61**	**0.57**	**(-) 2.13**	**27.35**	**17.95**	

Source: Finance Accounts of the respective years.

The year-wise trend of various tax revenues is depicted in ***Chart 3.2***.

Chart 3.2: Details of Tax Revenue raised



Source: Finance Accounts of the respective years.

Tax revenue increased by ₹ 20,379.46 crore (47.86 *per cent*) during the years 2018-19 to 2022-23 with an average growth rate of 9.47 *per cent* for the period.

The respective Departments attributed the following reasons for the variations:

- **Taxes on sales, trade, etc./Value Added Tax (VAT)**: Taxes on sales trade, etc./Value Added Tax (VAT) increased to ₹ 11,262.05 crore in 2022-23 against ₹ 11,220.71 crore in 2021-22 due to increased receipts under the State Sales Tax Act (increase in diesel/petrol rates).

- **State Goods and Services Tax:** Receipt of State Goods and Services Tax increased to ₹ 28,576.56 crore in 2022-23 against ₹ 22,922.15 crore in 2021-22 due to higher receipts on account of tax (SGST) and manufacturing as well as service sector and showed good growth in the post covid year.

- **State Excise:** Receipt of State Excise increased to ₹ 9,673.37 crore in 2022-23 against ₹ 7,933.42 crore in 2021-22 due to increase in rates of excise duty and license fee i.e. ₹ 66PL to ₹ 74PL in 2022-23 of ED on CL and ₹ one crore to ₹ four crore in 2022-23 of L-1BF license.

- **Stamps and Registration Fee:** Receipt of Stamps and Registration Fee increased to ₹ 8,607.13 crore in 2022-23 against ₹ 7,598.38 crore in 2021-22 due to more registration of documents (6,81,206 in 2021-22 to 7,40,810 in 2022-2023) of immovable property.

- **Taxes on vehicles**: Receipt of Taxes on vehicles increased to ₹ 4,231.20 crore in 2022-23 against ₹ 3,264.61 crore in 2021-22 due to increase in registration (7,92,659 in 2021-22 to 12,23,170 in 2022-2023) of new vehicles.

- **Taxes and duties on Electricity:** Receipt of Taxes and duties on electricity increased to ₹ 578.00 crore in 2022-23 against ₹ 404.36 crore in 2021-22 due to more realisation in Electricity Duty from the consumers of power utility.

3.1.3 The details of non-tax revenue raised during 2018-19 to 2022-23 are indicated in ***Table 3.3***.

Table 3.3: Details of Non-Tax Revenue raised

(₹ in crore)

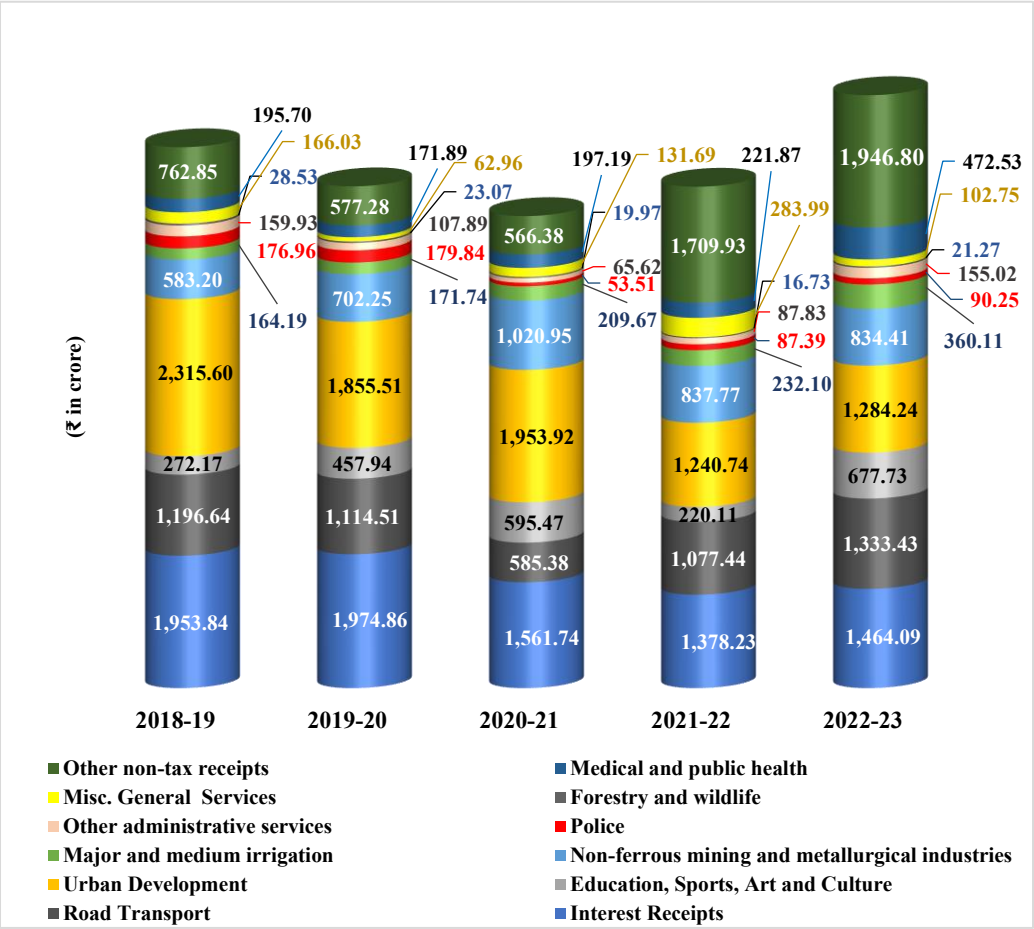
Sr. No.	Head of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage of increase (+) or decrease (-) of Actuals of 2022-23 over actuals of 2021-22
		Actual (percentage to total receipts)					
1.	Interest Receipts	1,953.84 (24.50)	1,974.86 (26.69)	1,561.74 (22.43)	1,378.23 (18.64)	1,464.09 (16.75)	6.23
2.	Road Transport	1,196.64 (15.00)	1,114.51 (15.06)	585.38 (8.41)	1,077.44 (14.57)	1,333.43 (15.25)	23.76
3.	Education, Sports, Art and Culture	272.17 (3.41)	457.94 (6.19)	595.47 (8.55)	220.11 (2.98)	677.73 (7.75)	207.91
4.	Urban Development	2,315.60 (29.03)	1,855.51 (25.08)	1,953.92 (28.06)	1,240.74 (16.78)	1,284.24 (14.69)	3.51
5.	Non-ferrous mining and metallurgical industries	583.20 (7.31)	702.25 (9.49)	1,020.95 (14.67)	837.77 (11.33)	834.41 (9.54)	(-) 0.40
6.	Major and medium irrigation	164.19 (2.06)	171.74 (2.32)	209.67 (3.01)	232.10 (3.14)	360.11 (4.12)	55.15
7.	Police	176.96 (2.22)	179.84 (2.43)	53.51 (0.77)	87.39 (1.18)	90.25 (1.03)	3.27
8.	Other administrative services	159.93 (2.01)	107.89 (1.46)	65.62 (0.94)	87.83 (1.19)	155.02 (1.77)	76.50
9.	Forestry and wildlife	28.53 (0.36)	23.07 (0.31)	19.97 (0.29)	16.73 (0.23)	21.27 (0.24)	27.14
10.	Miscellaneous General Services[4]	166.03 (2.08)	62.96 (0.85)	131.69 (1.89)	283.99 (3.84)	102.75 (1.18)	(-) 63.82
11.	Medical and public health	195.70 (2.45)	171.89 (2.32)	197.19 (2.83)	221.87 (3.00)	472.53 (5.40)	112.98
12.	Other non-tax receipts	762.85 (9.56)	577.28 (7.80)	566.38 (8.14)	1,709.93 (23.13)	1,946.80[5] (22.27)	13.85
Total		**7,975.64**	**7,399.74**	**6,961.49**	**7,394.13**	**8,742.63**	**18.24**

Source: Finance Accounts of the respective years.

4 Unclaimed deposits, Sales of land and property, Guarantee Fee and other receipts.

5 Dividend and Profit- ₹ 192.00 crore, Public Services Commission- ₹ 18.80 crore, Jail- ₹ 2.46 crore, Supplies and Disposal- ₹ 2.42 crore, Stationers and Printing- ₹ 0.50 crore, Public Work- ₹ 33.06 crore, Contribution and Recoveries towards Pension- ₹ 42.75 crore, Family Welfare-₹ 0.07 crore, Water Supply and sanitation- ₹ 66.92 crore, Housing- ₹ 11.51 crore, Information and publication- ₹ 0.27 crore, Labour and Employment- ₹ 42.99 crore, Social Security and Welfare- ₹ 63.06 crore, Other Social Services - ₹ 0.39 crore, Crop Husbandry- ₹ 0.92 crore, Animal Husbandry- ₹ 3.46 crore, Dairy Development- ₹ 0.01 crore, Fisheries- ₹ 4.56 crore, Food Storage and Warehousing- ₹ 1.11 crore, Cooperation- ₹ 10.12 crore, Other Agriculture Programs- ₹ 2.41 crore, Land Reform- ₹ 0.01 crore, Other Rural Development Programs - ₹ 1,345.34 crore, Minor Irrigation-₹ 0.02 crore, New Renewable Energy -₹ 0.01 crore, Villages and Small Industries- ₹ 2.33 crore, Industries- ₹ 9.08 crore, Civil Aviation- ₹ 16.48 crore, Road and Bridge- ₹ 43.38 crore, Tourism- ₹ 0.98 crore and Other General Economic Services- ₹ 28.88 crore.

Chart 3.3: Details of Non-Tax Revenue raised



Source: Finance Accounts of the respective years.

Non-tax revenue constituted 9.80 *per cent* of the revenue receipts during 2022-23 registering an increase of ₹ 1,348.50 crore (18.24 *per cent*) over the previous year mainly due to increase in receipts of Road Transport, Major and medium irrigation, other administrative services and Other non-tax receipts. Interest receipts (16.75 *per cent*), Urban Development (14.69 *per cent*), Road Transport (15.25 *per cent*), and other non-tax receipts (22.27 *per cent*) are the main contributors to non-tax revenue and contribute 68.96 *per cent* to total non-tax revenue.

The Departments concerned attributed the following reasons for variations:

- **Urban Development**: The increase (3.51 *per cent*) in actual receipts in 2022-23 over 2021-22 was due to more renewal (138 in 2021-22 to 255 in 2022-2023) of licenses and fee & charges in change of land use (CLU) cases.
- **Major and medium Irrigation**: The increase (55.15 *per cent*) in actual receipts in 2022-23 over 2021-22 was due to increase in rates of raw water.
- **Medical and Public Health**: The increase (112.98 *per cent*) in actual receipts in 2022-23 over 2021-22 was due to more refund of unspent balance of GIA, interest from NHM, rent received from the contracts etc.

3.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2023 in some principal heads of revenue amounted to ₹ 34,173.07 crore, of which ₹ 10,587.82 crore was outstanding for more than five years as depicted in ***Table 3.4***.

Table 3.4: Arrears of Revenue

(₹ in crore)

Sr. No.	Heads of revenue	Amount outstanding as on 31 March 2023	Amount outstanding for more than five years as on 31 March 2023	Replies of Department
1	Taxes on sales, trade/VAT, etc.	31,075.87	9,421.34	Recovery of ₹ 963.72 crore was stayed by the Hon'ble High Court and other judicial authorities and ₹ 74.27 crore was stayed by orders of the Government, recovery of ₹ 32.77 crore was held up due to the dealers becoming insolvent, ₹ 105.51 crore was likely to be written off and ₹ 2,044.33 crore was held up due to rectification/review/application. Recovery of arrears of ₹ 3,522.77 crore was pending on account of cases pending in court, ₹ 3,907.94 crore was pending on account of non-recovery by the Department due to other reasons, recovery of ₹ 2,543.38 crore was pending with the Official Liquidator/Board of Industrial and Financial Reconstruction (BIFR). Inter-State arrears were ₹ 396.04 crore and inter-district arrears were ₹ 97.05 crore. Recovery of ₹ 0.21 crore was being made in instalments. Balance amount of ₹ 17,387.88 crore was at other stages of action.
2	State Excise	541.72	261.68	Recovery of ₹ 17.98 crore was stayed by Hon'ble High Court and other judicial authorities. Recovery of arrears of ₹ 52.06 crore was pending on account of cases pending in court, ₹ 65.71 crore was pending on account of non-recovery by the Department due to other reasons, ₹ 0.67 was likely to be written off. ₹ 134.13 crore was due to inter-State and inter-district arrears. Balance of ₹ 271.17 crore was outstanding at different stages of action.
3	Taxes and duties on electricity	448.69	187.24	Amount of ₹ 447.69 crore was due to inter-State arrears. and ₹ one crore was pending with the Official Liquidator/ Board of Industrial and Financial Reconstruction (BIFR).
4	Tax on entry of goods into local areas (Local Area Development Tax)	208.11	207.97	Recovery of ₹ 182.65 crore was stayed by Hon'ble High Court and other judicial authorities, ₹ 4.88 crore are pending on account of cases pending with Official Liquidator / Board of Industrial and Financial Reconstruction (BIFR) ₹ 0.07 crore was pending on account of cases in court, ₹ 0.14 crore was pending on account of non- recovery by the Department due to other reasons and ₹ 20.37 crore was outstanding at other stages of action.
5	Police	131.13	40.91	Amount of ₹ 7.38 crore was due from Indian Oil Corporation Limited (IOCL). The matter of recovery from IOCL in Haryana State was pending at the level of the State Government. ₹ 0.29 crore was recoverable from Bhakra Beas Management Board, Faridabad and ₹ 123.46 crore was recoverable from other States for election duties and Law & Order duties.
6	Other taxes and duties on commodities and services – Receipts from Entertainment duty	11.11	11.11	Recovery of ₹ 8.53 crore was stayed by Hon'ble High Court and other judicial authorities; ₹ 0.21 crore was pending on account of cases pending in court and the balance amount of ₹ 2.37 crore was outstanding at other stages of action.
7	Non-ferrous mining and metallurgical industries	1,756.44	457.57	₹ 586.45 crore was outstanding on account of demand covered by recovery certificate, ₹ 39.99 crore was stayed by Hon'ble High Court and judicial authorities. ₹ 0.26 crore was likely to be written off and ₹ 304.02 crore was pending on account of non-recovery by the Department due to other reasons. Inter-State arrears were ₹ 521.72 crore and inter-district arrears were ₹ 231.78 crore. Recovery of ₹ 0.02 crore was being made in instalments. Arrears of revenue for the year 2022-23 was ₹ 0.11 crore. Balance amount of ₹ 72.09 crore was outstanding at other stages of action.
	Total	**34,173.07**	**10,587.82**	

Source: Departmental Figures.

3.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the Excise and Taxation Department in respect of Sales Tax/VAT were as depicted in ***Table 3.5***.

Table 3.5: Arrears in assessments

Head of revenue	Year	Opening balance	New cases due for assessment during the year	Total assessments due	Cases disposed of during the year	Balance at the end of the year	Percentage of disposal (col. 6 to 5)
1	2	3	4	5	6	7	8
Taxes on Sales, Trade, etc./VAT	2021-22	5,036	4,240	9,276	3,096	6,180	33
	2022-23	6,180	4,473	10,653	3,576	7,077	34

Source: Information provided by State Excise and Taxation Department.

The number of cases pending at the end of the year 2022-23 has increased to 7,077 against the previous year from 6,180. It is further observed that percentage of disposal of cases increased slightly by one *percent* from 2021-22 to 2022-23. The Government may advise the Department to take necessary steps for early disposal of these pending cases to augment Government revenue.

3.4 Evasion of tax detected by the Department

Under Sections 29 to 31 of the HVAT Act, 2003, the Department is required to inspect business premises to detect tax evasion. Further, the Department conducts surveys in business premises to identify new taxpayers. Besides this, roadside checking is also a tool to detect tax evasion for goods in transit.

The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and the demands for additional tax raised as reported by the Department are given in ***Table 3.6***.

Table 3.6: Evasion of Tax

Sr. No.	Head of revenue	Cases pending as on 31 March 2022	Cases detected during 2022-23	Total	Number of cases in which assessment/investigation completed and additional demand with penalty, etc. raised		Number of cases pending for finalisation as on 31 March 2023
					Number of cases	Amount of demand (₹ in crore)	
1	Taxes on sales, trade etc./VAT	1	0	1	0	Nil	1
2	State Excise	49	100	149	112	0.85	37
Total		**50**	**100**	**150**	**112**	**0.85**	**38**

Source: Information provided by Excise and Taxation Department.

The number of cases pending at the end of the year has decreased in respect of State Excise as compared to the number of cases pending at the beginning of 2022-23.

3.5 Refund cases

The number of refund cases pending at the beginning of the year 2022-23, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2022-23 are mentioned in ***Table 3.7***.

Table 3.7: Details of Refund Cases

Sr. No.	Particulars	Sales Tax/VAT		State Excise	
		Number of cases	Amount (₹ in crore)	Number of cases	Amount (₹ in crore)
1	Claims outstanding at the beginning of the year	438	140.37	33	2.21
2	Claims received during the year	393	199.52	122	15.02
3	Refunds made/ adjusted/rejected during the year	614	152.81	118	13.81
4	Balance outstanding at the end of the year	217	187.08	37	3.42

Source: Information provided by State Excise and Taxation Department.

Though the number of outstanding cases at the end of the year has decreased in respect of Sales Tax/VAT and increased in respect of State Excise as compared to cases outstanding at the beginning of the year but the amount in both cases have increased.

Since complete information regarding the GST refund cases was not available with the Department, hence, the figure could not be examined in audit.

3.6 Internal Audit

During the year 2022-23, out of 245 units planned for audit, Internal Audit Cell of Revenue and Disaster Management, and Excise and Taxation (State Excise) audited 245 units as detailed in ***Table 3.8***.

Table 3.8: Internal Audit

Receipts	Number of units Planned	Number of units audited
Stamp Duty	223	223
State Excise	22	22
VAT/Sales Tax	Nil	Nil
Motor Vehicles Tax	Nil	Nil
Total	**245**	**245**

No internal audit was done by the Excise and Taxation Department (Sales Tax/ VAT) and reasons for not conducting internal audit was not provided by the Department. In case of Taxes on Motor Vehicles, internal audit in the State was not done due to pandemic effects and the shortage of Section Officers in Audit Branch. The irregularities discussed in Chapters 4 and 5 are indicators of inadequate internal control mechanism.

3.7 Response of the Government/Departments towards audit

The Principal Accountant General (Audit) Haryana conducts periodical inspection of Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the

rules and procedures. These inspections are followed up with inspection reports (IRs), which are issued to the heads of the offices concerned for taking prompt corrective action. The heads of offices/Government are required to comply with the observations contained in the IRs within four weeks from the date of receipt of the IRs. Serious irregularities are reported to the heads of the Department and the Government in the form of a Management Letter.

Inspection reports issued up to June 2023 revealed that 10,384 paragraphs relating to 3,140 IRs remained outstanding at the end of June 2023 as mentioned in ***Table 3.9*** along with the corresponding figures for the preceding two years.

Table 3.9: Details of pending Inspection Reports

	December 2021	June 2022	June 2023
Number of IRs pending for settlement	2,973	3,053	3,140
Number of outstanding audit observations	9,732	9,950	10,384

3.7.1 The Department-wise details of the IRs and audit observations outstanding as on June 2023 is mentioned in ***Table 3.10***.

Table 3.10: Department-wise details of Inspection Reports

Sr. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations
1	**Excise and Taxation**	Sales tax /VAT	434	4,277
		State Excise	249	497
		Taxes on goods and passengers	254	465
		Entertainment duty and show tax	49	65
2	**Revenue**	Stamps and registration fees	1,397	3,874
		Land Revenue	174	293
3	**Transport**	Taxes on vehicles	467	714
4	**Power**	Taxes and duties on electricity	13	22
5	**Mines and Geology**	Non-ferrous mining and metallurgical industries	103	177
Total			**3,140**	**10,384**

The increase in the pendency of IRs was indicative of the fact that the heads of offices and the Departments did not initiate adequate action to rectify the defects, omissions and irregularities pointed out by Audit in the IRs. The Government may institute a system of effective monitoring of responses of the Departments to IRs to ensure prompt response to audit observations.

3.7.2 Departmental Audit Committee Meetings

The Government has set up audit committees to monitor and expedite the progress of settlement of IRs and paragraphs in the IRs. The details of the audit committee meetings held during the year 2022-23 and the paragraphs settled are mentioned in ***Table 3.11***.

Table 3.11: Departmental Audit Committee Meetings

Sr. No.	Head of revenue	Number of meetings held	Number of paragraphs settled	Amount (₹ in crore)
1	Excise and Taxation Department (Sales Tax) and Transport Department	9	531	46.74

3.7.3 Response of the Government to the draft audit paragraphs

Draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) to the Principal Secretary/Additional Chief Secretaries of the Department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the Departments/Government is indicated at the end of such paragraphs included in the Audit Report.

In all, 16 draft paragraphs were sent to the Additional Chief Secretaries of the respective Departments between April and December 2024. No reply has been received in these cases from the Government. However, replies received from the concerned Departments have been appropriately included in the relevant places in the Report.

3.7.4 Follow up on the Audit Reports-summarised position

According to the instructions issued by the Finance Department in October 1995 and reiterated in July 2001, after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling of the Report, for consideration of the Public Accounts Committee.

The Report of the Comptroller and Auditor General of India on Compliance Audit Report II for the year ended March 2022 containing 18 paragraphs including one Subject Specific Compliance Audit and one Information Technology Audit was placed before the State Legislature Assembly on 10 March 2025 for which ATNs are awaited.

1,004 recommendations pertaining to the Audit Reports from 1979-80 to 2020-21 contained in 22nd to 90th Reports of PAC as mentioned in ***Appendix 3.1*** and ***Appendix 3.2*** were pending for want of final corrective action by the concerned Departments.

3.8 Analysis of the mechanism for dealing with the issues raised by audit

To analyse the system of addressing issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs and performance audits included in the Audit Reports of the last 10 years for one Department is evaluated and included in this Audit Report.

The succeeding paragraphs 3.8.1 to 3.8.2 discuss the performance of the Excise and Taxation Department (Sales Tax/VAT) and cases detected during the course of local audit for the last 10 years included in the inspection Reports.

3.8.1 Position of Inspection Reports

The summarised position of the inspection reports issued to the Excise and Taxation Department (Sales Tax/VAT) during the last 10 years, paragraphs included in these reports and their status as on 31 March 2023 are brought out in ***Appendix 3.3***.

The number of outstanding IRs increased from 307 in 2013-14 to 432 in 2022-23 and the number of paragraphs have increased from 1,672 in 2013-14 to 4,226 in 2022-23 as on 31 March 2023. During this period nine ACMs were held in respect of Excise and Taxation Department (Sales Tax/VAT) and Transport Department and 531 paragraphs were settled amounting to ₹ 46.74 crore.

3.8.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Excise and Taxation Department (Sales Tax/VAT) and the amount recovered are mentioned in ***Appendix 3.4***.

The progress of recovery even in accepted cases was low (7.95 *per cent*) during the last 10 years. The Department may take appropriate action to pursue and monitor prompt recovery of the dues involved in accepted cases.

3.9 Audit Planning

There are a total of 393 auditable units in the State of Haryana of which 138 units were planned and audited during 2022-23. The units were selected based on risk analysis.

3.10 Results of audit

Position of local audits conducted during the year

Test check of the records of 117 (Revenue 115 +2 expenditure) units[6] pertaining to Sales Tax/Value Added Tax, Stamp Duty and Registration fees conducted during the year 2022-23 revealed under-assessment/short levy of tax/loss of revenue aggregating to ₹ 260.24 crore in 2,516 cases. During the course of the year, the Departments concerned accepted under assessment and other deficiencies of ₹ 79.04 crore involved in 1,980 cases. The Departments had recovered ₹ 0.04 crore in 11 cases during the year 2022-23.

[6] 21 units related to Local audit excluded.

3.11 Coverage of this Report

This Report contains 16 Draft Paragraphs involving financial impact of ₹ 71.53 crore.

The Departments/Government have accepted audit observations involving ₹ 71.53 crore out of which ₹ 1.07 crore had been recovered. These are discussed in the succeeding Chapters 4 and 5.

Chapter 4

Taxes/VAT on Sales, Trade

CHAPTER-4

TAXES/VAT ON SALES, TRADE

4.1 Tax administration

The Haryana Value Added Tax Act, 2003 (HVAT Act)[1] and rules framed thereunder are administered by the Additional Chief Secretary (Excise and Taxation). The Excise and Taxation Commissioner (ETC) is the head of the Excise and Taxation Department who is assisted by Additional ETCs, Joint ETCs (JETCs), Deputy Excise and Taxation Commissioner (DETCs) and Excise and Taxation Officers (ETOs). They are assisted by Excise and Taxation Inspectors and other allied staff for administering the relevant tax laws and rules.

4.2 Results of audit

In 2022-23, test check of the records of 10 (Eight Revenue and two expenditure) out of 46 units relating to VAT/Sales tax assessments revealed under-assessment/evasion of tax and other irregularities involving ₹ 176.80 crore in 376 cases, falling under the following categories as depicted in ***Table 4.1***.

Table 4.1: Results of Audit

Revenue			
Sr. No.	**Category**	**Number of Cases**	**Amount (₹ in crore)**
1.	Under-assessment of tax	93	72.39
2.	Irregular/Incorrect/Excess allowance of Input Tax Credit (ITC)	119	32.97
3.	Evasion of taxes due to suppression of sales/purchases	51	18.94
4.	Acceptance of defective statutory forms	23	15.64
5.	Other irregularities	87	36.45
	Total (I)	**373**	**176.39**
Expenditure			
1.	Other irregularities	3	0.41
	Total (II)	**3**	**0.41**
	Grand Total (I+II)	**376**	**176.80**

The Department accepted under-assessment and other deficiencies of ₹ 0.06 crore in four cases which were pointed out during the year and recovered ₹ 26,543 in one case in the year 2022-23.

[1] Though Goods and Services Tax (GST) was implemented from 1 July 2017, there were huge number of assessment cases of Value Added Tax (VAT) which were pending at the end of the year 2017-18. In September 2015, through the amendment under Section 17 of the HVAT Act, the assessing authority (AA) at any time before the expiry of eight years following the close of that year or before the expiry of three years following the date when the assessment for that year becomes final, whichever is later, can reassess the tax liability of the dealer for the year for which the reassessment is proposed to be made. Thus, the cases ending in 2017-18 can be reopened upto 2024-25. The VAT cases audited during the year are considered in the Report.

Significant cases involving ₹ 9.47 crore are discussed in the following paragraphs.

4.3 Under assessment of tax due to allowing concessional rate of tax against invalid forms 'C' resultantly undue benefit to the dealers

The Assessing Authorities, while finalising the assessments, allowed concessional rate of tax without verification of statutory forms, resulting in under assessment of tax of ₹ 1.97 crore. In addition, penalty of ₹ 5.90 crore was also leviable.

Section 8 (4) of the Central Sales Tax Act (CST Act), 1956 provided that concession under sub section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the Assessing Authority (AA), a declaration duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority. Further, Section 38 of the HVAT Act 2003 provided for penal action (three times of tax avoided/benefit claimed) for claims on the basis of false information and incorrect accounts or tax. Further, the Government of Haryana issued Standard Operative Procedure (SoP) (January 2018) that in cases, where verification report is not received within six months from the date of assessment order or from the dispatch of verification letter whichever is later, AA should levy tax and penalty as provided in the HVAT Act or Rules.

Scrutiny of records (October to November 2022) of the office of DETC (Sales Tax), Rewari for the years 2016-17 to 2017-18 revealed that three dealers in three cases claimed concessional rate of tax on their respective inter-State sales amounting to ₹ 17.69 crore. In support of the claims, the dealers submitted three 'C' forms. The concerned AA finalised the assessments between May 2019 and March 2021 and allowed the concessional rate of tax at the rate of two *per cent* instead of actual rate of tax 13.125 *per cent* (12.5 *per cent* tax plus five *per cent* surcharge) against the declaration forms duly filled without verification as per instructions *ibid*. Although, the AA was to send verification letter within six months, it was observed that letters were issued after a delay of 16 to 44 months.

On this being pointed out, verifications were carried out by ETO-cum-AA, Rewari (February 2023) with Assistant Commissioner, Department of Trade and Taxes, New Delhi which revealed ingenuine 'C' Forms in two cases.

Further, ETO Rewari while accepting the audit observation stated (February 2025) that in two cases additional demand had been created under HVAT Act and CST Act after reassessment. Moreover, recovery proceedings had also been

initiated against the dealers. In one case, ETO Rewari stated that reassessment proceedings would be finalised shortly.

Thus, allowing concessional rate of tax, without due verification of prescribed 'C' forms resulted in under assessment of tax of ₹ 1.97 crore and also undue benefit extended to the dealers. In addition, penalty of ₹ 5.90 crore was also leviable.

The matter was referred to the Excise and Taxation Department in January 2024 and reported to the Government in June 2024; their replies were awaited (May 2025).

4.4 Under assessment of tax due to non inclusion of excise duty in gross turnover

The Assessing Authorities, while finalising the assessments, assessed the cases on Gross Turnover/Taxable Turnover as ₹ 25.34 crore instead of ₹ 33.04 crore, resulting in under assessment of tax of ₹ 87.87 lakh.

Section 2 (1) (zg) of the HVAT Act, defines 'sale price' as the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed at the time of sale as cash or trade discount according to the practice, normally prevailing in the trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before the delivery thereof would include any sum charged on account of freight, storage demurrage, insurance, handling charges, cess, excise duty, weighment, packing charges, warranty, drawing and designing, service charges and other incidental expenses.

Scrutiny of the records (August to September 2022) of the office of DETC (ST) Faridabad (East), revealed that while finalising the assessments (November 2019 to January 2020) of two dealers for the year 2016-17, the AAs did not include excise duty[2] of ₹ 7.70 crore in gross turnover (GTO)[3]. The AAs assessed GTO wrongly as ₹ 25.34 crore instead of correct amount of ₹ 33.04 crore. This resulted in under assessment of tax of ₹ 87.87 lakh.

On this being pointed out, the ETOs, Faridabad (East, Ward 1 & 2) accepted the audit observation (September 2023 to October 2024) and stated that VAT N2 notice has been served to the dealer after re-assessment in one case, and in another case demand notice has been issued against the dealer under Section 17 of HVAT Act. Final outcome would be intimated in due course.

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2 The excise duty charged by the dealer from the customer is includible in the turnover for being taxed as it is a part of the sale price charged even though shown separately in the bill issued.

3 "Gross turnover" when used in relation to any dealer means the aggregate of the sale prices received or receivable in respect of any goods sold, whether as principal, agent or in any other capacity, by such dealer and includes the value of goods exported out or State or disposed of otherwise than by sale.

The matter was referred to the Excise and Taxation Department in October 2023 and reported to the Government in June 2024; their replies were awaited (May 2025).

4.5 Excess benefit of Input Tax Credit due to non-reversal

The Assessing Authority, while finalising the assessment, did not reverse input tax credit on account of inter-State sales which resulted in allowing excess benefit of ₹ 33.90 lakh.

As per Schedule 'E', Entry 3(b) read with Section 8(1) of HVAT Act, 2003, when goods are sold in the course of inter-state trade or commerce, input tax is admissible to the extent of amount of tax actually paid on the purchase of such goods in the State under the Act or tax payable on sale of such goods under the CST Act, 1956, whichever is lower.

Scrutiny of records (November 2022) of the office of DETC (ST), Rewari revealed that two dealers had shown purchases of ₹ 6.28 crore and claimed input tax credit (ITC) of ₹ 80.79 lakh on purchase value. As per the provisions of the Act, ITC of ₹ 33.90[4] lakh was to be reversed on account of inter-State sales of ₹ 3.05 crore. While finalising the assessment (September 2020) for the year 2017-18, the AA did not reverse the ITC. This resulted in allowing excess benefit of ITC of ₹ 33.90 lakh due to non-reversal of ITC.

On this being pointed out, the ETO-cum-AA, Rewari stated (November 2024) that final notice had been issued to both the dealers and the cases were under process and would be decided shortly. Final outcome would be intimated in due course.

The matter was referred to the Excise and Taxation Department in December 2023 and reported to the Government in June 2024; their replies were awaited (May 2025).

4.6 Non-levy of tax on Closing Stock

The Assessing Authorities did not verify details of sales with reference to opening and closing stock, resulting in non-levy of tax of ₹ 10.56 lakh on closing stock of ₹ 1.01 crore. In addition, penalty of ₹ 15.84 lakh was also leviable.

Under Section 38 of HVAT Act, 2003 if a dealer has maintained false or incorrect accounts or documents with a view to suppressing his sales, purchases, imports into State, exports out of State, or stocks of goods, or has concealed any particulars in respect thereof or has furnished to or produced before any authority under this Act or the rules made thereunder any account, return,

[4] ₹ 33,90,254 = ₹ 3,04,74,188 × 11.125 *per cent* (ITC claimed @13.125 *per cent* on purchase and out-put tax paid @ 2 *per cent* on inter-state sale).

document or information which is false or incorrect in any material particular, such authority may, after affording such dealer a reasonable opportunity of being heard, direct him to pay by way of penalty, in addition to the tax to which he is assessed or is liable to be assessed, a sum thrice the amount of tax which would have been avoided, had such account, return, document or information, as the case may be, been accepted as true and correct.

Scrutiny of records (November 2022) of the office of DETC (ST), Rewari revealed that a dealer had filed 'Nil' return for the assessment year 2017-18 but his trading account for the year 2016-17 was showing closing stock of ₹ 1.01 crore. The registration of the dealer was cancelled with effect from 1 July 2017. The AA while finalising the assessment in December 2019 did not verify details of sales with reference to opening and closing stock for the years 2016-17 and 2017-18 resulting in non-levy of tax of ₹ 10.56 lakh including interest of ₹ 5.28 lakh on closing stock of ₹ 1.01 crore. In addition, a sum thrice the amount of tax on account of penalty of ₹ 15.84 lakh was also leviable under Section 38 of the HVAT Act.

On this being pointed out, the Excise and Taxation Officer, Rewari (October 2024) while accepting the audit observation, stated that recovery proceedings for ₹ 26.41 lakh against the dealer have been initiated and after serving three recovery notices, the dealer was untraced. Thereafter, letter has been sent to the concerned Tehsildar to know the property details of taxpayer as well as notice of recovery has also been issued to the sureties of the taxpayer.

The matter was referred to the Excise and Taxation Department in September 2023 and reported to the Government in June 2024; their replies were awaited (May 2025).

4.7 Under assessment of tax due to allowing benefit of E-1 subsequent sale during movement

The Assessing Authority, while finalising the assessment, assessed the sale (even though the dealer had not submitted E-1 forms) and treated commodity as tax free guar instead of cotton which resulted in loss of revenue to the extent of ₹ 12.15 lakh to the Government.

Section 6 (2) of the CST Act provides for exemption of tax on subsequent sale during movement of goods from one State to another on production of declaration in form E-1. Section 17 provides for reassessment of tax. The amendment in September 2015 has increased the time limit within which the AA can reassess the tax and the Commissioner was allowed to reassess at any time before the expiry of eight years, following the close of that year or before the expiry of three years following the date when the assessment for that year becomes final, whichever is later.

Scrutiny of records (September 2022) of the office of DETC (ST), Sirsa revealed that a dealer in one case had purchased Cotton for ₹ 15.45 crore and sold Cotton for ₹ 15.73 crore and claimed E-1 (subsequent sales of Cotton J-34) during movement worth ₹ 6.07 crore for the year 2015-16. However, the AA while finalising the assessment in January 2018 assessed the sale (even though the dealer had not submitted E-1 forms) and treated commodity as tax free guar instead of cotton which resulted in loss of revenue to the extent of ₹ 12.15 lakh to the Government.

On this being pointed out, the ETO, Sirsa admitted the para and stated that the case had been reassessed in February 2024 and an additional demand for ₹ 24.30 lakh (including interest of ₹ 12.15 lakh) had been created by disallowing the claim of E-1 forms. Tax demand notice has also been issued to the dealer for recovery.

The matter was referred to the Excise and Taxation Department in August 2024 and reported to the Government in September 2024; their replies were awaited (May 2025).

Chapter 5

Stamp Duty

CHAPTER-5

STAMP DUTY

5.1 Tax administration

Receipts from stamp duty (SD) and registration fee (RF) are regulated under the Indian Stamp Act, 1899 (IS Act), the Registration Act, 1908 (IR Act), the Punjab Stamp Rules, 1934, (as adopted by the Government of Haryana), and the Haryana Stamp (Prevention of Undervaluation of Instruments) Rules, 1978. The Additional Chief Secretary (ACS), Revenue and Disaster Management Department, Haryana, is responsible for administering the registration of various deeds/documents. The overall control and supervision of the levy and collection of SD and RF rest with the Inspector General of Registration (IGR), Haryana. The IGR is assisted by Deputy Commissioners (DCs), Tehsildars, and Naib Tehsildars who act as Registrars, Sub Registrars (SRs) and Joint Sub Registrars (JSRs), respectively.

5.2 Results of audit

Test check of the records in 107 out of 143 units of the Revenue Department during 2022-23 revealed non/short levy of stamp duty and registration fee among other irregularities amounting to ₹ 83.44 crore. This represents 1.10 *per cent* of receipts of ₹ 7,598.38 crore for 2021-22. These issues were identified in 2,140 cases, which fall under the following categories as mentioned in ***Table 5.1.***

Table 5.1: Results of audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of stamp duty and registration fee due to undervaluation of immovable property	1,447	37.98
2.	Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds	77	19.60
3.	Irregular exemption of stamp duty on mortgage deeds/compensation certificates for land acquired by the government	141	2.31
4.	Non/short levy of stamp duty and registration fee in case of lease deeds	84	0.78
5.	Miscellaneous irregularities	391	22.77
	Total	**2,140**	**83.44**

Source: Data compiled by office.

The Department has accepted under assessment and other deficiencies amounting to ₹ 78.98 crore involved in 1,976 cases which were pointed out during the year 2022-23 and earlier years. The Department recovered ₹ 3.62 lakh in 11 cases, of which ₹ 0.31 lakh in one case pertain to 2022-23 and the rest pertain to earlier years.

Significant cases involving ₹ 62.06 crore are discussed in the following paragraphs.

5.3 Short levy of stamp duty due to misclassification/undervaluation of collaboration agreements[1]

Misclassification/undervaluation of collaboration agreements in 73 cases resulted in short levy of stamp duty and registration fee of ₹ 23.37 crore.

As per Government of Haryana notification issued in October 2013, any agreement that relates to giving authority or power to a promoter or a developer, by whatever name called, for construction on, development of or, sale or transfer (in any manner whatsoever) of, any immovable property shall be liable to SD as is leviable on conveyance on the market value of the property mentioned in the agreement. The duty was amended in November 2017 to two *per cent* of the market value of the property or the amount of such consideration as set forth in the collaboration agreement, whichever is higher.

Scrutiny of records of 14 SRs[2] (August 2021 to March 2023) for the years 2019-2022 revealed that 73 collaboration agreements were registered (between May 2019 and November 2022) and SD and RF of ₹ 11.64 crore were levied on them. Scrutiny of these agreements revealed that owners of land had authorised the developers to take possession of the land with the right to construct shop-cum-flats and residential houses. These agreements were, therefore, liable to be levied for stamp duty as per the notification *ibid*. As per rates fixed by the Collector, value of land transferred to the developers was calculated to be ₹ 1,742.10 crore on which SD and RF of ₹ 35.01 crore was leviable as per notification. However, misclassification/undervaluation of collaboration agreements resulted in short levy of SD and RF of ₹ 23.37 crore as detailed below: -

(a) In 27 cases, consideration amount (agreed value) was higher than the value as per the deed. SD amounting to ₹ 4.33 crore on deed value of ₹ 216.06 crore was levied instead of SD of ₹ 14.56 crore on the consideration amount of ₹ 728.16 crore. This resulted in short levy of SD of ₹ 10.23 crore.

(b) In 27 cases market value of the land was higher than that of the value as per deed due to land falling in the R-zone, prime location etc. However, the SRs assessed the land at agriculture rates instead of prime rates resulting in a loss of SD and RF of ₹ 3.77 crore.

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[1] An agreement between at least two parties looking to work together on a commercial project on a collaborative or cooperative basis. The agreement spells out the specific terms and conditions of the parties working relationship including allocation of responsibilities and division of revenues derived from the exploitation of the work.

[2] Badshahpur, Faridabad, Farukh Nagar, Gurugram, Harsaru, Kadipur, Karnal, Manesar, Panipat, Pataudi, Rai, Sohna, Sonipat and Wazirabad.

(c) In 11 cases, the land was already a licensed/CLU land. The SR assessed the land at agriculture rates while the assessment should have been done at the prescribed rates for plotted, group housing and commercial licenses. As per notification *ibid*, the SD at the rate of two *per cent* was leviable. SD amounting to ₹ 3.35 core was levied (at agricultural rate) instead of ₹ 11.42 crore resulting in short levy of SD of ₹ 8.07 crore.

(d) In eight cases, collaboration agreement was wrongly classified as simple agreement and registered with SD of ₹ 100 to ₹ 2,000 resulting in short levy of SD and RF of ₹ 1.30 crore.

On this being pointed out, SR Manesar stated in July 2024 that four cases pertaining to Manesar have been decided {under section (u/s)} 47-A of the (IS Act) by the Collector and efforts would be made to recover the outstanding amount. The other concerned SRs stated (between May and December 2024) that all the cases had been sent to the Collector u/s 47-A of the IS Act for decision.

The matter was referred to the Department in October 2024 and reported to the Government in December 2024; their replies have not been received (May 2025).

5.4 Non/Short levy of stamp duty and registration fee due to undervaluation of immovable property

In 218 deeds, stamp duty and registration fee of ₹ 28.69 crore was levied using the rates for agricultural land. However, land records *(Jamabandis)*, revealed that those were residential, commercial or industrial plots/land. Thus, ₹ 46.51 crore was leviable. It led to a shortfall of ₹ 17.82 crore in collection of stamp duty and registration fee.

Section 27 of the Indian Stamp Act, 1899 (IS Act) as applicable to Haryana provided that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty with which it is chargeable, should be fully or truly set forth therein. Further as per Section 47-A of the IS Act, if the registering officer has reasons to believe that the value of the property or the consideration, has not been truly set forth in the instrument, he may, after registering such instrument refer the same to the Collector for determination of the value or consideration and the proper duty payable.

Scrutiny of records (February 2022 to March 2023) of 46 SRs/JSRs offices[3] for the years 2020-21 and 2021-22 revealed that 218 documents were registered (May 2020 to September 2022) which were undervalued as agricultural or 'otherwise[4]' land with lower Collector rate(s) instead of residential, commercial, industrial or institutional land/plot. In some cases, SD for covered area was not levied or short levied. The value of these properties was to be assessed at ₹ 714.26 crore on which SD of ₹ 45.60 crore and RF of ₹ 91.25 lakh was required to be levied. However, the department assessed the value of these properties at ₹ 441.26 crore and levied SD of ₹ 27.99 crore and RF of ₹ 69.98 lakh. This resulted in short levy of SD of ₹ 17.61 crore and RF of ₹ 21.27 lakh totaling ₹ 17.82 crore.

On this being pointed out, the concerned SRs/JSRs stated (between July 2022 and December 2024) that 189 out of 218 cases had been sent to the Collector u/s 47-A of the IS Act for decision. Further, in 23 cases pertains to five SRs/JSRs[5] efforts would be made to recover the outstanding amount and in six cases pertains to four SRs/JSRs, recovery of ₹ 4.34 lakh[6] had been made.

The matter was referred to the Department in August 2023 and reported to the Government in April 2024; their replies have not been received (May 2025).

5.5 Loss of revenue of stamp duty and registration fee due to non-registration of collaboration/development agreements

Seven developers evaded registration of collaboration agreements in contravention of provisions of Section 17 (1)(b) of the Registration Act, 1908 resulting in a loss of stamp duty of ₹ 13.99 crore.

Under Section 17 (1) (b) of the IR Act, mandates registration of every instrument which creates the right, title and interest over any immovable property. Further, as per Section 2 (d1) of the Haryana Development and Regulation of Urban Areas (HDRUA Act, 1975), a Collaboration/ Development Agreement with the owner allows a developer (an individual/company/ association/ firm/ Limited Liability Partnership) for making an application for grant of license and for completion of formalities required on behalf of such owner to develop a colony. Director General, Town and Country Planning

[3] Assandh, Bilaspur, Badkhal, Barara, Badshapur, Bawal, Behal, Dharuhera, Farrukhnagar, Faridabad, Gharaunda, Ganaur, Gaunchhi, Harsaru, Indri, Kullan, Karnal, Kadipur, Kalayat, Khizrabad, Kharkhoda, Ladwa, Loharu, Manesar, Mullana, Naraingarh, Nilokheri, Nagina, Pehowa, Pataudi, Pundri, Panipat, Radaur, Rajound, Rewari, Rai, Sonipat, Siwan, Shehzadpur, Saha, Samalkha, Sohna, Tigaon, Tohana, Tauru and Wazirabad.

[4] 'Otherwise' means properties such as gairmumkin, Tiwa (Sand Tiwa), Pahad etc.

[5] Gharaunda, Shehzadpur, Farukh Nagar, Naraingarh and Ladwa.

[6] Assandh: ₹ 0.36 lakh; Karnal: ₹ 1.93 lakh; Naraingarh: ₹ 1.38 lakh, Shehzadpur: ₹ 0.67 lakh.

Department Haryana (DG, TCPD) in January 2011 ordered that no license application shall be entertained unless the collaboration agreements have been registered before the SR having territorial jurisdiction of the area in which the land falls.

As per Government of Haryana notification issued in October 2013 and amended in November 2017, a duty of two *per cent* of the market value of the property was leviable. Further, Section 33 of the Indian Stamp Act, 1899 (IS Act) mandates that every person in charge of a public office before whom any instrument, chargeable with duty, is produced or comes in the performance of his functions, shall, if it appears to him that such instrument is not duly stamped, impound the same.

Scrutiny of records (October 2022 to March 2023) relating to eight licenses of the four offices[7] of TCPD and sale agreements/conveyance deeds of licensed colonies of the office of seven SRs[8] executed during the year 2019-22 revealed that seven developers did not register the collaboration agreements. In the absence of such registration (as per orders of DG, TCPD Haryana) the titles in favour of their authority to be vendors/Developers were thus defective.

On receipt of the collaboration agreements, the SR, according to Section 33 of the IS Act, should have impounded the same. However, in the absence of any mechanism (between Revenue Department and the TCPD) to ensure that collaboration agreements should have been registered/stamped before the grant of licences or approval of change of beneficial interest, the developers were granted licences for their collaboration agreements without registration. As a result, the State Government suffered a loss of revenue on account of SD and RF to the extent of ₹ 13.99 crore.

On this being pointed out, SR Karnal stated (November 2023) that an amount of ₹ 0.91 crore had been recovered in two cases. SR Harsaru stated that recovery notice had been issued in May 2024, however, recovery was pending. The remaining five SRs/JSRs[9] stated (between April and August 2024) that all the cases had been sent to the Collector u/s 47-A of the IS Act for decision. The reply of the registering authorities was silent on the reason for not impounding the non-registered instruments.

The matter was referred to the Department in October 2024 and reported to the Government in December 2024; their replies have not been received (May 2025).

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7 Faridabad, Gurugram, Karnal and Rewari.

8 Dharuhera, Gaunchhi, Harsaru, Karnal, Manesar, Pataudi and Tigaon.

9 Dharuhera, Gaunchhi, Manesar, Pataudi and Tigaon.

5.6 Irregular exemption of stamp duty and registration fee in case of immovable properties purchased from compensation amount

114 farmers purchased agricultural land with the compensation/award received after January 2014 and availed exemption of Stamp Duty and Registration Fee. As no exemption of Stamp Duty and Registration Fee was allowed in such cases it resulted in non/short levy of stamp duty and registration fee of ₹ 2.23 crore.

As per Government order issued in November 2010 under Indian Stamp Act, 1899 (IS Act), the Government exempted the SD and RF in respect of sale deeds executed by farmers whose land has been acquired by Government of Haryana for public purposes if they purchase agricultural land in the State within two years of having received the compensation. The exemption was limited to the compensation amount and any additional purchase beyond the amount of compensation received will be liable for SD as per rules.

As per clarification issued by the Department of Revenue and Disaster Management in October 2019, for the compensation received after 1 January 2014, no benefit of Rehabilitation and Resettlement Policy, 2010 (R & R Policy dated 9 November 2010) shall be applicable.

Scrutiny of records of 10 SRs/JSRs[10] revealed that in 114 cases, farmers had acquired properties including agricultural land from the proceeds of acquisition of the awards declared and process for awards were initiated after 1 January 2014. Their documents were registered between December 2019 and May 2021. Therefore, these deeds were to be assessed at a total value of ₹ 39.45 crore on which SD and RF of ₹ 2.23 crore (SD ₹ 2.04 crore + RF ₹ 0.19 crore) were leviable. Thus, irregular exemption of SD and RF resulted in non/short levy of SD & RF of ₹ 2.23 crore (SD ₹ 2.04 crore + RF ₹ 0.19 crore).

On this being pointed out, the concerned SRs/JSRs stated (September 2024) that 113 cases have been sent to the Collector u/s 47-A of the IS Act for decision and in respect of one case of SR Julana, an amount of ₹ 0.26 lakh had been recovered.

The matter was referred to the Department in March 2024 and reported to the Government in September 2024; their replies have not been received (May 2025).

[10] Gohana, Gorriwala, Ismailabad, Julana, Nigdu, Pillu Khera, Pundri, Rajound, Siwan and Uchana.

5.7 Non levy of stamp duty and registration fee on instruments executed in favour of Autonomous Bodies/Public Sector Undertakings

Registering Authorities allowed exemption from payment of stamp duty and registration fee of ₹ 1.36 crore to Dakshin Haryana Bijli Vitran Nigam Limited incorrectly treating them as Government entity.

As per provisions contained in Section 3 (1) of the Indian Stamp Act, 1899 (IS Act), as applicable to State of Haryana, no SD shall be chargeable in respect of any instrument executed by or on behalf of or in favour of Government. However, there is no provision in the Act/Rules for specific exemption/remission on the instruments executed in favour of State-owned enterprises or autonomous bodies.

Scrutiny of records of offices of SRs Harsaru, Kadipur and Manesar revealed that 13 sale deeds were registered (July 2021 to January 2022) wherein land was registered in favour of Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) and exempted from SD and RF. The value of these immovable properties for levy of SD totals to ₹ 26.08 crore on which SD of ₹ 1.30 crore and RF of ₹ 0.06 crore were leviable, since DHBVNL is a State Public Sector Undertaking. This has resulted in a loss of SD and RF of ₹ 1.36 crore to the Government of Haryana.

On this being pointed out, SR Manesar stated (July 2024) that five out of six cases have been decided by the Collector u/s 47-A of the IS Act and efforts would be made to recover the amount while one case was pending with Collector, Manesar for decision. SRs of Kadipur and Harsaru stated (June 2024) that all the seven cases had been sent to the Collector u/s 47-A of the Indian Stamp Act, 1899 (IS Act) for decision.

The matter was referred to the Department in April 2024 and reported to the Government in July 2024; their replies have not been received (May 2025).

5.8 Short levy of stamp duty due to application of non-prime rate on land containing Prime *Khasra* Land

Registering Authorities incorrectly assessed prime *khasra* land at normal rates fixed for agricultural land, resulting in short levy of stamp duty of ₹ 1.31 crore.

Section 27 of the Indian Stamp Act, 1899 (IS Act) as applicable to the State of Haryana, provided that the consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, should be fully and truly set

forth therein. Further, Government of Haryana issued Financial Commissioner Revenue (FCR) Standing order No.74 in September 2013 to all registering authorities in the State, constituting 'Evaluation Committees' for fixation of minimum market value of properties in various areas of the State from time to time for the guidance of Registering Authorities. A copy of these rates is supplied to the registering authorities by the Department. The 'Evaluation Committees' had fixed separate rates for prime land in their respective jurisdictional areas. Based on the recommendations of the Committee, Collector rates are fixed for prime and non-prime land separately.

Scrutiny of records (May 2022 to March 2023) of 23 SRs/JSRs[11] revealed that 85 conveyance deeds were registered for sale at normal *khasra* rates for agricultural land during the period from May 2019 to February 2022. The *khasra* of these deeds as per land revenue records were prime *khasra* having higher land rates. The Collector rate for the land involved was ₹ 67.16 crore on which SD and RF of ₹ 4.05 crore was leviable (SD ₹ 3.77 crore + RF ₹ 0.28 crore). The SRs/ JSRs, assessed this land at rates fixed for normal *khasra* amounting to ₹ 44.19 crore and levied SD and RF of ₹ 2.74 crore (SD ₹ 2.54 crore + RF ₹ 0.20 crore). This resulted in short levy of SD and RF of ₹ 1.31 crore.

On this being pointed out, SRs (Karnal, Narnaund and Gharaunda) stated (September 2024) that recovery of ₹ 8.30 lakh had been made in five cases. SR/JSR (Khanpur Kalan and Gharaunda) stated that two cases have been decided by the Collector and recovery orders have been issued. The concerned 19 SRs/JSRs[12] stated (February 2022 to November 2024) that 78 cases had been/would be sent to the Collector u/s 47-A of the IS Act for decision.

The matter was referred to the Department in April 2024 and reported to the Government in December 2024; their replies have not been received (May 2025).

[11] Alewa-02, Badkhal-02, Bawal-01, Beri-03, Bond Kalan-01, Dayalpur-17, Dhand-04, Ganaur-08, Gaunchi-03, Gharaunda-04, Harsaru-02, Julana-03, Karnal-01, Khanpur Kalan-01, Mulana-04, Nangal Chaudhary-01, Narnaund-01, NiloKheri-10, Punhana-04, Ratia-03, Samalkha-08, Satnali-01 and Tohana- 01.

[12] Alewa, Badkhal, Bawal, Beri, Bond Kalan, Dayalpur, Dhand, Ganaur, Gaunchi, Harsaru, Julana, Mulana, Nangal Chaudhary, Nilokheri, Punhana, Ratia, Satnali, Samalkha and Tohana.

5.9 Irregular remission of Stamp Duty

Irregular remission of stamp duty in 14 instruments of transfer deeds executed in favour of persons other than blood relations, resulted in loss of revenue of ₹ 61.61 lakh to the State exchequer.

The State Government has the power to reduce, remit or compound duties as per Section 9 of the IS Act by rule or order, published in the Official Gazette. As per Government order dated 16 June 2014, the Government remits[13] the stamp duty chargeable on an instrument pertaining to transfer of immovable property within family by an owner during his lifetime to any of the blood relations namely parents, children, grandchildren, brother(s), sister(s) and between spouse. However, in case of other transfer deeds, levy of SD continued as applicable in Schedule-I under Section 3 of the IS Act.

Scrutiny of records (May 2022 to March 2023) of offices of nine SRs/JSRs[14] for the years 2020-21 and 2021-22, revealed that SD and RF was remitted in 14 instruments of transfer deeds that were executed in favour of persons other than those allowed in the orders ibid of the Government. This irregular remission of SD and RF resulted in loss of revenue to the State exchequer of ₹ 61.61 lakh (SD: ₹ 58.71 lakh + RF: ₹ 2.90 lakh).

On this being pointed out, SR Gharaunda stated (September 2024) that an amount of ₹ 49,525 has been recovered and remaining eight SRs/JSRs[15] stated (November 2022 to September 2024) that cases had been/would be sent to the concerned Collectors u/s 47-A of the IS Act for decision.

The matter was referred to the Department in September 2023 and reported to the Government in June 2024; their replies have not been received (May 2025).

5.10 Short levy of stamp duty and registration fee due to misclassification of sale deeds as release deeds

Registering Authorities misclassified sale deeds as release deeds, resulting in short levy of stamp duty and registration fee of ₹ 45.80 lakh.

As per Government of Haryana clarification in December 2008 regarding article 55 in Schedule 1-A of the Indian Stamp Act, 1899 (IS Act), if a release instrument of ancestral property is executed in favour of brother or sister (children of renouncer's parents) or son or daughter or father or mother or

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13 'Remit' means exempting the stamp duty in whole executed in favour of blood relations mentioned as per Government order dated 16 June 2014.

14 Bawal, Ballabgarh, Ballah, Ganaur, Gharaunda, Gurugram, Karnal, Pillukhera and Khanpur Kalan.

15 Ballabgarh, Bawal, Ganaur, Gharaunda, Gurugram, Karnal, Pillukhera and Khanpur Kalan.

spouse or grand children or nephew or niece or co-parcener[16] of the renouncer, stamp duty will be levied ₹ 15 and in any other case, the same duty will be levied as a conveyance relating to sale of immovable property for the amount equal to the market value of the share, interest, part or claim renounced.

Scrutiny of records of the offices of 13 SRs/JSRs[17] (June 2022 to March 2023) revealed that 35 release deeds were executed (May 2020 to July 2022) in favour of persons other than those allowed as per the clarification of the Government. Hence, these deeds are to be treated as sale. The registering authorities, however, treated these deeds as release deeds and incorrectly levied stamp duty (SD) and registration fee (RF) of ₹ 8,169 only. The value as per Collector rates for these deeds was ₹ 6.57 crore on which SD and RF of ₹ 45.88 lakh was leviable. Misclassification of sale deeds as release deeds resulted in short levy of SD of ₹ 45.80 lakh.

On this being pointed out, concerned nine SR/JSRs[18] stated (February 2023 to September 2024) that 27 cases had been sent to the Collector u/s 47-A of the IS Act for decision. SR Shehzadpur stated in September 2023 that the case had been decided by the Collector, but recovery was pending. SR Dayalpur and Dhand stated (September 2022 to December 2022) that five cases would be sent to the Collector u/s 47-A of the IS Act for decision. JSR Dhauj stated (February 2023) that cases would be examined under intimation to the audit.

The matter was referred to the Department in July 2024 and reported to the Government in October 2024; their replies have not been received (May 2025).

5.11 Short levy of stamp duty and registration fee due to wrong computation of Annual Average Rent on lease deeds

Registering Authorities levied stamp duty and registration fee of ₹ 40.96 lakh on lease deeds on the basis of wrongly calculated annual average rent instead of stamp duty and registration fee of ₹ 83.32 lakh leviable, resulting in short levy of SD and RF of ₹ 42.36 lakh.

Article 35 of Schedule 1-A of Indian Stamp Act, 1899 (IS Act), provided for levy of stamp duty (SD) on lease deeds at prescribed rates for consideration equal to the amount or value of such fine or premium or advance in addition to the amount of the average annual rent reserved and on the basis of period of lease. The State Government has prescribed rate of Stamp Duty on rent agreements i.e. upto period of 5 years @ 1.5 *per cent*, above five years and upto

16 A person who inherited the property from the Hindus Undivided Family.

17 JSRs; Balla, Dayalpur, Dhand, Dhauj, Nigdu and Shezadpur; SRs; Kadipur, Kalayat, Manesar, Mulana, Rai, Siwani and Wazirabad.

18 Balla, Kadipur, Kalayat, Manesar, Mulana, Nigdu, Rai, Siwani and Wazirabad.

10 years @3 *per cent*, above 10 years and upto 20 years @6 *per cent*, above 20 years and upto 30 years @9 *per cent* and above 30 years @12 *per cent*.

Scrutiny of records of the offices of seven SRs[19] (May 2022 to March 2023) revealed that 21 instruments of lease[20] were registered during December 2019 to November 2021. These deeds were liable to be assessed for ₹ 26.09 crore on the basis of annual average rent on which stamp duty of ₹ 78.51 lakh and registration fees (RF) of ₹ 4.81 lakh was leviable. However, annual average rent was wrongly assessed for ₹ 24.77 crore and stamp duty of ₹ 36.37 lakh and registration fees of ₹ 4.59 lakh was levied. This resulted in short levy of SD and RF amounting to ₹ 42.36 lakh.

On this being pointed out, the concerned SRs stated (February to December 2024) that the cases had been sent to the concerned Collectors u/s 47-A of the IS Act for decision.

The matter was referred to the Department in December 2023 and reported to the Government in July 2024; their replies have not been received (May 2025).

5.12 Short levy of two *per cent* additional Gram Panchayat and Zila Parishad duty due to not implementing Government notification in time

Registering Authorities registered 133 instruments falling under Gram Sabha area and levied stamp duty of ₹ 48.81 lakh, instead of levying ₹ 75.79 lakh at the rate of two *per cent* surcharge on transaction value in addition to stamp duty. This resulted in short levy of stamp duty of ₹ 26.98 lakh in contravention of the order of Government of Haryana.

The Government of Haryana, vide notification[21], imposed a stamp duty at the rate of two *per cent* of the amount specified in each instrument for transfer of property in the form of surcharge on the duty imposed by the Indian Stamp Act, 1899 (IS Act), on instruments of sale, gift, mortgage and other transfer of immovable property situated in the *Sabha* area after 15 days from the date of publication of this order under section 41 of Haryana Panchayati Raj Act, 1994. The duty shall be collected by the Revenue and Disaster Management Department.

Scrutiny of records of nine SRs/JSRs offices[22] (June 2022 to March 2023) revealed that 133 instruments were registered on 24 and 25 February 2021

19 Kadipur, Rai, Farrukhnagar, Badashahpur, Gurugram, Badkhal and Tauru.

20 For the period ranging between five to 95 years

21 No. S.O.4/H.A.11/1994/S.41/2021 dated 09 February 2021

22 Chhachhruali, Hathin, Kalanwali, Kalayat, Naraingarh, Nigdu, Pehowa, Pundri and Saha.

falling under Gram Sabha area valuing ₹ 13.65 crore and SD of ₹48.81 lakh was levied, instead of levying ₹ 75.79 lakh at the rate of two *per cent* surcharge on transaction value in addition to stamp duty. This resulted in short levy of SD of ₹ 26.98 lakh.

On this being pointed out, concerned SRs/JSRs stated (March to December 2024) that an amount of ₹ 2.99 lakh had been recovered in 20 cases while as in 12 cases (Naraingarh and Pundri), decided by the Collector, recovery was still pending. The remaining 101 cases had been sent to the Collector u/s 47-A of the IS Act for decision.

The matter was referred to the Department in January 2024 and reported to the Government in July 2024; their replies have not been received (May 2025).

5.13 Short levy of stamp duty and registration fee on exchange of agriculture land

Registering Authorities registered eight instruments of exchange on the lands by incorrectly considering them in the same revenue estate and levied stamp duty of ₹ 2.02 lakh, instead of leviable amount of ₹ 23.70 lakh, resulting in short levy of stamp duty and registration fee of ₹ 21.68 lakh.

As per Section 31 of Schedule 1-A of the Indian Stamp Act, 1899 (IS Act), as applicable to State of Haryana, in case of 'exchange' of property between the two parties, the same duty is applicable as conveyance[23] for a consideration equal to the value of the property of greatest value as set forth in such instrument. Further, State Government vide notification[24], reduced the duty chargeable in respect of instrument of exchange of agricultural i.e., cultivated land comprising of *Barani, Abi, Nahri* and *Chahi* lands, subject to the condition that the exchange of agricultural land should be in the same revenue estate and nominal duty at the rate of five thousand rupees per deed of registration will be chargeable.

Scrutiny of records of five SRs/ JSRs[25] revealed that eight exchange deeds of agriculture land were registered during October 2021 to March 2022. Stamp Duty (SD) amounting to ₹ 0.40 lakh were levied on these deeds considering the agriculture land in the same revenue estate. However, SD and registration fee (RF) on these deeds were leviable on higher value of exchange of agriculture land, as the agricultural land pertained to different revenue estates. SD and RF of ₹ 23.70 lakh on these deeds were leviable instead of levied of ₹ 2.02 lakh.

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23 Conveyance No. 23.

24 No.S.O.40/C.A 2/1899/S.9/2021 dated 10 August 2021.

25 JSRs/SRs: Alewa, Karnal, Kadipur, Rai and Uchana.

This resulted in short levy of SD and RF of ₹ 21.68 lakh on exchange of agriculture land.

On this being pointed out, four JSRs/SRs[26] stated (June to September 2024) that seven cases had been sent to the Collector u/s 47-A of the IS Act for decision. SR Karnal stated (September 2024) that recovery orders have been issued but recovery is still pending.

The matter was referred to the Department in August 2023 and reported to the Government in April 2024, their replies have not been received (May 2025).

[26] JSRs/SRs: Alewa, Kadipur, Rai and Uchana.

Public Sector Undertakings

Chapter 6

Financial Performance of State Public Sector Enterprises

CHAPTER-6

FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR ENTERPRISES

6.1 Introduction

6.1.1 Definition of Government Company

A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company[1] owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

6.1.2 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints Chartered Accountants as Statutory Auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the Company's financial statements. Audit of Statutory Corporations is governed by their respective legislations. In respect of Haryana State Warehousing Corporation and Haryana Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the CAG.

6.1.3 SPSEs and their contribution to GSDP of the State

SPSEs consist of State Government Companies and Statutory Corporations. SPSEs are established to carry out activities of commercial nature keeping in view the welfare of the people and occupy an important place in the State

[1] The Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 4 September 2014.

economy. As on 31 March 2023, there were 37 SPSEs[2] in the State. They consisted of two[3] Statutory Corporations, 29 Government Companies (including three inactive Government companies[4]) and six Government Controlled Other Companies, all of which are under the audit jurisdiction of the CAG. The names of these SPSEs are given in ***Appendix 6.1***.

One SPSE, namely, Haryana Financial Corporation is listed on the stock exchange. There are three[5] inactive SPSEs (including one under liquidation) in the State. The State's investment in these inactive SPSEs towards capital was ₹ 11.13 crore as on 31 March 2023. The liquidation process of one[6] SPSE has been going on for 19 years and is still to be completed. The Government may consider winding up these inactive SPSEs early as these investments do not contribute to the economic growth of the State.

The ratio of turnover of SPSEs to Gross State Domestic Product (GSDP) shows the contribution of activities of the SPSEs in the State economy. The details of turnover of working SPSEs are given in ***Appendix 6.2***. Turnover of the working SPSEs and GSDP of the State for a period of three years ending 31 March 2023 are given in ***Table 6.1***.

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2 The details of 31 SPSEs are discussed in this chapter, as the first accounts of three SPSEs viz. Faridabad City Transport Services Limited, Karnal Smart City Limited, and Haryana Kaushal Rojgar Limited have not been received since their formation. Further, the details of three inactive SPSEs namely Haryana Minerals Limited, Haryana State Minor Irrigation and Tubewells Corporation Limited and Haryana State Housing Finance Corporation Limited are not included.

3 Haryana Financial Corporation and Haryana State Warehousing Corporation.

4 Inactive Government company means a company which has not been carrying on any business or operation, or has not made any significant accounting transaction, has not filed financial statements and annual returns during last two financial years.

5 Haryana Minerals Limited (inactive since 2001-02), Haryana State Minor Irrigation and Tubewells Corporation Limited (inactive since July 2002) and Haryana State Housing Finance Corporation Limited (inactive since 2003-04).

6 Haryana State Housing Finance Corporation Limited.

Table 6.1: Details of turnover of SPSEs *vis-a-vis* GSDP of Haryana

(₹ in crore)

Particulars	2020-21	2021-22	2022-23
Turnover			
Power sector SPSEs	32,216	37,657	53,726
Finance sector SPSEs	19	49	56
Services sector SPSEs	354	414	417
Infrastructure sector SPSEs	3,466	2,279	2,363
Other SPSEs	2,814	652	660
Total	**38,869**	**41,051**	**57,222**
GSDP of Haryana	7,58,507	8,95,672	9,94,154
Percentage of Turnover to GSDP of Haryana			
Power sector SPSEs	4.24	4.20	5.40
Finance sector SPSEs	0.002	0.005	0.006
Service sector SPSEs	0.05	0.05	0.04
Infrastructure sector SPSEs	0.46	0.25	0.24
Others SPSEs	0.37	0.07	0.07
Total	**5.12**	**4.58**	**5.76**

Source: Compilation based on turnover figures as per latest finalised accounts of SPSEs and GSDP figures (Advance estimates) as per Department of Economic and Statistical Analysis, Government of Haryana at current prices of the respective years for year-to-year comparison.

The contribution of SPSEs to GSDP of the State increased from 4.58 *per cent* in 2021-22 to 5.76 *per cent* in 2022-23. The contribution of Power Sector SPSEs to GSDP was ₹ 53,726 crore (5.40 *per cent*) in 2022-23. Though the contribution of all other sectors was minimal ₹ 3,496 crore (0.36 *per cent*), they were having staff of 2,919 employees (including those on deputation/contract basis). As on 31 March 2023, State Government had investment of ₹ 1,077.29 crore (Equity: ₹ 896.41 crore and long-term loans: ₹ 180.88 crore) in other sectors SPSEs. In addition to it, ₹ 336.05 crore of Grants and subsidies was provided to nine of these SPSEs by GoH during 2022-23.

6.2 Investment in SPSEs and Budgetary support

6.2.1 Equity holding and Loans in SPSEs

The sector-wise position of total Equity and Equity Contribution by the State Government and Long-Term Loans including the loans given by the State Government in 31 working SPSEs as on 31st March 2023 is given in ***Table 6.2***.

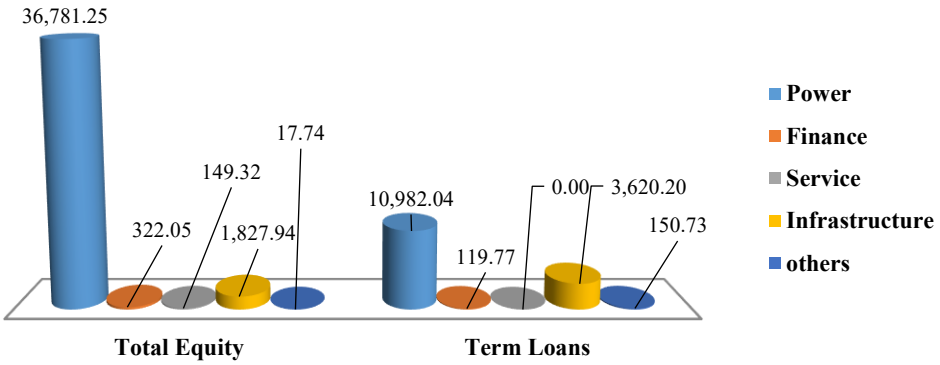
Table-6.2: Sector-wise investment in SPSEs

Name of Sector	Investment (₹ in crore)					Percentage of Total Equity and Long-Term Loans
	Total Equity	State Government Equity	Total Long-Term Loans	State Government Loans	Total Equity and Long-Term Loans	
Power	36,781.25	35,651.99	10,982.04	0	**47,763.29**	**88.50**
Finance	322.05	291.38	119.77	0	**441.82**	**0.82**
Service	149.32	77.00	0	0	**149.32**	**0.28**
Infrastructure	1,827.94	518.25	3,620.20	112.94	**5,448.14**	**10.09**
Others	17.74	9.78	150.73	67.94	**168.47**	**0.31**
Total	**39,098.30**	**36,548.40**	**14,872.74**	**180.88**	**53,971.04**	**100.00**

Source: Information provided by the SPSEs.

The investment in equity and term loans in these SPSEs can be seen in ***Chart 6.1*** shown below:

Chart 6.1: Investment in Equity and Term Loans in SPSEs



The thrust of investments was on Power sector SPSEs which had received as much as 88.50 *per cent* (₹ 47,763.29 crore) of the total investment of ₹ 53,971.04 crore as on 31 March 2023. The State Government share was 68.05 *per cent* (₹ 36,729.28 crore) of total investment of ₹ 53,971.04 crore.

From the analysis of Long-term loans of SPSEs outstanding as on 31 March 2023, it was observed that one SPSE i.e. Haryana Agro Industries Corporation Limited raised (March 2013 to March 2014) four loans amounting to ₹ 12.84 crore for construction of godown from National Bank for Agriculture and Rural Development (NABARD). These loans were repayable in five equal quarterly instalments from April 2015/April 2016. However, these loans were not repaid and the overdue amount was ₹ 24.75 crore (Principal: ₹ 12.84 crore and Interest: ₹ 11.91 crore) upto 31 March 2023.

6.2.2 Budgetary Support

The Government of Haryana (GoH) provides financial support to SPSEs in various forms through the annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans repaid/written off and loans converted into equity in respect of SPSEs[7] during the last three years ending March 2023 are given in ***Table 6.3***.

[7] No investment/budgetary support was made to the inactive companies during 2022-23.

Table 6.3: Details regarding budgetary support to SPSEs during the years

(₹ in crore)

Particulars	2020-21		2021-22		2022-23	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
(i) Equity Capital outgo	6	631.67	4	151.93	9	200.12
(ii) Loans given	5	104.98	5	101.09	4	407.76
(iii) Grants/Subsidy provided	7	438.52	8	442.54	9	336.05
Total Outgo (i+ii+iii)		**1,175.17**				**943.93**
Loan repayment/ written off	4	254.66	6	245.72	3	297.70
Loans converted into equity	Nil	Nil	Nil	Nil	Nil	Nil
Guarantees issued	5	3,793.00	6	2,336.85	5	2,650.16
Guarantee Commitment	8	8,698.72	9	9,148.73	9	11,447.93

Source: Information provided by SPSEs.

6.2.3 Market Capitalisation of equity investment in SPSEs

Market capitalisation represents market value of shares of Companies which are listed. Only one SPSE i.e. Haryana Financial Corporation (HFC) is listed on the Bombay stock exchange. Though HFC is a listed entity, it has not sanctioned any fresh loan since May 2010 and the last trading of shares of the Corporation took place on 13 July 2011 at a price ₹ 24.65.

6.2.4 Disinvestment, Restructuring and Privatisation

During the year 2022-23, there was no case of privatisation of SPSEs. The State Government has not prepared any policy on disinvestment of State Government equity invested in the SPSEs.

6.3 Returns from SPSEs

6.3.1 Profit earned by SPSEs

The number of SPSEs[8] that reported profits in their latest financial statements available during 2022-23 reduced to 19 as against 20 SPSEs in 2021-22. The profits earned increased from ₹ 648.75 crore[9] in 2021-22 to ₹ 1,049.20 crore in 2022-23. The Return on Equity (RoE) of the profit earning SPSEs stood at 6.73 *per cent* in 2022-23 as compared to 10.32 *per cent* in 2021-22. The RoE for all the 31 working SPSEs was 6.45 *per cent* in 2022-23 as per their latest financial statements.

The top three profit earning SPSEs are mentioned in ***Table 6.4*** below, as per their latest available financial statements.

[8] Excluding one SPSE i.e. Faridabad Smart City Limited which has no profit and no loss for the annual accounts 2020-21.

[9] Figures of profit of SPSEs have been taken after considering the effect of other comprehensive income/expenses.

Table 6.4: Top three SPSEs which contributed to profit during the year 2022-23

Name of SPSEs	Net profit earned (₹ in crore)	Percentage of profit to total SPSEs' profit
Haryana Vidyut Prasaran Nigam Limited	396.02	37.74
Haryana State Industrial and Infrastructure Development Corporation Limited	171.03	16.30
Dakshin Haryana Bijli Vitran Nigam Limited	127.18	12.12
Total	**694.23**	**66.16**

The above three SPSEs alone had contributed as much as 66.16 *per cent* of the total profit (₹ 1,049.20 crore) earned by 19 SPSEs during 2022-23.

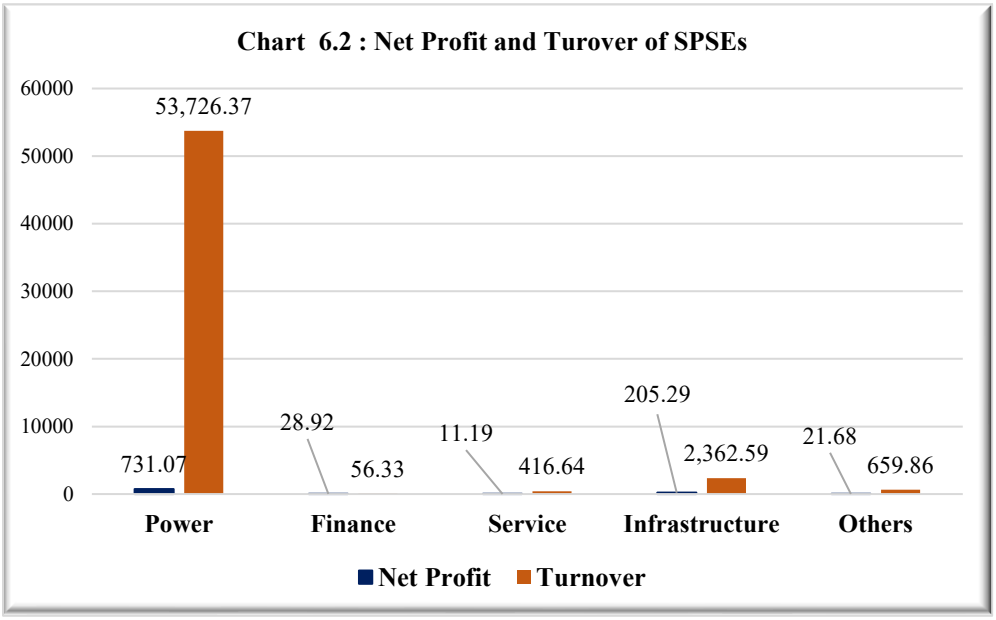
Sector-wise Net profit ratio[10] is depicted in ***Table 6.5.***

Table 6.5: Sector-wise Net profit ratio of SPSEs during the year 2022-23

(₹ in crore)

Sector	Net Profit	Turnover	Net profit Ratio (in *per cent*)
Power	731.07	53,726.37	1.36
Finance	28.92	56.33	51.34
Service	11.19	416.64	2.69
Infrastructure	205.29	2,362.59	8.69
Others	21.68	659.86	3.29
Total	**998.15**	**57,221.79**	**1.74**

Source: Latest financial statement of SPSEs.



6.3.2 Dividend payout by SPSEs

Nine SPSEs finalised their accounts for the financial year 2022-23 and reported profits of ₹ 750.67 crore. The State Government had formulated (October 2003) guidelines under which all SPSEs are required to pay a minimum return of four *per cent* on the paid up share capital of the State Government. Further, the Finance Minister, Government of Haryana in his budget speech for the year 2023-24 also proposed that State PSEs in profit for the year 2022-23 shall transfer 25 *per cent*

[10] Net profit ratio = Net Profit/Turnover*100.

of their profits to the State Government to enable the Government to meet its development goals. Out of nine SPSEs, seven SPSEs reported profit for the financial year 2022-23. However, only one SPSE (Haryana Vidyut Prasaran Nigam Limited) declared dividend of ₹ 25 crore (0.63 *per cent* of profit).

Three[11] SPSEs declared dividend of ₹ 4.84 crore[12] against their net profits of ₹ 41.38 crore on their results declared during the year 2022-23, of the financial year 2021-22. The position of dividend payouts in the last three years is detailed in ***Table 6.6***.

Table 6.6: Dividend Payout by SPSEs

(₹ in crore)

Year	Sector	No. of SPSEs which declared dividend	Paid Up Capital	Net Profit	Dividend Declared
2020-21	Service	1	5.00	4.73	0.20
	Others	1	5.84	58.68	8.80
	Total	**2**	**10.84**	**63.41**	**9.00**
2021-22	Others	2	6.04	112.50	16.52
	Total	**2**	**6.04**	**112.50**	**16.52**
2022-23	Power	1	3,990.15	396.02	25
	Others	3	7.60	41.38	4.84
	Total	**4**	**3,997.75**	**437.40**	**29.84**

Source: Information provided by the SPSEs.

6.3.3 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a Company's Earnings Before Interest and Taxes (EBIT) by the Capital Employed[13]. The details of RoCE of SPSEs during the period from 2020-21 to 2022-23 are given in ***Table 6.7***.

[11] Haryana Forest Development Corporation Limited, Haryana Land Reclamation and Development Corporation Limited and Haryana Warehousing Corporation.

[12] Haryana Forest Development Corporation Limited declared dividend of ₹ 0.06 crore (30 *per cent*), Haryana Land Reclamation and Development Corporation Limited declared dividend of ₹ 0.06 crore (4 *per cent*) and Haryana State Warehousing Corporation declared dividend of ₹ 4.72 crore (80.82 *per cent*).

[13] Capital Employed = Paid up Share Capital + Free Reserves and surplus + Long term Loans – Accumulated losses – Deferred Revenue Expenditure.

Table 6.7: Return on Capital Employed of SPSEs

(₹ in crore)

Year	Sector	EBIT	Capital Employed	RoCE (in *per cent*)
2020-21	Power	2,000.14	19,257.73	10.39
	Finance	14.54	305.78	4.76
	Service	18.81	236.24	7.96
	Infrastructure	2,281.50	9,085.49	25.11
	Others	116.42	181.62	64.10
	Total	**4,431.41**	**29,066.86**	**15.25**
2021-22	Power	2,363.60	19,235.75	12.29
	Finance	40.38	338.70	11.92
	Service	42.32	252.51	16.76
	Infrastructure	1,051.58	8057.92	13.05
	Others	164.65	256.06	64.30
	Total	**3,662.53**	**28140.94**	**13.01**
2022-23	Power	3,502.83	21,252.87	16.48
	Finance	49.52	356.13	13.91
	Service	15.97	273.64	5.84
	Infrastructure	1,073.92	9,824.22	10.93
	Others	53.73	210.73	25.50
	Total	**4,695.97**	**31,917.59**	**14.71**

Source: Latest financial statement of SPSEs. The RoCE has been calculated by excluding the capital employed and EBIT figures of two Companies for 2020-21 and three Companies each for 2022-23 and 2023-24 respectively, wherein the capital employed is negative and hence RoCE was indeterminate. Therefore, the RoCE as calculated above may not be fully reflecting the sectoral performance.

The overall RoCE was positive during 2020-21 to 2022-23. Further, there was decrease in RoCE of Service Sector, Infrastructure Sector and Others Sector in 2022-23 as compared to 2021-22.

6.3.4 Return on Equity by SPSEs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if both its net income and shareholders' fund are positive numbers.

The Return on Equity (RoE) of the profit earning 19 working SPSEs stood at 6.73 *per cent* in 2022-23. The RoE in respect of all the 31 working SPSEs[14] including 11 loss making SPSEs was 6.45 *per cent* in 2022-23.

Shareholders' fund or net worth is calculated by adding paid up capital and free reserves reduced by net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's shareholders if all assets were sold and all debts paid. A positive net worth (shareholders fund) indicates that the company has enough assets to cover its liabilities while a negative net worth means liabilities exceed assets.

[14] Including one SPSE working on no profit no loss basis: Faridabad Smart City Limited.

The details of Shareholders' Fund and RoE relating to working SPSEs are given below in ***Table* 6.8**.

Table 6.8: Return on Equity relating to SPSEs

(₹ in crore)

Year	Sector	Net Income	Shareholders' Fund	ROE (Percentage)
2020-21	Power	279.18	8,987.57	3.11
	Finance	11.69	233.04	5.02
	Service	(-)35.13	228.29	--
	Infrastructure	919.68	3,057.17	30.08
	Others	97.76	(-)28.25	--
	Total	**1,273.18**	**12,477.82**	**10.20**
2021-22	Power	(-)163.45	9,485.49	--
	Finance	34	263.78	12.89
	Service	32.89	245.51	13.40
	Infrastructure	177.90	3,411.72	5.21
	Others	107.76	3.23	3,336.22
	Total	**189.10**	**13,409.73**	**1.41**
2022-23	Power	731.07	10,270.83	7.12
	Finance	28.92	271.40	10.66
	Service	11.19	264.00	4.24
	Infrastructure	205.29	4,749.65	4.32
	Others	21.68	(-)85.92	--
	Total	**998.15**	**15,469.96**	**6.45**

Source: Latest financial statements of SPSEs.

The overall ROE of SPSEs was higher during the year 2022-23 as compared to 2021-22 which is attributed to profits earned by Power sector SPSEs, although decrease in net income of Finance sector SPSEs, Service sector SPSEs and other sector SPSEs resulted in decrease of RoE of the said sectors during the year 2022-23 as compared to 2021-22.

6.4 Debt Servicing

6.4.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not even generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in SPSEs which had interest burden are given below in ***Table 6.9***.

Table 6.9: Interest coverage ratio of SPSEs

(₹ in crore)

Year	Sector	Interest	Earnings before Interest and Tax (EBIT)	Number of SPSEs having liability of loans from Government and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
2020-21	Power	1,222.34	2,000.14	4	4	-
	Finance	2.80	14.54	2	2	-
	Service	1.49	(-)22.87	2	1	1
	Infrastructure	914.63	2,281.50	3	2	1
	Others	103.97	184.43	3	2	1
	Total	**2,245.23**	**4,457.74**	**14**	**11**	**3**
2021-22	Power	1,164.26	2,363.60	4	4	-
	Finance	2.75	40.38	2	2	-
	Service	1.34	(-)1.44	2	0	2
	Infrastructure	838.53	1,051.58	3	1	2
	Others	40.80	187.51	3	2	1
	Total	**2,047.68**	**3,576.55**	**14**	**9**	**5**
2022-23	Power	1,335.83	3,502.83	4	4	-
	Finance	15.88	23.81	3	3	-
	Service	1.34	17.38	2	1	1
	Infrastructure	841.86	1,038.06	4	2	2
	Others	31.39	46.35	3	2	1
	Total	**2,226.30**	**4,628.43**	**16**	**12**	**4**

Source: Latest financial statement of SPSEs.

It was observed that SPSEs of Power and Finance sectors had interest coverage ratio of more than one during 2022-23. However, in case of Service, Infrastructure and Other sector SPSEs, only five SPSEs had Interest Coverage Ratio of more than one and the remaining four SPSEs had interest Coverage Ratio of less than one. Thus, these SPSEs were not generating sufficient revenues to meet their expenses on interest.

6.5 SPSEs incurring losses

6.5.1 Losses incurred

Eleven SPSEs[15] reported losses as per their latest accounts finalised during the year 2022-23. The position of SPSEs reporting losses during the last three years is given below in ***Table 6.10***.

[15] (i) Haryana Woman Development Corporation (ii) Hartron Informatics Limited, (iii) Gurugram Metropolitan City Bus Limited (iv) Haryana Roadways Engineering Corporation Limited (v) Haryana Tourism Corporation Limited (vi) Drone Imaging & Information Services of Haryana Limited (vii) Haryana Mass Rapid Transport Corporation Limited (viii) Haryana Police Housing Corporation Limited (ix) Haryana Agro Industries Corporation Limited (x) Haryana International Horticultural Marketing Corporation Limited and (xi) Panipat Plastic Park Haryana Limited. Three PSUs viz. Faridabad City Transport Services Limited, Karnal Smart City Limited and Haryana Kaushal Rojgar Limited have not furnished their first accounts. One PSU i.e. Faridabad Smart City Limited which has no profit no loss for annual accounts 2020-21. Hence, these four PSUs have not been considered.

Table 6.10: Number of SPSEs that incurred losses during 2020-21 to 2022-23

(₹ in crore)

Year	Sector	No of loss making SPSEs	Net loss for the year	Accumulated Profit/loss	Net Worth[16]	Paid Up Capital
2020-21	Power	2	357.50	547.54	7,725.98	7,178.44
	Finance	1	1.85	(-)109.34	98.32	207.66
	Service	4	63.51	(-)51.38	36.39	87.77
	Infrastructure	3	2.82	(-)4.07	21.13	25.20
	Others	1	0.03	(-)0.04	0.96	1.00
	Total	**11**	**425.71**	**382.71**	**7,882.78**	**7,500.07**
2021-22	Power	2	426.49	(-)159.14	7,019.3	7,178.44
	Finance	-	-	-	-	-
	Service	2	9.04	(-)4.11	36.76	40.87
	Infrastructure	3	10.41	(-)11.88	241.36	253.24
	Others	2	13.71	(-)182.61	(-)177.47	5.14
	Total	**9**	**459.65**	**(-)357.74**	**7,119.95**	**7,477.69**
2022-23	Power	-	-	-	-	-
	Finance	1	0.01	(-)0.14	16.47	16.61
	Service	6	21.43	(-)69.56	35.60	105.16
	Infrastructure	2	5.93	(-)13.69	43.22	56.91
	Others	2	23.68	(-)210.31	(-)205.17	5.14
	Total	**11**	**51.05**	**(-)293.70**	**(-)109.88**	**183.82**

Source: Latest financial statement of SPSEs.

In 2022-23, out of total loss of ₹ 51.05 crore incurred by 11 SPSEs as per their latest financial results, loss of ₹ 23.68 crore[17] (46.39 *per cent*) and ₹ 21.43 crore[18] (41.98 *per cent*) was attributed to 'Others' sector SPSEs and Service sector SPSEs, respectively.

It was also observed that three[19] out of nine SPSEs which had incurred losses in 2021-22 earned profits during 2022-23, whereas four[20] out of 11 SPSEs had incurred loss during 2022-23 but had earned profit during 2021-22. One SPSE (Drone Imaging & Information Services of Haryana Limited) incurred losses in its first account during 2022-23.

6.5.2 Erosion of Capital in SPSEs

As on 31 March 2023, there were 15 SPSEs with accumulated losses of

16 Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

17 Haryana Agro Industries Corporation Limited and Haryana International Horticultural Marketing Corporation Limited.

18 (i) HARTRON Informatics Limited, (ii) Gurugram Metropolitan City Bus Limited, (iii) Haryana Roadways Engineering Corporation Limited, (iv) Haryana Tourism Corporation Limited, (v) Drone Imaging & Information Services of Haryana Limited. (vi) Panipat Plastic Park Haryana Limited.

19 (i) Haryana Power Generation Corporation Limited (ii) Haryana Vidyut Prasaran Nigam Limited (iii) Haryana Orbital Rail Corporation Limited.

20 (i) Haryana Women Development Corporation Limited (ii) Hartron Informatics Limited (iii) Gurugram Metropolitan City Bus Limited and (iv) Panipat Plastic Park Haryana Limited.

₹ 27,876.14 crore ***(Appendix 6.3)***. Of these, 10 SPSEs[21] incurred losses amounting to ₹ 51.05 crore as per their latest finalised accounts.

Five SPSEs[22] had not incurred losses as per their latest finalised accounts, though they had accumulated losses of ₹ 27,577.44 crore. Out of these five, three Power sector SPSEs (Haryana Power Generation Corporation Limited, Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited) had accumulated losses of ₹ 27,489.43 crore.

The net worth of four SPSEs out of 31 SPSEs had been completely eroded by their accumulated losses. It was (-) ₹ 214.81 crore against equity investment of ₹ 61.94 crore as on 31 March 2023 (***Table 6.11)***. The net worth had remained negative for duration of last one to 9 years.

Table 6.11: Details of SPSEs whose net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sr. No	Name of the SPSE	Latest year of accounts	Paid-up capital	Total Revenue	Total Expen-diture	Net Profit (+)/ Loss (-) after interest, tax	Accumu-lated Losses	Net Worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
	1	2	3	4	5	6	7	8	9	10	11
1	Haryana Agro Industries Corporation Limited[23]	2021-22	4.14	111.22	132.94	(-) 22.99	(-) 208.53	(-) 204.39	2013-14	2.54	0
2	Gurugram Metropolitan City Bus Limited[24]	2021-22	50	120.34	123.40	(-) 2.64	(-) 57.47	(-) 7.47	2019-20	0	0
3	Haryana Roadways Engineering Corporation[25]	2021-22	6.8	13.52	21.19	(-) 5.82	(-) 8.97	(-) 2.17	2021-22	6.85	0
4	Haryana International Horticultural Marketing Corporation Limited[26]	2022-23	1.00	0.44	1.12	(-) 0.69	(-) 1.78	(-) 0.78	2021-22	0	0
	Total		**61.94**	**245.52**	**278.65**	**(-) 32.14**	**(-) 276.75**	**(-) 214.81**		**9.39**	**0**

Source: Information in respect of columns 3 to 9 as per latest finalised accounts and in respect of columns 10 and 11, information obtained from SPSEs concerned.

21 (i) Haryana Women Development Corporation Limited (ii) Gurugram Metropolitan City Bus Ltd (iii) Haryana Roadways Engineering Corporation (iv) Haryana Tourism Limited (v) Drone Imaging & Information Services (vi) Haryana Police Housing Corporation (vii) Haryana Mass Rapid Transport Corporation Limited (viii) Haryana Agro Industries Corporation Ltd (ix) Haryana International Horticultural Marketing Corporation Ltd and (x) Panipat Plastic Park Haryana limited.

22 (i) Haryana Power Generation Corporation Limited (2022-23) (ii) Uttar Haryana Bijli Vitran Nigam Limited (2022-23) (iii) Dakshin Haryana Bijli Vitran Nigam Limited (2022-23) (iv) Haryana Orbital Rail Corporation Limited (2022-23) and (v) Haryana Financial Corporation (Statutory Corporation) (2021-22).

23 The Company has generated positive cash flow of ₹ 6.62 crore (cash profit before working capital change) from its operations during the year 2021-22.

24 The Company has generated positive cash flow of ₹ 6.77 crore (cash profit before working capital change) from its operations during the year 2021-22.

25 The Company has negative cash flow of ₹ 6.42 crore (cash loss before working capital change) from its operations which is being funded mainly through other current liabilities as the same increased by ₹ seven crore during 2021-22 as compared to previous year.

26 The Company has not started its operation yet.

6.6 Return on the basis of Present Value of Investment

The Present Value (PV) of the State Government investment has been computed in respect of 27 SPSEs[27] where the State Government has invested in equity/interest free loans and grant/subsidy to assess the rate of return/loss on the present value of investments of State Government in these SPSEs as compared to historical value of investments. In order to bring the historical cost of investments to its present value at the end of each year up to 31 March 2023, the past investments/ year-wise funds infused by the State Government in these SPSEs have been compounded at the year-wise weighted average interest rate on State Government securities which is considered as the minimum cost of funds to the Government for the concerned year.

The PV of the State Government investment in the SPSEs was computed on the basis of the following assumptions:

- In addition to actual infusion by the State Government in the SPSEs in the form of equity; grants/subsidy (for operational and administrative expenses) given by the State Government to the SPSEs have been considered as investment infusion by the State Government.
- In the cases where interest-free loans given to the SPSEs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest-free loans and added to the equity of that year.
- The average rate of interest on Government borrowings for the financial year concerned was adopted as compounded rate for arriving at Present Value since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

For the purpose of PV calculation of State Government investment, the period beginning 1999-2000 till 2022-23 has been taken considering the investment of the State Government in SPSEs as on 31 March 2000 as PV of State Government investment at the beginning of 2000-01.

The details of State Government investment in SPSEs in the form of equity/ interest-free loans and grants/subsidy along with the consolidated position of the PV of such State Government investment in the SPSEs is indicated in ***Table 6.12.***

[27] Includes one inactive SPSE i.e. Haryana State Minor Irrigation and Tubewells Corporation Limited and one SPSE i.e. Haryana Concast Limited dissolved during the year on 30 September 2022.

Table 6.12: Present value (Real Return) of Government Investment from 1999-2000 to 2022-23

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest free loan given by the state Government during the year	Grants/ Subsidies given by State Government for operational and administrative Expenditure	Total investment during the year	Total investment at the end of the year	Average rate of interest on Government borrowings (in *per cent*)	Present value of total investment at the end of the year	Minimum expected return	Total earnings for the year	Return on Investment (in percentage)
1	2	3	4	5	6= (3+4+5)	7=2+6	8	9= (7x8/ 100) + 7	10 = 7x8/ 100	11	12=11/9* 100
1999-2000		612.33*	-	49.95	662.28	662.28	12.05	742.09	79.80	(-) 436.59	-
2000-01	742.09	310.48	-	73.50	383.98	1,126.07	11.40	1,254.44	128.37	(-) 221.85	-
2001-02	1,254.44	59.75	-	98.18	157.93	1,412.37	10.50	1,560.66	148.30	(-) 174.72	-
2002-03	1,560.66	125.40	-	77.49	202.89	1,763.55	10.74	1,952.96	189.41	36.70	1.88
2003-04	1,952.96	123.78	-	80.43	204.21	2,157.17	10.20	2,377.20	220.03	236.76	9.96
2004-05	2,377.20	165.41	-	22.23	187.64	2,564.84	8.49	2,782.60	217.75	(-) 368.24	-
2005-06	2,782.60	417.07	-	31.59	448.66	3,231.26	8.95	3,520.46	289.20	(-) 327.89	-
2006-07	3,520.46	789.96	-	25.90	815.86	4,336.32	9.20	4,735.26	398.94	(-) 442.18	-
2007-08	4,735.26	1,002.23	-	83.03	1,085.26	5,820.52	7.43	6,252.97	432.46	(-) 730.53	-
2008-09	6,252.97	951.64	-	67.39	1,019.03	7,272.00	7.82	7,840.68	568.67	(-) 1,070.16	-
2009-10	7,840.68	903.80	-	41.96	945.76	8,786.44	9.29	9,602.70	816.26	(-) 1,406.59	-
2010-11	9,602.70	888.59	-	98.80	987.39	10,590.09	9.22	11,566.50	976.41	(-) 453.63	-
2011-12	11,566.50	594.63	-	167.40	762.03	12,328.53	9.73	13,528.09	1,199.57	(-) 10,096.15	-
2012-13	13,528.09	176.64	-	61.71	238.35	13,766.44	9.86	15,123.81	1,357.37	(-) 3710.51	-
2013-14	15,123.81	102.93	-	94.88	197.81	15,321.62	9.83	16,827.74	1,506.12	(-) 3,943.54	-
2014-15	16,827.74	75.76	-	153.74	229.50	17,057.24	9.33	18,648.69	1,591.44	(-) 2,648.04	-
2015-16	18,648.69	1,638.52	-	4,076.41	5,714.93	24,363.62	8.64	26,468.64	2,105.02	(-) 1,779.65	-
2016-17	26,468.64	1,931.09	-	4,199.98	6,131.07	32,599.71	8.00	35,207.68	2,607.98	63.68	0.18
2017-18	35,207.68	5462.30	-	176.82	5,639.12	40,846.80	8.10	44,155.39	3,308.59	910.95	2.06
2018-19	36,370.39**	13,327.92	-	350.46	13,678.38	50,048.77	8.81	54,458.07	4,409.30	960.37	1.76
2019-20	54,458.07	5,838.78	-	11.15	5,849.93	60,308.00	8.31	65,319.59	5,011.59	968.29	1.48
2020-21	65,319.59	631.67	-	104.78	736.45	66,056.04	6.50	70,349.68	4,293.64	1,273.18	1.81
2021-22	70,349.68	151.93	-	50.31	202.24	70,551.92	7.05	75,525.83	4,973.91	165.39	0.22
2022-23	75,525.83	200.12	-	230.15	430.27	75,956.10	6.72	81,060.35	5,104.25	995.82	1.23
Total		**35,870.40**	-	**2,643.24#**	**39,125.97#**						

*Equity infused amounting to ₹ 844.23 crore *less* initial accumulated residual losses of ₹ 231.90 crore transferred to Power Sector SPSEs. Information in respect of column nos. 3, 4 and 10 is compiled from printed Audit Reports of respective years.

**The difference of ₹ 7,785 crore in opening balance was due to grant received under UDAY Scheme (₹ 3,892.50 crore during 2015-16 and 2016-17 in each year) which was converted into equity during 2018-19 as its impact had already been taken in grant of respective years.

#Total grants exclude ₹ 7,785 crore converted into equity during the year 2018-19.

The balance of investment of the State Government in these SPSEs at the end of 2022-23 increased to ₹ 39,125.97 crore from ₹ 612.33 crore (equity infused ₹ 844.23 crore *minus* initial residual accumulated losses of ₹ 231.90 crore) in 1999-2000 as the State Government made further investments in the shape of equity, interest-free loan and grant/subsidy of ₹ 38,513.64 crore. The PV of investments of the State Government up to 31 March 2023 worked out to ₹ 81,060.35 crore.

The total earnings for the years 1999-2000 to 2001-02 and 2004-05 to 2015-16 for these SPSEs were negative which indicates that the State Government could not recover its cost of funds. Though there were positive total earning during 2002-03, 2003-04 and during 2016-17 to 2022-23 yet they were substantially below the minimum expected returns. The Return on Present Value of Investment for the last five years *i.e.* 2018-19 to 2022-23 ranged between 0.22 and 1.81 *per cent*, which was mainly due to infusion of funds under Ujjwal Discom Assurance Yojna (UDAY) scheme in the power distribution companies.

6.7 Conclusions

As on 31 March 2023, there were 37 SPSEs (two Statutory Corporations and 35 Government Companies (including three inactive Government Companies) in the State under the audit jurisdiction of the CAG. Nineteen SPSEs reported profit as per their latest financial statements in 2022-23 against 20 SPSEs in 2021-22. The profit earned increased from ₹ 648.75 crore in 2021-22 to ₹ 1,049.20 crore in 2022-23. Eleven SPSEs reported losses ₹ 51.05 crore as per their latest accounts finalised during the year 2022-23. The net worth of four SPSEs out of 31 SPSEs had been completely eroded by their accumulated losses.

6.8 Recommendations

The State Government needs to:

(i) Take an early decision regarding commencement of liquidation process in respect of inactive SPSEs as they are neither contributing to State economy nor meeting the objectives for which they were set up.

(ii) Analyse the reasons of losses in those SPSEs whose net worth has been eroded and initiate steps to make their operations efficient and profitable.

Chapter 7

Oversight Role of Comptroller and Auditor General of India

CHAPTER-7

OVERSIGHT ROLE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

Comptroller and Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Other Company under Sections 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

7.1 Appointment of statutory auditors of State Public Sector Enterprises (SPSEs) by CAG

Section 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the State Government Companies for the year 2022-23 were appointed by the CAG upto September 2023.

7.2 Submission of accounts by State Public Sector Enterprises

7.2.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, an Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report must be laid before the Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold an AGM of the shareholders once in every calendar year and that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

The annual accounts of various SPSEs were pending as on September 2023, as detailed in the following paragraph.

7.2.2 Timeliness in preparation of accounts by SPSEs

As of 31 March 2023, there were 35 SPSEs under the purview of CAG's audit. Of these 35 SPSEs, accounts for the year 2022-23 were due from 34 SPSEs (including from two inactive SPSEs except from Haryana State Housing Finance Limited which is under liquidation). However, only nine SPSEs submitted their accounts of the year 2022-23 for audit to CAG by 30 September 2023. As many as 60 accounts of 25 SPSEs were in arrears, for various reasons as detailed in ***Appendix 7.1***. They included three accounts of three SPSEs whose net worth had been completely eroded.

Details of arrears in submission of accounts of SPSEs are given in ***Table 7.1***.

Table 7.1: Details of arrears in submission of accounts of Government Companies

Particulars		SPSEs	Number of Accounts
Total number of Companies under the purview of CAG's audit as on 31 March 2023		35	--
***Less*:** Companies under liquidation from which accounts for 2022-23 were not due		1	--
***Less*:** New companies from which accounts for 2022-23 were not due		-	--
Number of companies from which accounts for 2022-23 were due		34	34
Number of companies which presented their accounts for CAG's audit by 30 September 2023		9	9
Number of companies with accounts in arrears		25	60
Breakup of Arrears	(i) Inactive	2	5
	(ii) First Accounts not submitted	3	12
	(iii) Others	20	43
Age-wise analysis of arrears against 'Others' category	One year	8	8
	Two years	5	10
	Three years and above	7	25

Source: Complied on the basis of annual accounts received in the office of Principal Accountant General (Audit) Haryana

7.2.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of two statutory corporations[1] is being conducted by the Chartered Accountants and supplementary audit is conducted by the CAG. Neither of the two statutory corporations presented their accounts for the year 2022-23 for audit before September 2023. As on September 2023, two accounts (i.e. of the year 2022-23) of these two Statutory Corporations were pending.

7.3 CAG's oversight - Audit of accounts and supplementary audit

7.3.1 Financial reporting framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in

[1] Haryana Financial Corporation and Haryana State Warehousing Corporation.

consultation with National Advisory Committee on Accounting Standards renamed as National Financial Reporting Authority[2]. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

7.3.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

7.3.3 Supplementary Audit of accounts of SPSEs

The prime responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

[2] Effective from 01st October 2018.

7.4 Result of CAG's oversight role

7.4.1 Audit of accounts of SPSEs

Twenty six financial statements for the year 2022-23 and of earlier years were received from 24 SPSEs during October 2022 to September 2023. 18 of these 26 Financial Statements were reviewed in audit by the CAG while Non-Review Certificates were issued for eight SPSEs. The results of the review are detailed below:

7.4.2 Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies

Subsequent to the audit of the Financial Statements for the year 2022-23 by statutory auditors, the CAG conducted supplementary audit of the six Financial Statements of six SPSEs. Some of the significant comments issued on Financial Statements of SPSEs for the year 2022-23, the financial impact of which was ₹ 55.71 crore on the profitability and ₹ 4,254.96 crore on financial position, have been detailed in ***Table 7.2*** and ***Table 7.3***.

Table 7.2: Impact of the Comments on the Profitability of Government Companies

Sr. No.	Name of the Company	Comments
1	**Haryana Vidyut Prasaran Nigam Limited for the year 2022-23**	The Company capitalised 71 works amounting ₹ 293.80 crore from April 2022 to March 2023 which were commissioned from December 2016 to February 2023. Depreciation on these assets was calculated from the date of transfer i.e. April 2022 to March 2023 instead of from the date of commissioning of the respective projects. Resultantly, the Company booked less depreciation of ₹ 44.33 crore on these assets. This resulted in understatement of depreciation and amortisation expense and overstatement of profit by ₹ 44.33 crore during the year 2022-23.
2	**Dakshin Haryana Bijli Vitran Nigam Limited**	The Company made payment of ₹ 11.28 crore to HPGCL regarding Fuel Price Adjustment bill and ₹ 0.10 crore to Jaypee Power Limited regarding power purchase cost in May and June 2023 respectively. These bills pertained to the year 2022-23 and liability for payment of ₹ 11.38 crore should have been provided in the year 2022-23. However, the Company had not booked any liability against these bills during 2022-23 which resulted in understatement of Other current liabilities by ₹ 11.38 crore and overstatement of profit to the same extent.

Table-7.3: Impact of the Comments on Financial Position of Government Companies

Sr. No.	Name of the Company	Comments
1.	**Haryana Vidyut Prasaran Nigam Limited**	Advance to a supplier amounting to ₹ 2.08 crore was recovered (April 2017) from the running bills of the party but no adjustment entry was passed in this regard. This resulted in overstatement of "Other Non-Current Assets" and understatement of "Capital Work in Progress" by ₹ 2.08 crore.
2	**Haryana Power Generation Corporation Limited**	Provision amounting ₹ 781.14 crore was understated by ₹ 143.24 crore due to short provision on account of 'Non funded liability'. Provision of ₹ 156.02 crore has been made against the liability of ₹ 299.26 crore as per Actuarial Valuation report. This resulted in overstatement of 'Other Equity' by ₹ 143.24 crore and understatement of 'Provisions' to that extent.
3	**Uttar Haryana Bijli Vitran Nigam Limited**	1. Para 63 of Ind AS-19 requires an entity to recognise the net defined benefit liability (asset) in the balance sheet. As per actuarial valuation report, net defined benefit liability as on 31 March 2023 for funded benefits and non-funded benefits worked out to ₹ 4,742.03 crore and ₹ 393.86 crore respectively. The Company, however, provided liability/provision of ₹ 1,040.08 crore against funded benefits and nil against non-funded benefits in the annual accounts. Resultantly, liability/provision for employee benefits was understated by ₹ 4,095.81 crore and other equity overstated to the same extent. 2. Other Financial liabilities did not include ₹ 13.83 crore on account of guarantee fee (₹ six crore) payable to the State Government for availing (March 2023) term loan and cost of power/fuel price adjustment (₹ 7.83 crore) payable to power generating companies relating to period 2022-23 resulting in overstatement of profit to the same extent.

7.5 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of Financial Statements between the auditor and those charged with the responsibility of governance of the corporate entity. The material observations on the Financial Statements of Public Sector Enterprises were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, were also communicated to the Management through 'Management Letter' for taking corrective action. During October 2022 to September 2023, Management Letters were issued to 15 Government Companies and two Statutory Corporations. The deficiencies related to application/interpretation of accounting policies/practices and inadequate or non-disclosure of certain important information were pointed out in the Management Letters.

7.6 Conclusions

As on 31 March 2023, there were 37 SPSEs (two Statutory Corporations and 35 Government Companies (including three inactive Government Companies) in the State under the audit jurisdiction of the CAG. As of 31 March 2023, accounts for the year 2022-23 were due from 34 Government Companies. However, only nine Government Companies submitted their accounts for the year 2022-23 for audit by CAG by 30 September 2023. Accounts of 25 Government Companies and two statutory corporations were in arrears for a period of one to six years.

7.7 Recommendations

The State Government needs to impress upon those SPSEs with arrears in accounts to ensure early finalisation of their Financial Statements as in the absence of their finalisation, Government investments in such SPSEs remains outside the oversight of the State Legislature.

Chapter 8

Corporate Governance

CHAPTER-8

CORPORATE GOVERNANCE

8.1 Introduction

8.1.1 Need for Corporate Governance

Corporate Governance is a system of structuring, operating and controlling an organisation with a view to achieve long term strategic goals, to satisfy the stakeholders and complying with the legal and regulatory requirements. Corporate Governance is a way of directing and controlling companies to ensure greater transparency and better financial reporting. It is concerned with the ethics, value parameters and conduct of the Company and Management. The absence of good governance structures and lack of adherence to the governance principles increase the risk of corruption and misuse of entrusted power by the Management in the public sector.

8.1.2 Provisions as Contained in the Companies Act, 2013

The Companies Act, 2013 was enacted on 29 August 2013 replacing the Companies Act, 1956. In addition, the Ministry of Corporate Affairs has also notified (31 March 2014) Companies Rules, 2014 on Management and Administration, Appointment and Qualification of Directors, Meetings of Board of Directors and its powers. The Companies Act, 2013 together with the Companies Rules provide the framework for Corporate Governance. The requirements, *inter-alia*, provide for:

- Appointment of Independent Directors in Public Companies and mandatory establishment of certain committees like Audit Committee by the companies having paid-up share capital of ₹ 10 crore or more, or turnover of ₹ 100 crore or more, or outstanding loans, debentures and deposits, exceeding ₹ 50 crore. {Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Section 177(1) of the Companies Act, 2013)}.

- Qualifications for Independent Directors along with the duties and guidelines for professional conduct {Section 149(6) read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014)}.

- Mandatory appointment of one-woman director on the board of Public Companies having paid-up share capital of ₹ 100 crore or more or turnover of ₹ 300 crore or more {Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014}.

- Holding of a minimum of four meetings of Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board {(Section 173(1) of the Companies Act, 2013)}.

8.1.3 SEBI Guidelines on Corporate Governance

After enactment of the Companies Act, 2013, Securities and Exchange Board of India (SEBI) amended (April and September 2014), clause 49 of the Equity Listing Agreement to align it with the Corporate Governance provisions specified in the Companies Act, 2013.

SEBI notified (2 September 2015) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1 December 2015 repealing the earlier provisions.

SEBI further issued (13 October 2015) a uniform listing agreement format for all types of securities which required the listed entity to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.1.4 Review of Compliance by Selected SPSEs of the Corporate Governance Provisions

As on 31 March 2023, there were 37 State Public Sector Enterprises (SPSEs) in Haryana under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). The Bureau of Public Enterprises, established in February 1988, (under the Finance Department, Government of Haryana) has issued instructions to SPSEs on various issues, however, no instructions have been issued on Corporate Governance.

For the purpose of the review, an assessment was done based on the provisions contained in the Companies Act, 2013. The review covers 32 working SPSEs for the year ended 31 March 2023. List of SPSEs covered as well as SPSEs excluded from this report is given in the ***Appendix 8.1*** and ***Appendix 8.2*** respectively.

Besides, equity of Haryana Financial Corporation (HFC) and bonds of Haryana Vidyut Prasaran Nigam Limited (HVPNL) were listed on stock exchange. However, applicability of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to HFC was not considered as it stopped fresh business since 2010.

8.2 Composition and Meetings of Board of Directors

8.2.1 Board of Directors (BoDs) is the instrument of Corporate Governance. It is the agency for the implementation of governance policies and practices. It

is imperative that the BoDs devote attention to Corporate Governance and must be equipped with the requisite representation and its members should meet regularly. Section 173(1) of Companies Act, 2013 stipulates that the Board shall meet at least four times in a year with a maximum time gap of 120 days between two consecutive meetings. ***Table 8.1*** shows the Companies where the requirement of number of meetings to be held in a year was not complied with during 2022-23.

Table 8.1: SPSEs where requirement of four meetings of BoDs was not met

Sl. No.	Name of SPSE	No. of meetings held
1.	Haryana Schedule Castes Finance and Development Corporation Limited	2
2.	Haryana Police Housing Corporation Limited	3
3.	Haryana State Financial Services Limited	3
4.	Haryana State Electronics Development Corporation Limited	3
5.	Hartron Informatics Limited	3
6.	Haryana Medical Services Corporation Limited	Nil
7.	Faridabad City Transport Services Limited	1
8.	Karnal Smart City Limited	3
9.	Haryana Land Reclamation and Development Corporation Limited	3

Haryana Schedule Castes Finance and Development Corporation Limited in its reply stated (January 2025) that due to administrative constraints, it was unable to conduct the required four Board meetings during 2022-23.

Haryana Land Reclamation and Development Corporation Limited in its reply stated (January 2025) that meeting to be held on 28 June 2022 was adjourned sine-dine due to non-completion of quorum and it was further postponed due to business of Chairman of the Company in other important assignments.

8.2.2 Independent Directors

According to Section 149 (6) of the Companies Act, 2013 an independent director means a director other than a managing director or a whole-time director or a nominee director, who is a person of integrity and possesses relevant expertise and experience. The presence of independent directors on the Board, capable of taking an independent view on the decisions of the management is considered as a means of protecting the interests of shareholders and other stakeholders. Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that every public company with paid-up share capital of ₹ 10 crore or more or turnover of ₹ 100 crore or more or with aggregated outstanding loans, debentures and deposits exceeding ₹ 50 crore shall have at least two independent directors on their board. List of 17 SPSEs meeting these criteria is given in ***Appendix 8.3***. Of these 17 SPSEs, five SPSEs[1] were not required to follow the

[1] Haryana Rail Infrastructure Development Corporation Limited, Gurugram Metropolitan City Bus Limited and Haryana Orbital Rail Corporation Limited being joint venture unlisted public companies, Haryana Women Development Corporation Limited, being a Company registered under Section 8 of the Companies Act, 2013 and Haryana Scheduled Castes Finance and Development Corporation Limited being private company.

criteria of having Independent Director. Of the remaining 12 SPSEs, three SPSEs Haryana Police Housing Corporation Limited, Haryana Seeds Development Corporation Limited and Drone Imaging & Information Services of Haryana Limited) did not have any Independent Director while remaining nine SPSEs met the criteria of having at least two independent Directors on their Boards.

Haryana Seeds Development Corporation Limited in its reply stated (December 2024) that the matter regarding appointment of Independent Directors is still under consideration with the State Government.

8.2.3 Representation of Women in the Board of Directors

Section 149 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that every public company having paid-up share capital of ₹ 100 crore or more or turnover of ₹ 300 crore or more shall have at least one woman Director in its Board. There were nine such SPSEs meeting this criterion as listed in ***Appendix 8.4***. All these nine SPSEs had women directors on their Board.

8.3 Appointment and Functioning of Independent Directors

8.3.1 Issuance of Formal Letter of Appointment

As per Schedule IV of the Companies Act, 2013, the appointment of Independent Directors shall be formalised through a letter of appointment which shall set out the terms and conditions of appointment. However, it was observed that out of nine SPSEs having Independent Directors on their board, in three SPSEs as listed in ***Table 8.2***, no appointment letters detailing the terms and conditions were issued during the period 2022-23.

Table 8.2: Appointment letters of Independent Directors not issued by SPSEs

Sl. No.	Name of SPSEs	Appointment letter not issued to Independent Directors
1.	Dakshin Haryana Bijli Vitran Nigam Limited	2
2.	Gurgaon Technology Park Limited	2
3.	Haryana Agro Industries Corporation Limited	3

8.3.2 Training of Independent Directors

Schedule IV to the Companies Act, 2013 stipulates that the Independent Directors shall undertake appropriate induction training and regularly update and refresh their skills, knowledge and familiarity with the Company. However, it was observed that in SPSEs, listed in ***Table 8.3***, no such training was conducted for Independent Directors who were on the Board during the year 2022-23.

Table 8.3: SPSEs where no training was conducted for Independent Directors

Sl. No.	Name of SPSEs
1.	Dakshin Haryana Bijli Vitran Nigam Limited
2.	Haryana State Industrial and Infrastructure Development Corporation Limited
3.	Haryana Mass Rapid Transport Corporation Limited
4.	Haryana Agro Industries Corporation Limited
5.	Haryana State Roads and Bridges Development Corporation Limited
6.	Gurgaon Technology Park Limited

Haryana Mass Rapid Transport Corporation Limited and Haryana State Industrial and Infrastructure Development Corporation Limited in its reply stated (December 2024) that Independent Directors are well experienced and qualified. The reply is not acceptable as the Independent Directors could not have undertaken induction training without initiative from the inducting organisation (i.e. the Company).

8.3.3 Meetings of Board of Directors and Board Committees

Para III (3) of Schedule IV of the Companies Act, 2013 states that Independent Directors should strive to attend all the meetings of Board of Directors and Board Committees of which he/she was a member. Some of the Independent Directors, however, did not attend these meetings during 2022-23. ***Table 8.4*** indicates the number of such independent directors:

Table 8.4: Independent Directors who did not attend the meetings

Sl. No.	Name of SPSEs	No. of Independent Directors who did not attend Board Meetings (No. of meetings)	No. of Independent Directors who did not attend other Board Committee Meetings (No. of meetings)
1.	Haryana Power Generation Corporation Limited	1(1)	1(2)[2]
2.	Haryana Vidyut Prasaran Nigam Limited	3(6)	1(4)[3]
3.	Haryana State Industrial and Infrastructure Development Corporation Limited	4(3)	2(2)[4]
4.	Haryana State Roads and Bridges Development Corporation Limited	4(4)	4(8)[5]
5.	Gurgaon Technology Park Limited	1(1)	---

Note: Figures in bracket indicate number of meetings in which at least one of the independent directors was absent.

Haryana Power Generation Corporation Limited, Haryana State Industrial and Infrastructure Development Corporation Limited and Haryana State Roads and Bridges Development Corporation Limited in its reply stated (December 2024) that sometime Independent Directors could not attend the meetings due to their

[2] One Independent Director was absent in one Audit Committee Meeting and one Nomination and Remuneration Committee meeting.

[3] One Independent Director was absent in three Audit Committee meetings and one Nomination and Remuneration Committee meeting.

[4] One Independent Director was absent in one Audit Committee meeting and one Independent Director was absent in one Nomination and Remuneration Committee meeting.

[5] Four Independent Directors were absent in four Audit Committee meetings, two independent directors were absent in one Nomination and Remuneration Committee meeting and three independent Directors were absent in three Corporate Social Responsibility Committee meetings.

pre-occupation. The reply is not acceptable as Independent Director should be encouraged to attend the Board meeting so that an independent view on the decisions of the management may be taken in the interest of the stakeholders.

8.3.4 Attending General Meetings of the Company

Para III (5) of Schedule IV of the Companies Act, 2013 states that Independent Directors shall strive to attend all the General meetings of the Company. ***Table 8.5*** indicates SPSEs where Independent Directors did not attend the General meetings of the Company during the year 2022-23.

Table 8.5: List of Companies where Independent Director did not attend General Meetings

Sl. No.	Name of SPSEs	No. of Independent Directors who did not attend General Meetings
1.	Uttar Haryana Bijli Vitran Nigam Limited	1
2.	Dakshin Haryana Bijli Vitran Nigam Limited	1
3.	Haryana Mass Rapid Transport Corporation Limited	1
4.	Haryana Agro Industries Corporation Limited	3
5.	Haryana State Roads and Bridges Development Corporation Limited	2

Haryana Mass Rapid Transport Corporation Limited and Uttar Haryana Bijli Vitran Nigam Limited in its reply stated (December 2024) that it is not mandatory to attend the General Meetings. Haryana State Roads and Bridges Development Corporation Limited stated in its reply (December 2024) that Independent Directors could not attend General meeting of the Company due to their pre-occupancy. The replies are not acceptable as Independent Director should be encouraged to attend the General meetings so that an independent view on the decisions of the management may be taken in the interest of the stakeholders.

8.4 Filling-up the vacancies of Directors and Key Managerial Personnels

Timely filling up of vacancies in the posts of Directors and key managerial personnel's etc. ensures the availability of required skill and expertise in the management of the company. Any delay in filling of vacancies may hamper the effectiveness of the decision-making process. Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 stipulates that vacancy arising out of resignation or removal of an Independent Director should be filled up at the earliest but not later than the immediate next board meeting or three months from the date of such vacancy, whichever is later. However, it was observed that the SPSEs detailed in ***Table 8.6*** did not comply with the above provision during 2022-23 and the posts of Independent Directors remained vacant for a considerable period of time:

Table 8.6: SPSEs where vacancies of Independent Directors not filled in time

Sl. No.	Name of SPSE	Minimum no. of Independent Directors required	No. of posts vacant	Total number of months for which posts remained vacant (During 2022-23)
1.	Haryana Power Generation Corporation Limited	2	1	7 (20 July 2022 to 05 February 2023)
2.	Uttar Haryana Bijli Vitran Nigam Limited	2	1	6 (01 April 2022 to 05 October 2022)
3.	Dakshin Haryana Bijli Vitran Nigam Limited	2	1	7 (10 June 2022 to 22 January 2023)
4.	Haryana Seeds Development Corporation Limited	2	2	24 (Two post remained vacant for 12 months 01 April 2022 to 31 March 2023) each
5.	Drone Imaging and Information Services of Haryana Limited	2	2	24 (Two post remained vacant for 12 months 01 April 2022 to 31 March 2023) each
6.	Haryana Police Housing Corporation Limited	2	2	24 (Two post remained vacant for 12 months 01 April 2022 to 31 March 2023) each

Haryana Power Generation Corporation Limited in its reply stated (December 2024) that the one Independent Director of the Company resigned on 9 June 2022, the Company initiated the process for appointment of Independent Director on 21 June 2022 against the vacancy of Independent Director followed by reminder. However, the State Government approved the appointment on 27 January 2023 and order of appointment was issued on 6 February 2023.

Uttar Haryana Bijli Vitran Nigam Limited in its reply stated (December 2024) that the tenure of Independent Directors was completed on 15 December 2021, the case was, therefore, sent to the State Government to fill up the vacancies well before the date of completion of their tenure i.e on 18 November 2021 followed by reminders. However, the State Government approved the appointment on 6 October 2022.

Further, it was also observed that in the SPSEs listed in ***Table 8.7***, vacancies of key managerial personnel were not filled within the period of six months from such vacancy prescribed in Section 203 (4) of the Companies Act, 2013:

Table 8.7: SPSEs where vacancies of key managerial personnel not filled up in time

Sl. No.	Name of SPSE	Name of post	No. of months for which post remained vacant during 2022-23
1.	Haryana Scheduled Castes Finance and Development Corporation Limited	Chief Finance Officer	12
		Company Secretary	12
2.	Haryana Police Housing Corporation Limited	Chief Finance Officer	12
		Company Secretary	12

8.5 Audit Committee

8.5.1 Composition of Audit Committee

Section 177 (1) and (2) of the Companies Act, 2013, stipulate that there shall be an Audit Committee with a minimum of three directors with Independent Directors forming majority. Further, Rule 6 of Companies (Meetings of Board

and its Powers) Rules, 2014 provides that every public company with a paid-up capital of ₹ 10 crore or more or turnover of ₹ 100 crore or more or outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more shall constitute an Audit Committee.

In terms of above stipulations, 17 companies listed in ***Appendix 8.3*** were required to constitute Audit Committee. However, it was observed that SPSEs as detailed in ***Table 8.8*** did not constitute Audit Committee during 2022-23:

Table 8.8: SPSEs where Audit Committee not constituted

Sl. No.	Name of SPSE
1.	Haryana Women Development Corporation Limited
2.	Haryana Police Housing Corporation Limited
3.	Haryana Seeds Development Corporation Limited

Haryana Women Development Corporation Limited in its reply stated (November 2024) that the Company is a private limited company, therefore, it is not required to constitute Audit Committee. The reply is not acceptable as the Company is registered as public company with the Ministry of Corporate Affairs.

Haryana Seeds Development Corporation Limited in its reply stated (January 2025) that Independent Directors are yet to be appointed by the State Government and in the absence of Independent Directors, the Audit Committee could not be constituted.

Further, majority of the members of the Audit Committee were not Independent Directors in respect of the SPSEs detailed in ***Table 8.9.***

Table 8.9: SPSEs where Audit Committees do not have majority of Independent Directors

Sl. No.	Name of SPSE
1.	Drone Imaging and Information Services of Haryana Limited
2.	Gurgaon Technology Park Limited

8.5.2 Review of Supplementary Audit Findings of the CAG

All SPSEs are subject to the audit of the CAG as per the statutory mandate. Section 143 (6) of the Companies Act, 2013, authorises the CAG to carry out supplementary audit of accounts of Government Companies. Further, Section 177 (4) (iii) of the Companies Act, 2013 provides that Audit Committee shall examine the financial statements and Auditors' Report thereon. Thus, in case of SPSEs, it is the mandate of the Audit Committee to review the findings of the CAG. Audit observed that comments of CAG on Annual Accounts were not reviewed by Audit Committee of Haryana State Roads and Bridges Development Corporation Limited.

8.6 Other Committees

8.6.1 Nomination and Remuneration Committee

Section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of Boards and its Powers), Rules 2014, stipulate that each public company shall constitute a Nomination and Remuneration Committee (NRC) comprising of at least three Directors, all of whom should be non-executive Directors and at least half shall be independent and Chairman of the Committee shall be an Independent Director. However, there was no such committee in the SPSEs as detailed in ***Table 8.10.***

Table 8.10: SPSEs not having Nomination and Remuneration Committee

Sl. No.	Name of SPSE
1.	Haryana Police Housing Corporation Limited
2.	Haryana Seeds Development Corporation Limited

Though Drone Imaging and Information Services of Haryana Limited formed the above Committee, the requirement of Independent Directors was not fulfilled during 2022-23. Further, two SPSEs (Drone Imaging and Information Services of Haryana Limited and Haryana Agro Industries Corporation Limited) have NRC Committee but did not held meeting of NRC.

In case of any contravention of the provisions of Section 178 (Nomination and Remuneration Committee), company shall be punishable with fine which shall not be less than one lakh rupees. However, it was observed that no such penalty had been imposed by the Registrar of the Companies during 2022-23.

8.7 Whistle Blower Mechanism

8.7.1 Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Boards and its Powers), Rules 2014 provides that the Company shall establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It was observed that six SPSEs were required to establish the mechanism, however, one SPSE (Haryana Police Housing Corporation Limited) did not establish any such mechanism.

8.7.2 Para III (10) of Schedule IV of the Companies Act, 2013 read with Rule 7(2) of the Companies (Meeting of Boards and its Powers) Rules, 2014 stipulates review of functioning of the 'Whistle Blower Mechanism' by the Audit Committee, in case the same exists in the Company. In one SPSEs (Haryana Vidyut Prasaran Nigam Limited), though whistle blower mechanism existed, the Audit Committee did not review it.

8.8 Annual General Meeting

Section 96 of the Companies Act, 2013 provides that, every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting. It was observed that no Annual General Meeting (AGM) was held in SPSEs as listed in ***Table 8.11*** during 2022-23.

Table 8.11: SPSEs where Annual General Meeting was not held

Sl. No.	Name of SPSE
1.	Haryana Scheduled Castes Finance and Development Corporation Limited
2.	Haryana State Financial Services Limited
3.	Faridabad Smart City Limited
4.	Faridabad City Transport Services Limited
5.	Haryana Kaushal Rozgar Nigam Limited

Section 101 of the Companies Act, 2013 provides that a general meeting of a company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such a manner as may be prescribed. Further, a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95 *per cent* of the members entitled to vote at such meeting. It was observed that in Haryana Forest Development Corporation Limited has issued shorter period notice despite not getting requisite consent.

8.9 Policy Relating to Related Parties

Regulation 23 (1) & (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 stipulated that every company shall formulate a policy on materiality of related party transactions. Further, such material related party transactions required to be approved by Shareholders through resolution. However, Haryana Vidyut Prasaran Nigam Limited has not formulated such policy.

8.10 Conclusions

Out of 32 selected SPSEs, no Independent Directors were appointed in three SPSEs; delays of more than six months were observed in filling vacancies of Independent Directors in six SPSEs; delays of 12 months were observed in filling up vacancies of key managerial personnel in two SPSEs; no Audit Committee was there in three SPSEs; no Nomination and Remuneration Committee was constituted in two SPSEs; no whistle blower mechanism was put in place in one SPSE, policy dealing with related party transactions was not disclosed on website whose bonds were listed on the exchange.

8.11 Recommendations

Haryana Bureau of Public Enterprises should prepare a policy for appointment of Independent Directors stating standard terms and conditions including timeline for initiation of proposal for their appointment, sitting fees etc. Government of Haryana may impress upon the respective Administrative Ministries/ Departments to ensure compliance of provision as contained in the Companies Act, 2013 read with Companies Rules, 2014 so as to achieve the objectives of Corporate Governance in SPSEs.

Chapter 9

Corporate Social Responsibility

CHAPTER-9

CORPORATE SOCIAL RESPONSIBILITY

9.1 Introduction

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the local community at large. It recognises the interests of its stakeholders and the general community at large by covering sustainability, social impact and ethics. The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society. The inclusion of CSR mandate under the Companies Act, 2013 is an attempt to supplement the Government's efforts of equitably delivering the benefits of growth and engage the corporate world with country's development agenda.

9.1.1 Legal Framework

Section 135 of the Companies Act, 2013 (hereafter referred to as the Act), deals with the subject of Corporate Social Responsibility and lays down the qualifying criteria based on net worth, turnover and net profit during immediate preceding financial year for companies which are required to undertake CSR activities and specifies the broad modalities of selection, implementation and monitoring of the CSR activities by the Board of Directors of the Company. The activities which may be included by the companies in their CSR policies are listed in Schedule VII of the Act. The provisions of Section 135 of the Act and Schedule VII of the Act are applicable to all companies including SPSEs.

The Act makes it mandatory for any company to spend annually at least two *per cent* of the average net profit (calculated as per Section 198 of the Act) of three immediate preceding financial years towards CSR activities. In February 2014, Ministry of Corporate Affairs (MCA) issued Companies (Corporate Social Responsibility Policy) Rules, 2014 made applicable to all companies including SPSEs w.e.f. 1 April 2014. Accordingly, the compliance of the provisions of CSR under the Act i.e., constitution of CSR Committee, formulation of CSR policy and spending of prescribed amount on CSR activities came into force from April 2014.

9.2 Audit Objective

Audit objective of assessment of CSR activities of SPSEs was to ascertain whether:

- the provisions relating to constitution of the CSR Committee, formulation and compliance of policy, planning stages of execution have been complied with.
- the provisions relating to prescribed amount to be spent on specified activities have been complied with; and
- the provisions relating to implementation and reporting have been complied with.

9.3 Audit Scope and Coverage

As per criterion specified under Section 135 (1) of the Act, out of 32 working State Public Sector Enterprises (SPSEs) in 2022-23, 10 SPSEs (***Appendix 9.1***) were required to undertake CSR activities. Additionally, during 2022-23 one SPSE[1] incurred expenditure on CSR activities from unspent balance of previous year. Thus, audit reviewed the CSR activities carried out by 11 SPSEs during the year 2022-23.

9.4 Audit Criteria

Audit analysis was carried out against following criteria:

- Provisions contained in Section 135 and Schedule VII of the Act; and
- Provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014.

9.5 Audit Findings

Audit findings on extent of compliance with the provisions of the Act with regard to constitution of CSR Committee; formulation and compliance of policy; planning and execution of CSR activities; and monitoring and reporting thereof by the SPSEs are given in the following paragraphs.

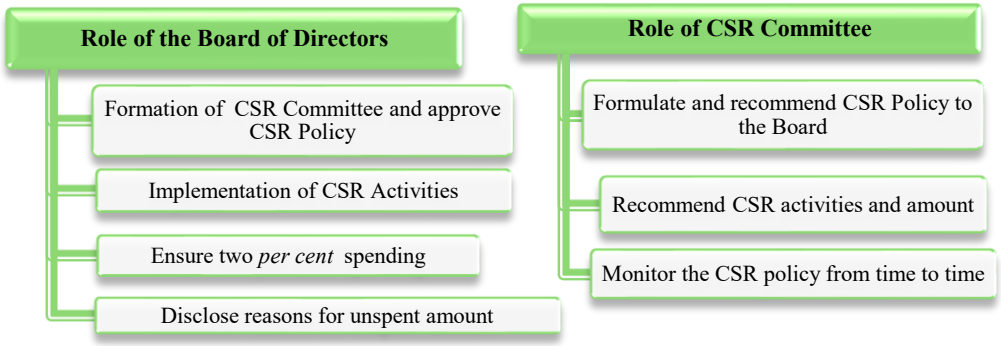
9.6 Planning

9.6.1 Constitution of CSR Committee

Role of the Board and CSR Committee as per Section 135 (1) and (3) of the Act is depicted in ***Chart 9.1***.

[1] Haryana State Electronics Development Corporation Limited.

Chart 9.1: Role of the Board and CSR Committee



As per Section 135 (1) of the Act, every company having a net worth of ₹ 500 crore or more; or turnover of ₹ 1,000 core or more; or a net profit of ₹ 5 crore or more during immediate preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more Directors.

Audit noticed that nine out of 11 SPSEs had constituted CSR Committees. Other two SPSEs[2] (Haryana Medical Service Corporation Limited and Haryana State Financial Service Limited) had not constituted CSR Committee as on 31 March 2023 though these SPSEs met the required criteria under Section 135 (1) i.e. earning profits more than ₹ 5 crore during 2021-22.

9.6.2 Independent Directors in Committee

As per Section 135 (1) of the Act, the CSR Committee shall have at least one independent director. Out of nine SPSEs, which constituted CSR Committee one SPSE i.e. Haryana Forest Development Corporation had not complied with the provision of having at least one Independent Director in their CSR Committee.

9.6.3 Framing of CSR Policy

Section 135 (3) of the Act requires that Company's CSR Committee shall formulate and recommend to the Board, a CSR Policy. It was observed that out of 11 SPSEs, eight SPSEs framed it's CSR policy based on recommendation of the CSR Committee while remaining three SPSEs (Haryana Medical Services Corporation Limited, Gurgaon Technology Park Limited and Haryana State Financial Service Limited) did not have CSR policy in place.

9.6.4 Annual CSR Plan and Budget

Role of the CSR Committee is to recommend to the Board, the CSR activities and the amount to be spent in the financial year. The Board has to ensure

[2] As these SPSEs had neither formed CSR Committee nor framed CSR policy, these have not been considered for analysis.

implementation of the CSR activities. The proposed CSR projects and the budget for the ensuing financial year should be presented to the Board for approval before the start of the new financial year or at the earliest so as to avoid rush of expenditure to exhaust the funds at the end of the year and the funds are spent evenly all over the year.

It was observed that only one SPSE *viz.* Haryana Power Generation Corporation Limited (HPGCL) got its CSR budget approved before start of new financial year, four SPSEs *viz.* Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL), Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), Haryana Sate Industrial and Infrastructure Development Corporation Limited (HSIIDC) and Haryana State Electronics Development Corporation Limited (HARTRON) got the CSR budget approved in second quarter and remaining four SPSEs *viz.* Haryana Vidyut Parsaran Nigam Limited (HVPNL), Haryana Forest Development Corporation Limited (HFDC), Haryana State Roads & Bridges Development Corporation Limited (HSRDC) and Gurgaon Technology Park Limited (GTPL) in third quarter.

HSIIDC in its reply stated (December 2024) that the CSR Committee of the Company in its meeting held on 26 March 2022 had allocated ₹ 2.02 crore for installation of one Pressure Swing Adsorption (PSA) plant at Mahendergarh out of the CSR spendable amount in 2022-23, which was well in advance. The reply is not acceptable as Annual Action Plan for CSR was approved in CSR Committee meeting held on 2 September 2022.

9.7 Financial Component

9.7.1 Allocation of Funds

Section 135 (5) of the Act makes it mandatory for any company to spend, annually, at least two *per cent* of average net profit of the three immediately preceding financial years (calculated under Section 198 of the Act).

The two *per cent* of average net profit, so calculated, by nine[3] out of 11 SPSEs aggregated to ₹ 14.77 crore ***(Appendix 9.2)***. The SPSEs allocated ₹ 48.96 crore including carryover of ₹ 34.19 crore (by seven SPSEs) for previous years.

Audit in this regard observed that:

- Ministry of Corporate Affairs (MCA), Government of India vide its general circular no. 01/2016 dated 12 January 2016 has clarified that, "Computation of net profit for Section 135 is as per Section 198 of the Companies Act, 2013 which primarily is profit before tax". Audit

[3] Haryana Medical Service Limited and Haryana Financial Service Limited neither allocated funds nor spent any expenditure on CSR during 2022-23.

noticed that four SPSEs viz. HVPNL, HPGCL, UHBVNL and GTPL had not considered profit before tax for calculation of average profit as required under Section 198. The average net profits before tax of these SPSEs as per MCA's clarification was ₹ 766.62 crore against ₹ 286.93 crore calculated by these companies (***Appendix 9.3***). This resulted in under provisioning of CSR funds of ₹ 9.59 crore (₹ 15.33 crore - ₹ 5.74 crore) by four SPSEs.

HPGCL in its reply stated (December 2024) that the difference was due to non-considering "Other Comprehensive Income /Expenditure" (OCI). UHBVNL stated (January 2025) that there is no embargo that expenses in respect of terminal benefits appearing under OCI cannot be claimed. The replies are not acceptable as OCI was not to be deducted from the profit before tax as per the requirement of the Act.

9.7.2 Utilisation of Funds

Section 135 (5) of the Act states that the Board shall ensure that the company spends two *per cent* of average net profit of preceding three years. Audit observed that against the required expenditure of ₹ 48.96 crore (including unspent fund of previous year) by nine SPSEs, the actual expenditure was ₹ 7.52 crore leaving unspent amount of ₹ 41.44 crore by seven SPSEs (***Appendix 9.2***). HSRDC fully utilised the unspent balance of previous years and GTPL fully utilised the CSR Funds allocated during 2022-23.

Audit observed that HARTRON remitted ₹ 0.64 crore[4] to Haryana CSR Trust/ Haryana Welfare Society for incurring expenditure under CSR. Similarly, HSIIDC also remitted ₹ 0.90 crore to ADC Jind for incurring expenditure under CSR. However, HARTRON had not furnished utilization certificate (till January 2025) for this amount. Hence, utilization of these funds during 2022-23 could not verified in Audit.

HSIIDC in its reply stated (December 2024) that ₹ 0.90 crore remitted to ADC Jind for incurring expenditure under CSR was utilized during 2024-25.

9.7.3 Quarter Wise Expenditure

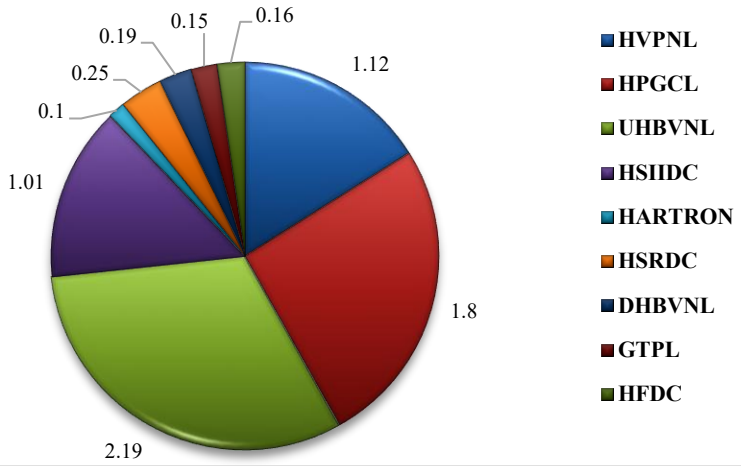
Total expenditure against CSR during 2022-23 by nine SPSEs was ₹ 7.52 crore. There was rush in CSR expenditure in last two quarters as 68 *per cent* of total CSR expenditure was incurred in these quarters. GTPL, HSRDC and HFDC had spent whole amount of their CSR funds of ₹ 0.15 crore, ₹ 0.25 crore and ₹ 0.16 crore respectively in the fourth quarter.

[4] Haryana CSR Trust: ₹ 0.59 crore and Haryana Welfare Society: ₹ 0.05 crore.

9.7.4 Top Spenders

Total expenditure on CSR activities by SPSEs is depicted in ***Chart 9.2***:

Chart 9.2: CSR expendituture (₹ in crore)



The top spender was UHBVNL at ₹ 2.19 crore (29 *per cent* of total CSR expenditure) followed by HPGCL at ₹ 1.80 crore (24 *per cent*).

9.7.5 District Wise CSR Expenditure

Four SPSEs (HSIIDC, UHBVNL, HVPNL and HPGCL) had undertaken CSR activities in more than one District of the State. The remaining five SPSEs spent CSR fund in one District only.

9.7.6 Administrative Overheads

As per CSR Rule 7(1), Administrative Overheads (OH) are to be restricted to five *per cent* of overall CSR funds. The OH to be disclosed separately should include baseline studies, capacity building and other overheads. Audit, however, observed that CSR expenditure by nine SPSEs did not include any amount on account of administrative overheads.

9.7.7 Surplus from CSR Project

As per CSR Rule 7(2), any surplus arising from CSR projects shall not form part of the business profit of company. None of the SPSEs under review reported any surplus from CSR projects.

9.8 Project Implementation

9.8.1 Selection of CSR Projects/ Activities

None of the SPSEs, which were required to incur CSR expenditure, conducted any separate baseline survey or need assessment study for implementation of their CSR projects.

9.8.2 Manner of Implementation of CSR Activities

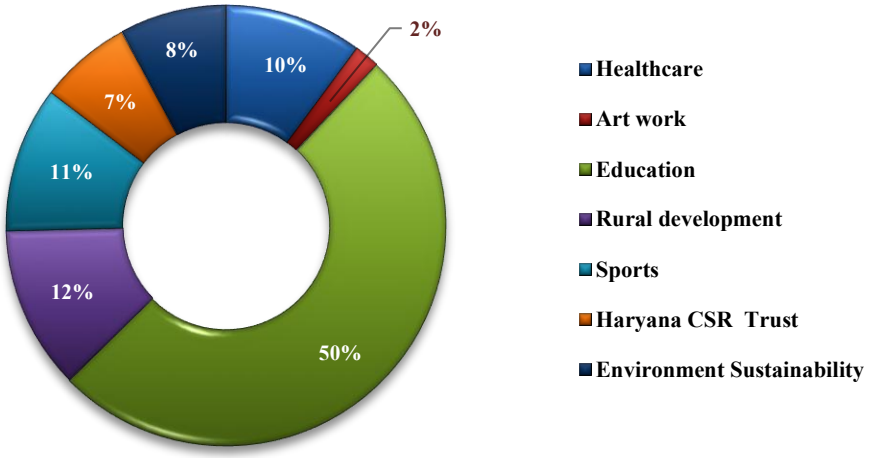
Rule 4 of Companies (CSR) Rules, 2014 exclusively deals with the manner in which the CSR activity is to be undertaken under Section 135(1) of the Act. The Board may decide to undertake CSR activities as approved by CSR Committee through a registered trust/society or a company established by the company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise.

It was observed that 26 projects were implemented by six SPSEs[5] directly/in house. Seven projects by five SPSEs[6] were executed through Government/ external agencies, NGOs, Society *etc*.

9.8.3 Focus Areas

The focus areas are depicted in ***Chart 9.3***:

Chart 9.3: CSR Expenditure (per cent)



As indicated above, education received the maximum focus (50 *per cent*) which includes expenditure of ₹ 3.81 crore. Next highest expenditure (₹ 0.90 crore) was in rural development i.e.,12 *per cent*.

9.9 Monitoring Framework

As per Rule 5(2) of CSR Rules, 2014, the CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects/ programmes/activities undertaken by the company. Audit observed that all eight SPSEs, which had framed CSR policy, had specified the monitoring mechanism in the policy.

[5] HVPNL, HPGCL, UHBVNL, DHBVNL, HSIIDC and HARTRON.
[6] HSIIDC, HARTRON, HSRDC, HFDC and GTPL

9.10 Reporting and Disclosure

As per Section 135 (4) (a) read with Rule 8 of the CSR Rules, 2014 a Company is required to include an annual report on CSR in their Board Report and place it on the official website. The companies have to disclose the following in the prescribed format:

- Disclose contents of CSR policy, web link of CSR policy, average net profit, composition of CSR Committee, administrative overheads, prescribed amount, unspent amount, reasons for unspent amount.
- Include a responsibility statement signed by the CSR Committee that the implementation and monitoring of CSR Policy was in compliance with the CSR objective and Policy of the Company.

In this regard, the following was observed:

- Compliance of provisions by four SPSEs (HVPNL, HPGCL, UHBVNL and DHBVNL);
- GTPL did not include annual report on CSR in its Board's Report for the year 2022-23 in prescribed format; and
- In the four SPSEs (HARTRON, HSIIDC, HFDC and HSRDC) Annual Report for 2022-23 had not been prepared, as such, the applicable disclosure requirement could not be complied with in their case.

9.11 Conclusion

Out of 11 SPSEs in Haryana, which were required to carry out CSR activities as per the Act, only nine SPSEs were compliant. The focus area of CSR expenditure were Education and Rural Development. The selection of CSR projects in all SPSEs was done without any need assessment. Reporting and disclosure requirements were not complied with by seven of the 11 SPSEs, which met the criteria.

9.12 Recommendation

All SPSE's who met the criteria should frame CSR Policy and constitute CSR Committee in compliance of provisions of the Companies Act, 2013 and CSR Rules. CSR budget should be prepared as per Section 198 of the Companies Act, 2013 and efforts may be made to spend the entire budget earmarked for the year. SPSEs should cover the focus areas as specified in schedule VII of the Act for covering sustainability and social impact for the general community at large.

Chapter 10

Subject Specific Compliance Audit of Implementation of Smart City Mission in Haryana

CHAPTER-10

SUBJECT SPECIFIC COMPLIANCE AUDIT

IMPLEMENTATION OF SMART CITY MISSION IN HARYANA

10.1 Introduction

Ministry of Housing and Urban Affairs (MoHUA), Government of India (GoI) launched (June 2015) the "Smart Cities Mission" (SCM) to meet changing needs and achieve comprehensive development of physical, institutional, social and economic infrastructure of the cities.

Main objectives of the Mission were to promote cities that provide core infrastructure, clean, sustainable environment and give a decent quality of life to the citizens through the application of 'smart solutions'. Core infrastructure elements in a smart city would include adequate water supply, assured electricity supply, sanitation, including solid waste management, efficient urban mobility & public transport, affordable housing, robust IT connectivity & digitalisation, good governance especially e-governance & citizen participation, sustainable environment, safety & security of citizens and health and education.

As per the scheme, shortlisted cities were to prepare their Smart City Proposal (SCP) containing the vision and plan for mobilisation of resources and intended outcomes in terms of infrastructure up-gradation and smart applications. The SCP was to be prepared using the principles of strategic planning process and the proposal was to contain Area-based Development[1] (ABD) and Pan-city Development[2].

In Haryana, two cities i.e. Faridabad (May 2016) and Karnal (June 2017) were selected by GoI. The duration of the Mission was five years (2015-16 to 2019-20), however, the same was extended upto March 2025 by GoI from time to time.

10.1.1 Faridabad City

Municipal Corporation, Faridabad had identified ABD area of 1,267 acre comprising of Sector 19, 20, 20A, 21B and 21D to transform into a compact, well-planned urban space with inclusive, sustainable and rationally incremental

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1 Area-based development (ABD) focuses on developing a specific area. Components under ABD in the Smart Cities Mission are city improvement (retrofitting), city renewal (redevelopment) and city extension (green field development).

2 Pan-city development envisages application of selected smart solutions to the existing city-wide infrastructure. Application of smart solutions involve the use of technology, information and data to make infrastructure and services better.

economic development under the retrofitting model[3]. In addition, Pan-city development projects were also considered for smart solutions.

As per SCP of Faridabad, total 46 projects having estimated cost of ₹ 2,601.01 crore[4] (37 projects costing of ₹ 2,108 crore in ABD area and nine projects costing of ₹ 469.47 crore in Pan-city) were to be executed under Smart City Mission. For execution of SCP projects, funds of ₹ 2,601.01 crore was to be arranged through Government grants, Public Private Partnerships (PPPs), land monetisation, convergence[5] of projects with other schemes of Central/ State Government and debt.

10.1.2 Karnal City

Municipal Corporation, Karnal had identified ABD area of 720 acre around Ghanta Ghar Chowk, Kunjpura and Mughal Canal Market with state of art smart amenities and transform it to a light house for the city. In addition, Pan-city development projects were also considered for smart solutions. As per SCP of Karnal, total 57 projects with estimated cost of ₹ 1,295.81 crore[6] (41 projects costing of ₹ 1,061.05 crore in ABD area and 16 projects costing of ₹ 149.99 crore in Pan-city) were to be executed.

The funds of ₹ 1,295.81 crore were to be arranged through Government grants, Public Private Partnerships (PPPs), convergence of projects with other scheme of Central/State Government and additional contribution by Municipal Corporation, Karnal.

10.2 Special Purpose Vehicle

As per para 10.1 of SCM guidelines, the implementation of the Mission at city level was to be done by a Special Purpose Vehicle (SPV). The SPV was to be a Company to be established under the Companies Act, 2013 which was to be responsible to plan, implement, manage, operate, monitor and evaluate the smart city development projects.

Accordingly, two SPVs i.e. Faridabad Smart City Limited (FSCL) and Karnal Smart City Limited (KSCL) were incorporated in September 2016 and

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3 Retrofitting envisages improvement in an existing built-up area to make it more efficient and liveable.

4 This includes amount of ₹ 23.54 crore on account of communication and change management and interest during implementation.

5 'Convergence' includes all projects that are executed by any authority/ organization other than the smart city SPV and financed through funds from other Government departments (Central/ State/ City level) or other schemes of the Central or State Government.

6 Total capital expenditure cost of ABD and Pan-city projects works out to ₹ 1,211.04 crore, whereas total capital expenditure cost of 57 projects was taken as ₹ 1,295.81 crore. Reasons for difference of ₹ 84.77 crore is not explained in SCP.

December 2017 respectively under the administrative control of the Urban Local Bodies (ULBs) Department. The role of these SPVs was to implement the projects of Smart City Proposal in their respective cities.

10.3 Organisational Set-up

The management of FSCL and KSCL vests in the Board of Directors (BoDs) comprising of Principal Secretary of Urban Local Bodies (ULBs) Department, Director of ULBs Department, Chief Administrator of Haryana Shahari Vikas Pradhikaran, Representative of GoI, Chief Executive Officer (CEO) of SPV, Commissioner of respective Municipal Corporation and Independent Directors. Organisation set-up of FSCL and KSCL is depicted in ***Appendix 10.1***.

10.4 Audit Objectives

The audit objectives were to assess whether:

- Planning for the implementation of the Mission was done keeping in view the objectives of SCM and in line with the SCM guidelines.
- Funds released by State Government to SPVs and mobilization of balance funds by SPVs was efficient and in consideration with objectives of the scheme.
- Projects were implemented by SPVs in accordance with smart city proposals.
- Mechanism in place for monitoring the implementation of the Smart Cities Mission was as per the SCM guidelines.

10.5 Audit Criteria

The findings of audit were benchmarked against the following criteria:

- Smart City Mission guidelines, advisories and memorandums issued by Ministry of Housing and Urban Affairs (MoHUA);
- Smart City Proposals of individual smart cities and detailed project report/feasibility report of projects;
- Notifications, circulars, advisories, memorandums and orders issued by the GoI/ State Governments from time to time;
- Tender documents and Schedule of Rates and Works Manual issued by State Public Works Department.

10.6 Scope and Methodology of Audit

Audit covered the period from 2015-16 to 2022-23. Audit methodology included scrutiny of records of the office of Director, ULBs Department relating to activities of the Mission and two SPVs *viz*. KSCL & FSCL.

An entry conference was held on 22 June 2023 with the Commissioner & Secretary, Urban local Bodies wherein audit objectives and scope of audit were discussed. Audit was conducted during June to November 2023 and July 2024[7].

Joint physical verifications of sites were also carried out by the audit officials with officials of the SPVs.

An exit conference was held on 27 December 2024 with Commissioner and Secretary, Urban local Bodies. Replies received from Director, ULBs Department have been incorporated in the Report.

Audit Findings

10.7 Planning

10.7.1 Preparation of Smart City Proposal

As per para 9.1.2 of SCM guidelines, SCP would outline the consultations held with the city residents and other stakeholders. During consultations, issues, needs and priorities of citizens and groups of people had to be identified. Consulting firm was required to assist in preparation of SCP under the supervision of the ULBs Department and the State Government. SCP would *inter-alia* include preparation of a city-wide concept plan based on a review of previous plans, interventions and documents of all departments and agencies.

Audit in this regard observed that:

(i) A total of 46 projects in Faridabad and 57 projects in Karnal were included in respective SCPs. However, records relating to citizen consultations were not made available to Audit. Consequently, the exact number of projects identified on the basis of citizen consultations and considered for inclusion in SCP could not be ascertained in audit.

(ii) Relevant documents relating to preparation of a city-wide concept plan based on a review of previous plans, interventions and documents of all departments and agencies was not found on record. In absence of such records, it could not be ascertained whether the previous plans, interventions and documents of other departments were reviewed by the consultants and the city-wide concept plan was based thereon.

[7] Audit party again visited the auditee units in July 2024 to get updated information.

The Department in its reply stated (January 2025) that all relevant documents were evaluated in accordance with SCM guidelines during finalisation of SCPs. However, due to relocation of records and transfer of officials, the requisitioned records are untraceable. However, the fact remained that in absence of records, involvement of citizen consultation and review of previous plans could not be evaluated in audit.

10.8 Finances of Smart Cities

As per para 11.1 & 12.2 of SCM guidelines, GoI was to provide ₹ 500 crore[8] for each city and an equal amount on a matching basis was to be contributed by the State Government. The remaining funds of the approved SCP were required to be arranged from ULBs own resources, convergence of projects with other Government schemes, private sector through PPPs, municipal bonds, debt, loans etc. The details of sources of raising funds as per the SCP and the actual funds raised from various resources by the SPVs are given in ***Table 10.1***.

Table 10.1: Details of sources of funds planned and actual funds raised by the SPVs

(₹ in crore)

Source	FSCL		KSCL	
	Planned	Actual	Planned	Actual
Government grant	980.00	980.00	1,000.00	833.00
Public Private Partnerships	1,007.50	0.00	132.85	0.00
Debt/loans	12.13	0.00	0.00	0.00
Land monetization	428.38	0.00	0.00	0.00
Convergence with other schemes of Government/ULBs	173.00	0.00	80.22	12.86
Contribution by ULB concerned	-	-	82.74	0.00
Total	**2,601.01**	**980.00**	**1,295.81**	**845.86**

Source: SCPs and information provided by the SPVs.

In this regard, Audit observed the following:

(i) Against planned funds of ₹ 3,896.82 crore, the actual mobilisation of funds was ₹ 1,825.86 crore for two cities leaving a shortfall of ₹ 2,070.96 crore (53.15 *per cent)*. FSCL and KSCL could raise ₹ 980 crore (37.67 *per cent)* and ₹ 845.86 crore *(*65.27 *per cent)* primarily through Government grants against proposed funding of ₹ 2,601.01 crore and ₹ 1,295.81 crore respectively.

(ii) As per SCP of Faridabad, three projects[9] of ₹ 1,007.50 crore were to be implemented on PPP basis. However, FSCL could not implement any of

[8] ₹ 200 crore in first year to create a higher initial corpus followed by ₹ 100 crore for the next three years.

[9] 1. Solar city mission/ solar roof tops (₹ 19.50 crore); 2. Transit oriented development (TOD) of real estate on MC Faridabad land (₹ 965 crore) and 3. Construction 100 bus que shelters (₹ 23 crore).

the projects on PPP basis as two projects[10] were not found feasible subsequently and for implementation of third project[11], a separate SPV[12] has been incorporated. KSCL planned to implement projects of ₹ 132.85 crore on PPP basis, however, no such project could be implemented by KSCL due to land constraints and non-feasibility of the project.

(iii) FSCL could not generate any funds through land monetisation against the targeted funds of ₹ 428.38 crore due to non-implementation of development of real estate project on MC Faridabad land on PPP basis.

(iv) The SPVs planned to implement projects of ₹ 253.22 crore under convergence with schemes of Centre/ State Government/ ULBs in their SCP. KSCL implemented only four projects of ₹ 12.86 crore under convergence with MC Karnal. Both the SPVs could not implement any project under convergence with of Centre/ State Government schemes due to non-issuance of guidelines in respect of funding pattern of convergence of projects by the State Government and non-functioning of Inter-Departmental Task Force[13] which was constituted (July 2015) by State Government for implementation of the schemes especially the projects through convergence.

(v) FSCL and KSCL could not raise any funds against planned receipt of ₹ 12.13 crore from debt and ₹ 82.74 crore from additional contribution from MC Karnal respectively. Reasons for non-raising of funds from these sources were not found on records.

As per para 11.2 and 11.3 of SCM guidelines, grants of GoI/ State Government was to be leveraged to attract funding from internal and external sources, however, SPVs could not leverage the same.

Consequently, required funds to implement the projects in SCPs could not be arranged by the SPVs which impacted the achievement of objectives of the Mission to the extent as both the SPVs shelved 54 projects of ₹ 2,316.64 crore due to various reasons including financial constraints as discussed in **Paragraph 10.9.1**.

The department in its reply stated (January 2025) that PPP projects could not be implemented due to non-feasibility of projects and land constraints and admitted that the projects under convergence were executed partially in absence of

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10 Solar city mission/ solar roof tops and Transit oriented development of real estate on MC Faridabad land.

11 Construction of 100 bus que shelters.

12 Faridabad City Transport Services Limited.

13 Consisting of parastatal bodies, ULB and Urban Development Authorities.

instructions issued from the State Government and operational challenges. However, the fact remained that the SPVs could not implement the envisaged projects of SCPs. Further, the reply is silent regarding non-raising of funds through debt by MC Faridabad and contribution from own funds by MC Karnal.

10.8.1 Payment of Interest to Government

Rule 230 (8) of the GFR, 2017 stipulates that all interests or other earnings against grant-in-aid released to any grantee institution would mandatorily be remitted to the Consolidated Fund of India immediately after finalisation of the accounts. FSCL earned an interest of ₹ 77.50 crore (GoI share: ₹ 38.75 crore and State Government share: ₹ 38.75 crore) during 2016-24. Out of which ₹ 37.19 crore was remitted (GoI share: ₹ 32.83 crore and State Government share: ₹ 4.36 crore) to Government, resulting into short payment of interest of ₹ 5.92 crore and ₹ 34.39 crore to GoI and State Government respectively.

Similarly, KSCL earned an interest of ₹ 31.86 crore (GoI share: ₹ 16.05 crore and State Government share: ₹ 15.81 crore) during 2018-24. Out of which ₹ 16.56 crore was remitted (GoI share: ₹ 9.77 crore and State Government share: ₹ 6.79 crore) to Government, resulting into short payment of interest of ₹ 6.28 crore and ₹ 9.02 crore to GoI and State Government respectively.

The department in its reply stated (January 2025) that both SPVs have been directed to ensure depositing their pending interest amount to Government.

10.9 Implementation of Smart City Mission projects

10.9.1 Revision in Smart City Proposal and Status of Execution

MoHUA directed (August and September 2018) SPVs to finalize the list of projects being undertaken from the first category of funds i.e. Central/State/ULB grant funds with the approval of its BoDs. The details of number of projects approved in SCP, projects shelved permanently, new projects (other than already approved in SCPs) under SCM by the SPVs and detailed status of execution of revised planned projects as on 30 June 2024 are shown in ***Table 10.2***.

Table 10.2: Detail of projects under Smart City Mission as on 30 June 2024

(₹ in crore)

SPV	Projects as per SCP		Projects shelved		New projects added[$]		Revised planned projects		Completed projects		Projects under execution		Projects under planning	
	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost
FSCL	46	2,601.01	18	1,416.53	28	154.42	56	933.90	35	658.47	13	194.17	8	81.26
KSCL	57	1,295.81	36	899.81	90	673.03	111	947.85	77	303.44	27	581.80	7	62.61
Total	**103**	**3,896.82**	**54**	**2,316.34**	**118**	**827.45**	**167**	**1,881.75**	**112**	**961.91**	**40**	**775.97**	**15**	**143.87**

Source: SCPs and information provided by the SPVs.

$ **other than SCP projects.**

In this regard, Audit observed the following:

(i) The SPVs shelved 54 projects due to non-availability of sites, non-viability of projects and financial issues. Out of these 54 projects, approval for shelving of projects from BoDs of the respective SPVs was not taken in 38 projects. Further, most of the new projects were taken up outside the selected ABD area as discussed in **Paragraph 10.9.4.** Consequently, the selected ABD area could not get due coverage as envisaged in SCP.

(ii) Timelines for completion of 152 projects (FSCL: 48 and KSCL:104) out of 167 projects were decided by both the SPVs and for remaining projects, the timeline was not fixed as the same were under planning stage. Out of 112 completed project, the SPVs could complete only 45 projects (FSCL: 7 and KSCL: 38) as per the timelines and there were delays in completion of the 67 (60 *per cent*) projects (FSCL: 28 and KSCL: 39) ranging from three to 1,506 days (as per detail given in ***Appendix 10.2***) as on 30 June 2024. Analysis of delay in execution of projects is given in ***Table 10.3.*** The reasons for delay were non-availability of encumbrance free sites, delay in site clearance and revision of drawings, etc.

Table 10.3: Analysis of delay in execution of projects

Sr. No.	Range of delays (in number of days)	Number of projects
1	Less than 100	18
2	Equal or more than 100 and less than 500	31
3	Equal or more than 500 and less than 1000	16
4	More than 1000	2
Total		**67**

Source: Information provided by KSCL and FSCL.

The department in its reply stated (January 2025) that SCP projects could not be executed due to land issues, non-feasibility of SCP projects and issues related to no objection certificates. With regard to delay in execution of projects, it was stated that the smart city projects were brownfield projects and retrofitted in the existing infrastructure created before the implementation of SCM which encountered several challenges such as shifting of existing utilities, inter departmental consultation with various departments, Covid lock down, CAQM[14] directions for closure of projects. It was further stated that the issue of delay in completion of projects has been acknowledged by GoI and consequently completion period has been extended upto March 2025.

The reply may be seen in the context that the department did not furnish any

[14] Commission for Air Quality Management (CAQM) plays a key role in implementing the Graded Response Action Plan (GRAP), a tiered system of pollution control measures that is activated when air quality levels reach critical levels.

justification for shelving 38 projects without obtaining approval of BoDs of the respective SPVs. The justification given by the department with regard to delay in execution of projects, may be seen in the backdrop that these projects were already planned to be executed on retrofit model in the SCPs. Further, delay in completion of projects was due to inadequate due diligence in selection of sites, non-conduction of feasibility study/survey and award of project without finalisation of drawings as discussed in **Paragraph 10.9.2**.

10.9.2 Delay/deficiencies in Execution of Individual Projects

(i) Execution of Sewage Treatment Plants

A provision for water recycling for public area, group housing and green belt development was included in the SCP of Faridabad with the objective to reuse the Sewage Treatment Plants (STPs) recycled water for horticulture and other non-potable applications. FSCL awarded (March 2022) the work for installation of eight STPs alongwith O&M for a period of five years to M/s Pulkit Projects Private Limited at a cost of ₹ 64.50 crore. The project was to be completed within 15 months from the date of letter of award (LOA).

Audit observed that FSCL awarded the project without taking permission from departments who own the land. Consequently, FSCL could not provide any site to the contractor out of eight identified sites published in Request for Proposal (RFP) as per detail given in ***Table 10.4***.

Table 10.4: Status of STPs planned under the Mission as on 31 March 2024

Sr. No.	Capacity	Location as per RFP	Remarks/Present status
1.	15 MLD	Sector-33 (HSVP land)	Location was revised to Jal Ghar, Sector-25. STP under construction
2.	5 MLD	Pyali Chowk (MC Faridabad land)	Location was revised to Golf Course. STP under construction
3.	2 MLD	Sector-45 (HSVP land)	Land not available
4.	2 MLD	Jharsently village (HSVP land)	Land not available
5.	1 MLD	NHPC Chowk (MC Faridabad land)	Land not available
6.	1 MLD	Town Park, Sector-12 (HSVP land)	Location was revised to Barahi-Talab, however, NOC was not received as STP was coming in the area of park
7.	1 MLD	Sihi Village, Sector-8 (Irrigation Department land)	Land not available
8.	1 MLD	Sector-9, Disposal station (MCF Land)	Land not available

Source: Information provided by FSCL.

FSCL handed over (December 2022 and February 2023) two sites (Sr. no. 1 and 2 of ***Table 10.4***) at revised locations to the contractor for construction of STPs but could not provide remaining six sites by March 2024. The matter regarding non-availability of sites for remaining six STPs was discussed by BoDs of FSCL from time to time and finally, BoDs decided (December 2023) to short close the contract for the remaining six STPs. It was further observed that the agency had

initiated the work for STPs at Sector-45 and partial work[15] was executed. However, due to protest from local residents, the work was stopped and it remained in abandoned position due to non-availability of alternative site. FSCL paid ₹ 0.27 crore to the contractor against partial work done.

Thus, due to inadequate due diligence in selection of sites and award of work without finalisation of the sites, FSCL was not able to complete any of the STPs even after lapse of more than two years of award of work. Additionally, FSCL had to bear infructuous expenditure of ₹ 0.27 crore.

The Department in its reply stated (January 2025) that MC Faridabad issued no objection certificate (NOC) for these sites and accordingly, LOA to contractor was issued by FSCL. The reply is not acceptable as FSCL issued LOA in March 2022 before issuance (August 2022) of NOC by MC Faridabad. Further, no NOC was obtained for five sites from the land owning agencies i.e. Haryana Shehri Vikas Pradhikaran and Irrigation Department.

(ii) Development of Sant Nagar Slum Area

As per SCP of Faridabad city, retrofitting of civic infrastructure of slum area in Sant Nagar was to be carried out. Accordingly, FSCL awarded (July 2018) work for construction of roads, civic infrastructure[16] and landscaping in Sant Nagar to M/s SGK Projects (P) Limited (the agency) at a cost of ₹ 9.69 crore with O&M for five years. The work was to be completed in six months (December 2018)

The agency could not complete the work despite extension granted upto 30 June 2021. The payment of ₹ 2.58 crore[17] was made to the agency against the partial works of water supply, sewerage, drainage, road improvements, electrical works and underground tank. In view of slow progress of the work, the BoD decided (December 2021) to terminate of contract and thereafter re-tender the left-out work. The balance work was assessed at ₹ 2.08 crore which was assigned (March 2022) to MC Faridabad as deposit work to ensure that all the work must be completed by June 2023. However, MC Faridabad refused (April 2023) to undertake the work as some parcel of land was privately owned and remained under the jurisdiction of other Government Department. As a result, the project remained incomplete as of June 2024.

Audit in this regard observed that FSCL had neither conducted any feasibility

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15 Work of excavation of SBR tank-50 *per cent* completed, soil investigation, survey and design (IIT/NIT) was completed.

16 24*7 water supply, sewerage, drainage, roads improvements, internal lanes, community toilets, rainwater harvesting, landscaping, solar LED streetlights, electrical work and underground tank.

17 After deducting penalty of ₹ 0.65 crore.

study/survey nor obtained permission from the concerned authorities before awarding of the work. FSCL did not initiate any action to resolve the issues pertaining to land. Consequently, the project could not be retendered, and the slum area could not be developed despite incurring an expenditure of ₹ 2.58 crore.

The department in its reply stated (January 2025) the project was identified by the MC Faridabad and subsequently handed over to FSCL for execution. The work could not be executed as some parcel of land was owned by private owners and remained under the jurisdiction of other Government department. The reply of the department confirms the contention of audit that the work was awarded without conducting any feasibility study/survey.

(iii) Installation of LED Lights in Karnal

KSCL awarded (11 January 2022) work for replacement/ retrofitting of 25,000 Street light points to M/s HPL Electric and Power Limited (the agency) at a total cost of ₹ 35.27 crore along with O&M for a period of 10 years. The scope of work[18] *inter-alia* included conducting baseline survey to identify infrastructure requirements for smart streetlights, supply, installation, testing and commissioning of smart street light system with LED lights, smart feeder panel controllers, erection of poles, laying of cabling, street light management system application, Mobile Apps and integration with Integrated Command and Control Centre[19] (ICCC) platform with Geographic Information System (GIS). The work was to be completed within 30 weeks i.e. upto 23 August 2022[20] in two phases. After survey, the work was reduced (May 2022) to 23,634 lights in 20 wards amounting to ₹ 33.87 crore. The agency sought extension upto February 2024, however, KSCL granted (October 2022) extension upto 21 November 2022 (Phase-II). KSCL granted go-live for phase-1 on 11 August 2023. However, the project is still under execution as on June 2024 due to various hurdles[21].

Audit observed that KSCL granted go-live for phase-1 to the agency despite the fact that the agency had not carried out integration of LED lights with ICCC, GIS mapping of locations of poles and had not developed Mobile App for running day-to-day operations, dashboard to showcase alert and lodging complaints. KSCL also released (September 2023) partial payment[22] for

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18 Clause 2.1 of tender documents.

19 Integrated Command and Control Centre: serves as the "nerve center" for managing city operations by collecting data from various applications across the city, allowing authorities to make informed decisions in real-time regarding aspects like traffic management, waste disposal, public safety, and more, effectively acting as a central monitoring and decision support system for the city administration.

20 From 14 days from issue of LOA.

21 Resentment from public for installation of poles, due to rainy season and slow progress by the contractor.

22 ₹ 0.49 lakh against ₹ 1.39 lakh.

integration with ICCC platform with GIS. Thus, go-live was given in violation of contractual conditions.

The department in its reply stated (January 2025) the work as per contractual obligation has been completed. However, the final go-live will be issued only after verification of LED lights. The fact, however, is that the go-live for phase-I was issued in violation of contractual obligations.

(iv) Construction of Commercial Space at Old Anaj Mandi, Karnal

The work for construction of commercial complex at old Anaj Mandi was approved (September 2021) by KSCL to create a space for all age groups that supports people's participation in terms of social interaction, commercial usage and recreation. The said project was to be constructed on MC Karnal's land. As per proposal, the site was to be developed as multistorey [23] commercial complex building with two levels of basements.

The said work was assigned (August 2022) to MC Karnal for execution on deposit work basis and MC Karnal awarded (January 2023) the work to a contractor at a cost of ₹ 30.80 crore which was to be completed within 18 months from the date of issue of Letter of acceptance (i.e. by July 2024). KSCL deposited ₹ 30.80 crore with MC Karnal in December 2022.

Audit observed that the project was awarded without finalisation of drawings and design and the same could be finalised only in November 2023 and accordingly excavation of work could start only in October 2023. Further, the work was held up due to non-shifting of tubewell by MC Karnal till February 2024. The contractor has requested extension in time upto March 2025. Thus, the project faced delays due to late finalisation of drawings and the intended benefits of the project could not be achieved in time.

The Department in its reply stated (January 2025) the structure and architectural drawings have been finalized and 35 *per cent* work has been completed and remaining work would be completed upto March 2025. However, the reply is silent as to why the work was awarded without finalisation of drawings.

(v) Functioning of Surveillance Camera System

(a) FSCL awarded (December 2018) the work for installation of ICCC set up to M/s. Honeywell Automation India Limited (M/s HAIL) at a total cost of ₹ 159.40 crore along with O&M for five years. FSCL issued go-live to the project in February 2020. M/s HAIL installed 1486 surveillance cameras at 168 junctions at the time of issue of go-live to the project.

[23] A multi-storey structure with a ground floor (G) and two additional floors above.

Functioning of surveillance cameras at 25 junctions were reviewed by Audit on 26 October 2023. Audit observed that surveillance cameras at none of the test-checked junctions was found fully functional[24]. Surveillance cameras at 12 junctions were found completely non-functional and at remaining 13 junctions, surveillance cameras were found partially functioning due to damaged cable, burnt control switch, power failure etc. However, as per report generated of ICCC dated 26 October 2023, all the test-checked cameras were fully functional on the date.

Audit also observed that Deputy Commissioner of Police, Faridabad informed (5 October 2022) FSCL that only 233 surveillance cameras were found functional during checking by the Department against 695 surveillance cameras as reported in the Reports (28 September 2022) of FSCL and sought a detailed status/ reasons for the non-functional cameras. However, no reply in this regard from FSCL was found on record.

These instances indicate that report relating to proper functioning of surveillance system and achievement of its intended objectives lack genuineness/authenticity as lot of cameras which were reported to be functional were found non-functional. Consequently, the surveillance system remained ineffective to the extent.

The department in its reply stated (January 2025) that M/s HAIL faced several challenges like power/internet cable damage due to road excavation by unknown vendor, damage of control switch due to high voltage supply, pole removal, power failure, theft of ICT equipment etc. during O&M phase. Further, in view of the functioning / fully automated report generation system of the surveillance there is no reason to suspect on the genuineness/authenticity, however, it can be improved further. Reply is not acceptable as it does not address the specific inconsistencies in reports of ICCC pointed as out.

(b) M/s HAIL dismantled (January to December 2022) 614 cameras of ₹ 4.80 crore installed at 45 junctions due to widening of roads by National Highway Authority of India (NHAI). Audit observed that FSCL did not carry out any exercise for proper utilisation of these dismantled infrastructure and these items are lying idle (June 2024) under the custody of M/s HAIL.

The department in its reply stated (January 2025) that FSCL is already in communication with NHAI for release of reasonable compensation for dismantled infrastructure.

[24] More than one camera was installed at one junction and out of which some cameras were functional and others were not functional.

10.9.3 Execution of Projects by Line Departments/ Agencies

As per Advisory 15 issued (14 January 2019) by MoHUA, for certain projects, technical expertise and execution capabilities of the respective Government line departments/ agencies can be leveraged for faster executing smart cities projects instead of depending solely upon Project Management Consultant. The respective cities may explore arrangement of an appropriate tripartite agreement between the SPV, Government line department/ agency and prospective bidder for execution of specific projects which have been pending for implementation.

In this regard, it was observed that:

(i) The SPVs assigned 41 projects (KSCL: 31 and FSCL:10) to various Government line departments/ agencies for execution. The details of the projects are given in ***Appendix 10.3***. As per above Advisory, projects were to be identified through a joint meeting of SPV and Government line department/ agency. All these projects were identified by BoDs in their meetings held from time to time. However, no separate joint meetings between SPV and Government line department/ agency was found on record.

(ii) As per the Advisory, a draft tripartite agreement would be drawn under approval of the SPV and be part of the tender document for each such project which would be awarded to the successful bidder. However, no draft tripartite agreement was entered into by the SPVs as required in the Advisory as the same was not included in the tender documents by the line departments.

(iii) As per the Advisory, no funds were to be transferred from SPV to Government department/ agency. The payments were to be disbursed directly by the SPV to the contractor on completion of each milestone as per the terms of the tender. The Government line department/ agency was to check and verify contractor's bills as per standards of financial rules and submit them to SPV for payment. Audit observed that KSCL transferred funds of ₹ 350.36 crore for 28 projects to Government line departments/ agencies in violation of the Advisory issued by GoI, which otherwise would have been released to the contractor on the basis of running bills/ milestones achieved. This has resulted in parking of funds with line departments. In one case, ₹ 13.68 crore was transferred to MC Karnal on 12 July 2022 for construction of commercial complex which was dropped on 14 March 2024 due to non-vacating of site by existing shopkeepers and the amount was lying (June 2024) with the line department.

Consequently, the SPVs did not participate in tender management process and implementation of these projects as per the directions of GoI and the projects were assigned to the line departments against the spirit of the Advisory.

The department in its reply stated (January 2025) that all HoDs of line departments are member of BoDs of KSCL, hence, no separate joint meeting was required for discussion of the projects. It was further stated that funds were transferred to concerned departments with the approval of BoDs by following PWD code provision in deposit work which states that the work can be initiated after receiving of funds. Therefore, after the transfer of funds, SPVs were unable to make tripartite agreement. The reply is not acceptable as HoDs of PWD (B&R) Department, Public Health Engineering Department, Irrigation & Water Service Department etc. were not member of BoDs of KSCL. Further, the funds were received under centrally sponsored scheme and the same should have been utilised as per directions issued by GoI.

10.9.4 Execution of Projects Outside ABD Area

As per Advisory13 issued (21 January 2019) by MoHUA, addition of projects outside ABD location and execution of non-ICT projects in Pan-City component was not permissible.

Audit in this regard, observed that 76 projects of ₹ 407.99 crore (***Appendix 10.4***) executed/under execution at various locations in Karnal city were completely outside the ABD area.

Additionally, KSCL executed one non-ICT project (i.e. Open-air gym: ₹ 5.51 crore) as Pan-city project.

An expenditure of ₹ 356.87 crore was incurred on these projects upto June 2024. Consequently, KSCL incurred expenditure of ₹ 356.87 crore for execution of 77 new projects in violation of SCM guidelines.

Further, execution of projects outside ABD area defeats the Area-based development approach which focuses on developing a specific area into better planned one. Consequently, the selected ABD area was deprived of with the funds to the extent.

The department in its reply stated (January 2025) that as per MoHUA guidelines these projects were undertaken based on city needs and public interest. The reply is not acceptable as the projects outside ABD area and non-ICT projects in Pan-city were not permissible under SCM guidelines.

10.10 Monitoring

Monitoring in the context of smart cities refers to the systematic process of assessing and evaluating various aspects of a city's performance, development, and implementation of smart initiatives. Audit observed following inadequacies in the monitoring system:

10.10.1 Full Time Chief Executive Officer

As per SCM guidelines, SPV was to be headed by a full time CEO with nominees of Central Government, State Government and ULB on its BoD. The CEO of the SPV shall be appointed with the approval of MoHUA for a fixed term of three years and shall be removed only with the prior approval of MoHUA.

Advisory14 issued (03 October 2018) by MoHUA also contained provisions to ensure appointment of full-time CEOs to enable Mission Directorate to achieve the intended outcomes in a time-bound manner.

Audit reviewed the appointment and removal of CEOs of both the SPVs during the period from October 2016 to June 2024 and noticed as below;

The first appointment of CEOs in both the SPVs were approved by MoHUA. Subsequently, 11 CEOs (FSCL: 7 and KSCL: 4) were appointed and removed without approval from MoHUA. Further, 12 out of 13 CEOs were appointed for a period less than the prescribed period of three years. Five out of eight CEOs in FSCL and all five CEOs in KSCL were not appointed on full-time basis by the State Government in violation of SCM guidelines.

Consequently, implementation of the projects in both the cities lacked continuity of direction and effective supervision from CEOs.

The department in its reply stated (January 2025) that the appointment and transfer of CEOs was undertaken by the State Government.

10.10.2 City Level Monitoring

As per para 13.3 of SCM guidelines, a Smart City Advisory Forum (SCAF) was to be established at the city level to advise and enable collaboration among various stakeholders[25]. MoHUA directed (November 2018 and December 2019) SPVs to conduct SCAF meetings on regular intervals and at least once a month.

In this regard, Audit observed that SCAF was established by the FSCL and KSCL on 16 October 2018 and 08 January 2019 respectively. Both the SPVs held 10 meetings[26] (FSCL:4 and KSCL:6) of SCAF during June 2018 to November 2021 against the requirement of conducting 133 meetings upto June

[25] SCAF was required to include the District Collector, MP, MLA, Mayor, CEO of SPV, local youths, technical experts and at least one member from the area who is (1) President/Secretary representing registered Residents Welfare Association, (2) Member of registered Taxpayers Association/ Ratepayers Association, (3) President/ Secretary of slum level federation, and (4) Members of a Non-Governmental Organization (NGO) or Mahila Mandali/Chamber of Commerce/Youth Associations.

[26] FSCL: 15 June 2018, 04 September 2019, 01 March 2020 and 18 January 2021 and KSCL: 11 January 2019, 06 March 2020, 30 April 2020, 02 July 2020, 25 July 2020 and 27 November 2021.

2024. Consequently, participation of various stakeholders in monitoring the progress of implementation of projects could not be ensured.

The department in its reply stated (January 2025) that suggestion of SCAF were considered during implementation of the project, further progress of smart city projects was discussed in DISHA meetings[27]. The reply is not tenable as participation of various local stakeholders could not be ensured due to non-holding of sufficient meetings of SCAF.

10.10.3 Assessment of Projects Undertaken for Achievement of Objectives of the Mission

As per the SCM guidelines, the objective of the mission was to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of smart solutions. Further, as per the guidelines, the key roles and responsibilities of the SPV *inter-alia* include to act upon the reports of a third-party review and monitoring agency and reviewing quality control related matters.

In this regard, Audit observed that the SPVs had not appointed any agency for carrying out third-party review/ impact assessments of the projects executed under SCM. Further, the SPVs had also not carried out any assessment in terms of success parameter of the initiatives implemented under SCM. Consequently, achievement of Mission objectives by the SPVs could not be evaluated.

The Department in its reply stated (January 2025) that overall impact/ assessment of the projects would be carried out after completion of the Mission as per direction of MoHUA/ State Government.

10.11 Conclusion

The effectiveness of citizen consultation and review of previous plans in preparation of Smart City Proposals for both cities in the State could not be evaluated as relevant records were not made available to Audit.

Against planned mobilisation of funds of ₹ 3,896.82 crore for implementation of projects under the Mission for two cities, the SPVs could mobilise only ₹ 1,825.86 crore (46.86 *per cent*) primarily through grant-in-aid received from Government. The SPVs failed to leverage grant received from Government and required funds for implementation of the projects from internal and external sources (i.e. Public Private Partnership, debt and land monetisation etc.) could not be arranged. The SPVs failed to implement projects under convergence with

[27] District Development Coordination and Monitoring Committee under the chairmanship of Chief Minister, MP and other public representatives.

schemes of Centre/State Government due to non-issuance of guidelines in respect of funding pattern of convergence of projects by the State Government. KSCL implemented only four projects of ₹ 12.86 crore under convergence with MC Karnal.

The SPVs revised the Smart City Proposals and planned 167 projects of ₹ 1,881.75 crore, out of which 152 projects were awarded and 112 projects completed by June 2024. However, only 45 projects met their scheduled timelines, while 67 projects faced delays ranging from three to 1506 days due to issues like lack of encumbrance-free sites, site clearance delays, and drawing revisions. Karnal Smart City Limited incurred expenditure of ₹ 356.87 crore for execution of new projects outside the selected ABD area in violation of the Mission guidelines.

Monitoring mechanism for implementation of the Mission was deficient at city level as both SPVs held 10 meetings of city level monitoring committee as against the requirement of 133 meetings. Further, the SPVs had not appointed any agency for carrying out third-party review/ impact assessments of the projects executed under the Mission. Consequently, the achievement of Mission objectives by the SPVs could not be evaluated.

10.12 Recommendations

The State Government may:

(i) take steps for convergence of ongoing projects under the Mission with other Central/State Government schemes to drive the maximum benefit in implementation of smart city projects in the State;

(ii) ensure timely execution of on-going projects as per the guidelines of the Mission; and

(iii) identify measurable indices and carry out third-party review for assessing the impact assessments of the projects executed under the Mission.

Chapter 11

Compliance Audit Observations (Public Sector Undertakings)

CHAPTER-11

COMPLIANCE AUDIT OBSERVATIONS (PUBLIC SECTOR UNDERTAKINGS)

Haryana Orbital Rail Corporation Limited

11.1 Payment of avoidable interest

Imprudent decision of the Company to retain the share application money beyond the stipulated time, in contravention to the provisions of the Companies Act, 2013 led to payment of an avoidable interest of ₹ 1.20 crore to the share applicants.

Section 42 (6) of the Companies Act, 2013 provides that a Company making an offer for subscription of securities on private placement shall allot its securities within 60 days from the date of receipt of application money or shall repay the money to the subscribers within 15 days from the date of completion of 60 days, failing which it shall be liable to repay that money with interest at the rate of 12 *per cent* per annum from the expiry of the 60th day.

The Board of Directors (BoD) of the Haryana Orbital Rail Corporation Limited[1] (Company) accorded (November 2020) approval to increase paid-up capital from ₹ 0.10 crore to ₹ 200 crore and allot 19.99 crore equity shares of ₹ 10 each aggregating to ₹ 199.90 crore on right issue basis to its existing six shareholders[2] in one or more tranches. Accordingly, the Company issued (23 December 2020) offer letters to its existing equity shareholders for right issue of 19.99 crore shares with major shareholding of 45 *per cent* to Haryana Rail Infrastructure Development Corporation Limited (HRIDCL), based on their shareholding in the Company on 15 December 2020. The offer was valid for the period 28 December 2020 to 25 January 2021. In response to this, share application money (SAM) of ₹ 29.99 crore (April 2021) and ₹ 9.99 crore (April/ September 2021) from two shareholders only viz. Maruti Suzuki India Limited (MSIL) and Gurugram Metropolitan Development Authority (GMDA) respectively was received beyond the offer period. Due to non-receipt of SAM from other shareholders particularly the major shareholder i.e. HRIDCL, and to

[1] Incorporated on 25 December 2019 as a Special Purpose Vehicle for the purpose of construction, operation and maintenance of Haryana Orbital Rail Corridor Project. The Company is an Associate Company of Haryana Rail Infrastructure Development Corporation Limited (HRIDCL). HRIDCL is a Joint Venture of Government of Haryana and Ministry of Railways/ Government of India. Equity shareholding as on March 2021: Government of Haryana: 51 *per cent* and Ministry of Railways: 49 *per cent*.

[2] HRIDCL: 8,99,55,000 shares (45 *per cent*), Maruti Suzuki India Limited: 2,99,85,000 shares (15 *per cent*), Gurugram Metropolitan Development Authority: 99,95,000 shares (5 *per cent*), Haryana State Industrial & Infrastructure Development Corporation Limited: 2,99,85,000 shares (15 *per cent*), All cargo Logistics Limited: 1,99,90,000 (10 *per cent*) and International Cargo Terminals & Infrastructure Private Limited: 1,99,90,000 (10 *per cent*).

avoid dilution of Government's controlling interest, the Company did not allot shares to MSIL and GMDA within the prescribed time limit. However, as required under the provisions of Section 42 (6) of the Companies Act, 2013, instead of refunding the SAM to MSIL and GMDA within the prescribed time, the Company decided to retain the SAM.

Audit observed (November 2023) that the Company had issued offer letters for issue of shares on right issue basis in December 2020 even before finalisation of shareholders' agreement with its existing shareholders. Later, the Company issued the revised offer letters for right issue to its shareholders on 11 February 2022 after finalisation of shareholders' agreement with five shareholders[3] on the same day (11 February 2022). The Company received SAM in March 2022 from two shareholders[4] and land as SAM from one shareholder[5] and allotted shares to five shareholders[6] including MSIL and GMDA on 17 March 2022 against the SAM received earlier from them in April/ September 2021. Eventually, the Company had to pay interest of ₹ 3.20 crore to MSIL (₹ 2.79 crore in August 2022) and GMDA (₹ 0.41 crore in February 2023) for delay in allotment of shares as per Section 42 (6) of the Companies Act, 2013. It was also observed that the Company had earned interest of ₹ 2.00 crore on the SAM received from MSIL and GMDA.

Thus, imprudent decision of the Company to retain the SAM of MSIL and GMDA beyond the prescribed time, in contravention to the provisions of the Companies Act, 2013 led to payment of an avoidable interest of ₹ 1.20 crore (₹ 3.20 crore - ₹ 2.00 crore).

The Management replied (December 2023) that share application money was not refunded to MSIL and GMDA with the expectation that contribution from other shareholders would be received shortly, however, the signing of shareholders' agreement by the shareholders and release of share application took time. The reply is not tenable as the Company had issued offer letters to the existing shareholders without finalisation of shareholders' agreement, and it had unduly retained the share application money of MSIL and GMDA beyond the prescribed time till final allotment of shares to them, which was made only after issue of the revised offer letters.

The matter was referred to the Government (April 2024) and the reply was awaited (July 2025).

Recommendation: The Company should strictly adhere to the applicable statutory provisions to protect its financial interest.

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3 Excluding International Cargo Terminals & Infrastructure Private Limited.
4 HRIDCL and Allcargo Logistics Limited (ACL).
5 Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC).
6 MSIL, GMDA, HRIDCL, ACL and HSIIDC.

Haryana Tourism Corporation Limited

11.2 Undue favour to contractor

Delay in transfer of possession of a Convention Centre to the contractor as well as execution of license agreement and extension of renovation and upgradation period (without license fee) in violation of the agreed terms and conditions of LOI, unduly favoured the contractor and deprived the Company of license fee income of ₹ 0.68 crore.

As per the e-auction conducted in January 2022, the Haryana Tourism Corporation Limited (Company) issued (24 February 2022) Letter of Intent (LOI) to M/s J.B. Decore (contractor) being the highest bidder, for leasing out its Convention Centre, Tilyar Lake, Rohtak at an annual license fee of ₹ 1.75 crore for a period of three years with provision of extension of three years and further three years (total nine years) on the revised license fee[7]. The other terms and conditions of the LOI, *inter-alia,* provided the following:

- In response to LOI, the successful bidder will have to give acceptance within seven days from issue of LOI and deposit interest free security equal to 12 months license fee less earnest money/ EMD within 15 days from issue of LOI. Failure to deposit the security within 15 days from the date of offer letter will result in forfeiture of the earnest money.
- After acceptance of LOI, the license would be granted to the highest bidder. Thereafter, the licensee shall be allowed to use and occupy the premises within three days from the date of issue of license and accordingly, license agreement would be duly executed between two parties. Consequently, the licensee would be given 90 days period (without any license fee) for renovating, upgrading and furnishing of premises as per plan submitted at the time of submission of technical bid, at its own cost and expense. Subsequently, after expiry of 90 days, the period of license would commence, and the licensee would be bound to make periodic payment as per terms and conditions.
- Open space/area would be given on "*as is where is basis*" and all the expenses incurred on repair/renovation of the existing structure will be borne by the licensee and the total fittings and fixtures, if any installed by Licensee will become the property of the Licensor after the expiry of the license period.

The contractor accepted the LOI on the same date of its issuance i.e. 24 February 2022 and deposited a part of the security amount of ₹ 0.70 crore on 09 March 2022 against ₹ 1.65 crore[8] within the stipulated time while seeking one month

[7] Subject to minimum increase of 15 *per cent* over the previous license fee.
[8] Required security: ₹ 1.75 crore less EMD: 0.10 crore.

time for deposit of balance security amount of ₹ 0.95 crore, which was allowed (11 March 2022) by the Company. The contractor, however, deposited the balance security amount of ₹ 0.95 crore on 07 May 2022, beyond the extended period. The Company had issued (11 March 2022) a letter to the contractor for possession of the Convention Centre and execution of license agreement. The license agreement was executed (08 June 2022) between the Company and the contractor for a period of three years from 06 September 2022 to 05 September 2025 after allowing 90 days period from 08 June 2022 for renovation and upgradation, etc. (without license fee). The contractor was allowed to take possession of the Convention Centre on 08 June 2022. Further, on the request of the contractor, the Company extended (04 October 2022) the time-period of 90 days for renovation and upgradation etc.

Audit observed (July 2023) that the contractor had violated the agreed terms and conditions of the LOI with respect to payment of the stipulated security amount within the prescribed time. However, the Company did not take action for forfeiture of the earnest money. Further, the license for the Convention Centre should have been granted to the contractor immediately after acceptance of LOI by the contractor on 24 February 2022, followed by transfer of possession of the Convention Centre to the contractor within three days from grant of the license. However, the transfer of possession of the Convention Centre to the contractor and execution of license agreement was done with a delay of 86 days from the date of intimation for possession (11 March 2022) after allowing three days. Further, on the request of the contractor, the Company also extended (04 October 2022) the time-period for renovation and upgradation etc. by 56 days from 06 September 2022 to 31 October 2022 (without license fee), in violation of the agreed terms and conditions of LOI.

Thus, delay in transfer of possession of the Convention Centre to the contractor as well as execution of license agreement, and extension of renovation and upgradation period (without license fee) in violation of the agreed terms and conditions of LOI, unduly favoured the contractor and deprived the Company of license fee income amounting to ₹ 0.68 crore[9].

The Management stated (April 2024) that LOI was accepted on 24 February 2022. However, due to various administrative issues, the letter for possession was issued on 11 March 2022. During inspection of Convention Centre, the licensee found that there was leakage in the roof of Convention Centre and heavy repair work was to be done before renovation work. Therefore, three-month period for the renovation was not sufficient. For smoothening the work of Convention Centre, a further period of two months was extended by

[9] ₹ 1.75 crore/365 X 142 (86+56) days.

competent authority.

The reply is not acceptable as extension of 56 days for renovation and upgradation etc. (without license fee) in violation of the agreed terms and conditions of the LOI i.e. relaxation in terms and conditions post e-auction stage was unwarranted and against the principles of competitive tendering as the Convention Centre premises were offered on "*as is where is basis*". Further, the delay on the part of the Company attributed to administrative reasons was not justified.

The matter was referred to the Government (April 2024) and the reply was awaited (July 2025).

Recommendation: Relaxation in terms and conditions of e-auction having financial implication in favour of contractor at post auction stage should be avoided and departmental action may be initiated against the officers for giving such relaxations to the contractor.

Chandigarh **(ASHUTOSH SHARMA)**
Date: 26 December 2025 **Principal Accountant General (Audit), Haryana**

Countersigned

New Delhi **(K. SANJAY MURTHY)**
Date: 13 January 2026 **Comptroller and Auditor General of India**

Appendices

Appendix 1.1

(Reference: Paragraph 1.1; Page 1)

Details of Departments, Public Sector Undertakings and Autonomous Bodies

Departments	Public Sector Undertaking	Autonomous Bodies
1. Education Department	1. Haryana Power Generation Corporation Limited	1. Haryana Khadi and Village Industries Board, Panchkula
2. Health and Family Welfare	2. Haryana Vidyut Prasaran Nigam Limited	2. Haryana Labour Welfare Board, Chandigarh
3. Higher Education Department	3. Uttar Haryana Bijli Vitran Nigam Limited	3. Haryana Shehri Vikas Pradhikaran, Panchkula
4. Women and Child Development	4. Dakshin Haryana Bijli Vitran Nigam Limited	4. Haryana Housing Board, Panchkula
5. Sports	5. Haryana State Financial Service Limited	5. Haryana Wakf Board, Ambala Cantt.
6. Medical Education & Research Department	6. Haryana Scheduled Caste Finance and Development Corporation	6. Gurugram Metropolitan Development Authority
7. Youth Empowerment and Entrepreneurship	7. Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited	7. Haryana State Legal Services Authority, Panchkula
8. Social Justice & Empowerment Department of SC & BC & Antyodya Department	8. Haryana Women Development Corporation Limited	8. District Legal Service Authority, Bhiwani
9. Sainik and Ardh Sainik Welfare Department.	9. Haryana Financial Corporation	9. District Legal Service Authority, Faridabad
10. Labour Department	10. Haryana State Electronics Development Corporation Limited	10. District Legal Service Authority, Fatehabad
11. Environment, Forest & Wildlife Department	11. Hartron Informatics Limited	11. District Legal Service Authority, Gurugram
12. Finance Department	12. Gurgaon Technology Park Limited.	12. District Legal Service Authority, Jhajjar
13. Excise and Taxation Department	13. Panipat Plastic Park Haryana Limited	13. District Legal Service Authority, Kaithal
14. Transport Department	14. Gurugram Metropolitan City Bus Limited	14. District Legal Service Authority, Panchkula
15. Civil Aviation	15. Haryana Roadways Engineering Corporation Limited	15. District Legal Service Authority, Panipat
16. Development and Panchayat Department	16. Haryana Medical Services Corporation Limited	16. District Legal Service Authority, Rewari
17. PWD (Buildings and Roads)	17. Haryana Tourism Corporation Limited	17. District Legal Service Authority, Rohtak
18. Food, Civil Supply Department	18. Drone Imaging & Information Services of Haryana Limited	18. District Legal Service Authority, Sonepat
19. PWD (Public Health Engineering Department)	19. Faridabad City Transport Service Limited	19. District Legal Service Authority, Yamuna Nagar
20. Cooperation Department	20. Haryana Kaushal Rozgar Nigam Limited	20. District Legal Service Authority, Hisar
21. Agriculture	21. Haryana State Industrial and Infrastructure Development Corporation Limited	21. District Legal Service Authority, Narnaul
22. Horticulture Department	22. Faridabad Smart City Limited	22. District Legal Service Authority, Sirsa

Departments	Public Sector Undertaking	Autonomous Bodies
23. Animal Husbandry	23. Haryana Mass Rapid Transport Corporation Limited	23. District Legal Service Authority, Ambala
24. Fisheries Department	24. Haryana State Roads and Bridges Development Corporation Limited	24. District Legal Service Authority, Jind
25. Irrigation & Water Resources Department	25. Haryana Rail Infrastructure Development Corporation Limited	25. District Legal Service Authority, Karnal
26. Urban Local Bodies	26. Haryana Orbital Rail Corporation Limited	26. District Legal Service Authority, Kurukshetra
27. Town and Country Planning	27. Haryana Police Housing Corporation Limited	27. District Legal Service Authority, Mewat (Nuh)
28. Energy Department	28. Karnal Smart City Limited	28. District Legal Service Authority, Palwal
29. Mining and Geology	29. Haryana Seeds Development Corporation Limited	29. District Legal Service Authority, Charkhi Dadri
30. Industry and Commerce	30. Haryana Land Reclamation and Development Corporation Limited	30. Haryana Building and Other Construction Workers Welfare Board, Chandigarh
31. Housing for All	31. Haryana Agro Industries Corporation Limited	31. Haryana Human Rights Commission, Chandigarh
32. General Administration	32. Haryana International Horticultural Marketing Corporation Limited	32. Haryana Electricity Regulatory Commission
33. Financial Commissioner Revenue	33. Haryana Forest Development Corporation Limited	33. Haryana State Commission for Protection of Child Rights
34. Public Relations and Language	34. Haryana State Warehousing Corporation	34. Haryana Real Estate Regularity Authority, Panchkula
35. Home	35. Haryana Minerals Limited	35. Haryana Real Estate Regularity Authority, Gurugram
36. CRID	36. Haryana State Housing Finance Corporation Limited	36. State Compensatory Afforestation Fund Management and Planning Authority, Haryana
37. Tourism & Heritage	37. Haryana State Minor Irrigation and Tubewells Corporation Limited	37. Haryana State Biodiversity Board
38. Archives		38. Institute of Hotel Management, Kurukshetra
39. Printing and Stationery		39. Institute of Hotel Management, Yamuna Nagar
40. Election Department		40. Institute of Hotel Management, Panipat
41. Vigilance Department		41. Institute of Hotel Management, Faridabad
		42. Institute of Hotel Management, Rohtak

Appendix 1.2

(Reference: Paragraph 1.6; Page 4)

Statement showing details of category-wise amount of outstanding paragraphs

(₹ in crore)

Sr. No.	Category/Nature of Irregularities	Number of Paragraphs	Money Value
1.	Loss due to theft, fire, misappropriation	322	1,895.78
2.	Recoverable amount	2,290	79,289.16
3.	Non-compliance of rules	5,146	12,140.12
4.	Avoidable/irregular/excess expenditure	3,051	10,436.40
5.	Unfruitful/wasteful expenditure	846	2,674.54
6.	Shortcoming in implementation of scheme/execution of work	1,989	6,928.78
7.	Non-utilisation/blockade of funds	1,196	10,355.19
8.	Non-verification of store/stock	1,504	1,026.72
9.	Loss of revenue due to non-utilisation of means	2,719	27,066.41
10.	Miscellaneous	5,179	29,547.30
	Total	**24,242**	**1,81,360.40**

Appendix 1.3

(Reference: Paragraph 1.7.2; Page 6)

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments as on 31 March 2025

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
1.	Agriculture	2015-16	2.1.7.5	12,644.00
			2.1.9.3	21.41
		2017-18	2.1.6.3	2,222.00
2.	Animal Husbandry	2000-01	3.4	21.96
3.	Food and Supplies	2014-15	3.6.2	2,446.00
			3.6.3	240.00
		2017-18	3.4	2,404.00
		2018-19	3.5	299.00
4.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.1	4,055.00
		2011-12	2.3.10.8	16,700.00
		2013-14	2.3.10.6	1,266.00
			2.3.10.11	37,386.00
			3.2	84.64
		2015-16	3.18 (a)	41,715.00
			3.18 (b)	1,077.00
		2017-18	3.17 A	16,086.00
			3.17 B	1,972.00
			3.18.7 (ii)	1,955.00
			3.18.10	4,678.00
			3.18.11 (i)	342.00
			3.18.11 (ii)	2,025.00
			3.18.11 (iii)	2,690.00
		2018-19	3.14.3.3	3,189.00
			3.14.3.4	713.00
			3.14.3.8	1,314.00
			3.14.3.11	96.00
			3.14.4.3	1,122.00
			3.14.4.5	72.00
			3.15	561.00
		2019-20	2.4	295.00
			2.5	161.00
5.	Social Justice and Empowerment (District Red Cross Society)	2011-12	3.3.5.1	1,572.00
6.	PWD (Irrigation Branch)	2010-11	3.1.2	62.25
7.	Labour and Employment	2011-12	2.1.9.4	79.95
		2019-20	2.6	154.00
8.	Urban Local Bodies	2012-13	2.2.8.6	10,182.00
9.	Cooperation	2012-13	2.5.7.4	494.00
			2.5.9.3	767.00

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
10.	Health and Family Welfare	2012-13	3.6	125.00
11.	School Education	2017-18	3.16.2.5	12.30
		2018-19	3.3	469.00
12.	Public Works Department (B&R)	2015-16	3.12.4.1	53.00
13.	Higher Education Department	2016-17	2.1.7.3	118.00
			2.1.8 (b)	2,631.00
14.	Home (Jail) Department	2016-17	2.2.7.3	112.00
15.	Housing	2018-19	3.9	41.00
16.	Forest	2018-19	3.7.4 (ii)	274.00
17.	Welfare of SC & BC	2018-19	2.1.8.1	1,898.00
			2.1.8.2	965.00
			2.1.8.3	11.56
			2.1.8.4 (i)	48.47
			2.1.8.4 (ii)	1.57
			2.1.8.5 (i)	6.36
			2.1.8.5 (ii)	14.89
			2.1.8.6	78.91
			2.1.8.7	474.00
			2.1.8.8	85.86
			2.1.8.10	1.52
			2.1.8.11	2.54
	Total			**1,96,117.19**

Appendix 1.4

(Reference: Paragraph 1.7.3; Page 6)

List of PAC and COPU reports and the number of pending recommendations on CAG Report as on 31 March 2025

Sr. No.	PAC			COPU		
	PAC Report Number	Year of PAC report	Pending recommend-dations	COPU Report Number	Pending recommend-dations	Year of COPU report
1.	16th	1979-80	1	16th	1	1983-84
2.	22nd	1984-85	1	19th	1	1984-85
3.	23rd	1985-86	1	23rd	3	1986-87
4.	26th	1987-88	1	35th	1	1992-93
5.	32nd	1990-91	1	38th	1	1994-95
6.	34th	1991-92	5	41st	1	1996-97
7.	36th	1992-93	3	42nd	1	1996-97
8.	38th	1993-94	2	43rd	3	1997-98
9.	40th	1994-95	3	45th	14	2000-01
10.	42nd	1995-96	1	47th	14	2000-01
11.	44th	1996-97	6	48th	10	2000-01
12.	46th	1997-98	3	49th	6	2001-02
13.	50th	2000-01	15	50th	4	2002-03
14.	52nd	2001-02	5	51st	3	2003-04
15.	54th	2002-03	7	52nd	4	2005-06
16.	56th	2003-04	11	53rd	15	2006-07
17.	58th	2005-06	13	55th	5	2008-09
18.	60th	2006-07	16	56th	3	2009-10
19.	61st	2007-08	4	57th	5	2010-11
20.	62nd	2007-08	8	58th	5	2011-12
21.	63rd	2008-09	11	59th	10	2012-13
22.	64th	2009-10	7	60th	5	2013-14
23.	65th	2010-11	12	61st	09	2014-15
24.	67th	2011-12	4	62nd	13	2015-16
25.	68th	2012-13	11	63rd	14	2016-17
26.	70th	2013-14	14	64th	18	2017-18
27.	71st	2014-15	2	65th	7	2018-19
28.	72nd	2015-16	16	66th	9	2019-20
29.	73rd	2016-17	37	67th	18	2020-21
30.	74th	2016-17	35	68th	19	2021-22
31.	75th	2017-18	32	69th	22	2022-23
32.	77th	2017-18	22	70th	12	2023-24
33.	79th	2018-19	32	71st	09	2024-25
34.	80th	2019-20	21	**Total**	**265**	
35.	81st	2020-21	35			
36.	82nd	2021-22	63			
37.	83rd	2022-23	23			
38.	88th	2023-24	31			
39.	89th	2023-24	89			
40.	91st	2024-25	45			
		Total	**649**			

Appendix 1.5

(Reference: Paragraph 1.7.3; Page 6)

Department/PSU-wise pending recommendations of PAC and COPU on CAG Reports as on 31 March 2025

Public Accounts Committee			Committee on Public Undertakings		
Sr. No	**Name of Department**	**PR**	**Sr. No.**	**Name of Department/Company/ Corporation /ABs**	**PR**
1.	Administration of Justice	1	1.	Power Department	76
2.	Agriculture and Farmer Welfare	30	2.	Haryana State Industrial and Infrastructure Development Corporation	25
3.	Animal Husbandry	3	3.	Haryana Financial Corporation	13
4.	Archeology and Museum	1	4.	Haryana Agro Industries Corporation Limited	46
5.	Architecture	1	5.	Haryana Agro Industries Corporation Limited & Haryana Warehousing Corporation Limited	9
6.	Civil Aviation	1	6.	Haryana Land Reclamation & Development Corporation Limited	1
7.	Civil Secretariate, General Administration	3	7.	Haryana Warehousing Corporation Limited	19
8.	Commissioner Hisar	7	8.	Haryana Seeds Development Corporation Limited	4
9.	Co-operative	12	9.	Haryana Tourism Corporation Limited	3
10.	Development & Panchayats	9	10.	Haryana Forest Development Corporation Limited	2
11.	District Gurgaon	8	11.	Haryana Schedule Castes Finance and Development Corporation. Limited	2
12.	Education including HSSPP, Elementary, School Education, Higher Education	32	12.	Haryana State Roads and Bridges Development Corporation Limited	12
13.	Environment and climate change	23	13.	Haryana Police Housing Corporation Limited	3
14.	Excise and Taxation including Commercial Taxes, Prohibition & Excise	1	14.	Haryana Women Development Corporation. Limited	1
15.	Finance including Lotteries, Justice, Finance, Treasury & Accounts	19	15.	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Private Ltd	6
16.	Food, Civil supplies and Consumer Affairs	28	16.	Haryana State Electronics Development Corporation Limited	1
17.	Forest and Wildlife	9	17.	Haryana State Small Minor Irrigation and Tubewells Corporation Limited	3
18.	General	13	18.	Haryana State Small Industries Export Corporation Limited	5
19.	Health including Food and Drug Administration, Family Welfare	43	19.	Haryana Mineral Limited	18
20.	Home	11	20.	Haryana Urban Development Authority	15
21.	Housing	2	21.	Haryana Medical Services Corporation Limited	1
22.	Skill Development and Industrial Training	8		**Total**	**265**
23.	Industries & Commerce including MSME, Supplies & Disposal	10			
24.	Information, Public Relation and cultural Affairs	2			
25.	Irrigation	23			
26.	Labour and Employment	12			
27.	Medical Education and Research	6			
28.	Public Works Department (B&R)	15			
29.	Other Administrative Services	2			
30.	Printing & Stationery	3			
31.	PWD (Public Health)	47			
32.	Renewable Energy	2			
33.	Revenue and Disaster Management	22			
34.	Rural Development	19			
35.	Social Welfare, Social Justice and Empowerment	33			
36.	Sports and Youth Affairs	6			
37.	Technical Education	4			

Public Accounts Committee			Committee on Public Undertakings		
Sr. No	**Name of Department**	**PR**	**Sr. No.**	**Name of Department/Company/ Corporation /ABs**	**PR**
38.	Town & Country Planning	94			
39.	Transport	31			
40.	Urban local bodies, Urban Development, Colonization, Local Self Government	27			
41.	Welfare of SC & BC	24			
42.	Women and child development	2			
	Total	**649**			

Appendix 2.1

(Reference: Paragraph 2.4; Page 14)

List of indenting Government entities which had paid penalty due to remitting EPF contributions with delay

Sl. No.	Name of indenting organisations/departments	Amount of penalty (in ₹)
1	Agriculture and Farmer Welfare Department	11,47,576.77
2	Animal Husbandry	6,76,175.69
3	Archaeology and Museums	49,651.01
4	Archives	2,484.70
5	AYUSH	9,95,971.86
6	Ayushman Bharat Haryana	21,184.09
7	Backward Class Commission Haryana	1,10,446.97
8	CADA	1,20,812.90
9	Ch. Devi Lal Cooperative Sugar Mills Ltd. Gohana	12,652.17
10	Chaudhary Bansilal University Bhiwani	57,050.88
11	Chaudhary Devi Lal University Sirsa	47,678.22
12	Chaudhary Ranbir Singh University Jind	73,113.57
13	Chief Secretariat Establishment.	1,21,664.80
14	Choudhary Charan Singh Haryana Agricultural University Hisar	85,084.10
15	Civil Aviation	41,043.18
16	Commissioner Ambala	71,786.87
17	Commissioner Faridabad	43,356.58
18	Commissioner Gurgaon	90,170.92
19	Commissioner Hisar	1,31,303.32
20	Commissioner Karnal	66,154.97
21	Commissioner Rohtak	41,871.27
22	Consolidation	10,799.73
23	Cooperative Bank	6,48,118.71
24	Cooperative Sugar	3,41,788.26
25	Council of Indian Medicine	6,547.31
26	CRID Department	62,154.43
27	Cultural Affairs	9,173.45
28	Dakshin Haryana Bijli Vitran Nigam Limited	**29,73,487.19**
29	Deen Bandhu Chootu Ram University of Science & Technology Murthal	50,465.93
30	Department of Economic and Statistical Analysis Haryana	24,559.44
31	Department of New and Renewable Energy	23,870.60
32	Department of Skill Development and Industrial Training Haryana	12,26,450.83
33	Development and Panchayat	10,92,985.52
34	Director Urban Local Bodies	90,985.78
35	Directorate of Fire Services	5,85,180.70
36	Directorate of Micro Small and Medium Enterprises	17,133.25
37	Dr. B.R. Ambedkar National Law University Sonepat	83,916.59
38	Education (Elementary)	**31,97,725.10**
39	Education (Higher)	13,05,118.85
40	Education (Secondary)	11,24,623.80
41	Elections	3,01,540.94
42	Employees State Insurance Health Care	2,79,585.63
43	Employment	6,626.12
44	Environment and Climate Change	35,142.05
45	Excise And Taxation	2,78,218.07
46	Finance Department	905.57
47	Fisheries	98,132.99
48	Food and Drugs Administration Haryana	3,67,508.40
49	Food and Supplies	**25,41,041.19**
50	Forests	7,35,082.74

Sl. No.	Name of indenting organisations/departments	Amount of penalty (in ₹)
51	Gau Sewa Aayog	23,447.62
52	Government Polytechnic Societies	3,86,781.70
53	Granth Academy	1,437.89
54	Gurugram Technology Park Limited	26,930.81
55	Guru Jambheshwar University of Science & Technology Hisar	2,64,515.56
56	Gurudwara Election	691.20
57	Gurugram Metropolitan Development Authority	2,57,600.57
58	Gurugram University Gurugram	50,324.53
59	HARTRON	8,828.86
60	Haryana Agro Industries Corporation Limited	1,14,295.78
61	Haryana building & other construction workers welfare board	1,39,697.20
62	Haryana Dairy Development Cooperative Federation Limited	9,21,429.53
63	Haryana Financial Corporation Limited	17,000.62
64	Haryana Forest Development Corporation Limited	26,301.29
65	Haryana Institute of Rural Development Nilokheri	22,210.87
66	Haryana Institute of Training of Trainers (H.I.T.O.T)	87.62
67	Haryana Kaushal Rozgar Nigam	6,164.39
68	Haryana Kesh Kala & Kaushal Vikas Board	1,988.47
69	Haryana Khadi & Village Industry Board (HKVIB)	3,424.85
70	Haryana Land Reclamation & Development Corporation Limited	14,395.17
71	Haryana Pariwar Suraksha Nyas	1,235.50
72	Haryana Police Housing Corporation Limited	2,77,029.97
73	Haryana Power Generation Corporation Limited	1,36,649.85
74	Haryana Public Service Commission	21,609.72
75	Haryana Punjabi Sahitya Academy	6,393.52
76	Haryana Rail Infrastructure Development Corporation Limited	4,167.83
77	Haryana Raj Bhawan	39,473.09
78	Haryana Renewable Energy Development Agency (HAREDA)	16,126.77
79	Haryana Roadways Engineering Corporation Limited	7,311.45
80	Haryana Rural Development Fund Administration Board (HRDFA)	1,119.35
81	Haryana Scheduled Castes Finance & Development Corporation Limited	44,370.70
82	Haryana Seeds Certification Agency (HSCA)	21,964.34
83	Haryana Seeds Development Corporation Limited	89,359.99
84	Haryana Shehri Vikas Pradhikaran	12,06,414.35
85	Haryana Skill Development Mission	10,709.89
86	Haryana Staff Selection Commission	13,537.76
87	Haryana State Agriculture Marketing Board	10,70,229.07
88	Haryana State AIDS Control Society	765.81
89	Haryana State Biodiversity Board	13,444.15
90	Haryana State Board of Technical Education (HSBTE) Panchkula	32,387.32
91	Haryana State CAMPA Authority	4,808.88
92	Haryana State Commission for Safai Karamcharis	6,795.86
93	Haryana State Cooperative Agriculture & Rural Development Bank Limited	4,478.78
94	Haryana State Cooperative Apex Bank Limited	7,099.25
95	Haryana State Cooperative Housing Federation Limited	627.81
96	Haryana State Cooperative Labour & Construction Federation Limited	3,405.31
97	Haryana State Cooperative Supply & Marketing Federation Limited (HAFED)	20,16,750.75
98	Haryana State Council for Physiotherapy	1,403.73
99	Haryana State Council for Science and Technology	8,417.60
100	Haryana State Federation of Consumers Cooperative Wholesale Stores Limited (CONFED)	38,120.12
101	Haryana State Federation of Cooperative Sugar Mills Limited	374.88
102	Haryana State Law Commission	907.49
103	Haryana State Medical Services Corporation Ltd.	31,146.51
104	Haryana State Rural Livelihoods Mission	18,558.40
105	Haryana State Warehousing Corporation	19,897.19
106	Haryana Tourism Corporation Limited	6,93,482.84

Sl. No.	Name of indenting organisations/departments	Amount of penalty (in ₹)
107	Haryana Urdu Academy	2,148.45
108	Haryana Vidyut Prasaran Nigam Limited	4,65,301.08
109	Haryana Vimukt Ghumantu Jati Vikas Board	8,682.44
110	Haryana Water Resources Authority	9,406.05
111	Haryana Women Development Corporation Limited	32,722.54
112	Haryana Yog Aayog Panchkula	2,989.16
113	Health	**1,02,49,988.41**
114	Horticulture	6,22,029.57
115	Hospitality Organisation	2,21,331.33
116	Housing	8,136.19
117	Housing Board Haryana	29,876.67
118	HSIIDC	7,98,747.57
119	Indian Red Cross Society Haryana State Branch	14,863.05
120	Industries	97,362.32
121	Information Technology	11,41,303.86
122	Institute of Hotel Managements Kurukshetra Haryana	22.04
123	Integrated Cooperative Development Project	310.42
124	Irrigation and Water Resources Department	**57,58,074.93**
125	Kurukshetra Development Board	53,462.44
126	Kurukshetra University Kurukshetra	15,29,585.24
127	Labour	2,95,267.42
128	Lala Lajpat Rai University (LUVAS) Hisar	1,204.78
129	Land Records	5,219.04
130	Law and Legislative	4,415.02
131	Legal Service Authority	72,743.36
132	Livestock Dev. Board	93,093.18
133	Local Audit Department	14,312.56
134	Lokayukt Haryana	17,971.19
135	Maharana Pratap Horticultural University Karnal	77,360.55
136	Maharashi Balmiki Sanskirt University, Kaithal	45,045.10
137	Maharishi Dayanand University Rohtak	95,648.76
138	Medical Education and Research	**21,96,628.41**
139	Mewat Dev. Agency	6,052.28
140	Mines and Geology	61,899.83
141	Misc	1,50,758.77
142	Mother Teresa Haryana Saket Council	12,078.07
143	Municipal Corporation/Urban Local Bodies	**26,83,609.45**
144	National Heath Mission	16,32,258.58
145	Nurses Registration Council	6,399.87
146	Pandit Lakhmi Chand State University of Performing & Visual Arts Rohtak	75,033.30
147	Police	18,52,252.45
148	Pollution Control Board	56,568.19
149	Printing and Stationery	11,680.93
150	Prisons	64,792.95
151	Prosecution	1,11,744.66
152	Public Health Engineering Department	**1,52,33,010.87**
153	Public Relations	2,17,561.22
154	PWD (Buildings and Roads)	14,42,888.83
155	Registrar Co-operative Societies Haryana	1,19,753.71
156	Revenue	60,979.57
157	Right to Service Commission Haryana	13,295.27
158	Rural Development	85,791.66
159	Sahkarita Sangh Panchkula	8,037.00
160	Sainik and ArdhSainik Welfare Department	8,678.37
161	Sarasvati Heritage Development Board	4,353.18
162	Shivalik Dev. Board	251.06

Sl. No.	Name of indenting organisations/departments	Amount of penalty (in ₹)
163	Shri Kapal Mochan Shri Badri Narayan Shri Mantra Devi & Shri Kedar Nath Shrine Board Bilaspur (Yamuna Nagar)	1,628.02
164	Shri Krishna AYUSH University Kurukshetra	1,68,233.11
165	Shri Mata Mansa Devi Shrine Board	44,229.60
166	Shri Vishwarkarma Skill University	23,694.79
167	Small Savings & Lotteries	5,596.34
168	Social Justice and Empowerment	1,14,934.64
169	Society for IT Initiative	20,611.95
170	Special Board of Motilal Nehru Sports School Rai	4,42,826.81
171	Sports and Youth Welfare	74,422.75
172	State Election Commission Haryana	67,645.40
173	State Information Commission Haryana	10,090.08
174	State Institute of Advanced Studies in Teacher Education	28,374.28
175	State police Complaint Authority	50.13
176	State Technical Education Society	23,043.69
177	State Vigilance Bureau	1,92,103.73
178	Supplies and Disposals	5,815.02
179	Swarna Jayanti Institute for Fiscal Management	6,461.14
180	Technical Education	6,60,320.61
181	The Faridabad Central Cooperative Bank Limited	215.00
182	Tourism	8,192.75
183	Town and Country Planning	83,150.72
184	Transport	14,26,237.16
185	Treasury and Accounts	17,163.24
186	Uttar Haryana Bijli Vitran Nigam Limited	12,16,605.91
187	Vigilance	1,975.49
188	Welfare of S.Cs S.Ts and Other B.Cs	1,29,584.76
189	Wildlife Preservation	7,364.92
190	Women and Child Development	4,91,890.05
191	YMCA Technical University	85,564.95
	Total	**8,29,27,244.66**

Appendix 3.1

(Reference: Paragraph 3.7.4; Page 37)

Details of PAC report/paras outstanding for CAG Report on Revenue Sector as on 31 March 2025

Sr. No.	PAC Report	Year of Audit Report	PAC recommendations pending as on 31 March 2025
1.	22nd	1979-80	1
2.	23rd	1980-81	3
3.	25th	1981-82	1
4.	28th	1983-84	1
5.	29th	1984-85	5
6.	32nd	1985-86	2
7.	34th	1986-87	5
8.	36th	1987-88	1
9.	38th	1988-89	7
10.	40th	1989-90	13
11.	42nd	1990-91,1991-92,1992-93	20
12.	44th	1990- 91, 1991-92,1992-93	32
13.	46th	1993-94	7
14.	48th	1993-94,1994-95	8
15.	50th	1993- 94, 1994- 95,1995-96	22
16.	52nd	1996-97	26
17.	54th	1997-98	33
18.	58th	1998-99 and 1999-2000	55
19.	60th	2000-01	29
20.	62nd	2001-02	38
21.	63rd	2002-03	30
22.	64th	2003-04	42
23.	65th	2004-05	34
24.	67th	2005-06	44
25.	68th	2006-07 and 2007-08	82
26.	70th	2008-09	46
27.	71st	2009-10	42
28.	72nd	2010-11	20
29.	73rd	2011-12	19
30.	74th	2013-14	39
31.	75th	2012-13	33
32.	78th	2014-15	46
33.	82nd	2015-16	39
34.	84th	2016-17	39
35.	85th	2017-18	54
36.	86th	2018-19	33
37.	87th	2019-20	20
38.	90th	2020-21	33
		Total	**1,004**

Appendix 3.2

(Reference: Paragraph 3.7.4; Page 37)

Details of PAC recommendations for CAG Report (Revenue Receipts/Sector) outstanding as on 31 March 2025

Sr. No.	Name of Department	Total recommendations outstanding
1	Excise and Taxation	577
2	Revenue and Disaster Management	227
3	Mining & Geology	70
4	Agriculture	39
5	Irrigation	2
6	Power (Chief Electrical Inspector)	4
7	Public Health	1
8	P.W.D. (B&R)	1
9	Transport	40
10	Finance (Lotteries)	4
11	Co-operative	21
12	Forest	4
13	Home	6
14	Industries	3
15	General	1
16	Town & Country Planning	4
	Total	**1,004**

Appendix 3.3

(Reference: Paragraph 3.8.1; Page 38)

Position of Inspection Reports of Excise and Taxation Department (Sales Tax/VAT)

(₹ in lakh)

Year	Opening balance			Addition during the year			Clearance during the year			Closing balance during the year		
	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
2013-14	307	1,672	1,691.97	33	529	1,346.42	89	510	146.07	251	1,691	2,892.33
2014-15	251	1,691	2,892.33	27	584	1,281.44	2	364	972.99	276	1,911	3,200.77
2015-16	276	1,911	3,200.77	32	552	3,317.08	9	402	1,272.15	299	2,061	5,245.70
2016-17	299	2,061	5,245.70	29	560	1,921.52	5	283	1,422.16	323	2,338	5,745.06
2017-18	323	2,338	5,745.06	19	442	293.61	13	50	762.95	329	2,730	5,275.72
2018-19	329	2,730	5,275.72	27	720	1,110.88	5	296	584.73	351	3,154	5,801.87
2019-20	351	3,154	5,801.87	39	731	2,463.00	1	149	113.88	389	3,736	8,151.00
2020-21	389	3,736	8,151.00	25	427	578.18	-	41	27.68	414	4,122	8,701.50
2021-22	414	4,122	8,701.50	6	137	165.52	-	116	417.41	420	4,143	8,449.60
2022-23	420	4,143	8,449.60	12	180	291.02	-	97	786.75	432	4,226	7,953.86

Appendix 3.4

(Reference: Paragraph 3.8.2; Page 38)

Recovery of Accepted cases

Refer cases Excise and Taxation Department (Sales Tax/VAT)

(₹ in crore)

Year of Audit Report	Number of Paragraphs/ Performance Audit included	Money value of the Paragraphs	Number of Paragraphs accepted	Money value of accepted Paragraphs	Amount recovered during the year of Report	Cumulative positions of recovery of accepted cases till date
2012-13	3 (1)	554.19 (0.45)	3 (1)	547.42 (0.45)	- -	5.24 -
2013-14	9	266.69	9	63.27	0.13	7.94
2014-15	10 (1)	17.46 (310.48)	10 (1)	17.46 (290.54)	-	10.59 -
2015-16	10	604.67	10	209.94	-	20.61
2016-17	11 (1)	122.23 (518.66)	11 (1)	95.80 (417.66)	Nil	21.17
2017-18	13	138.60	13	57.29	0.20	28.64
2018-19	12	331.13	12	331.13	-	29.99
2019-20	8	96.01	8	96.01	0.75	38.03
2020-21	9	478.04	9	478.04	5.66	92.24
2021-22	7	691.00	7	595.88	0.14	0.14
Total	**92 (three PAs)**	**3,300.02 (829.59)**	**92 (three PAs)**	**2,491.84 (708.65)**	**6.88**	**254.59**
Grand Total	**95 (including three PAs)**	**4,129.61**	**95**	**3,200.49**	**6.88**	**254.59**

7.95 *per cent* = 254.59/3,200.49X100

Appendix 6.1

(Reference: Paragraph 6.1.3; Page 62)

List of State Public Sector Enterprises

Sr. No.	State Public Sector Enterprises	Remarks
Power Sector		
1	Haryana Power Generation Corporation Limited	Working
2	Haryana Vidyut Prasaran Nigam Limited	Working
3	Uttar Haryana Bijli Vitran Nigam Limited	Working
4	Dakshin Haryana Bijli Vitran Nigam Limited	Working
Finance Sector		
5	Haryana State Financial Service Limited	Working
6	Haryana Scheduled Caste Finance and Development Corporation	Working
7	Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited	Working
8	Haryana Women Development Corporation Limited	Working
9	Haryana Financial Corporation	Working
Service Sector		
10	Haryana State Electronics Development Corporation Limited	Working
11	HARTRON Informatics Limited	Working
12	Gurgaon Technology Park Limited.	Working
13	Panipat Plastic Park Haryana Limited	Working
14	Gurugram Metropolitan City Bus Limited	Working
15	Haryana Roadways Engineering Corporation Limited	Working
16	Haryana Medical Services Corporation Limited	Working
17	Haryana Tourism Corporation Limited	Working
18	Drone Imaging & Information Services of Haryana Limited	Working
19	Faridabad City Transport Service Limited	Working
20	Haryana Kaushal Rozgar Nigam Limited	Working
Infrastructure Sector		
21	Haryana State Industrial and Infrastructure Development Corporation Limited	Working
22	Faridabad Smart City Limited	Working
23	Haryana Mass Rapid Transport Corporation Limited	Working
24	Haryana State Roads and Bridges Development Corporation Limited	Working
25	Haryana Rail Infrastructure Development Corporation Limited	Working
26	Haryana Orbital Rail Corporation Limited	Working
27	Haryana Police Housing Corporation Limited	Working
28	Karnal Smart City Limited	Working
Other Sector		
29	Haryana Seeds Development Corporation Limited	Working
30	Haryana Land Reclamation and Development Corporation Limited	Working
31	Haryana Agro Industries Corporation Limited	Working
32	Haryana International Horticultural Marketing Corporation Limited	Working
33	Haryana Forest Development Corporation Limited	Working
34	Haryana State Warehousing Corporation	Working
35	Haryana Minerals Limited	Inactive
36	Haryana State Housing Finance Corporation Limited	Inactive (Under liquidation)
37	Haryana State Minor Irrigation and Tubewells Corporation Limited	Inactive

Appendix 6.2

(Reference: Paragraph 6.1.3; Page 62)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2023

(₹ in crore)

Name of the SPSE	Period of accounts	Long term loan	Net Profit/ loss before interest and tax	Net Profit/ loss after interest and tax	Turnover	Paid-up capital	Net Worth	Accumulated Profit/ loss	Capital Employed
Power Sector									
Haryana Power Generation Corporation Limited	2022-23	167.25	699.18	96.61	8,566.5	3,188.29	2,508.76	(-) 679.53	2,676.01
Haryana Vidyut Prasaran Nigam Limited	2022-23	3,640.10	944.45	396.02	2,426.08	3,990.15	4,969.16	979.01	8,609.26
Uttar Haryana Bijli Vitran Nigam Limited	2022-23	3,398.72	697.10	111.26	17,955.14	15,706.02	2,090.45	(-) 13,615.57	5,489.17
Dakshin Haryana Bijli Vitran Nigam Limited	2022-23	3,775.97	1,162.10	127.18	24,778.65	13,896.79	702.46	(-) 13,194.33	4,478.43
Total A		**10,982.04**	**3,502.83**	**731.07**	**53,726.37**	**36,781.25**	**10,270.83**	(-) **26,510.42**	**21,252.87**
Finance Sector									
Haryana State Financial Service Limited	2020-21	0.00	14.93	1.33	10.5	2.00	3.25	1.25	3.25
Haryana Scheduled Caste Finance and Development Corporation Limited	2017-18	5.46	5.46	5.22	0.69	50.07	66.31	16.24	71.77
Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited	2021-22	79.27	3.42	0.66	8.64	45.25	63.75	18.5	143.02
Haryana Women Development Corporation Limited	2018-19	0.00	(-) 0.01	(-) 0.01	5.56	16.61	16.47	(-) 0.14	16.47
Haryana Financial Corporation (Statutory Corporation)	2021-22	0.00	25.72	21.72	30.94	207.66	121.62	(-) 86.04	121.62
Total B		**84.73**	**49.52**	**28.92**	**56.33**	**321.59**	**271.4**	(-) **50.19**	**356.13**
Service Sector									
Haryana State Electronics Development Corporation Limited	2020-21	0.00	23.79	17.41	42.46	9.90	139.48	129.58	139.48
HARTRON Informatics Limited	2020-21	0.00	***0***	***0***	0	0.5	5.50	5.00	5.50
Gurgaon Technology Park Limited.	2022-23	0.00	4.55	3.51	2.60	14.72	61.49	45.72	61.49
Panipat Plastic Park Haryana Limited	2022-23	0.00	0	0	0	0.10	0.09	(-) 0.01	0.09
Gurugram Metropolitan City Bus Limited	2021-22	0.00	(-) 3.06	(-) 2.64	35.18	50.00	(-) 7.47	(-) 57.47	(-)7.47
Haryana Roadways Engineering Corporation	2021-22	0.00	(-) 6.41	(-) 5.82	12.35	6.80	(-) 2.17	(-) 8.97	(-)2.17
Haryana Medical Services Corporation Limited	2019-20	0.00	16.17	11.7	10.48	5.00	27.43	22.43	27.43
Haryana Tourism Limited	2019-20	0.00	(-) 28.12	(-) 12.71	313.57	37.76	29.91	(-) 7.85	29.91
Drone Imaging & Information Services	2021-22	0.00	(-) 0.42	(-) 0.26	0.00	10.00	9.74	(-) 0.26	9.74
Total C		**0.00**	**6.50**	**11.19**	**416.64**	**134.78**	**264**	**128.17**	**264**
Infrastructure Sector									
Haryana State Industrial and Infrastructure Development Corporation Limited	2019-20	4,327.38	1,000.87	171.03	1758.35	48.87	2,794.99	2,646.69	7,122.37
Faridabad Smart City Limited	2020-21	0.00	0.00	0.00	0.00	0.10	0.10	0.00	0.10

Name of the SPSE	Period of accounts	Long term loan	Net Profit/ loss before interest and tax	Net Profit/ loss after interest and tax	Turnover	Paid-up capital	Net Worth	Accumulated Profit/ loss	Capital Employed
Haryana Mass Rapid Transport Corporation Limited	2021-22	98.77	1.80	(-) 5.65	0.84	31.91	22.51	(-) 9.40	121.28
Haryana State Roads and Bridges Development Corporation Limited	2020-21	0.00	16.23	23.41	1.42	122.04	295.21	168.89	295.21
Haryana Rail Infrastructure Development Corporation Limited	2022-23	236.74	19.63	14.63	34.11	600.00	618.1	18.10	854.84
Haryana Orbital Rail Corporation Limited	2022-23	106.18	1.43	2.15	0.00	1,000.00	998.03	(-) 1.97	1,104.21
Haryana Police Housing Corporation Limited	2018-19	305.5	33.96	(-) 0.28	567.87	25.00	20.71	(-) 4.29	326.21
Total D		**5,074.57**	**1,073.92**	**205.29**	**2,362.59**	**1,827.92**	**4,749.65**	**2,818.02**	**9,824.22**
Other Sector									
Haryana Seeds Development Corporation Limited	2019-20	0.00	6.23	3.98	146.06	5.00	13.05	8.05	13.05
Haryana Land Reclamation and Development Corporation Limited	2021-22	0.00	0.98	0.89	72.02	1.56	11.16	9.60	11.16
Haryana Agro Industries Corporation Limited	2021-22	19.62	5.69	(-) 22.99	107.73	4.14	(-) 204.39	(-) 208.53	(-) 184.77
Haryana International Horticultural Marketing Corporation Limited	2022-23	4.00	(-) 0.69	(-) 0.69	0.00	1.00	-0.78	(-) 1.78	3.22
Haryana Forest Development Corporation Limited	2021-22	0.00	12.78	9.05	96.05	0.20	69.80	69.60	69.80
Haryana Warehousing Corporation (Statutory Corporation)	2021-22	88.26	34.43	31.44	238.00	5.84	25.24	19.40	113.50
Total E		**111.88**	**59.41**	**21.68**	**659.86**	**17.74**	**(-) 85.92**	**(-) 103.66**	**25.96**
Total A+B+C+D+E		**16,253.22**	**4,692.18**	**998.15**	**57,221.79**	**39,083.28**	**15,469.96**	**(-) 23,718.08**	**31,723.18**

Appendix 6.3

(Reference: Paragraph 6.5.2; Page 72)

Summarised Accumulated Loss of SPSEs for the latest year for which accounts were finalized

(₹ in crore)

	Name of the PSU	Period of accounts	Year in which finalized	Net Profit/ Loss after Interest and Tax	Paid-up capital	Free Reserve	Accumulated Profit/ loss	Net Worth
A	**Working Government Companies**							
	Power							
1	Haryana Power Generation Corporation Limited	2022-23	2023-24	96.61	3,188.29	0.00	(-) 679.53	2,508.76
2	Uttar Haryana Bijli Vitran Nigam Limited	2022-23	2023-24	111.26	15,706.02	0.00	(-) 13,615.57	2,090.45
3	Dakshin Haryana Bijli Vitran Nigam Limited	2022-23	2023-24	127.18	13,896.79	0.00	(-) 13,194.33	702.46
	Finance					0.00		
4	Haryana Women Development Corporation	2018-19		(-) 0.01	16.61	0.00	(-) 0.14	16.47
	Service Sector					0.00		
5	Panipat Plastic Park Haryana Limited	2022-23	2023-24	*0.00*	0.10	0.00	(-) 0.01	0.09
6	Gurugram Metropolitan City Bus Limited	2021-22	2022-23	(-) 2.64	50.00	0.00	(-) 57.47	(-) 7.47
7	Haryana Roadways Engineering Corporation Limited	2021-22	2022-23	(-) 5.82	6.80	0.00	(-) 8.97	(-) 2.17
8	Haryana Tourism Corporation Limited	2019-20	2022-23	(-) 12.71	37.76	0.00	(-) 7.85	29.91
9	Drone Imaging & Information Services of Haryana Limited	2021-22	2022-23	(-) 0.26	10.00	0.00	(-) 0.26	9.74
	Infrastructure Sector					0.00		
10	Haryana Mass Rapid Transport Corporation Limited	2021-22	2023-24	(-) 5.65	31.91	0.00	(-) 9.40	22.51
11	Haryana Orbital Rail Corporation Limited	2022-23	2023-24	2.15	1,000	0.00	(-) 1.97	998.03
12	Haryana Police Housing Corporation Limited	2018-19	2023-24	(-) 0.28	25.00	0.00	(-) 4.29	20.71
	Other Sector					0.00		
13	Haryana Agro Industries Corporation Limited	2021-22	2023-24	(-) 22.99	4.14	0.00	(-) 208.53	(-) 204.39
14	Haryana International Horticultural Marketing Corporation Limited	2022-23	2023-24	(-) 0.69	1.00	0.00	(-) 1.78	(-) 0.78
	Total A					0.00	**(-) 27,790.10**	
B	**Statutory Corporation**					0.00		
15	Haryana Financial Corporation (Statutory Corporation)	2021-22	2022-23	21.72	207.66	0.00	(-) 86.04	121.62
	Total B						**(-) 86.04**	
	Total A+B						**(-) 27,876.14**	

Appendix 7.1

(Reference: Paragraph 7.2.2; Page 78)

Information regarding accounts of SPSEs in arrears

Sr. No.	Name of the PSU	Period of accounts	Year in which finalized	Year for which accounts are in Arrears	No. of Accounts	Status of Company
1.	Haryana State Industrial and Infrastructure Development Corporation Limited	2019-20	2021-22	2020-21 to 2022-23	3	Working
2.	Haryana State Electronics Development Corporation Limited	2020-21	2022-23	2021-22 to 2022-23	2	Working
3.	HARTRON Informatics Limited	2020-21	2022-23	2021-22 to 2022-23	2	Working
4.	Faridabad Smart City Limited	2020-21	2021-22	2021-22 to 2022-23	2	Working
5.	Gurugram Metropolitan City Bus Limited	2021-22	2022-23	2022-23	1	Working
6.	Haryana Mass Rapid Transport Corporation Limited	2021-22	2023-24	2022-23	1	Working
7.	Haryana Scheduled Caste Finance and Development Corporation Limited	2017-18	2019-20	2018-19 to 2022-23	5	Working
8.	Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited	2021-22	2023-24	2022-23	1	Working
9.	Haryana Women Development Corporation Limited	2018-19		2019-20 to 2022-23	4	Working
10.	Haryana Medical Services Corporation Limited	2019-20	2022-23	2020-21 to 2022-23	3	Working
11.	Haryana Forest Development Corporation Limited	2021-22	2022-23	2022-23	1	Working
12.	Haryana State Financial Service Limited	2020-21	2022-23	2021-22 to 2022-23	2	Working
13.	Haryana Roadways Engineering Corporation	2021-22	2022-23	2022-23	1	Working
14.	Haryana Police Housing Corporation Limited	2018-19	2023-24	2019-20 to 2022-23	4	Working
15.	Haryana Tourism Limited	2019-20	2022-23	2020-21 to 2022-23	3	Working
16.	Drone Imaging & Information Services	2021-22	2022-23	2022-23	1	Working
17.	Haryana Agro Industries Corporation Limited	2021-22	2023-24	2022-23	1	Working
18.	Haryana Seeds Development Corporation Limited	2019-20	2021-22	2020-21 to 2022-23	3	Working
19.	Haryana Land Reclamation and Development Corporation Limited	2021-22	2022-23	2022-23	1	Working
20.	Haryana State Roads and Bridges Development Corporation Limited	2020-21	2022-23	2021-22 to 2022-23	2	Working
21.	Haryana Minerals Limited (Inactive)	2019-20	2021-22	2020-21 to 2022-23	3	Inactive
22.	Haryana State Minor Irrigation and Tubewells Corporation Limited (Inactive)	2020-21	2022-23	2021-22 to 2022-23	2	Inactive
23.	Karnal Smart City Limited			2017-18 to 2022-23	6	Working
24.	Faridabad City Transport Service Limited			2019-20 to 2022-23	4	Working
25.	Haryana Koshal Rojgar ltd.			2021-22 to 2022-23	2	Working
				Total	**60**	

Appendix 8.1

(Reference: Paragraph 8.1.4; Page 84)

List of SPSEs covered for Corporate Governance for the year 2022-23

Sl. No.	Name of SPSE	Whether Public or Private Limited
1.	Haryana Power Generation Corporation Limited	Public
2.	Haryana Vidyut Prasaran Nigam Limited	Public
3.	Uttar Haryana Bijli Vitran Nigam Limited	Public
4.	Dakshin Haryana Bijli Vitran Nigam Limited	Public
5.	Haryana State Industrial and Infrastructure Development Corporation Limited	Public
6.	Haryana Mass Rapid Transport Corporation Limited	Public
7.	Haryana Rail Infrastructure Development Corporation Limited	Public
8.	Haryana Scheduled Castes Finance and Development Corporation Limited	Private
9.	Haryana Women Development Corporation Limited	Public
10.	Haryana Agro Industries Corporation Limited	Public
11.	Haryana Seeds Development Corporation Limited	Public
12.	Haryana State Roads and Bridges Development Corporation Limited	Public
13.	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited	Private
14.	Gurgaon Technology Park Limited	Public
15.	Gurugram Metropolitan City Bus Limited	Public
16.	Haryana Tourism Corporation Limited	Private
17.	Drone Imaging & Information Services of Haryana Limited	Public
18.	Haryana Orbital Rail Corporation Limited	Public
19.	Haryana Police Housing Corporation Limited	Public
20.	Haryana State Financial Services Limited	Public
21.	Haryana State Electronics Development Corporation Limited	Private
22.	HARTRON Informatics Limited	Public
23.	Panipat Plastic Park Haryana Limited	Public
24.	Haryana Roadways Engineering Corporation Limited	Private
25.	Haryana Medical Services Corporation Limited	Public
26.	Faridabad Smart City Limited	Public
27.	Faridabad City Transport Services Limited	Public
28.	Haryana Kaushal Rozgar Nigam Limited	Public
29.	Karnal Smart City Limited	Public
30.	Haryana Land Reclamation and Development Corporation Limited	Public
31.	Haryana International Horticultural Marketing Corporation Limited	Public
32.	Haryana Forest Development Corporation Limited	Private

Appendix 8.2

(Reference: Paragraph 8.1.4; Page 84)

List of SPSEs not covered for Corporate Governance for the year 2022-23

Sl. No.	Name of SPSE	Reasons for exclusion
1.	Haryana Financial Corporation	Not a company under Companies Act, 2013, Although equity shares of the Corporation are listed in Bombay Stock Exchange, compliance to SEBI guidelines were not considered applicable as the Corporation has stopped fresh business since 2010.
2.	Haryana State Warehousing Corporation	Not a company under Companies Act, 2013
3.	Haryana Minerals Limited	Inactive Company
4.	Haryana State Housing Finance Corporation Limited	Inactive Company
5.	Haryana State Minor Irrigation and Tubewells Corporation Limited	Inactive Company

Appendix 8.3

(Reference: Paragraph 8.2.2; Page 85)

List of SPSEs qualifying for having independent directors, Audit Committee and Nomination & Remuneration Committee on their Board

(Public Company with paid-up share capital of ₹ 10 crore or more or turnover of ₹ 100 crore or more or with aggregated outstanding loans, debentures and deposits exceeding ₹ 50 crore)

(₹ in crore)

Sl. No.	Name of SPSE	Period of accounts	Paid-up capital	Turnover	Aggregated outstanding loans, debentures and deposits
1	Haryana Power Generation Corporation Limited	2022-23	3,188.29	8,566.50	167.25
2	Haryana Vidyut Prasaran Nigam Limited	2022-23	3,990.15	2,426.08	3,640.10
3	Uttar Haryana Bijli Vitran Nigam Limited	2022-23	15,706.02	17,955.14	3,398.72
4	Dakshin Haryana Bijli Vitran Nigam Limited	2022-23	13,896.79	24,778.65	3,775.97
5	Haryana State Industrial and Infrastructure Development Corporation Limited	2019-20	48.87	1,758.35	4,327.38
6	Haryana Mass Rapid Transport Corporation Limited	2021-22	31.91	0.84	98.77
7	Haryana Rail Infrastructure Development Corporation Limited	2022-23	600.00	34.11	236.74
8	Haryana Scheduled Castes Finance and Development Corporation Limited	2017-18	50.07	0.69	5.46
9	Haryana Women Development Corporation Limited	2018-19	16.61	5.56	0.00
10	Haryana Agro Industries Corporation Limited	2021-22	4.14	107.73	19.62
11	Haryana Seeds Development Corporation Limited	2019-20	5.00	146.06	0.00
12	Haryana State Roads and Bridges Development Corporation Limited	2020-21	122.04	1.42	0.00
13	Gurgaon Technology Park Limited	2022-23	14.72	2.60	0.00
14	Gurugram Metropolitan City Bus Limited	2021-22	50.00	35.18	0.00
15	Drone Imaging & Information Services of Haryana Limited	2021-22	10.00	0.00	0.00
16	Haryana Orbital Rail Corporation Limited	2022-23	1,000.00	0.00	106.18
17	Haryana Police Housing Corporation Limited	2018-19	25.00	567.87	305.50

Appendix 8.4

(Reference: Paragraph 8.2.3; Page 86)

List of SPSEs qualifying for having Women Directors on their Board

(Public Company having paid-up share capital of ₹ 100 crore or more or turnover of ₹ 300 crore or more)

(₹ in crore)

Sl. No.	Name of SPSE	Paid-up capital	Turnover
1	Haryana Power Generation Corporation Limited	3,188.29	8,566.50
2	Haryana Vidyut Prasaran Nigam Limited	3,990.15	2,426.08
3	Uttar Haryana Bijli Vitran Nigam Limited	15,706.02	17,955.14
4	Dakshin Haryana Bijli Vitran Nigam Limited	13,896.79	24,778.65
5	Haryana State Industrial and Infrastructure Development Corporation Limited	48.87	1,758.35
6	Haryana Rail Infrastructure Development Corporation Limited	600.00	34.11
7	Haryana State Roads and Bridges Development Corporation Limited	122.04	1.42
8	Haryana Orbital Rail Corporation Limited	1,000.00	0.00
9	Haryana Police Housing Corporation Limited	25.00	567.87

Appendix 9.1

(Reference: Paragraph 9.3; Page 96)

Statement showing applicability of CSR Criteria

(₹ in crore)

Sl. No.	Name of the SPSE	Period of accounts	Net Profit/ loss after dividend, interest and tax	Turnover	Net Worth
1	Haryana Power Generation Corporation Limited	2021-22	-395.08	3,969.26	2,431.39
2	Haryana Vidyut Prasaran Nigam Limited	2021-22	-31.41	2,017.15	4,587.91
3	Uttar Haryana Bijli Vitran Nigam Limited	2021-22	77.78	13,738.28	1,890.92
4	Dakshin Haryana Bijli Vitran Nigam Limited	2021-22	185.26	17,932.31	575.27
5	Haryana State Industrial and Infrastructure Development Corporation Limited	2021-22*	249.11	3,114.74	3,201.96
6	Haryana Medical Services Corporation Limited	2021-22*	22.3	21.31	51.35
7	Gurgaon Technology Park Limited	2021-22	9.52	2.32	57.97
8	Haryana Forest Development Corporation Limited	2021-22	9.05	96.05	69.80
9	Haryana State Financial Service Limited	2021-22*	7.37	20.11	9.14
10	Haryana State Roads and Bridges Development Corporation Limited	2021-22	5.14	5.06	154.85
11	Haryana State Electronics Development Corporation Limited	2021-22*	3.38	62.64	142.00
12	Panipat Plastic Park Haryana limited	2021-22	0.00	0.00	0.09
13	Faridabad Smart City Ltd	2021-22*	0.00	0.00	0.10
14	Gurugram Metropolitan City Bus Ltd	2021-22	-2.64	35.18	-7.47
15	Haryana Mass Rapid Transport Corporation Limited	2021-22	-5.65	0.84	22.51
16	Haryana Schedule Castes Finance and Development Corporation Limited	2021-22*	2.26	0.85	81.27
17	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited	2021-22	0.66	8.64	63.75
18	Haryana Women Development Corporation Limited	2021-22*	0.25	8.24	16.79
19	HARTRON Informatics Limited	2021-22	0.10	0.00	5.60
20	Haryana Roadways Engineering Corporation	2021-22	-5.82	12.35	-2.17
21	Haryana Police Housing Corporation Limited	2021-22*	0.01	369.14	20.40
22	Haryana Tourism Limited	2021-22*	-5.77	271.21	40.13
23	Haryana Agro Industries Corporation Limited	2021-22	-22.99	107.73	-204.39
24	Haryana Orbital Rail Corporation Limited	2021-22	-4.06	0	195.89
25	Haryana Seeds Development Corporation Limited	2021-22	1.63	92.68	15.85
26	Haryana Land Reclamation and Development Corporation Limited	2021-22	0.89	72.02	11.16
27	Haryana International Horticultural Marketing Corporation Limited	2021-22	-0.70	0.00	-0.10
28	Haryana Rail Infrastructure development corporation Limited	2021-22	2.6	0.98	103.47
29	Karnal Smart City Limited	2021-22*	0	0	0.10
30	Haryana Kaushal Rojgar Nigam Limited	2021-22*	-0.04	0	199.96
31	Drone Imaging & Information Service of Haryana Limited	2021-22	-0.26	0.00	9.74
32	Faridabad City Transport Service Limited	2021-22**	--	--	--

Note: SPSEs at Sl. number 1 to 10 meet the CSR criteria.

*Provisional Accounts

**Accounts not available

Appendix 9.2

(Reference: Paragraphs 9.7.1 and 9.7.2; Page 98 and 99)

Allocation and actual CSR Spent including carry forward

(₹ in crore)

Sl. No.	Name of SPSE	Average Profit of preceding three years	Two *per cent* of Col 3 to be spent on CSR	Carry-over from previous year	Total amount to be spent	Actual spent	Difference	Unspent amount carried forward	Date of approval of CSR budget
1	**2**	**3**	**4**	**5**	**6=4+5**	**7**	**8=6-7**	**9**	**10**
1	Haryana Vidyut Prasaran Nigam Limited	-41.08	0.00	3.74	3.74	1.12	2.62	2.62	18 October 2022
2	Haryana Power Generation Corporation Limited	-42.84	0.00	2.34	2.34	1.80	0.54	0.61	04 February 2022
3	Uttar Haryana Bijli Vitran Nigam Limited	279.42	5.59	8.12	13.71	2.19	11.52	11.59	27 August 2022
4	Dakshin Haryana Bijli Vitran Nigam Limited	177.25	3.55	0.85	4.40	0.19	4.21	4.21	27 September 2022
5	Haryana State Industrial and Infrastructure Development Corporation Limited	233.58	4.67	18.77	23.44	1.01	22.43	22.43	02 September 2022
6	Haryana State Electronics Development Corporation Limited	15.50	0.31	0.44	0.75	0.65	0.10	0.10	05 September 2022
7	Haryana State Roads & Bridges Development Corporation Limited	16.14	0.32	-0.07	0.25	0.25	0.00	0.00	16 December 2022
8	Haryana Forest Development Corporation Limited	8.92	0.18	0.00	0.18	0.16	0.02	0.02	30 December 2022
9	Gurgaon Technology Park Limited	7.52	0.15	0.00	0.15	0.15	0.00	0.00	15 December 2022
	Total	**654.41**	**14.77**	**34.19**	**48.96**	**7.52**	**41.44**	**41.58**	

Appendix 9.3

(Reference: Paragraph 9.7.1; Page 99)

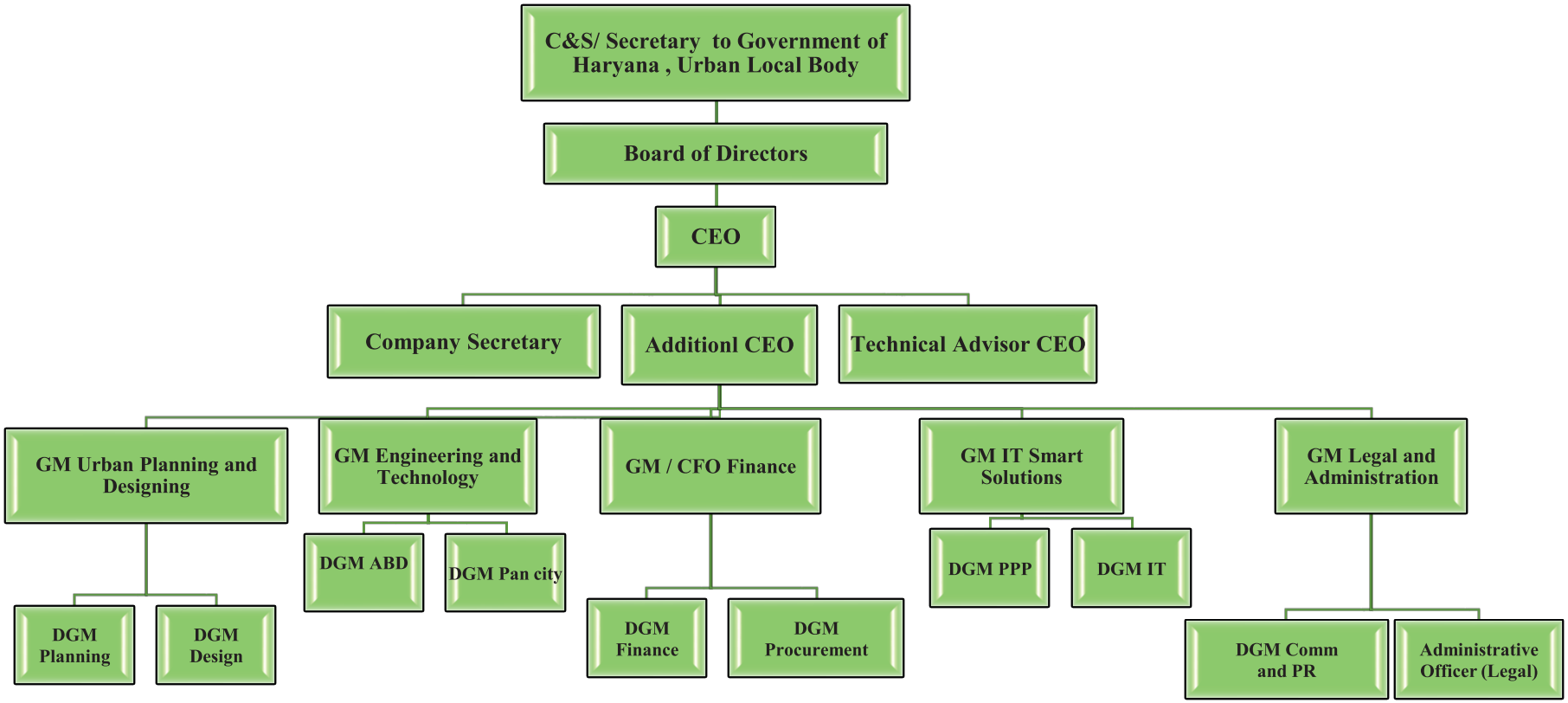
Statement showing calculation of profit before tax

Period	Net profit before tax under Section 198	
	As per Annual Financial Statements (₹ in crore)	As calculated by the Company (₹ in crore)
Haryana Power Generation Corporation Limited		
2019-20	274.22	462.38
2020-21	114.20	(195.82)
2021-22	6.99	(395.08)
Total profit for three years	395.41	(128.52)
Average profit for preceding three years	131.80	(42.84)
Two *per cent* of Average profit	2.64	Nil
Haryana Vidhut Prasaran Nigam Limited		
2019-20	220.57	66.13
2020-21	26.92	(159.86)
2021-22	343.34	(29.52)
Total profit for three years	590.83	(123.25)
Average profit for preceding three years	196.94	(41.08)
Two *per cent* of Average profit	3.94	Nil
Uttar Haryana Bijli Vitran Nigam Limited		
2019-20	217.71	300.61
2020-21	397.07	459.52
2021-22	670.04	78.13
Total profit for three years	1,284.82	838.26
Average profit for preceding three years	428.27	279.42
Two *per cent* of Average profit	8.56	5.59
Gurgaon Technology Park Limited		
2019-20	9.27	7.06
2020-21	7.21	5.96
2021-22	12.34	9.52
Total profit for three years	28.82	22.54
Average profit for preceding three years	9.61	7.51
Two *per cent* of Average profit	0.19	0.15
Total Average Net profit	**766.62**	**286.93**
Total CSR Provision	**15.33**	**5.74**

Appendix 10.1

(Reference: Paragraph 10.3; Page 105)

Organisational chart of FSCL and KSCL



Source: Records of FSCL and KSCL.

Appendix 10.2

(Reference: Paragraph 10.9.1; Page 110)

Statement showing delay in completion of projects

Sl. No.	Name of Project	Scheduled date of completion	Actual date of completion	Delay (in days)
Karnal				
1	Bituminous concrete overlay on various roads within municipal limits	28 June 2021	15 July 2021	17
2	Construction of Neki-ki-diwar	26 March 2020	16 March 2021	355
3	Development and maintenance of Gappuwala Park	24 May 2021	14 September 2021	113
4(i)	Rejuvenation of Atal Park	04 August 2021	10 November 2021	98
(ii)	Atal Park Phase 2-construction of theatre	28 February 2022	20 April 2022	51
5	Construction of new bituminous road along existing unpaved alignment	21 November 2021	04 February 2022	75
6	Supply and installation of MS Steel benches in various parks	18 October 2021	25 February 2022	130
7	Beautification and facade development of Gandhi Memorial Hall	28 April 2022	15 June 2022	48
8	Construction of ICCC building Sector 12	01 February 2022	27 May 2022	115
9	Construction of entry gates for beautification of Karnal	16 June 2020	30 July 2020	44
10	Walking street in newly developing cultural corridor	18 February 2021	29 June 2021	131
11	Improvement of education system for latest IOT for schools	21 October 2019	08 December 2020	414
12	Development of Plaza	02 May 2021	08 February 2022	282
13	Light and sound show at Karan Park	01 November 2017	01 October 2018	334
14	Musical fountain at Karan Tal	October 17	01 November 2017	31
15	Street scape of old GT Road	21 May 2021	03 March 2022	286
		15 May 2021	17 February 2022	
		02 May 2021	05 January 2022	
16	Wellness trail by installing open air gyms	16 August 2021	28 August 2022	377
17	Smart sewerage management	20 November 2020	19 January 2021	60
18	Solid waste management	30 September 2020	31 October 2020	31
19(i)	Construction of two buildings in Phoosgarh village	20 April 2023	27 November 2023	221
(ii)	Construction of Multipurpose Hall at Phoosgarh	31 May 2023	31 May 2023	-
(iii)	Smart village-roads & drain (Phoosgarh Road)	30 December 2022	20 February 2023	52
20	Beautification of Green Belt Park at Sector 7	11 January 2022	18 July 2022	188

Sl. No.	Name of Project	Scheduled date of completion	Actual date of completion	Delay (in days)
21	Beautification of Green Belt at Sector 13-14	06 March 2022	09 July 2022	125
22	Canal front development of WJC -Phase III	30 September 2022	25 March 2023	176
23	Development of Creation Park at Gandhi Chowk	28 February 2022	12 July 2022	134
24	Beautification of Cantonment Church Tower precinct	08 June 2022	30 October 2022	144
25	Beautification of Kos Minar at Madhuban, Minar Road and Sector 4	08 May 2022	06 November 2022	182
26	Sports facilities at Community Centre Sector 6	30 June 2022	06 August 2022	37
27	Construction of community hall, boundary wall, gate and horticulture work at Sardar Milkha Singh Stadium	31 December 2022	13 July 2023	194
28	Construction of road (strengthening) from Hansi Chowk to Namaste Chowk	30 November 2022	12 January 2023	43
29	Development of parks in Sector 32 & 33	09 November 2022	30 April 2023	172
30	Edge landscaping in Sector 12 & green belt	05 October 2022	07 December 2022	63
31	Edge landscaping at public spaces NDRI to ITI Chowk and Gandhi Chowk	03 November 2022	06 April 2023	154
32	Construction of Hockey Stadium at Kailash	31 December 2022	30 September 2023	273
33	Development of Park at Uttam Nagar	04 July 2022	25 August 2023	417
34	Renovation of two police stations (Sadar and Civil Lines)	03 April 2023	30 May 2024	423
35	Construction of record room	04 August 2023	30 May 2024	300
36	Beautification of green belt in Sector 5	30 June 2023	15 July 2023	15
37	Integrated Command & Contral Centre (ICCC)	24 June 2021	01 February 2023	587
38	City surveillance			
39	Traffic violation detection system			
	Faridabad			
40	Rainwater harvesting for public buildings	16 November 2018	31 March 2021	866
41	Integrated Command and Control Centre	27 June 2019	20 February 2020	238
42	Area traffic control system			
43	Midpoint flow management			
44	Open-air smart gyms	30 November 2017	28 February 2018	90
45	Smart e-toilets	21 December 2017	28 February 2018	69
46	Comprehensive mobility plan	15 March 2019	22 March 2021	738
47	Multi-level car parking on Ambedkar Marg at old Sabzi Mandi	30 June 2023	30 November 2023	153

Sl. No.	Name of Project	Scheduled date of completion	Actual date of completion	Delay (in days)
48	Smart urban village - Fatehpur	04 February 2020	30 September 2022	969
49	Beautification of 05 intersections of National Highway 44	02 October 2019	16 February 2023	1,233
50	Smart park	16 August 2018	30 September 2022	1,506
51	Water SCADA for transmission water line in Pan-city Faridabad	27 January 2022	30 April 2023	458
52	Metro pillars artwork	26 October 2021	12 October 2022	351
53	Installation of sculptures at the identified cross sections	30 September 2022	30 November 2022	61
54	Supply installation and commissioning of Tri-colour LED	31 January 2022	30 November 2022	303
55	Wall-art painting	07 December 2022	15 February 2023	70
56	Construction of stray dog shelters	02 December 2022	09 January 2023	38
57	Construction of manhole1000x1000 mm at LHS of Badkhal Smart Road	02 December 2022	09 January 2023	38
58	Segregated cycle track	27 March 2021	28 February 2023	703
59	Footpath development			
60	Development of unsegregated NMT routes identified			
61	Intersection geometry improvement			
62	Raised pedestrian crossing			
63	Signages and marking			
64	Landscaping			
65	Internal roads improvement and landscaping			
66	Improvements to storm water network			
67	Underground cabling			
	Range of delay in days			**03 to 1,506 days**

Source: Information provided by KSCL and FSCL.

Note: Project at sl. no. 58 to 67 have been merged and awarded with road projects.

Appendix 10.3

(Reference: Paragraph 10.9.3; Page 116)

Statement showing SCM funds transferred to line departments for execution of projects

(₹ in crore)

Sl. No.	Name of project/ department	Awarded cost	Amount transferred	Date of transfer
A	**Karnal Smart City Limited**			
	Municipal Corporation, Karnal			
1	Construction of ICCC building, Sector 12	14.03	10.00	24 August 2020
			4.03	14 January 2022
2	Construction of entry gates for beautification of Karnal	2.00	2.00	30 September 2020
3	Construction of commercial space at old MC Karnal building	13.68	13.68	12 July 2022
4	Selection of System Integrator (SI) for Design, Commissioning, Integration and Operation & Maintenance of Integrated Water Utility Management System	35.48	35.48	17 February 2023
5	Re-construct and modification the storm water disposal on SCADA based automation technique	22.82	15.00	10 October 2023
6	Construction of commercial space at old Anaj Mandi on EPC Mode	30.80	30.80	06 December 2022
7	Construction/ strengthening of various roads at different locations by MC Karnal	7.59	7.59	11 October 2023
8	Construction/ strengthening of various roads at different locations in Karnal	11.34[1]	19.93	18 October 2023
9	Construction of Smart Road from Hospital Chowk to Noormahal Chowk and Noormahal Chowk to Nirmal Kutia Chowk	25.00	--	--
	Haryana Sahari Vikas Pradhikaran			
10	Construction of old age home in Sector-32	9.30	9.30	26 December 2022
11	Construction of community hall, library building, badminton court, volleyball court, boundary wall, gate & horticulture work	11.19	11.19	26 December 2022
12	Beautification of green belt in Sector-5 UE Karnal	0.60	0.60	26 December 2022
13	Construction of elevated road along Railway Road and Bus Stand Road on EPC Mode	127.67	25.00	31 January 2024
			63.00	15 April 2024
			10.00	06 May 2024

[1] Initially work cost was assessed ₹ 19.93 crore which was reduced to ₹ 11.34 crore. However, funds of ₹ 19.93 crore are lying with MC Karnal.

Sl. No.	Name of project/ department	Awarded cost	Amount transferred	Date of transfer
14	Construction of community centre at Sector 32	9.50	--	--
	Indian Railway			
15	Way Leave Facility for extension of service land for goods carriage from 1.61 block rake siding towards Dli end up-to Shiv Colony near LHS – 191A for shifting of entry of heavy vehicles at Karnal	2.35	1.57	06 February 2023
			0.78	06 February 2024
	Public Works Department (B&R)			
16	Strengthening with 50 mm DBM and 40 mm BC on western bye pass from Uchana to Karnal-Kaithal road along western Yamuna Canal km 0 to 6.300 in Karnal	6.70	6.70	20 July 22
17	Strengthening with 50 mm DBM and 30 mm BC on old GT Road (City Portion Karnal) (NDRI chowk to Baldi Bye Pass chowk) (Road id 7365) RD 3730 to 5580 in Karnal District	4.88	4.88	12 July 22
18	Strengthening with 40mm BC and 80mm IPB of road from old Kacheri chowk to civil Hospital chowk	1.06	1.06	07 July 22
19	Construction/strengthening various roads at different location in Karnal	5.05	5.05	18 October 2023
20	Karnal Munak Road near ROB on Goghripur Phatak	0.77	0.77	31 January 2024
21	Strengthening with 50 mm DBM + 30 mm BC, CCB and 80 mm IPB of Karnal Meerut Road to Ranwar village (Road ID 7355)	2.18	2.18	31 January 2024
22	Strengthening with 40 mm BC at RD 0 to 680 on GT Road NH-1 to Madanpur approach Road (Road ID 7356) (ODR) in Gharaunda constituency, Karnal	0.19	0.19	31 January 2024
23	Strengthening with 40 mm BC at RD 50 to 1350 and 1600 o 2120 and laying of CCB at RD 0 to 50, 1350 to 1600 and 2120 to 2420 on Daha Bajida to Sirsi approach Road (Roa ID 7364) (ODR) in Gharaunda constituency, Karnal	0.81	0.81	31 January 2024
24	Strengthening with 40 mm BC at RS 0 to 500 and 1000 to 1200 and relaying of CCB at RD 500 to 1000 on GT Road to Bazida Jattan Road (Road ID 7357) (ODR) in Gharaunda Constituency, Karnal	0.36	0.36	31 January 2024
25	Karnal Indri Road to Karan Lake Uchana (Road ID 11117)	1.32	1.33	31 January 2024
26	Providing CC pavement under pass of Western Bypass Phase-I	1.00	1.00	31 January 2024
	Irrigation and Water Services Department			
27	Rehabilitation of Main Drain No. 1 from RD 00 to 12000	19.95	9.51	07 July 2022
			10.44	31 January 2024
	Public Health Engineering Department			
28	Laying/replacement of DI pipe for water supply installation of 14 no. submersible pumping set 150 mm rising main, construction of pump chamber (3.00 x 3.66) mtr and FHTC	9.27	9.27	21 June 2023
29	Providing sewerage facility in balance area of Karnal town.	8.51	8.51	23 June 2023
	Uttar Haryana Bijli Vitran Nigam Limited			
30	Conversion of existing overhead 11 KV & LT electric lines to trenchless underground 11 KV & LT cable systems	26.74	20.68	24 August 2020

Sl. No.	Name of project/ department	Awarded cost	Amount transferred	Date of transfer
(a)	& installation of compact sub-station (CSS), Ring Main unit (RMU), Feeder & service pillars compatible with SCADA etc. from Meerut Chowk to Meera Ghati Chowk and Civil Hospital Chowk to Mahatma Gandhi Chowk under OP circle Karnal on turnkey basis		6.06	16 February 2023
(b)	Development of utilities from Namaste Chowk to Meera Ghati (Package -1 & 3)	1.61	1.51	08 February 2022
			0.10	12 July 2022
31	Plantation and beautification Sector 9 Road	1.22	-	-
Total			**350.36**	
B	**Faridabad Smart City Limited**			
32	Supply and installation of 3 number moving head beam light laser of colour red, white and green	0.17	-	-
33	Redevelopment of Sant Nagar	2.08	As the projects have not been awarded, only the estimated cost has been shown.	
34	Design, supply, installation, testing and commissioning of ICT project in Pan-city with civil and electrical work at multiple roads and parks	23.00		
35	Development of two collateral roads Sani Mandir and Sector 28 road	13.00		
36	Pre-packaged STP at Barahi Talab	3.26		
37	Development of Mullah hotel to Patel Chowk road	12.00		
38	Laser fountain show at Badkhal lake	30.00		
39	Underground electrical work, Sector 17			
40	Sport lighting at sport complex, Sector 12			
41	FOB with travellator			

Source: Information provided by KSCL and FSCL.

Appendix 10.4

(Reference: Paragraph 10.9.4; Page 117)

Statement showing projects executed/under execution outside ABD area and non-ICT project in Pan-city undertaken in Karnal as on 30 June 2024

(₹ in crore)

Sl. No.	Project Name	Location	Cost of work	Payment upto 30 June 2024
	Outside ABD			
1 (i)	Construction of two buildings	Phoosgarh Village	0.88	0.90
1(ii)	Construction of Multipurpose Hall	Phoosgarh Village	2.17	2.03
1(iii)	Smart Village-Roads & Drain	Phoosgarh Village	2.28	2.28
2	Beautification & Development	Novelty Road	0.30	0.30
3	Bituminous concrete overlay on various roads within municipal limits	Karan Vihar, Phoosgarh	2.77	2.77
4	Construction of Neki ki diwar	Railway Road	0.06	0.06
5	Development and maintenance of Gappuwala park	Upka Colony, Ward - 16	0.97	0.97
6(i)	Rejuvenation of Atal Park	Sector - 8	0.90	0.90
(ii)	Atal Park Phase 2-construction of theatre	Sector - 8	0.21	0.21
7	Installation and Maintenance of Living green wall in buildings & public spaces	Sector - 12	0.08	0.08
8	Redevelopment of median on Railway Road in front of old sabzi mandi	Railway Road in front of old sabzi mandi	0.02	0.02
9	Theme Painting on wall surface along cultrural corridor	Minar Road, Nyaypuri	0.01	0.01
10	Providing and Fixing IPB at Jarnaily Kothi and other works	Jarnailly Kothi, Dayal Singh College Road	0.10	0.10
11	Theme Painting on four nos of wall of size 66*5 feet each along Baldi Bypass	Baldi Byepass	0.02	0.02
12	Construction of RCC slab over Existing Ghat for Western Jamuna Canal Front Development under Smart City Karnal	Western Jamuna Canal	0.14	0.14
13	Floor Painting (Rangoli) on road from A-1 Sweets to Old MC Karnal	A-1 Sweets (Karan market) to Old MC Karnal (Shakti colony)	0.02	0.02
14	Construction of new bituminous road along existing unpaved alignment	Kunjpura road & Gaushala Road near Banso Gate and Hansi road	2.47	2.47
15	Supply and installation of MS Steel Benches in various parks	Sector 06, 14 & 34	0.22	0.22
16	Widening of road from Gandhi chowk to Karnal club	GT Road/Pehowa - Karnal Road	0.32	0.32
17	Fixing of Information Board Including Writing of matter on 3*2 feet size	Phoosgarh Village	0.01	0.01
18	Construction of Ashok Stambh	Mini Secretariat, Sector -12	0.19	0.19
19	Beautification of Green Belt Park	Sector -7	1.07	0.71
20	Supply and installation of Modular Toilets	Namastey Chowk, Baldi Byepass, Sector - 6	0.60	0.60
21	Under Flyover Beautification (Package 4)	Baldi Byepass	0.85	0.85
22	Redevelopment of Market	Sector - 6 & 14	0.89	0.89
23	Redevelopment of Karan Lake	Karna Lake	3.73	3.73

Sl. No.	Project Name	Location	Cost of work	Payment upto 30 June 2024
24	Beautification of Green Belt	Sector - 13 & 14	1.38	1.38
25	Installation of Mathematical Equipment's	Meera Ghati Chowk	0.14	0.14
26	Beautification of Green Belt Park	Sector - 6	0.98	0.98
27(i)	Canal front development -phase II	Western Jamuna Canal	1.10	1.10
(ii)	Canal front development -phase III	Western Jamuna Canal	2.20	2.20
28	Development of Creation Park at Gandhi Chowk with FRP Dandi March Statue	Sadar Bazar	0.06	0.06
29	Installation & maintenance of living green walls in building & public places	Mini Secretariat, Sector -12	0.09	0.09
30	Supply and Installation of 100 feet High Flag Mast with Flag	Meera Ghati Chowk	0.11	0.11
31	Repair of Meera Ghati chowk, painting, cleaning and other works etc	Meera Ghati Chowk	0.01	0.01
32	Development of sports facilities in School	Behind bus stand	1.06	0.67
33	Beautification of Cantonment Church Tower Precinct	Cantonment Church Tower	0.72	0.72
34	Beautification of Kos Minar	Madhuban, Minar Road & Sector - 4	0.19	0.19
35	Beautification and Facade Development	Gandhi Memorial Hall	0.19	0.19
36	Sports Facilities at Community Centre	Sector - 06	0.22	0.22
37	Construction of community hall, boundary wall, gate and horticulture work at Sardar Milkha Singh Stadium	Upka Colony	4.04	4.04
38	Construction of road (strengthening)	Hansi Chowk to Namaste Chowk	4.83	4.83
39	Development of parks	Sector 32 & 33	3.35	3.35
40	Edge Landscaping	Sector 12	0.15	0.15
41	Edge Landscaping at public spaces NDRI to ITI chowk and Gandhi chowk	Kunjpura road	0.19	0.19
42	Construction of road(strengthening) from Tau devi Lal chowk to Maharana Pratap chowk	Meerut Road	1.80	1.80
43	Construction of Boundary wall and work	Old Sabzi Mandi	0.07	0.07
44	Construction of elevated road	Railway & Bus stand road	0.03	0.03
45	Construction of Hockey Stadium at Kailash under Smart City Mission	Kailash	14.04	10.93
46	Development of Park	Uttam Nagar Sector 34	1.78	1.78
47	Construction of Hockey Stadium at Kailash (Phase- II)	Kailash	4.23	3.14
48	Construction of Road, Boundary wall, gate at Milkha Singh Community Centre	Sector - 6	0.52	0.00
49	Renovation of Two Police Stations (Sadar and Civil Lines)	Old GT Road, Nyaypuri	4.46	3.76
50	Construction of Record Room	Mini Secretariat, Sector -12	4.63	3.48
51(a)	Construction of Indoor Sports Complex (Phase-I)	Sector 32	39.39	31.34
(b)	SITC of additional work/item at indoor sports complex Sector 32 (Phase 2)	Sector 32	1.42	0.50
(c)	SITC of various equipment's /facilities in Indoor sports complex (Phase 3)	Sector 32	1.77	1.03
52(a)	Redevelopment of Sports Facilities at Karna Stadium- Phase I	Nyaypuri	24.85	18.97
52(b)	Redevelopment of Sports Facilities at Karna Stadium- Phase-II	Nyaypuri	12.20	7.38
53	Redevelopment of Karna Lake - Phase II	Karna Lake	3.23	11.82
54	Construction of Boundary wall and basic amenities for development of Cricket playground	Sector 9	2.05	0.93

Sl. No.	Project Name	Location	Cost of work	Payment upto 30 June 2024
55	Construction of entry gates for beautification of Karnal	Other department works	2.00	2.00
56	Construction/strengthening various roads at different location in Karnal by MC Karnal	Other department works	7.59	7.59
57	Construction/strengthening various roads at different location in Karnal by Karnal	Other department works	22.59	19.93
58	Construction of old age home in Sector-32	Other department works	10.11	9.30
59	Construction of community Hall, Library building, Badminton court, volleyball court, boundary wall, Gate & horticulture work	Other department works	13.15	11.19
60	Beautification of green belt in Sector-5 UE	Other department works	0.60	0.59
61	Construction of Elevated Road along Railway Road and Bus Stand Road on EPC Mode	Other department works	128.77	98.00
62	Way Leave Facility for Extension of service land for Goods Carriage	Other department works	2.35	2.35
63	Strengthening with 50 mm DBM and 40 mm BC on western bye pass from Uchana to Karnal-Kaithal Road	Other department works	6.70	6.70
64	Strengthening with 50 mm DBM and 30 mm BC on old GT Road (City Portion Karnal) (NDRI chowk to Baldi Bye Pass chowk)	Other department works	4.88	4.88
65	Strengthening with 40 mm BC and 80mm IPB of road from old Kacheri chowk to civil Hospital chowk	Other department works	1.06	1.06
66	Construction/ strengthening various roads at (i) Stg. Of Bazida Jattan to Rishi Nagar vide PSD – 4, Karnal (ii) Providing IPB on Main Tikri Kalash Road	Other department works	5	5.05
67	Karnal Munak Road near ROB on Goghripur Phatak	Other department works	0.77	0.76
68	Strengthening with 50 mm DBM + 30 mm BC, CCB and 80 mm IPB of Karnal Meerut Road to Ranwar village (Road ID 7355)	Other department works	2.18	2.18
69	Strengthening with 40 mm BC at RD 0 to 680 on GT Road NH-1 to Madanpur approach Road	Other department works	0.19	0.19
70	Strengthening with 40 mm BC at RD 50 to 1350 and 1600 to 2120 and laying of CCB at RD 0 to 50, 1350 to 1600 and 2120 to 2420 on Daha Bajida to Sirsi approach Road	Other department works	0.81	0.81
71	Strengthening with 40 mm BC at RS 0 to 500 and 1000 to 1200 and relaying of CCB at RD 500 to 1000 on GT Road to Bazida Jattan Road	Other department works	0.36	0.36
72	Karnal Indri Road to Karan Lake Uchana	Other department works	1.33	1.32
73	Providing CC pavement under pass of Western Byepass Phase-I	Other department works	1.00	1.00
74	Rehabilitation of Main Drain No. 1 from RD 00 to 12000	Other department works	0	0
A	Rehabilitation of Main Drain No. 1 from RD 3200 to 12000	Other department works	7.32	7.32
B	Rehabilitation of Main Drain No. 1 RD 0 - 3200		12.63	12.63
75	Laying/replacement of DI Pipe for water supply installation of 14 No's submersible pumping set 150 mm rising main, Construction of Pump Chamber (3.00 x 3.66) mtr and FHTC	Other department works	9.27	9.26
76	Providing sewerage facility in balance area of Karnal town	Other department works	8.51	8.51
	Total		**407.99**	**351.36**
	Non-ICT project in Pan-city			
77	Installation of Open Air Gym	Pan-city	5.51	5.51
	Grand Total		**413.50**	**356.87**

Source: information provided by KSCL

https://cag.gov.in/ag/haryana/en