PREFACE

This Report for the year ended 31 March 2010 has been prepared for submission to the Governor under Article 151 of the Constitution of India. It covers matters regarding the findings of Performance Audit and Compliance Audit in the various departments including the Public Works and Irrigation and Power Department and audit of Autonomous Bodies.

The observations in this Report are those which were noticed by Audit during 2009-10. For completeness, the observations relating to earlier years, not covered in the previous Reports, have also been included, wherever pertinent. Similarly, results of compliance audit subsequent to March 2010 have also been mentioned, wherever relevant.

Executive Summary

The Report

Based on the audited accounts of the Government of Punjab for the year ended March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of the Punjab Government's fiscal position as on 31 March 2010. It provides an insight into the trends in receipts and expenditure, committed expenditure, borrowing pattern, fiscal imbalances etc., besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

Chapter 2 is based on the audit of Appropriation Accounts and it gives the grant wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of the Punjab Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support of the findings.

Audit findings and recommendations

Inadequate mobilization of revenue receipts: Growth of revenue receipts during the year was only seven *per cent* mainly because of low growth in tax revenue and decrease in non-tax revenue. The State's own tax buoyancy with reference to the Gross State Domestic Product (GSDP) decreased from 0.85 in 2008-09 to 0.50 in 2009-10, indicating that the tax revenue had not kept pace with the GSDP. *Concerted efforts to increase the tax revenue could improve the States' finances.*

Funds transferred directly to the State implementing agencies outside the State budget: During 2009-10, the GOI directly transferred ₹ 1,162 crore to the State implementing agencies for implementation of various schemes/ programmes. As these funds were not routed through the State budget, the Annual Finance Accounts had not captured the flow of these funds and to that extent, the receipts and expenditure of the State as well as other fiscal variables/parameters derived from them are underestimated. *Government needs to ensure proper documentation and timely reporting of expenditure by the implementing agencies.*

High share of revenue expenditure in the total expenditure: The revenue expenditure during 2009-10 constituted 93 *per cent* of the total expenditure. The committed expenditure constituted 71 *per cent* of revenue expenditure. Expenditure on salaries and wages was 42.52 *per cent* of the revenue expenditure (net of interest payments and pension) exceeding the norm of 35 *per cent* envisaged by the Twelfth Finance Commission.

The level of subsidies at ₹ 2,919 crore in 2009-10 was 66 *per cent* higher than that projected in the Fiscal Correction Path. *The State needs to discourage extending of subsidies to improve fiscal position of the State.* Interest payment was 23 *per cent* of the revenue receipts during 2009-10, which was beyond the medium term target of 15 *per cent* to be achieved by 2009-10. *As the committed revenue expenditure is continued to be high leaving little for asset creation, measures should be taken to compress the unproductive expenditure.*

Low priority to capital expenditure: The Capital expenditure (₹ 2,166 crore) was 1.13 *per cent* of GSDP, against the target of 3 *per cent* to be achieved by 2009-10. *It warrants appropriate action at Government level to improve the capital expenditure.*

Inadequate priority to Development expenditure: In 2009-10, the aggregate expenditure as a proportion of GSDP and development expenditure as a percentage of aggregate expenditure was much lower in Punjab in comparison to the other general category States. *Therefore, Government needs to improve the allocation for Development activities.*

Low return on investment: As of March 2010, the total investment of Government of Punjab in statutory corporations, companies etc. was ₹ 3,832.41 crore. The return on these investments was less than one *per cent*, while the cost of borrowed funds was much higher (7.52 to 8.46 *per cent). It would be advisable for the State Government to ensure better value for the investments, otherwise high cost borrowed funds will continue to be invested in activities with low financial returns.*

High ratio of fiscal liabilities to GSDP: The ratio of fiscal liabilities to GSDP stood at 35.33 *per cent* in 2009-10 against the norm of 28 *per cent* targeted to be achieved by 2009-10 as per the Punjab Fiscal Responsibility and Budget Management (FRBM) Act, 2003. The Thirteenth Finance Commission has further recommended that all States should bring down the fiscal liabilities to 25 *per cent* of GSDP by 2014-15. *Therefore, the State Government should set in place a strategy to limit the quantum of fiscal liabilities in the next five years.*

Increase in outstanding guarantees: The outstanding guarantees given by the Government were 161 *per cent* of the revenue receipts of 2008-09 against the norm of 80 *per cent* prescribed in the FRBM Act, 2003. Though Government has set up a Guarantee Redemption Fund, no amount has been transferred to the Fund. *Government should ensure reduction of the contingent liabilities and transfer of funds to the Guarantee Redemption Fund.*

Debt sustainability: During 2009-10, the interest burden was 23 *per cent* of the revenue receipts. The net funds available from internal debt and GoI loans continued to decrease as the borrowed funds were mostly used for redemption of past debts leaving small funds for other purposes. *Government needs to use the borrowed funds as far as possible only to fund the capital expenditure and revenue expenditure should be met from revenue receipts.*

State Government resorted to borrowing in excess of the approved annual plan and GoI ceiling and did not avail of the alternate economical means of borrowing. There was incorrect computation of cash balances while deciding the borrowings. *A proper monitoring system should be put in place in the Finance Department to ensure correct quantum and need based borrowings.*

Increasing deficits: The revenue deficit at ₹ 5,251 crore during 2009-10, was far from the target of zero revenue deficit by 2009-10. The fiscal deficit (₹ 6,170 crore) constituted 3.21 *per cent* of GSDP, against the relaxed target of 4 *per cent*. The primary surplus of ₹ 3,540 crore in 2006-07 turned into primary deficit of ₹ 1,159 crore in 2009-10. *Government can achieve the targets set out in the FRBM Act, provided efforts are made to improve tax mobilisation, collect arrears of revenue and curtail unproductive expenditure.*

Financial management and budgetary control: There was an overall net saving of ₹ 6,449.79 crore during 2009-10. Savings in excess of ₹ 50 crore and by more than 20 *per cent* of the provision in each case occurred in 17 out of 30 Grants. Large amount of unspent funds were not surrendered by two departments. Excess expenditure of ₹ 5,616.08 crore relating to the period 2004-09 and of ₹ 460.77 crore incurred during 2009-10 over the budget provision require regularisation. In eight grants, expenditure of ₹ 790.93 crore was incurred without provision of funds. During the year, the re-appropriation orders effected by the departments either proved excessive or insufficient and resulted in saving of ₹ 1,575.77 crore in 70 sub-heads and excess of ₹ 497.53 crore in 17 sub-heads.

Budget estimates should be prepared with due care and on realistic basis so that there are no huge surrenders or excess over the estimates. Anticipated savings should be surrendered as and when these are expected so that the amount could be got utilized on other schemes.

Financial Reporting: Utilisation certificates (UCs) in respect of large amount of grants given to various institutes were pending for submission to the Accountant General. Two departments submitted incorrect UCs to the Government of India. There were delays in submission of accounts of the Autonomous bodies for audit as well as submission of the Separate Audit Reports to the State Legislature. Punjab Roadways did not prepare proforma accounts since 2000-01. There were 100 cases of misappropriations, thefts, losses etc. Three offices withdrew funds form treasuries without immediate requirement and parked in banks, outside the Government Accounts. The Drawing and Disbursing Officers and the Treasury Officers failed to classify large number of Abstract Contingent bills and monitor the submission of Detailed Contingent bills.

Control mechanism in the Government departments needs to be strengthened to ensure timely submission of UCs. Submission of the pending accounts by the Autonomous bodies and the Punjab Roadways needs to be monitored. Departmental enquiries in cases of misappropriations and thefts should be expedited and the control system strengthened to prevent recurrence of such cases. The practice of keeping the Government money outside the Government Accounts should be curbed.

CHAPTER 1
INTRODUCTION

About this Report

1.1 This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of transactions of Government departments and autonomous bodies and performance audit of selected programmes and activities.

Compliance audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. Performance audit examines the extent to which the objectives of an organization, programme or scheme have been achieved economically, efficiently and effectively.

The primary purpose of the Report is to bring to the notice of the State Legislature, the important results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective measures as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during the compliance audit of transactions and follow-up on previous Audit Reports. Chapter-2 of this Report contains findings arising out of performance audit of selected programmes/activities/departments. Chapter-3 contains observations on compliance audit of transactions in Government departments and autonomous bodies.

Organisational structure of the Office of the Principal Accountant General (Audit), Punjab and Union Territory, Chandigarh

1.2 Under the directions of the C&AG, the Office of the Principal Accountant General (Audit), Punjab and Union Territory, Chandigarh conducts audit of departments of the Government of Punjab (GoP) and autonomous bodies under them. There are seven[1] wings in the office out of which six wings deal with audit and one deals with administration of the office. The audit of civil and works departments and autonomous bodies in the State is conducted by three wings namely Inspection Civil-I, Inspection Civil-II and Works.

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[1] **(1) Inspection Civil-I (2) Inspection Civil-II (3) Works (4) Commercial (5) State Receipts (6) Central Revenue and (7) Administration.**

This Report contains the audit observations arising out of audit of the various civil departments including the Public Works departments and autonomous bodies. The Report containing the observations arising out of audit of statutory corporations, boards and government companies and the Report containing observations on revenue receipts of the State are presented separately. Similarly a separate Report on State Finances is also presented.

Auditee profile

1.3 There are 44 departments in the State, at the Secretariat level headed by Financial Commissioners/Principal Secretaries/Secretaries, who are assisted by Deputy Secretaries, Directors and subordinate officers. There are 33 autonomous bodies which are also audited by the office of the Principal Accountant General (Audit), Punjab.

The comparative position of expenditure incurred by the Government during the year 2009-10 and in the preceding two years is given in **Table 1.1**.

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursement	2007-08			2008-09			2009-10		
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan	Total
Revenue Expenditure									
General Services	12886.18	5.72	12891.90	14027.72	4.41	14032.13	15518.88	6.40	15525.28
Social Services	4118.58	215.00	4333.58	4427.75	1054.93	5482.68	5178.93	1038.20	6217.13
Economic Services	4535.77	942.82	5478.59	4381.39	363.10	4744.49	4838.76	379.86	5218.62
Grants-in-aid and Contributions	356.79	0.00	356.79	309.69	0.00	309.69	446.91	0.00	446.91
Total	**21897.32**	**1163.54**	**23060.86**	**23146.55**	**1422.44**	**24568.99**	**25983.48**	**1424.46**	**27407.94**
Capital Expenditure									
Capital Outlay	272.16	1919.44	2191.60	255.25	2602.68	2857.93	186.51	1979.90	2166.41
Loans and Advances Disbursed	31.33	3.52	34.85	48.83	6.24	55.07	28.84	0.00	28.84
Repayment of Public Debt (including Ways and Means Advances)	2107.65	0.00	2107.65	2288.52	0.00	2288.52	5308.36	0.00	5308.36
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Account Disbursements	18751.22	0.00	18751.22	22590.85	0.00	22590.85	20721.04	0.00	20721.04
Total	**21162.36**	**1922.96**	**23085.32**	**25183.45**	**2608.92**	**27792.37**	**26244.75**	**1979.90**	**28224.65**
Grand Total	**43059.68**	**3086.50**	**46146.18**	**48330.00**	**4031.36**	**52361.36**	**52228.23**	**3404.36**	**55632.59**

Source: Finance Accounts

Authority for audit

1.4 The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the C&AG's (Duties, Powers and Conditions of Service) Act, 1971. The Principal Accountant General (Audit), Punjab conducted audit of expenditure of civil and works departments and autonomous bodies of the GoP under Sections 13, 14, 15, 17, 19(2) and 20 and audit of receipts of the State under section 16 of the C&AG's (DPC) Act. The principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2007 and the manuals issued by the C&AG.

Planning and conduct of audit

1.5 The Audit process starts with the risk assessment of the various departments, autonomous bodies, schemes/projects etc. based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated to conduct audit. The audit plan covers those offices/entities which are vulnerable to significant risks as per our assessment.

After completion of audit of each office, Inspection Reports (IRs) containing audit findings are issued to the heads of the offices. The offices audited are requested to furnish replies to the audit findings within one month of receipt of the IR. Whenever replies are received, audit findings are either settled if the replies are found satisfactory or further action for compliance is advised. The important audit observations pointed out in these IRs are processed for inclusion in the Reports of the C&AG which are submitted to the Governor of Punjab under Article 151 of the Constitution of India.

During 2009-10, the Civil Audit wings conducted compliance audit in 2518 offices and Performance Audit of National Rural Health Mission and Secondary Education.

Significant audit observations

1.6 In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which impact on the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations, with the intention to provide an aid to the executives in taking corrective action and improving service delivery to the citizens.

Performance Audits

1.6.1 Performance audits of programmes/activities/departments were undertaken to ensure whether the desired objectives of the Government programmes have been achieved at the minimum cost and given the intended benefits.

The present Report contains two performance audits. Significant audit observations are given in the following paragraphs.

National Rural Health Mission

The Mission activities suffered due to poor utilization of the available funds, inadequate survey of available/required infrastructure, shortage of manpower (against Indian Public Health Standards norms) and inadequate community participation.

Majority of the health centres in rural areas functioned without adequate manpower, essential infrastructure and basic necessities such as labour room, operation theatre, toilet etc. The position of availability of telephone, computer, vehicle and alternate source of power back up in the centres was far from the requirement. The manpower was not only short but was also not deployed rationally.

Non/delayed procurement of drug kits adversely affected administration of iron folic acid to the pregnant women and Vitamin A to the children.

Though there was increase in institutional deliveries, the deliveries in the Government health centres remained almost stagnant during 2005-10 and the domestic deliveries continued to be high in the State reflecting little impact of NRHM among the rural masses as far as institutional deliveries are concerned.

Despite implementation of NRHM, the maternal mortality rate and infant mortality rate in the State during the Mission period did not improve and were nowhere near the targets to be achieved by NRHM.

The monitoring of the Mission activities by the top level bodies was not satisfactory.

(Paragraph 2.1)

Secondary Education

The Performance Audit of secondary education in the State revealed that funds released for various schemes during 2005-10 were far below the budgetary provisions and were grossly under utilised. The State Government did not utilize ₹ 124.58 crore of Government of India funds released during the said period, which adversely affected the programmes. There were large scale vacancies (23 *per cent*) in the teaching staff and deployment of teachers in commerce and mathematics streams in the schools was irrational.

Twenty two *per cent* of the schools in the six test-checked districts had shortage of desks and 27 *per cent* of the schools did not have enough class rooms besides, other basic requirements such as play grounds, toilets etc. The objective of imparting vocational training to the students of classes 11^{th} and 12^{th} was broadly not achieved.

The pass percentage in the 12th class was stagnating around 72 *per cent* during 2005-10 implying scope for improvement in the standard of education. On account of considerable number of vacancies of teachers, irrational deployment of the available staff, shortage of basic educational infrastructure and lack of appropriate learning environment, enrollment at the secondary school level decreased in some schools.

The students of Scheduled Castes and Other Backward Classes were denied cash incentive, encouragement award and distribution of free text books.

(Paragraph 2.2)

Compliance Audit of Transactions

1.6.2 Audit has also observed significant deficiencies in critical areas, which impact on effective functioning of the Government departments/organizations adversely. These are broadly categorised and grouped as under:

- Non-compliance with rules and regulations.
- Failure of oversight/governance.
- Persistent and pervasive irregularities.

Non-compliance with rules and regulations

For sound financial management, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authorities. This helps in maintaining financial discipline and prevents irregularities, misappropriations and frauds. This Report contains instances of non-compliance with rules and regulations involving transactions of ₹ 12.57 crore as under:

Fictitious project proposals and inspection reports for contractual farming of medicinal plants resulted in fraudulent disbursement of financial assistance of ₹ 86.23 lakh.

(Paragraph 3.1.1)

Non-fixing of time schedule for payment led to loss of interest of ₹ 5.15 crore.

(Paragraph 3.1.2)

Avoidable delay in finalization of the land acquisition award resulted in payment of interest of ₹ 3.46 crore to the land owners.

(Paragraph 3.1.3)

Delayed transfer of the grants to the Local Bodies and Panchayati Raj Institutions resulted in avoidable payment of interest of ₹ 73.09 lakh.

(Paragraph 3.1.4)

Drawal of funds without immediate requirement resulted in loss of interest of ₹ 63.62 lakh.

(Paragraph 3.1.5)

Excess payment of ₹ 60 lakh was made to the contractors due to non-enforcement of price adjustment on account of fall in the price of bitumen.

(Paragraph 3.1.6)

Superintendents of Central Jail, Patiala and District Jail, Sangrur failed to avail the rebates on electricity consumption resulting in avoidable payment of ₹ 57.44 lakh.

(Paragraph 3.1.7)

Labour cess of ₹ 55.64 lakh was not deducted from the contractors' bills.

(Paragraph 3.1.8)

Failure of oversight/governance

Government has an obligation to improve the quality of life of the people in the area of health, education, development and upgradation of infrastructure, public services etc. Audit noticed instances where the funds released by the Government for creating public assets remained unutilized/blocked or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Audit findings related to failure of oversight involving ₹ 6.31 crore are as under:

Construction of a canal syphon designed on the basis of incorrect data led to loss of ₹ 2.79 crore.

(Paragraph 3.2.1)

Release of funds to the Cantonment Boards without any demand resulted in blocking of funds of ₹ 2.42 crore.

(Paragraph 3.2.2)

Boundary pillars and distance marks costing ₹ 1.10 crore remained unused for the last four years.

(Paragraph 3.2.3)

There was inordinate delay of 10 years on the part of department to procure the medical equipment.

(Paragraph 3.2.4)

Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when it is prevalent in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Audit observed some instances of persistent and pervasive irregularities of ₹ 2.64 crore in payments of investment incentive to ineligible industrial units.

(Paragraph 3.3.1)

Response of the departments to draft performance audit reports and draft paragraphs

1.7 As per the instructions issued (August 1992) by the Finance Department, Government of Punjab and provision of C&AG's Regulations on Audit and Accounts, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed to be included in the C&AG's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the C&AG, which will be placed before the Punjab Legislature, it would be desirable to include their comments in the matter. They were also advised to have meetings with the Principal Accountant General to discuss the draft performance audit reports/draft audit paragraphs proposed for the Audit Reports. The draft performance audit reports and draft paragraphs proposed for inclusion in this Report were also forwarded to the Principal Secretaries/ Secretaries concerned between March 2009 and July 2010 demi-officially seeking their replies. But no reply was received.

Follow-up action on Audit Reports

1.8 At the instance of the Public Accounts Committee (PAC), Finance Department issued (August 1992) instructions to all the departments to initiate suo moto positive and concrete action on all paragraphs and reviews figuring in the Audit Reports irrespective of whether the cases were taken up for examination by PAC or not. The departments were also required to furnish to the PAC detailed notes duly vetted by Audit indicating the remedial action taken or proposed to be taken by them within a period of three months of the presentation of the Reports to the State Legislature.

Out of 119 paragraphs and 23 reviews included in the Audit Reports relating to the period 2003-2004 to 2007-08, which had already been laid before the State Legislature, detailed notes in respect of 62 paragraphs and 11 reviews ***(Appendices 1.1 and 1.2)*** had not been received in the Audit Office as of March 2010, even after the lapse of prescribed period of three months. The departments largely responsible for non-submission of detailed notes were General Administration, Public Works (B&R), Irrigation & Power, Health and Family Welfare, Rural Development and Panchayats Department and Water Supply and Sanitation Department (Public Health). Some of these paragraphs/reviews dealt with important and repetitive issues such as avoidable payments, excess expenditure, blocking of funds, system failures, mismanagement and misappropriation of the Government money to which the Government did not respond.

Paragraphs pending for discussion by the Public Accounts Committee

1.9 Eighteen reviews/111 paragraphs for the period from 1993-94 to 2007-08 were pending for discussion by the PAC as on 31 March 2010 as detailed in ***Appendix 1.3.***

Recommendations

1.10 The Report contains specific recommendations on a number of issues involving non-observance of the prescribed procedures and systems, compliance of which would help in promoting good governance and better oversight on implementation of developmental programmes. The State Government is impressed upon to take cognizance of these recommendations in a time bound manner.

CHAPTER 2
PERFORMANCE AUDIT

HEALTH AND FAMILY WELFARE DEPARTMENT

2.1 National Rural Health Mission

Highlights

Government of India launched the National Rural Health Mission in April 2005 with a view to provide accessible, affordable, effective and reliable healthcare facilities in the rural area. The Mission was implemented in the State by the State Health Society under the overall guidance of the State Health Mission. An amount of ₹ 791.68 crore was provided for the Mission during 2005-10. Some of the important findings of Performance Audit of implementation of NRHM in the State are given below:

- ***The State Health Mission could spend only 83 per cent of the available funds and the State Government's total spending on health sector was short by ₹263 crore during 2005-10.***

(Paragraphs 2.1.7 and 2.1.8)

- ***The Rogi Kalyan Samities were not registered as societies and involvement of the Non-Governmental Organizations in rural health care was inadequate.***

(Paragraphs 2.1.11 and 2.1.12)

- ***Majority of the health centres in the rural areas were deficient in essential infrastructure and basic necessities.***

(Paragraph 2.1.14)

- ***The number of doctors, nurses, pharmacists and other technicians was inadequate and they were also deployed irrationally.***

(Paragraphs 2.1.17, 2.1.18 and 2.1.19)

- ***Payment of cash incentive under Janani Suraksha Yojna was delayed by 10 to 600 days.***

(Paragraph 2.1.27)

- ***Institutional deliveries in the government health institutions increased by two per cent against 11 per cent increase in the number of institutional deliveries in the private institutions during 2005-10. The number of domestic deliveries (36 per cent in 2009-10) continued to be high in the State.***

(Paragraph 2.1.28)

Introduction

2.1.1 The National Rural Health Mission was launched (April, 2005) in the country with the objective of bridging the gaps in healthcare facilities, decentralizing the planning in health sector and providing an overarching umbrella to the existing programmes of health and family welfare such as reproductive and child health-II, blindness control programme, integrated disease surveillance project etc. The key features of the Mission included making the public health delivery system fully functional and accountable, decentralized planning and community involvement, convergence of health and related programmes from village level upwards, flexible financing, human resources management and interventions for improving the health indicators. It aimed at reducing the infant and maternal mortality rate, providing complete access to the public health care services with emphasis on services addressing women and child health, universal immunization, prevention and control of the communicable and non-communicable diseases, population stabilization and control of gender and demographic imbalances.

In Punjab, the Mission was launched in April 2005 and an expenditure of ₹ 657.26 crore had been incurred under the scheme during 2005-10.

Organisational set-up

2.1.2 The NRHM functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The Mission's activities are carried out through a registered society called the State Health Society, Punjab (SHS) headed by the Chief Secretary. The Governing body of the SHS ***(Appendix 2.1)*** approves the Annual State Action Plans for NRHM, reviews implementation of the plans, coordinates with all NRHM related sectors and carries out follow-up action on decisions of the SHM. An Executive Committee of the SHS, headed by the Principal Secretary, Health and Family Welfare Department exercises all the powers conferred by the Governing body. The State Programme Management Support Unit (SPMSU) under the control of the Mission Director acts as the Secretariat to the SHM as well as to the SHS. The Mission Director is assisted by the Director Health Services, Family Welfare (DHS, FW), Director Health and Family Welfare (DH&FW) and the Managing Director, Punjab Health Systems Corporation (PHSC)[2]. The DHS, FW looks after the maternal and child health and family welfare. The DH&FW looks after the Public health, Blood banks, Drug control, Administration etc. The PHSC manages all the District hospitals, Sub divisional hospitals and the Community health centres.

At district level, the District Health Mission (DHM) headed by the Chairman, Zila Parishad had been constituted to guide and manage all public health

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2 **The PHSC was established under the Punjab Health Systems Corporation Act, 1996 for establishing, expanding, improving and administering medical care in the State of Punjab. It formulates and implements schemes for the comprehensive development of the dispensaries and hospitals and implements the national health programmes as per the directions of the State.**

institutions in the district. District Health Society (DHS) headed by the Deputy Commissioner and assisted by the Civil Surgeon (CS) had been formed to support the DHM in each district.

The Rogi Kalyan Samities (RKSs) in the District Hospitals (DHs), Sub-Divisional Hospitals (SDHs), Community Health Centres (CHCs), Primary Health Centres (PHCs) and Village Health Sanitation Committees (VHSCs) in the villages were required to act as group of trustees to manage the affairs of the health institutions. There are 20 DHs, 36 SDHs, 129 CHCs, 396 PHCs and 2950 Sub-Centres (SCs) in the State.

Audit objectives

2.1.3 The objectives of the Performance Audit were to assess whether:

- spending on health sector in the State was upto the desired level, release of funds was adequate and funds were utilized economically and efficiently;
- community participation and planning for accessible, effective and reliable healthcare to the rural population was ensured;
- the Mission strengthened the infrastructure and ensured availability of facilities and drugs at the health centres;
- the Mission objectives and targets of health and family welfare programme were achieved and
- monitoring of implementation of the Mission activities was effective.

Audit criteria

2.1.4 The audit criteria adopted were norms and parameters contained in:

- the NRHM guidelines and related instructions issued by the Government of India (GoI) and Government of Punjab;
- the State Programme Implementation Plans (PIPs) approved by GoI;
- the Memorandum of Understanding (MoU) entered between GoI and the State Government and
- the Indian Public Health Standards (IPHS) laid down by GoI for the CHCs, PHCs and SCs.

Audit coverage

2.1.5 The Performance Audit was conducted during April 2008 to December 2008 and October 2009 to March 2010 covering the period of five years (2005-10) by test checking the records in the SHM, SHS, SPMSU, DHS (FW), DH & FW, PHSC and five[3] out of 20 DHSs in the State. Under these five DHSs, records of five DHs, five out of 14 SDHs, 15 out of 44 CHCs, 23 out of 137 PHCs and 60 out of 1041 SCs selected by random sampling were test checked as detailed in ***Appendix 2.2***.

[3] **Amritsar, Hoshiarpur, Jalandhar, Ludhiana and Patiala.**

The Performance Audit of the programme commenced with an entry conference with the Mission Director, Punjab on 7 April 2008 wherein the audit methodology, scope, objectives and criteria were explained. An exit conference was held on 25 June 2010 with the Principal Secretary, Health and Family Welfare, wherein the audit observations were discussed. The responses/views of the Principal Secretary have been considered while finalizing this report. However, Government did not furnish any reply (September 2010) to the Audit findings communicated to them.

Audit findings

Financial management

2.1.6 The SHS reflected its requirement of funds through the programme implementation plans for various activities under NRHM. The GoI provided funds to the SHS on the basis of approved PIP and of its own for components outside the PIP. The SHS released funds to the DHSs and PHSC in accordance with the agreed district plans and additional requirements. The DHSs and PHSC provided funds to the health centres in the field for implementation of the various programmes. The health centres submitted statement of expenditure to the DHSs for consolidation and onward submission to the SHS. In turn, the SHS submitted the utilisation certificates to GoI alongwith concurrent audit reports prepared by Chartered Accountants.

Underutilisation of the funds

The State Health Mission could spend only 83 *per cent* of the available funds

2.1.7 As per the NRHM guidelines, GoI was to provide 100 *per cent* funds to the State Government during 2005-07 on the basis of approved PIP and from 2007-08 onwards, the funds requirement was to be shared between GoI and the State Government in the ratio of 85:15. The details of amounts proposed in PIPs, funds received and expenditure incurred during 2005-10 are given in **Table 2.1.** The programme wise details of funds received and expenditure thereagainst are given in ***Appendix 2.3***.

Table 2.1: Funds released and utilised

(₹in crore)

Year	Proposed PIP amount		Approved PIP amount		Opening balance	Funds received against PIP from GoI	Funds received from GoI for activities other than in PIP and from Other source (interest/ Misc. receipts/ transfers)	Funds received from State Government	Total funds available	Expenditure	Closing balance
	GOI	State	GOI	State							
2005-06	39.07	NA	79.15	NA	3.03[4]	64.92	17.45	NA	85.40	61.75	23.65
2006-07	200.72	NA	158.68	NA	23.65	144.74	2.24	NA	170.63	85.12	85.51
2007-08	190.17	33.53	163.86	28.41	85.51	104.69	8.57	0.00	198.77	104.32	94.45
2008-09	279.35	49.30	195.70	34.53	94.45	178.80	0.26	28.84	302.35	185.17	117.18
2009-10	238.00	42.00	219.74	32.71	117.18	207.92	13.23	16.99	355.32	220.90	134.42
Total	**947.31**	**124.83**	**817.13**	**95.65**		**701.07**	**41.75**	**45.83**		**657.26**	

NA indicates not applicable *Source: State Health Society*

[4] **Balances available under ongoing schemes (Details are given in *Appendix* 2.3)**

Audit analysis revealed that:

- the State share of ₹ 28.41 crore due for the year 2007-08 was not released to the SHS. During 2008-09 and 2009-10, the State Government against its approved share of ₹ 67.24 crore, released ₹ 45.83 crore only leading to short release of ₹ 21.41 crore. Thus, in all, the State did not release its share of ₹ 49.82 crore, reasons for which though called for (March 2010) were not intimated;
- compared to the total outlay of ₹ 912.78 crore contained in the approved PIP, an expenditure of ₹ 654.23 crore (72 *per cent)* only, excluding ₹ 3.03 crore available under ongoing schemes at the time of launching of NRHM, was incurred implying poor implementation of the planned activities by SHS and
- GoI released ₹ 745.85 crore (including opening balance of ₹ 3.03 crore) against its approved outlay of ₹ 817.13 crore during 2005-10. The shortfall was due to lack of utilisation of funds by the State Government. During 2005-10, the State could spend only ₹ 657.26 crore (83 *per cent*) against the available funds of ₹ 791.68 crore (including opening balance of ₹ 3.03 crore in 2005-06) leaving an unspent balance of ₹ 134.42 crore (17 *per cent*) with SHS, DHSs and other agencies out of which ₹ 15.75 crore were lying unspent in the five test-checked districts[5] as of March 2010. The short release of funds and failure to spend the funds affected implementation of the programmes as discussed in paragraphs 2.1.9, 2.1.10, 2.1.11, 2.1.15, 2.1.18, 2.1.22, 2.1.24 and 2.1.28.

The SHS attributed (May 2010) short spending to the delayed formation of SHS (February 2007). The reply is not acceptable as there was short utilisation even after formation of SHS and Audit observed that it was mainly due to delayed release of funds to the DHSs/PHSC and delays in execution of the various schemes under NRHM as discussed in paragraphs 2.1.10, 2.1.11, 2.1.13, 2.1.18 and 2.1.24.

Inadequate expenditure on health

The State Government's spending on health sector was short by ₹ 263 crore during 2006-10

2.1.8 As per the MoU entered (December 2005) between GoI and State Government, the latter envisaged to increase its spending on health sector annually by at least 10 *per cent*. The position of expenditure incurred by the State on health sector during the period 2005-10 is shown in **Table 2.2.**

Table 2.2: Expenditure incurred by the State on health sector

(₹in crore)

Year	Expenditure required to be incurred as per MoU	Expenditure incurred	Short expenditure
2005-06	699	699	0
2006-07	769	699	70
2007-08	846	761	85
2008-09	930	853	77
2009-10	1023	992	31
Total	**4267**	**4004**	**263**

Source : State Health Society and Finance Accounts

[5] **Amritsar: ₹ 2.64 crore, Hoshiarpur: ₹ 3.60 crore, Jalandhar: ₹ 2.73 crore, Ludhiana: ₹ 3.90 crore and Patiala: ₹ 2.88 crore.**

At the targeted increase of 10 *per cent* per annum, the State Government's spending during 2006-10 on health sector was short by ₹ 263 crore, as the total expenditure was ₹ 4004 crore, against the envisaged expenditure of ₹ 4267 crore during the said period.

The reasons for failure to increase the expenditure on health sector to the desired level were called for (March 2010), but no reply was received (September 2010).

Accounting of the interest on NRHM funds

2.1.9 As per the NRHM guidelines, funds were to be kept in interest bearing bank accounts and the interest earned on the funds was to be utilized for the purpose for which these were received.

Scrutiny of records of the SHS disclosed that the interest earned (₹ 6.79 crore) on the NRHM funds by SHS and DHSs were being shown in the income and expenditure statement, but the interest amounting to ₹ 5.54 crore[6] earned by PHSC during the period 2005-10 on the NRHM funds was neither intimated to SHS nor depicted in the accounts of NRHM, thereby depicting untrue picture of the accounts of NRHM.

When pointed out, the Managing Director, PHSC stated (March 2010) that the interest was internal accrual of PHSC and not of NRHM and the amount was spent on day to day functioning of PHSC. The reply is not acceptable as the interest earned on the NRHM funds was to be utilized for the programmes under NRHM only. Besides, PHSC failed to work out the actual amount of interest earned on the NRHM funds. The State Programme Manager (SPM) interalia intimated (October 2010) that the PHSC had wisely parked the funds in order to make the internal accruals and to meet the liabilities. The reply did not address the issue of non-accounting of interest in the accounts of NRHM.

Planning

Facility survey

2.1.10 NRHM strives to ensure that need based district health action plans become the basis for interventions during the entire Mission period of 2005-12. For preparation of these plans, household and facility surveys were to be conducted by engaging services of the Accredited Social Health Activists (ASHAs), Auxiliary Nursing Midwives (ANMs), Anganwadi Workers (AWWs) and block and district planning teams using a pre-approved format. Through the facility survey, critical information in terms of infrastructure and human resources gaps at every SC, PHC and CHC were to be identified.

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6 **Calculated on the basis of balance at the end of each month at the minimum interest rate of 6.25 *per cent* per annum earned by PHSC on the amount in fixed deposits during the period.**

For conducting the facility survey, GoI released (March 2006) ₹ 1.70 crore to the DH&FW, who transferred (July 2006) the funds to PHSC for conducting the survey and preparation of the health action plans by engaging a private consultant on the plea of non-availability of ASHAs and shortage of ANMs at the time of conducting of facility survey in 2006-07. The PHSC assigned (May 2007) the work to a private consultant at a cost of ₹ two crore who submitted the report in December 2007 which was accepted (December 2007) by the department. Audit analysis revealed that:

- the data collected by the consultant was not validated by the Panchayati Raj Institutions as required under NRHM guidelines. Further, the initial data from which the reports were compiled by the consultant were reported to have been lost and not made available to the department. Thus, the initial data identifying the specific gaps in infrastructure facilities etc. which was essential for planning was missing and the actual requirement with regard to infrastructure and human resources of health centres could not be assessed and

- the PHSC released payment of ₹ 1.75 crore to the consultant without imposing any penalty for the deficiencies, as there was no enabling provision in the contract.

The Mission Director and the Managing Director, PHSC were asked (October 2008 and February 2010) to intimate the action taken against the consultant for loss of initial data, but they did not respond (September 2010). During the exit conference (June 2010), the Principal Secretary, Health and Family Welfare, stated that he was not satisfied with the performance of the outsourced agency and some contractual amount was withheld. But the fact remained that despite payment of ₹ 1.75 crore, Government accepted the incomplete survey report and the exact position of infrastructure/human resources gaps at the rural health centres were not identified.

Formation of Rogi Kalyan Samities

Rogi Kalyan Samities were not registered as societies

2.1.11 As per the guidelines of NRHM, RKSs were to be set up and registered under the Societies Registration Act, 1860 in all the DHs, SDHs, CHCs and PHCs. The RKSs were to act as a group of trustees to manage the affairs of the health institutions. The RKSs at the DHs were to receive a corpus grant of ₹ five lakh each and the SDHs and CHCs were to get ₹ one lakh each in 2006-07 from the GoI. From 2007-08 onwards, the RKSs were to be funded in the ratio of 2:2:6 from the State Government, their own resources and GoI respectively. The RKSs were to function as NGOs and were free to prescribe user charges, generate and use the funds as per their best judgement for smooth functioning and maintaining the quality of service in the health centres. Scrutiny of the records relating to RKSs maintained by the SHS and PHSC disclosed that:

(i) contrary to the GoI instructions, RKSs constituted at the DHs, SDHs and CHCs in the State were not registered. For the PHCs, the Government of Punjab ordered (December 2008) to form PHC health planning and monitoring committees instead of RKSs. In the test-checked five districts, in 48[7] health centres such committees (RKSs/PHC health planning and monitoring committees) were constituted of which only two[8] were registered;

(ii) the Mission Director despite receipt of grant of ₹ 2.44 crore for the year 2006-07 from GoI in November 2006 for the RKSs, transferred the amount to PHSC in the next financial year (April 2007) who further disbursed the grant to the RKSs in May 2007. On being pointed out, the Mission Director stated (March 2010) that the process of registration/notification of RKSs was completed in 2007-08, so the funds were released in the year 2007-08. Consequently, no demand for funds from GoI for the RKSs were made in the annual plans of 2007-08 and 2008-09, thereby depriving the health centres of the financial assistance for the two years;

(iii) as per the approved PIP, during 2009-10, ₹ 6.43 crore were received from GoI with the condition to release these funds to the registered societies only. Audit observed that ₹ 6.37 crore were distributed (between July and December 2009) among the RKSs, though they were not registered and

(iv) the Mission Director neither demanded the matching grant of ₹ 2.14 crore from the State Government nor the RKSs generated equal amount as their own resources. On being pointed out in June 2010, the Mission Director stated (October 2010) that the case was being pursued for getting the State's share.

In the absence of formal registered bodies with power and absolute independence, the existing RKSs could not mobilize their own resources and actively regulate functioning of the health centres in the State, which would affect the long-term goal of community participation in health sector.

On being pointed out, the Mission Director stated (June 2010) that registration of the RKSs at health centres under PHSC would not be done as PHSC itself was an autonomous body. The reply is not acceptable as GoI instructions specified that RKSs were to be registered and two health centres of PHSC (DH, Ludhiana and SDH, Samrala) had got their RKSs registered.

Involvement of the NGOs

Involvement of NGOs in rural health sector was inadequate

2.1.12 As per the guidelines of NRHM, the role of NGOs is critical for success of NRHM. The principal objective to involve the NGOs in the Mission activities was capacity building at all levels, monitoring and evaluation of the health sector, delivery of health services and working together with community organizations. Five *per cent* of the total outlay under NRHM was proposed to be the resource allocation to support the NGOs participation.

7 **5 DHs, 5 SDHs, 15 CHCs and 23 PHCs.**

8 **DH, Ludhiana and SDH, Samrala (June 2006).**

The SHS received ₹ 791.68[9] crore under NRHM during the period 2005-10. As such ₹ 39.58 crore were required to be released to the NGOs, but the SHS released only ₹ 3.88 crore (0.49 *per cent*) to 13 NGOs who utilized ₹ 3.07 crore. Thus, limited participation of NGOs and poor expenditure by them reflected that the objective of involving the NGOs in delivery of health services could not be achieved.

On being pointed out, the Mission Director stated (June 2010) that guidelines for selection of the NGOs were under revision with GoI (January 2010) and selection of the NGOs would be made after finalization of the new guidelines. The reply is not acceptable as the event of revision of guidelines arose in January 2010, but participation of the NGOs remained short through-out the period test-checked by Audit which affected capacity building, delivery of health services, working together with community organizations and monitoring and evaluation of the health sector.

Infrastructure

The NRHM had set targets for providing certain guaranteed services at the SCs, PHCs and CHCs. GoI had formulated the Indian Public Health Standards (IPHS) for different levels of health centres so as to ensure availability of uniform standards of infrastructure and services to the public. Gaps observed in infrastructure at the health centres are discussed in the succeeding paragraphs.

Availability of health centres

2.1.13 A Sub centre is the most peripheral and first contact point between the primary health care system and the community. The PHC is the cornerstone of rural health services as a first point of call to a qualified doctor of the public sector in rural areas. The CHC is designed to provide referral health care for cases from the PHC level and for cases in need of specialist care approaching the centre directly.

As per the IPHS, one SC per five thousand, one PHC per thirty thousand and one CHC per one lakh twenty thousand people was to be established by the State Government to cater to the health care needs of the rural population. As per the 2001 census, the rural population in Punjab was 1.61 crore. The number of health centres required in the State as per the IPHS and actually available as of March 2010 is given in **Table 2.3.**

Table 2.3: Number of Health Centres required and actually available

(Number)

Health Centre	Required	Available	Shortfall
SCs	3219	2950	269 (8.35)
PHCs	537	396	141 (26.26)
CHCs	134	129	5 (3.73)
Total	**3890**	**3475**	**415 (10.67)**

Figures in brackets indicate percentage *Source: State Health Society*

[9] **Opening balance: ₹ 3.03 crore, Funds received against PIP from GoI : ₹ 701.07 crore, Funds received from GoI for activities other than PIP and from other sources (interest/misc. receipts/transfers): ₹ 41.75 crore and funds received from State Government : ₹ 45.83 crore.**

All the available health centres (3475) existed prior to the launch of NRHM in the State. Though the number of SCs and CHCs was almost adequate, the shortage in the case of PHCs was very high (26 *per cent)*. The Mission Director intimated (June 2010) that efforts were being made to match the norms.

Inadequate infrastructural facilities

Most of the health centres were functioning without adequate infrastructure and basic necessities

2.1.14 As per IPHS, each health centre has to have its own building with toilet, adequate electricity, water supply, telephone, labour room, transport facility etc. At least one quarter for the ANM at each SC, operation theatre at each PHC and CHC, besides separate male/female wards having 30 beds at each CHC was required to be provided. The position of these facilities as of March 2010 at the different categories of health centres in the State is given in **Table 2.4**.

Table 2.4: Position of infrastructural facilities

(Number)

Sr. No.	Facility	Sub Centre		Primary Health Centre		Community Health Centre		Total	
		Total	Test checked	Total	Test checked	Total	Test checked	Total	Test checked
		2950	60	396	23	129	15	3475	98
1	Running in other than Govt buildings	1376 (47)	31 (52)	87 (22)	5 (22)	3 (2)	0	1466 (42)	36 (37)
2	Health centres without toilet	1426 (48)	24 (40)	80 (20)	3 (13)	8 (6)	0	1514 (44)	27 (28)
3	Health centres without water supply	44 (1)	14 (23)	79 (20)	0 (0)	8 (6)	0	131 (4)	14 (14)
4	Health centres without labour room	DNA	60 (100)	187 (47)	8 (35)	12 (9)	0	DNA	68 (69)
5	SCs without staff quarter for ANM	DNA	47 (78)	NA	NA	NA	NA	DNA	47 (78)
6	Health centres without operation theatre	NA	NA	290 (73)	12 (52)	9 (7)	0	299 (9)	12 (32)
7	Health centres without separate male/ female wards	NA	NA	NA	NA	12 (9)	1 (7)	12 (0)	1 (7)

Figures in brackets indicate percentages
NA indicates not applicable
DNA indicates data not available

Source: State Health Society and test-checked CHCs, PHCs and SCs

Audit observed that:

- out of the total 3475 health centres, 1466 (*42 per cent*) were functioning in other than Government buildings. Among the 98 health centres test-checked in audit, 36 (37 *per cent*) were functioning in other than Government buildings;
- in the State, 1514 health centres (44 *per cent*) had no toilet and there was no provision for water supply in 131 health centres. Among the 98 health

centres test-checked, 27 (28 *per cent*) had no toilet and 14 were functioning without water supply;

- against the provision of labour room at each health centre, 187 PHCs (47 *per cent*) and 12 CHCs (nine *per cent*) were functioning without labour room. In the test checked units, 68 health centres did not have a labour room;
- out of the 60 SCs test-checked, 47 centres (78 *per cent*) did not have residential staff quarters for ANMs, which affected institutional deliveries in the Government health centres and
- in 290 PHCs (73 *per cent*) and nine CHCs (seven *per cent*), the facility of operation theatre was not available. In the test checked units also, operation theatres were not available in 12 PHCs (52 *per cent*).

Thus, despite availability of ₹ 134.42 crore with SHS, DHSs and other agencies (March 2010), most of the health centres in the rural areas continued to function without primary infrastructure such as labour rooms, operation theatres and basic necessities like water and toilet.

The Mission Director, NRHM assured (June 2010) to overtake the deficiencies in due course.

Inadequate communication and transport facilities

2.1.15 As per the IPHS telephone, computer, power backup and vehicle were necessary at each PHC and CHC. The status of availability of these facilities in the health centres as of March 2010 is given in **Table 2.5.**

Table 2.5: Position of telephone, computer and other facilities

(Numbers)

Health centres	No. of units		Health centres without							
			Telephone		Computer		Power backup		Vehicle	
	Total	Test checked	Total	Test checked	Total	Test checked	Total	Test checked	Total	Test checked
PHCs	396	23	311	16	277	19	295	13	DNA	19
CHCs	129	15	30	0	45	0	10	0	8	0
Total	**525**	**38**	**341**	**16**	**322**	**19**	**305**	**13**	**8**	**19**

DNA indicates data not available ***Source : State Health Society and test-checked CHCs/PHCs***

Analysis of the data revealed that availability of telephone, vehicle etc. in the health centres was far from the requirement. Inadequate transport and communication facilities in the PHCs have the risk of adversely affecting the quality of healthcare envisaged for the rural population, particularly at times of emergency and would disable the real time monitoring and MIS reporting.

The Mission Director assured (June 2010) that the gaps would be filled in due course.

New Born Care Corners and Blood Storage Units

Only three Blood Storage Units could be made operational out of the targeted 25 units

2.1.16 Keeping in view the importance of care of both new born child and mother, GoI accorded approval (2005-06) for the strengthening of 25 CHCs by setting up of New Born Care Corners (NBCC) and Blood Storage Units (BSUs). On receipt (June 2006) of ₹ 62.50 lakh[10] and the list of 25 identified health centres from the DH&FW, the PHSC procured (March 2007) 25 blood bag refrigerators alongwith allied items for the BSUs at a cost of ₹ 47.75 lakh. The civil work was carried out for the NBCCs (between April 2007 and September 2009) in the health centres at a cost of ₹ 7.94 lakh.

Scrutiny of records revealed that out of the targeted 25 BSUs, the department could arrange license for only eight[11] BSUs in October/November 2009 and of these only three[12] BSUs could be made operational as of March 2010 despite incurring expenditure of ₹ 55.69 lakh on establishment of NBCCs and BSUs. As a result, the intended benefits could not reach the rural masses. In the test-checked three CHCs[13], the NBCCs/BSUs were not functional.

The Mission Director stated (February 2010) that the BSUs would be made functional after getting authorization from the State licensing authority. During the exit conference (June 2010), the Principal Secretary attributed the non-functioning of the BSUs to the erratic power supply in the State. The State Programme Manager (SPM) stated (October 2010) that the BSUs were not established because the funds required for establishing the BSUs were not sufficient and further stated that the BSUs would be established very soon. The reply of SPM is not correct and contrary to the reply of Mission Director as the BSUs had been established but not functional.

Manpower

Manpower was not only inadequate but also deployed irrationally

The NRHM aims at providing adequate qualified/trained manpower at all levels of health centers as per IPHS norms. Audit scrutiny disclosed shortage of manpower as discussed below:

Shortage of clinical manpower in CHCs

2.1.17 The position of manpower in respect of 15 CHCs test checked with reference to the norms of IPHS/Sanctioned Strength as of March 2010 is given in ***Appendix 2.4***.

Audit observed that:

- as per IPHS norms, against the requirement of 180 doctors (12 doctors in each CHC), only 87 doctors were in position (shortage of 93). Similarly, against the requirement of 285 SNs (19 SNs in each CHC), only 117 were in position indicating shortage of 168 SNs. Thus, there was shortage of doctors and SNs in the CHCs test checked;

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10 **₹ 2.50 lakh each for 25 CHCs.**

11 **Banur, Bhagta, Bhawanigarh, Chamkaur Sahib, Jagraon, Kala Sanghian, Sudhar and Talwandi Sabo.**

12 **Chamkaur Sahib, Kala Sanghian and Talwandi sabo.**

13 **Bhunga, Shahkot and Sudhar.**

- further, as per IPHS against the requirement of 45 Laboratory Technicians (LTs) and 45 Pharmacists (three LTs and three Pharmacists in each CHC), 31 and 24 were in position. Similarly, against the requirement of 30 Radiographers (two Radiographers in each CHC) only 15 were in position. Thus, technical staff was also short by 50 and
- against the requirement of 105 doctors as per the Sanctioned Strength (seven doctors in each CHC), only 87 were in position indicating shortage of 18. However, there was no shortage in the cadre of SN, Pharmacist, LT and Radiographer as compared to the State norms.

Shortage of clinical manpower in PHCs

2.1.18 The position of manpower in respect of 23 PHCs test checked with reference to the norms of IPHS and Sanctioned Strength as of March 2010 is given in ***Appendix 2.5***.

Audit observed that:

- against the requirement of 69 doctors and 115 SNs (three doctors and five SNs in each PHC as per IPHS), only 26 doctors and 40 SNs were in position leaving a shortage of 43 doctors (62 *per cent*) and 75 SNs (65 *per cent*). Of these, four PHCs[14] did not have even a single doctor and in six PHCs[15] there was no SN. The PHC Swaddi Kalan had neither doctor nor SN.
- further, against the requirement of 46 Pharmacist, (two Pharmacists in each PHC as per IPHS), 28 were in position. Of these, two PHCs[16] were functioning without a Pharmacist and in two PHCs[17] three additional pharmacists were posted;
- similarly, against the requirement of 46 LTs (two LTs in each PHC as per IPHS), only 16 were in position. In 12 PHCs[18] there was shortage of one LT in each PHC and nine PHCs[19] were functioning without LT and
- against the requirement of 69 doctors and 23 LTs as per the sanctioned strength (three doctors and one LT in each PHC), 26 and 16 were in position indicating shortage of 43 and seven respectively. However, there was no shortage in the cadre of SN and Pharmacist as compared to the State norms.

Shortage of clinical manpower in SCs

2.1.19 In respect of 60 SCs test-checked, it was found that against the requirement of 120 ANMs as per IPHS and 60 ANMs as per the sanctioned strength, only 59 were in position. Against the requirement of 60 Multi Purpose Health Workers as per IPHS/State norms, only 38 were in position as detailed in ***Appendix 2.6***.

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14 **Bassian, Harpalpur, Jandiala Guru and Swaddi Kalan.**

15 **Ajrour, Bassian, Brar, Gajju Khera, Sihar and Swaddi Kalan.**

16 **Gajju Khera and Jandiala Guru.**

17 **Bara Pind and Paldi.**

18 **Ajnouda, Badla, Bara Pind, Brar, Dosanj Kalan, Humbran, Jandiala Guru, Kunkun Kalan, Matewal, Paldi, Rurka Kalan and Verpal.**

19 **Ajrour, Barian Kalan, Bassian, Gwaddi, Harpalpur, Janauri, Rupewali, Sihar and Swaddi Kalan.**

The State Government did not adopt the IPHS norms even after five years of launch of NRHM. The manpower was not only critically short but the department could not also optimally deploy the available manpower due to non-availability of central data base of manpower with the Mission Director. This has the potential of affecting provision of assured health services to the rural masses.

On being pointed out (January 2010), the Mission Director stated (October 2010) that the process to fill up the posts had been started.

Procurement

Purchase of Mobile Medical Units

Delay in procurement of Mobile Medical Units resulted in avoidable expenditure of ₹ 18.23 lakh

2.1.20 Under NRHM, one Mobile Medical Unit (MMU) was to be provided in each district to serve outreach areas and for taking the health care to the doorstep of needy people. Scrutiny of the records of PHSC disclosed that against the proposal (July 2006) of PHSC to procure 20 MMUs from Tata Motors on DG & SD rates, GoI released (November 2006) ₹ 8.30 crore to the SHS. Instead of placing the supply order immediately for procurement of MMUs, the SHS and PHSC retained funds with them for four months and eight months respectively, and despite the availability of funds, PHSC placed the supply order with Tata Motors only in December 2007. The delayed procurement caused avoidable expenditure of ₹ 18.23 lakh[20] on account of increase in price of chassis with effect from May 2007.

On being pointed out (January 2009), the Mission Director intimated (March 2010) that delay in procurement of MMUs saved POL, salaries and maintenance cost. The reply is not relevant and acceptable as the delay caused avoidable expenditure, besides delayed availability of facilities to the people.

Non-procurement of drug kits

2.1.21 For the procurement of drug kits required under the Reproductive and Child Health Programme for the year 2005-06, GOI released (March 2006) ₹ 9.62 crore to SHS.

Drug kits were not procured due to avoidable litigation

As per GoI instructions (August 2006), enlisted medicines were to be procured from the Central Public Sector Enterprises (CPSEs) and their subsidiaries. Despite this, the SHS floated tenders (October 2006) to procure the kits from open market. After inviting tenders, the SHS requested (9 November 2006) GoI to permit procurement of the drug kits from open market. However, before receipt of permission (21 November 2006) of GoI, the tenders were opened on 17 November 2006. Based on the representations received (November 2006) from the CPSEs[21], the tenders opened on 17 November 2006 were cancelled (December 2006) with the approval of Principal Secretary, Health and Family Welfare, on the ground that the CPSEs had requested for discharging of the tender as the 102 enlisted medicines could

[20] **20 x (₹7,43,443 – ₹ 6,62,443) + VAT @ 12.5 *per cent*.**

[21] **M/s Karanatka Antibiotics and Pharmaceuticals Ltd and M/s Hindustan Antibiotics.**

be procured only from the CPSEs. Fresh limited tenders from the CPSEs and their subsidiaries were invited in January 2007 by DH&FW.

Aggrieved by cancellation of the tender opened in November 2006, the successful bidder[22] of the said tender filed a civil writ petition in the Punjab and Haryana High Court, which was decided (November 2007) in favour of the bidder and the DH&FW was directed to initiate the process to procure the drug kits from the already declared successful bidder subject to complying with the necessary specifications. The DH&FW took 17 months to finalize the specifications. The request of the bidder to allow 40 *per cent* increase in price due to increase in market rates over the period was rejected by the Government and the DH&FW placed (April 2009) supply order on the originally quoted rates. The bidder sought legal remedy by filing (September 2009) a civil writ petition in the Punjab and Haryana High Court, the decision to which is awaited (August 2010).

The Mission Director attributed (March 2010) the delay in procurement of drug kits to the litigation. The reply of the Mission Director is not acceptable as tenders called in October 2006 were opened in November 2006 ignoring the GoI instructions of August 2006 in the first instance and subsequent cancellation of tenders despite GoI permission to procure the drug kits from the open market led to the litigation. Even after the court decision in November 2007, the purchase of drug kits had not been made due to abnormal delay in finalising the specifications etc.

Thus, despite availability of funds of ₹ 9.62 crore, permission from GoI in November 2006 and directions from the court in November 2007, drug kits had not been purchased (August 2010). The non-procurement of drug kits had adversely affected implementation of the programmes depriving the intended benefits of health care to the rural masses.

Loss due to short-availing of discount

2.1.22 As approved in the PIP for 2008-09, the Mission Director invited (December 2008) limited tenders from the CPSEs for procurement of drug kits worth ₹ 17.67 crore. As per the comparative statement, all the five CPSEs quoted the same rates for all the items with discount of one per cent on supply order upto ₹ five crore and two per cent on supply order above ₹ five crore. Without negotiating the rates and rebate with the CPSEs and on the plea that all the five CPSEs quoted equal rate, the Mission Director placed purchase order (February 2009) for ₹ 3.57 crore on each of the CPSEs and could avail discount of one *per cent* only. Had the purchase order been placed after negotiation with CPSEs, an additional discount amounting to ₹ 17.85 lakh (₹ 17. 16 lakh on account of discount plus ₹ 0.69 lakh on account of value added tax) could have been availed.

On being pointed out (February 2010), the Mission Director assured to keep the matter in mind for future purchases.

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22 **M/s Vikrant Sales Private Limited.**

Health care programmes and disease control

Reproductive and Child Health Programme

Maternal mortality rate and total fertility rate increased

2.1.23 The Reproductive and Child Health (RCH-II) Programme was aimed at reducing the maternal and infant mortality rate, promotion of family planning and immunisation etc. for achieving population stability.

The position of major health indicators in the State such as maternal mortality rate (MMR), infant mortality rate (IMR) and total fertility rate (TFR) is given in **Table 2.6.**

Table 2.6: Position of major health indicators in the State

Sr. No.	Health indicators	Goal under NRHM to be achieved by 2012	Status as of 2005-06	Status as of 2007-08	Status as of 2008-09	Status as of 2009-10
1	MMR (per lakh births)	100	176	178	178	192
2	IMR (per thousand births)	30	42	44	43	41
3	TFR (children per woman)	2.00	2.00	2.10	2.10	2.10

Source: Sample Registration System Bulletin (2005), National Family Health Survey-III and PIPs for the year 2008-09, 2009-10 and 2010-11

It is evident from the above table that the MMR and TFR in the State were increasing as compared to the position in 2005-06 and the IMR was far behind the target.

The Mission Director attributed (September 2010) the reasons for non-achievement of targets for MMR and IMR to non-avaibility of specialist doctors. He further stated that the target of TFR had been achieved. The reply is not acceptable as the TFR was marginally higher since commencement of the NRHM. The issue of non-avaibility of specialist doctors needs to be addressed so as to combat the increasing trend of MMR/IMR.

Antenatal checkups of the pregnant women

Shortfall in providing antenatal checkups to pregnant women

2.1.24 Under NRHM, all the pregnant women were to be registered and provided with services of atleast three antenatal checkups (ANC). The services were to be provided in the health centres and by home visits by the LHVs and ANMs. The status of registered pregnant women who received three antenatal checkups is given in **Table 2.7.**

Table 2.7: Status of Antenatal checkups of the pregnant women

Year	No. of pregnant women registered at any of the health centre	No. of registered pregnant women who received three antenatal checkups	Shortfall
2005-06	532959	433988	98971
2006-07	509716	458993	50723
2007-08	465435	404004	61431
2008-09	474932	411675	63257
Total	**1983042**	**1708660**	**274382**

Source : State Health Society

Scrutiny of records revealed that out of 19.83 lakh pregnant women reported to have registered during 2005-09 for ANC, only 17.09 lakh (86 *per cent*) received three rounds of ANC. The department did not keep track of the remaining 2.74 lakh registered pregnant women to ensure their safe motherhood. In the test checked CHCs and PHCs, the shortfall in providing atleast three ANC to the registered pregnant women was 15849 (nine *per cent)* and 6865 (20 *per cent)* respectively.

The Mission Director attributed (February 2010) 10 *per cent* of the shortfall to the pregnancies that go waste and the remaining to the failure of the ANMs to capture the data. The department was mandated to provide ANC to all the pregnant women and it needs to ensure capturing of complete data.

Administration of Iron and Folic Acid

Shortfall was noticed in administration of iron folic acid to pregnant women

2.1.25 Anaemia[23] is considered as the leading cause of maternal mortality and is an aggravating factor to haemorrhage[24], sepsis[25] and toxaemia[26]. The RCH-II Programme, therefore, emphasised administration of iron and folic acid (IFA) to the pregnant women. Prophylaxis against nutritional anaemia to a pregnant woman required administration of daily dose of large IFA tablets for a period of 100 days. The position of registered pregnant women during 2005-09 who received IFA tablets for 100 days is given in **Table 2.8.**

Table 2.8: Position of administration of Iron and Folic Acid

Year	No. of pregnant women registered at any of the health centre	No. of pregnant women who received prophylactic iron folic acid tablets for 100 days	Shortfall (-)/ Excess (+)
2005-06	532959	597534	(+) 64575
2006-07	509716	223675	(-) 286041
2007-08	465435	25041	(-) 440394
2008-09	474932	365951	(-) 108981
	1983042	**1212201**	**(-) 770841**

Source : State Health Society

Records revealed that, out of 19.83 lakh pregnant women registered during 2005-09, 12.12 lakh were provided with the required number of IFA tablets, leaving 7.71 lakh (39 *per cent*) pregnant women uncovered. In the test checked CHCs and PHCs also, there were shortfall of 52017 (31 *per cent)* and 7294 (21 *per cent)* respectively.

The Mission Director attributed (February 2010), the shortfall to short supply of IFA tablets from GoI. The reply is not acceptable as GoI released ₹ 9.62 crore in March 2006 for procurement of drug kits containing IFA

23 **Anemia is a disease in which number of red blood cells (RBCs) decrease.**

24 **Haemorrhage is the loss of blood or blood escape from the circulatory system.**

25 **Sepsis is characterised by a whole-body inflammatory state and the presence of a known or suspected infection.**

26 **Toxaemia is an abnormal condition of pregnancy characterized by hypertension and edema and protein in the urine.**

tablets, but were not procured and supplied as discussed in the paragraph 2.1.21.

Tetanus Toxoid Immunisation

2.1.26 Two dosages of tetanus toxoid (TT) were prescribed to immunise the mother and neonate from tetanus. The position of TT immunisation to the pregnant women is given in **Table 2.9.**

Table 2.9: Position of TT immunisation to the pregnant women

Year	No. of pregnant women registered at any of the health centre	No. of pregnant women provided with TT immunization	Shortfall (-)/ Excess (+)
2005-06	532959	534156	(+) 1197
2006-07	509716	537810	(+) 28094
2007-08	465435	471736	(+) 6301
2008-09	474932	450445	(-) 24487
Total	**1983042**	**1994147**	

Source: State Health Society

Scrutiny of the data disclosed that:

- against 15.08 lakh pregnant women registered during 2005-08, 15.44 lakh were reported to have been given TT immunisation raising doubts on the veracity of the data of the department;
- against 4.75 lakh pregnant women registered during 2008-09, 4.50 lakh were given TT immunisation, leaving 0.24 lakh (five *per cent*) pregnant women uncovered and
- in the test checked CHCs and PHCs, there was shortfall of five and 20 *per cent* respectively during 2005-09.

The Mission Director attributed (February 2010), the shortfall to the refusal of injections by the pregnant women migrated from UP and Bihar. The reply is not acceptable as no documentary evidence was made available in support of the reply.

Janani Suraksha Yojana

Payment of cash incentive to the BPL/SC/ ST pregnant women was delayed by 10 to 600 days

2.1.27 Janani Suraksha Yojana (JSY), one of the components of the RCH-II programme, encourages the pregnant women to undergo delivery at the health centres/hospitals (institutional deliveries) by providing cash assistance to them. The NRHM guidelines provided for payment of cash assistance to the Below Poverty Line/Scheduled Caste/Scheduled Tribe (BPL/SC/ST) pregnant women at the time of arrival for delivery or within seven days of the delivery. The cash assistance envisaged to be given to a mother on birth of a child in the case of institutional delivery was ₹ 700 in rural area and ₹ 600 in urban area and ₹ 500 for non-institutional delivery.

Out of the five DHs,15 CHCs and 23 PHCs test checked, Audit observed that in two DHs, eight CHCs and three PHCs[27] during 2005-09 instead of making payment to 4099 (out of 5176) beneficiaries, at the time of arrival for delivery or within seven days of the delivery, payment (₹ 24.07 lakh) was made after delays ranging between 10 and 600 days. The delays were attributed to non-turning of women to collect the cheques and delayed receipt of funds from the DHS for the imprest of ₹ 10,000 with the ANMs to be kept in the form of joint accounts with the Gram Pradhan. The Mission Director, NRHM stated (October 2010) that the DHSs were instructed many times but failed to furnish the reasons for delay.

Thus, due to delay in providing funds to the ANMs which ultimately led to delay in payment of cash assistance, JSY did not have the desired effect on promotion of institutional deliveries at Government health centres, which remained almost stagnant during 2005-10 as discussed in paragraph 2.1.28.

Institutional deliveries

Deliveries in Government health centres remained stagnant around 25 *per cent*

2.1.28 To increase the institutional deliveries and with a view to provide all pregnant women with skilled attendance during child birth, labour rooms were to be made functional at all the health centres. The position of institutional vis-à-vis domestic deliveries (giving birth at home) during 2005-10 is given in **Table 2.10.**

Table 2.10: Position of institutional vis-à-vis domestic deliveries

Year	No. of Pregnant women registered at any of the health centre	No. of total deliveries reported	No. of institutional deliveries in Government health centres	No. of institutional deliveries in private hospitals	No. of domestic deliveries by skilled attendant	No. of domestic deliveries by unskilled attendant	Total No. of still births (rate per thousand)
2005-06	532959	418937	99016 (24)	111626 (27)	195493 (46)	12802 (3)	2978 (7.11)
2006-07	509716	404173	107739 (27)	125475 (31)	169269 (42)	1690 (0)	3012 (7.45)
2007-08	465435	392952	92786 (24)	131385 (33)	168781 (43)	0 (0)	3138 (7.99)
2008-09	474932	387984	96016 (24)	132106 (34)	87773 (23)	72089 (19)	3872 (9.99)
2009-10	508500	387604	101842 (26)	147643 (38)	63970 (17)	74149 (19)	5890 (15.20)
Total	**2491542**	**1991650**	**497399**	**648235**	**685286**	**160730**	

Figures in brackets indicate percentage except in last column ***Source: State Health Society***

Analysis of the data revealed that:

- of the 24.92 lakh registered pregnant women, after adjusting the number of abortions (30311), maternal deaths before delivery (73) and during delivery (119), the department reported 19.92 lakh net deliveries leaving five lakh (20 *per cent*) deliveries unreported. In the test checked CHCs

[27] **DHs at Jalandhar & Ludhiana; CHCs at Bhunga, Lopoke, Maloud, Manwala, Paldi, Shahkot, Sidhwan bet and Sudhar; and PHCs at Bhadson, Mand Mandher and Kauli.**

and PHCs, there was 19 *per cent* and 13 *per cent* unreported deliveries respectively;

- out of the total 19.92 lakh reported deliveries, there were only 4.97 lakh (25 *per cent*) in Government health institutions. Deliveries in Government health centres in the test checked CHCs and PHCs was even less and remained at 21 *per cent* and 13 *per cent* respectively;
- though there was an increase of 13 *per cent* in institutional deliveries during 2009-10, over the institutional deliveries during 2005-06, the increase in institutional deliveries in private institutions was 11 *per cent* against two *per cent* increase in government institutions implying inclination to institutional delivery but preference to the private hospitals;
- the number of domestic deliveries (42 and 36 *per cent* in 2008-09 and 2009-10) continued to be high in the State. Of the domestic deliveries during 2008-09 and 2009-10, 45 and 54 *per cent* were not even supervised by a skilled attendant, despite the launch of NRHM since 2005 and having 17077 and 16292 ASHAs during 2008-09 and 2009-10 respectively. Further, the domestic deliveries by unskilled attendant also increased from three *per cent* in 2005-06 to 19 *per cent* in 2008-10, which was a matter of concern and
- still births exhibited 114 *per cent* increase as it increased from 7.11 per thousand deliveries in 2005-06 to 15.20 per thousand deliveries in 2009-10. In the test-checked CHCs also, the still births increased by 185 *per cent* as it increased from 4.95 per thousand deliveries in 2005-06 to 14.13 per thousand deliveries in 2009-10. Similar was the trend in the test-checked PHCs, as the still births increased from 7.42 per thousand deliveries in 2005-06 to 13.98 per thousand deliveries in 2009-10.

Thus, implementation of NRHM had little impact among the rural masses as far as institutional deliveries are concerned.

On being pointed out (February 2010) the Mission Director replied (October 2010) that all the health centres are being strengthened by providing requisite infrastructure.

Family planning

Seventy nine *per cent* of the eligible couples in the State were not covered under family planning

2.1.29 The NRHM launched a number of initiatives such as cash incentives, free distribution of contraceptives and holding operation camps in rural/remote areas so as to achieve the goal of population stability. Family planning includes terminal methods to arrest the fertility in total and spacing methods to improve the couple protection rate[28]. The terminal methods of family planning include vasectomy for males and tubectomy for females. The spacing methods included using intrauterine devices insertion, oral pills and

[28] **The couple protection rate (CPR) is expressed as the percentage of women in the age group of 15-49 years, protected from pregnancy/childbirth in the year under consideration for a specific area.**

condoms as contraceptive. The targets and achievements during 2005-10 under these two methods are given in ***Appendix 2.7.***

Analysis of the data revealed that:

- only three *per cent* of the total eligible couples were covered under the terminal methods and 18 *per cent* were covered by the spacing methods of family planning during 2005-10, thereby leaving 79 *per cent* of the eligible couples uncovered under any of the two methods of family planning;
- during 2005-10, the targets fixed by the department for vasectomy were as low as 10 *per cent,* whereas the targets for tubectomy were 90 *per cent* of the total targeted sterilization. The achievement in the case of vasactomy was 14 *per cent* more than the target fixed. However, in the case of tubectomy there was shortfall of seven *per cent*;
- in the test-checked CHCs & PHCs, the coverage of vasectomy was 10.91 and 8.76 *per cent* and tubectomy was 89.09 and 91.24 *per cent* respectively, of the total sterilisation made during 2005-10. The achievement under vasectomy did not improve even after the launching of the non-scalpel vasectomy and Information, Education and Communication programmes and
- of the couples covered under the spacing methods, 36 *per cent* were males and 64 *per cent* were females. Thus, the coverage under this scheme continued to be prominently women centred and a manifestation of adverse gender imbalance towards women.

The Mission Director intimated (October 2010) that the performance of vasectomy was improving and that there was very low unmet need in the spacing method, however, efforts were being made to improve the coverage of eligible couples. The reply is not acceptable as 79 *per cent* of the eligible couples were not covered under any methods of family planning in the State.

Secondary immunisation

Shortfall in secondary immunization administered to the children

2.1.30 In the case of secondary immunization, children in the age group of five years were required to be administered diphtheria (DT) and children were to be given two doses of tetanus toxoid (TT) at the age of 10 and 16 years respectively.

There were shortfalls against targets in the secondary immunization during 2005-10, which was eight *per cent* in the case of DT, 17 *per cent* in the case of TT (10 years) and 22 *per cent* in the case of TT (16 years). In the test checked CHCs, the shortfall was 10 *per cent* in DT, 24 *per cent* in TT-10 and 24 *per cent* in TT-16. In the test checked PHCs, the shortfall was 10 *per cent* in DT, 13 *per cent* in TT-10 and 13 *per cent* in TT-16.

The Mission Director inter-alia intimated (February 2010) that while the birth rate was declining in the State, higher targets were fixed by GoI. The reply is not acceptable because the figures of child birth were supplied every year by the Directorate to GoI and the issue of higher targets was not taken up with GoI.

Administration of Vitamin A

2.1.31 NRHM emphasized administration of Vitamin A solution to all the children of less than three years of age. Prophylaxis against blindness amongst the children due to deficiency of Vitamin A requires administration of the first dose at nine months of age and the second to fifth doses upto three years at six monthly intervals. The position of targets fixed and achievement thereagainst during the period 2005-10 is shown in **Table 2.11**.

Table 2.11: Position of administration of Vitamin A solution

(Number)

Year	First dose for children below 1 year			Second to fifth doses for children between 1 to 3 years		
	Target	Achievement	Shortfall (percentage)	Target	Achievement	Shortfall (percentage)
2005-06	509942	484853	25089 (5)	1770188	1546275	223913 (13)
2006-07	512333	180734	331599 (65)	2375094	515023	1860071 (78)
2007-08	472322	5524	466798 (99)	2493596	13241	2480355 (99)
2008-09	465017	283851	181166 (39)	816776	221782	594994 (72)
2009-10	463500	357582	105918 (23)	3758761	390456	3368305 (90)

Source: State Health Society

Analysis of the data revealed that:

- during 2005-10, there was shortfall ranging between five and 99 *per cent* in providing the first dose of Vitamin A to the children below one year of age. In providing the second to fifth doses to the children having age between one and three years, there was shortfall ranging between 13 and 99 *per cent* and
- in the test checked five districts, the shortfall of first dose of Vitamin A to the children was between two and 92 *per cent* and the shortfall of the second to fifth doses ranged between 23 and 97 *per cent*. In three districts[29], Vitamin A was not at all administered during 2006-07 and 2007-08 and in the other districts[30], similar position was noticed in 2007-08.

The Mission Director attributed (February 2010) the short achievement of targets to non supply of Kits A (containing Vitamin A solution) from GoI during 2006-08 and 2009-10 and delay in procurement of Vitamin A solution in 2008-09. The reply is not acceptable as funds were provided by GoI to procure the drug kits in March 2006 which could not be procured as discussed in paragraph 2.1.21.

Monitoring of the activities

The Governing body and Executive committee were constituted after delay of 16 and 27 months respectively

2.1.32 Under the Mission, the SHM and the governing body of SHS were to meet at least once in six months, whereas the executive committee of the SHS was to meet once in two months or more frequently, if necessary.

During audit, it was noticed that though the SHM was constituted in October 2005, the governing body of SHS was formed only in February 2007,

29 **Amritsar, Ludhiana and Patiala.**

30 **Hoshiarpur and Jalandhar.**

after a delay of 16 months and the executive committee of SHS was formed in January 2008, after a further delay of 11 months.

Till December 2009, against the required number of eight meetings[31], the SHM met only once. The governing body and the executive committee of SHS against the requirement of seven[32] and 12 meetings[33], met only twice and thrice respectively since inception.

The abnormal delay in constitution of the governing body and executive committee of SHS coupled with less number of meetings resulted in inadequate review, evaluation and monitoring of the Mission activities and their poor implementation.

The reasons for the delay in constitution of the governing and executive bodies of the SHS and shortfall in the number of meetings were called for (February 2010). The Mission Director replied (October 2010) that now the SHS had ensured that meetings are held in time.

Conclusion

2.1.33 The Mission activities suffered due to poor utilization of the available funds, inadequate survey of available/required infrastructure, shortage of manpower and inadequate community participation (non-registration of Rogi Kalyan Samities and poor involvement of NGOs) etc.

Majority of the health centres in the rural areas functioned without adequate manpower, essential infrastructure and basic necessities such as labour room, operation theatre and toilet. The position of availability of telephone, computer, vehicle and alternate source of power back up in the centres was far from the requirement. The manpower was not only short but was also not deployed rationally.

Non/delayed procurement of drug kits adversely affected administration of iron folic acid to the pregnant women and Vitamin A to the children.

Though there was increase in institutional deliveries, the deliveries in the Government health centres remained almost stagnant during 2005-10 and the domestic deliveries continued to be high in the State reflecting little impact of NRHM among the rural masses as far as institutional delivery is concerned.

Despite implementation of NRHM, the maternal mortality rate and infant mortality rate in the State during the Mission period did not improve and were nowhere near the targets to be achieved by NRHM.

The monitoring of the Mission activities by the top level was not satisfactory and contributed adversely to the success of the programme.

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31 **Two meetings each year from 2006 to 2009.**

32 **Two meetings each year from 2007 to 2009 and one meeting for January 2010.**

33 **Six meetings each year in 2008 and 2009.**

Recommendations

- Government needs to scale up its allocation of funds to the health sector, release fund timely to the District Health Societies, Punjab Health System Corporation and health centres and also ensure their timely utilisation.

- Government needs to overcome the shortfall in infrastructure and man power by identifying the gaps of required and available infrastructure and manpower and ensure adequate community participation through registered Rogi Kalyan Samities and NGOs.

- Effective health care services need to be provided at all health centres to encourage institutional deliveries, family planning, immunization and to reduce maternal mortality rate, infant mortality rate and total fertility rate etc.

- Government needs to ensure effective monitoring of implementation of the Mission activities.

The matter was referred to the Government in February 2010; reply has not been received (November 2010).

EDUCATION DEPARTMENT

2.2 Secondary Education

Highlights

Education is the basic requirement for economic, social and cultural development of a country. It has emerged as the most important input in promoting human resource development and technological progress. An appropriate education system cultivates knowledge, skills, positive values and attitudes among the people. Not only right to education but also right kind of education is a must for betterment of the people.

Though the State Government has been making efforts to modernize the school education by construction of new buildings, making computer education as one of the compulsory subjects from the academic session 2009-10 and imparting education through Satellite Programme etc. yet the Performance Audit of Secondary Education in the State disclosed the following deficiencies:

- ***There were large scale vacancies (23 per cent) in the teaching staff and deployment of teachers in Commerce and Mathematics streams in the schools was not as per norms.***

(Paragraphs 2.2.7 and 2.2.8)

- ***The pass percentage of the 12th class students was stagnating around 72 per cent during 2005-10.***

(Paragraph 2.2.10)

- ***In 54 out of the 148 schools test-checked in six districts, the enrollment of students decreased by 16.02 to 25.48 per cent during 2005-10.***

(Paragraph 2.2.12)

- ***There were gaps in infrastructure such as class rooms, desks and toilets etc. in the schools and a number of schools were functioning in unsafe buildings.***

(Paragraphs 2.2.13 and 2.2.14)

- ***Scheduled Castes and Other Backward classes students were denied cash incentive, encouragement award and free text books.***

(Paragraphs 2.2.16, 2.2.17 and 2.2.18)

Introduction

2.2.1 Secondary Education serves as the vital link between the elementary and the higher education and plays an important role in preparing the students for higher education. The National Policy on Education (NPE) 1986, as modified in 1992 envisaged increased access to secondary education with emphasis on enrollment of the girls and the scheduled castes and scheduled tribe students, particularly in science, commerce and vocational streams.

The main functions of the Secondary Education wing of the Department of Education are to implement various policies of the department through the District/Circle authorities; to provide funds for infrastructure such as school buildings and equipment; to recommend or sanction financial assistance to Government Aided Private institutions; to arrange for in-service training of the teachers; to make education job oriented and productive through vocationalisation of education and to promote sports/school games and other extra curricular activities.

In 2002, the Director Public Instructions, Schools (DPI) was renamed as DPI, Secondary Education to administer secondary education in Punjab. As of September 2009, there were 1470 Senior Secondary Schools, 1650 High Schools, 3039 Middle Schools and 399 Private Aided Schools (Senior Secondary:118, High: 235 and Middle:46), which imparted secondary education (classes 6^{th} to 12^{th}) in the State.

Education Scenario

As per census 2001, the overall literacy rate in Punjab was 69.70 *per cent* (Male:75.20 *per cent* and Female:63.40 *per cent*). There are three levels of schools in secondary education in the State i.e. Middle, High and Senior Secondary Schools. In 2008-09, there were 20.14 lakh students (Boys: 10.96 lakh, Girls: 9.18 lakh) enrolled in 6^{th} to 12^{th} classes.

Organisational set up

2.2.2 The Principal Secretary to the Government of Punjab, Department of Education is the administrative head of the department. The Special Secretary-cum-Director General of School Education, Punjab (DGSE) is overall incharge of school education. The Director Public Instructions is the head of Secondary Education. He is assisted by one Director (Administration), five Deputy Directors at Headquarters, three Circle Education Officers (CEOs)[34] and 20 District Education Officers (DEOs) at district level, who are the nodal officers to implement the programmes/schemes and also coordinate and supervise the working of various Senior Secondary, High and Middle Schools in the districts. The Principals/Head Masters are the heads of the schools.

Scope of Audit

2.2.3 The audit was conducted during September 2009 to June 2010 by scrutinising the records in the offices of the Principal Secretary to Government of Punjab, Education Department, DGSE, DPI (SE), one[35] out of three CEOs, six[36] out of 20 DEOs and 148 schools[37] out of the total 1040 schools in

34 **Faridkot, Jalandhar and Nabha.**

35 **Nabha**

36 **Amritsar, Fatehgarh Sahib, Gurdaspur, Ludhiana, Mansa and Ropar.**

37

	Urban	Rural	Total
Government Sr. Secondary Schools(GSSS)	**38**	**70**	**108**
Government High Schools (GHS)	**7**	**33**	**40**

six districts[38] covering the transactions of the years 2005-10. The DEOs and the schools for test audit were selected on the basis of Probability Proportional to Size (without replacement) method of sampling. Besides checking of the records, the audit process included collection of data and its analysis.

An entry conference was held with the Principal Secretary to Government of Punjab, Education Department and the Director General, School Education in January, 2010 wherein purpose of this audit, audit objectives, criteria and scope of audit etc. were explained. An exit conference with the Director General, School Education was held on 21 October 2010 in which the audit findings were discussed. The replies to the audit observations were kept in consideration while finalizing this report.

Audit Objectives

2.2.4 The main audit objectives were to examine:

- the economy and efficiency in use of financial resources and implementation of the important schemes/programmes;
- the adequacy of deployment of teachers and infrastructure;
- the coverage and effectiveness of secondary education in the state and efforts made for enhancement of science, commerce, vocational and computer education and
- the monitoring and internal control systems.

Audit Criteria

2.2.5 Procedures and norms laid down in the Punjab Financial Rules (PFR), Punjab Education Code, guidelines/instructions issued by the Government of India and Government of Punjab for implementation of the various schemes in the State were used as audit criteria.

Audit Findings

Financial management

2.2.6 Funds provided by the State Government through the annual budgetary allocation included assistance from the Government of India (GoI) for implementing the Centrally Sponsored Schemes (CSS) and its own funds for implementing the schemes/programmes of the State. The budget provision vis-à-vis expenditure incurred by the department under the head Non-Plan during 2005-10 is given in **Table 2.12.**

Table 2.12: Budget allotment and expenditure incurred under Non-Plan

(₹ in crore)

Year	Budget allotment	Expenditure	Saving(-) /excess(+)
2005-06	1376.10	1376.90	(+) 0.80
2006-07	1371.02	1461.87	(+) 90.85
2007-08	1686.95	1717.48	(+) 30.53
2008-09	1895.22	1802.53	(-) 92.69
2009-10	2302.39	2183.28	(-)119.11
Total	**8631.68**	**8542.06**	**(-) 89.62**

Source: Appropriation Accounts

[38] **Amritsar, Fatehgarh Sahib, Gurdaspur, Ludhiana, Mansa and Ropar.**

The non-plan allocation of funds is mostly for pay and allowances of staff. During the period 2005-10, almost the entire funds allotted under the non-plan head was spent.

The budget provision and expenditure under the State Plan Schemes (*Appendix 2.8)* during 2005-10 is given in **Table 2.13.**

Table 2.13: Budget allotment and expenditure incurred under the State Plan schemes

(₹ in crore)

Year	Budget allotment	Funds released	Expenditure	Saving(-)/Excess(+) w.r.t. budget allotment		Saving(-)/Excess(+) w.r.t. funds released	
				Amount	Percentage	Amount	Percentage
2005-06	83.46	86.59	51.29	(-) 32.17	38.55	(-) 35.30	40.77
2006-07	118.88	94.03	25.75	(-) 93.13	78.34	(-) 68.28	72.62
2007-08	99.91	47.80	44.01	(-) 55.90	55.95	(-) 3.79	7.93
2008-09	122.09	38.33	39.06	(-) 83.03	68.01	(+) 0.73	1.90
2009-10	45.98	33.00	10.25	(-) 35.73	77.71	(-) 22.75	68.94
Total:	**470.32**	**299.75**	**170.36**	**(-)299.96**	**63.78**	**(-)129.39**	**43.16**

Source: (1) Appropriation Accounts
(2) Figures of funds released were supplied by the department

The budget allotments were not consistent over the years and only 64 *per cent* of the budgeted funds were released by the State Finance Department during the period 2005-10. Out of the funds of ₹ 299.75 crore released, only ₹ 170.36 crore (57 *per cent*) were spent by the department. The short release and huge surrender of funds reflected poor budget management and implementation of the schemes.

The budget provision and utilization of funds under the centrally sponsored schemes (***Appendix 2.8***) during 2005-10 is given in **Table 2.14.**

Table 2.14: Budget allotment and expenditure incurred under the centrally sponsored schemes

(₹in crore)

Year	Budget allotment	Funds released	Expenditure	Saving(-)/Excess(+) w.r.t. budget allotment		Saving(-)/Excess(+) w.r.t. funds released	
				Amount	Percentage	Amount	Percentage
2005-06	20.47	9.20	0.00	(-) 20.47	100.00	(-) 9.20	100.00
2006-07	87.63	7.52	1.83	(-) 85.80	97.91	(-) 5.69	75.66
2007-08	97.09	7.75	0.00	(-) 97.09	100.00	(-) 7.75	100.00
2008-09	97.05	17.20	10.42	(-) 86.63	89.26	(-) 6.78	39.42
2009-10	130.53	34.67	21.54	(-)108.99	83.50	(-)13.13	37.87
Total:	**432.77**	**76.34**	**33.79**	**(-)398.98**	**92.19**	**(-)42.55**	**55.73**

Source: (1) Appropriation Accounts
(2) Figures of funds released supplied by the department

The table shows that there was short release of funds by ₹ 356.43 crore (82 *per cent*) by Government of India during the period 2005-10 and out of the funds of ₹ 76.34 crore released, only ₹ 33.79 crore (44 *per cent*) were spent reflecting poor financial management and ineffective implementation of the schemes.

The budget provision and utilization of funds under the schemes shared by the GoI and the State (***Appendix 2.8***) during 2005-10 is given in **Table 2.15.**

Table 2.15: Budget allotment and expenditure incurred under the shared schemes

(₹in crore)

Year	Budget allotment		Funds released		Expenditure		Saving(-)/Excess(+) w.r.t. budget allotment				Saving(-)/Excess(+) w.r.t. Funds released			
							Amount		percentage		Amount		Percentage	
	CS	SS	CS	SS	CS	SS	CS	SS	CS	SS	CS	SS	CS	SS
2005-06	8.91	0.00	5.00	1.67	5.00	1.67	(-)3.91	(+)1.67	43.88	100	00	00	00	00
2006-07	8.91	0.00	0.00	0.00	0.00	16.75	(-)8.91	(+)16.75	100	100	00	(+)16.75	00	100
2007-08	8.91	0.00	0.00	0.00	0.00	0.00	(-)8.91	0.00	100	00	00	00	00	00
2008-09	8.91	0.00	35.00	4.50	0.00	0.00	(-)8.91	0.00	100	00	(-)35.00	(-)4.50	100	100
2009-10	166.03	72.67	94.10	28.29	47.07	39.04	(-) 118.96	(-)33.63	71.65	46.28	(-)47.03	(+)10.75	50	38
Total	**201.67**	**72.67**	**134.10**	**34.46**	**52.07**	**57.46**	**(-)149.60**	**(-)15.21**	**74.18**	**20.93**	**(-)82.03**	**(+)23.00**	**61.17**	**66.74**

Source: *(1) Appropriation Accounts*
(2) Figures of funds released was supplied by the department

The above table shows that there was short release of funds by ₹ 67.57 crore by GoI (34 *per cent*) and ₹ 38.21 crore by the State Government (53 *per cent)* during the period 2005-10 and out of the funds of ₹ 168.56 crore released, only ₹ 109.53 crore (65 *per cent*) were spent. It was also noticed that the State Government failed to utilize the available central funds of ₹ 134.10 crore, as only ₹ 52.07 crore (39 *per cent*) was spent during 2005-10.

To sum up, the budgetary provisions were grossly under utilized. As against the budget provisions of ₹ 1177.43 crore for the State, Central and Shared Schemes during 2005-10, the amount released was ₹ 544.65 crore (46 *per cent*) and the amount spent was ₹ 313.68 crore only (58 *per cent* of amount released) leaving huge budgetary savings of ₹ 863.75 crore (73 *per cent*), which affected the envisaged delivery of the schemes.

Manpower management

2.2.7 Deployment of adequate manpower is required for smooth running of the schools and improving the quality of education in the government schools. As intimated by DPI (SE) against 74198 sanctioned posts of teachers 17366 posts (23.40 *per cent*) were vacant.

There was 23 *per cent* shortage of teachers in the State

The posts have been sanctioned with reference to one teacher for 40 students in classes 6^{th} to 10^{th} each and one teacher for 60 students at the plus two level.

The position of shortage in teaching staff in the six test-checked districts is given in **Table 2.16**.

Table 2.16: Vacancies in teaching cadre in the six test checked districts

Sr. No.	District	Category of posts	Number of posts sanctioned	Number of posts filled	Number of vacant posts	Percentage of shortage
1.	Amritsar	Master	2962	2554	408	13.77
		Lecturers	840	488	352	41.90
2.	Fatehgarh Sahib	Master	1187	1060	127	10.70
		Lecturers	265	206	59	22.26
3.	Gurdaspur	Master	4034	3692	342	8.48
		Lecturers	877	612	265	30.22
4.	Ludhiana	Master	5172	4383	789	15.25
		Lecturers	1037	695	342	32.98
5.	Mansa	Master	1369	953	416	30.39
		Lecturers	330	148	182	55.15
6.	Ropar	Master	1286	1122	164	12.75
		Lecturers	307	257	50	16.28
Total		**Master**	16010	13764	2246	14.03
		Lecturers	3656	2406	1250	34.19

Source: DEOs

The shortage in Master cadre (Graduate teachers) in the six test checked districts ranged between 8.48 and 30.39 *per cent* and in the Lecturers cadre it ranged between 16.28 and 55.15 *per cent*. The shortages were very acute in Mansa, a backward district but less in Ropar and Fatehgarh Sahib districts which are very close to the State Capital Chandigarh.

On this being pointed out (October 2009 to May 2010), the DEOs stated (March 2010 to June 2010) that the matter would be taken up with the higher authorities. The DGSE stated (October 2010) that the State Government had already advertised 7654 posts in various cadres in September 2009 and the appointment letters could not be issued due to the pending litigation. Further the litigation was over and the appointment letters would be issued by 31 October 2010 or so. The fact, however, remains that there would still be 9712 vacancies after filling up of the 7654 posts.

The shortage of teaching staff has the risk of depriving the students of education by affecting their pass percentage, enrollment and drop out rate etc. as discussed in paragraphs 2.2.11 and 2.2.12.

Incorrect deployment of Lecturers

2.2.8 As per the rationalization policy (June 2008) of the department, no stream such as science, commerce should be started in the schools where the number of students enrolled for such streams is less than 10. Scrutiny of records revealed that in four out of the six test-checked districts, there was deployment of the lecturers in the stream of commerce and mathematics in the schools in which there were no students in these streams as detailed in **Table 2.17.**

Table 2.17: Lecturers deployed in the school having no student in the stream

Sr. No.	District	No. of schools involved	No. of lecturers deployed and the stream	No. of students enrolled	Since when deployed
1.	Amritsar	4	6 (Commerce)	Nil	2005-06
2.	Gurdaspur	1	1 (Mathematics)	Nil	2005-06
3.	Ludhiana	1	1 (Mathematics)	Nil	2008-09
4.	Mansa	5	7 (Commerce)	Nil	2007-08
	Total	**11**	**15**		

Source: DEOs

Deployment of teaching staff was not based on norms

Further in Amritsar district, three posts of commerce lecturers in three schools[39], with strength varying from 10 to 37 students, were lying vacant since 2005-06, whereas six commerce lecturers were deployed in four[40] other schools where there were no students in the stream.

On being pointed out, it was stated by the DEOs that the matter would be taken up with the higher authorities for rationalization. The reasons for deployment of the teachers in schools having no students in the streams were called for from the DGSE (September 2010). Reply was awaited.

Non-posting of chowkidars in the schools

2.2.9 Regular chowkidars are required to be deployed in the schools for watch and ward purposes and to avoid any theft/loss of properties.

Fifty one *per cent* of the schools did not have chowkidars

Scrutiny of records in the six districts revealed that out of 1040 High and Senior Secondary schools, 533 (51 *per cent*) schools[41] did not have chowkidars. As costly computers and EDUSAT equipment etc. were installed in the schools, deployment of chowkidars was necessary to safeguard the property. Audit revealed theft of computers (38) in 16 schools in Amritsar district, two schools in Gurdaspur district and theft of EDUSAT equipment in one school in Ludhiana district during November 2006 to March 2010, which could be avoided had chowkidars been posted in the schools.

On this being pointed out (January 2010 to May 2010), the respective DEOs/Principals admitted (March 2010 to June 2010) that the thefts took place due to non-posting of the chowkidars. The DGSE stated (October 2010) that the posts could not be filled up as the Department of Finance issued instructions that in case the post remained vacant for the period of six months, the same stood abolished automatically. It was further stated that these posts would be revived.

The reply is not acceptable because when there was no ban on recruitment, the posts should not have been allowed to remain vacant beyond six months.

39 **GSSS, Bhakna, Jandiala Guru and Tarsika.**

40 **GSSS, Bohru, Vachhoa, Gago Mahal and Dam Ganj.**

41 **Amritsar :113 schools, Fatehgarh Sahib:39 schools, Gurdaspur:89 schools, Ludhiana:87 schools, Mansa:141 schools and Ropar:64 schools.**

Effectiveness of Education

Performance of the students at the State level

2.2.10 The pass percentage of regular students at the State level in respect of 8th, 10th and 12th classes during the period 2005-10 is given in **Table 2.18.**

Table 2.18: Number of students appeared and passed in Board examinations

Year				10th class			12th class		
	No. of students appeared	No. of students passed	Percentage	No. of students appeared	No. of students passed	Percentage	No. of students appeared	No. of students passed	Percentage
2005-06	385657	250525	64.96	282841	170556	60.30	192725	135707	70.41
2006-07	411653	227992	55.38	275120	179058	65.08	180768	124420	68.83
2007-08	437497	292526	66.86	270013	202565	75.02	189327	141029	74.49
2008-09	404924	263664	65.11	234473	207062	88.31	187807	137212	73.06
2009-10	376009	280988	74.73	276252	224664	81.33	209528	151065	72.10
Total	2015740	1315695	65.27	1338699	983905	73.50	960155	689433	71.80

Source: Punjab School Education Board (PSEB), Mohali

The pass percentage of the 12th class was stagnant around 72 *per cent* during the past five years

It may be observed that the State had Board examinations at three stages i.e. 8th, 10th and 12th classes. The pass percentage of the 12th class, the ultimate stage of secondary education, was practically stagnant around 72 *per cent* during the past five years, implying scope for improvement in performance. The pass percentage of 10th class showed increasing trend during 2005-06 to 2009-10.

The break up of pass percentage in the 12th class among the students of Scheduled Castes and General Category is given in **Table 2.19.**

Table 2.19: Category wise result of 12th Class Board examination

Year	I-Scheduled Castes					
	Boys			Girls		
	No. of students appeared	No. of students passed	Pass percentage	No. of students appeared	No. of students passed	Pass percentage
2006-07	24535	12072	49.20	22315	13663	61.23
2007-08	23822	13793	57.90	21639	14478	66.91
2008-09	13292	7013	52.76	11584	7506	64.80
2009-10	34895	18752	53.74	31180	20661	66.26
II-General Category						
2006-07	88441	48849	55.23	79121	56781	71.76
2007-08	98896	62059	62.75	86003	65071	75.66
2008-09	98996	59989	60.60	86458	64326	74.40
2009-10	109277	64107	58.66	91446	68863	75.30

Source: Punjab School Education Board (PSEB), Mohali

It is evident from the **Table 2.19** that though the pass percentage of SC boys and girls increased from 49.20 to 53.74 *per cent* and 61.23 to 66.26 *per cent* respectively during the period 2006-10, they were far below the State average of 72 *per cent*. Since 36 *per cent* of the total students enrolled in 6th to 12th classes belong to the SC category, special efforts are needed to improve their performance.

Performance of students in test-checked schools

2.2.11 It was noticed that 48 out of the 148 schools test checked in the six districts had pass percentage of less than 40 in one or more years in the 8^{th}, 10^{th} and 12^{th} classes during the period 2005-09 as given in **Table 2.20.**

Table 2.20: Number of schools having pass percentage less than 40 *per cent*

District	No. of schools checked	Number of schools having poor performance (< 40 *percent* pass)	Year	Pass percentage in 8th class	Pass percentage in 10th class	Pass percentage in 12th class
Amritsar	15	5	2005-06	1.26 to 37.50	---	---
			2006-07	17.82 to 35.0	---	---
			2007-08	20.00***	---	---
			2008-09	---	---	31.42 ***
Fatehgarh Sahib	14	1	2006-07	0.00***	---	---
Gurdaspur	39	12	2005-06	16.66 to 32.6	5.00***	---
			2006-07	13.33 to 39.0	36.00 ***	---
			2007-08	14.29 to 28.3	27.10 to 28.00	---
Ludhiana	50	18	2005-06	14.47 to 38.6	20.21 to 35.80	---
			2006-07	13.33 to 37.5	16.66 to 26.82	---
			2007-08	16.66 to 35.5	37.00***	7.69***
			2008-09	15.47 to 35.0	---	12.50***
Mansa	15	5	2005-06	36.36***	---	33.33 to 37.25
			2006-07	32.01 to 36.4	20.00***	---
			2007-08	---	37.00***	35.71 to 37.77
			2008-09	---	31.81***	27.65***
Ropar	15	7	2005-06	26.78 to 39.3	23.25 to 33	18.18 to 23.07
			2006-07	0.00 to 31.58	33.33***	27.27 to 31.03
Total	**148**	**48**				

---- ***Indicates that result was above 40 per cent*** ***Source: Test checked schools***

****Single figure represents that only one school had less than 40 per cent***

In 48 schools, the pass percentage of 8^{th}, 10^{th} and 12^{th} classes was less than 40 *per cent*

Against the average pass percentage of 55.38 to 74.73, 60.30 to 88.31 and 68.83 to 74.49 at the State level in classes 8^{th}, 10^{th} and 12^{th} respectively during 2005-10, the same in the 48 schools in one or more years during 2005-09 was less than 40 *per cent* and it ranged between 0.00 and 39.39 *per cent*, 5 and 37 *per cent* and 7.69 and 37.77 *per cent* respectively, which shows poor performance of students in these 48 schools.

On this being pointed out, the Principals of 16 schools admitted the facts of poor performance/results and stated (October 2009 to May 2010) that most of the teaching staff was deputed for works in the offices of DGSE, DEOs and Block Primary Education Officers. The Principals of other schools did not furnish proper reply. The reply is not acceptable as shortage of staff and inadequate infrastructure might have also contributed to the poor performance of students.

Enrollment of students in test-checked schools

2.2.12 The position of decrease in enrollment of students in 54 out of the 148 schools test-checked in the six districts in the 6th to 12th classes during the period 2005-10 is given in **Table 2.21.**

Table 2.21: Enrollment in the test-checked schools during 2005-10

Sr. No.	Name of District	Total No. of schools test-checked	No. of schools where there was decrease in enrollment	Enrollment during 2005-06	Enrollment during 2009-10	Decrease in enrollment	Percentage of decrease
1	Amritsar	15	6	2755	2094	661	24.00
	Fatehgarh Sahib	14	12	7125	5976	1149	16.12
3	Gurdaspur	39	18	9942	7409	2533	25.48
4	Ludhiana	50	12	5710	4795	915	16.02
5	Mansa	15	1	599	456	143	23.87
6	Ropar	15	5	2192	1830	362	16.51
	Total	**148**	**54**	**28323**	**22560**	**5763**	**20.34**

Source: Test checked schools

Decrease in enrollment ranged between 16.02 and 25.48 *per cent* in 54 out of 148 schools test-checked

The decrease in enrollment in the 54 government schools in the test checked schools/districts ranged between 16.02 and 25.48 *per cent* during the period 2005-10. In the remaining 94 schools no decrease in enrollment was noticed.

On this being pointed out (October 2009 to May 2010), the school heads stated (October 2009 to May 2010) that decrease in enrollment in the government schools was due to upgradation of the feeder schools, presence of private schools in the same vicinity and lack of infrastructure.

Infrastructure

2.2.13 To achieve the objective of imparting quality education, existence/creation of infrastructure such as classrooms, desks, benches, toilets, playgrounds etc. are essential in every school. Test check of records relating to these facilities in the six districts revealed that there was shortage of infrastructure in the schools as detailed in **Table 2.22.**

Table 2.22: Position of infrastructure in the schools in test-checked districts

Name of District	Total number of schools	No. of schools having shortage of desks	No. of schools having shortage of class rooms	No. of schools having no play ground	No. of schools having no/improper toilet facilities
Amritsar	195	44	188	53	45
Fatehgarh Sahib	76	45	--	--	--
Gurdaspur	247	110	8	--	30
Ludhiana	329	--	--	74	--
Mansa	102	27	--	27	--
Ropar	91	--	80	--	43
Total	**1040**	**226**	**276**	**154**	**118**

Source: DEOs

Shortage of desks, class rooms and other basic amenities in the schools

Above data revealed that 22 *per cent* of the total schools in the six districts had shortage of desks; 27 *per cent* of the schools did not have enough class rooms; 15 *per cent* of the schools had no play ground and in 11 *per cent* of the schools there were no or only improper toilet (not covered and no water supply) facilities. In the test checked 148 schools in six districts the position was as given in **Table 2.23.**

Table 2.23: Position of infrastructure in the test-checked schools

Name of district	Total No. of schools	No of test-checked schools	No of schools having shortage of desks	No. of schools having shortage of class rooms	No. of schools having unsafe building	No. of schools having no play ground
Amritsar	195	15	7	4	5	5
Fatehgarh Sahib	76	14	9	--	--	--
Gurdaspur	247	39	24	15	7	3
Ludhiana	329	50	3	5	3	1
Mansa	102	15	13	8	2	--
Ropar	91	15	11	5	3	1
Total	**1040**	**148**	**67**	**37**	**20**	**10**

Source: Test checked schools

Data in the **Table 2.23** and ***Appendix 2.9*** revealed that:

- in 67 (45 *per cent)* schools, there was shortage of desks;
- in 37 schools (25 *per cent*), there was shortage of classrooms and
- 20 schools (14 *per cent*) were functioning in unsafe buildings.

GSSS Wadala Granthian, Gurdaspur district and GSSS Tajpur, Ropar district had unsafe buildings and improper toilet facilities respectively

GSSS Wadala Granthian and GSSS Nangal Bhur in Gurdaspur district are some of the schools which had shortage of class rooms and desks

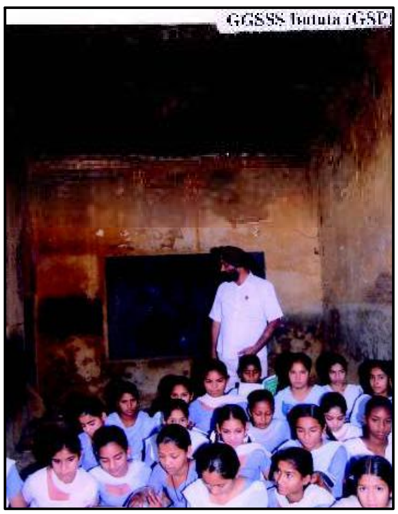
Thus, in the era of modernization and the country aspiring to become knowledge hub of the world, absence of the above mentioned infrastructural facilities resulted in denial of basic and conducive environment to the students for learning.

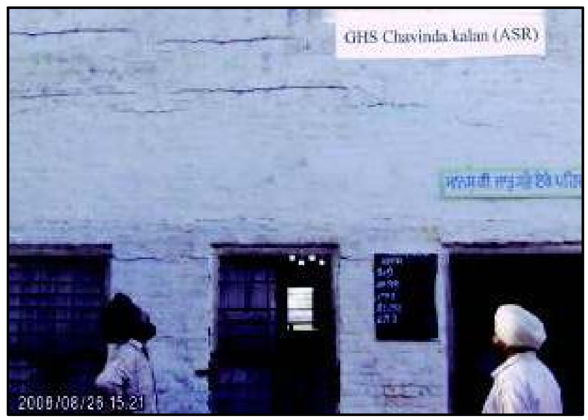
In the exit conference held in October 2010, the DGSE stated that gaps would be covered at the earliest.

Functioning of the schools in unsafe buildings

One hundred and fifty schools were functioning in unsafe buildings in three districts

2.2.14 In three out of the six test-checked districts, 150[42] school buildings had been declared unsafe by the PWD authorities, but the schools/classes were still running in the same buildings exposing the students to the risk of any mishap apart from breeding insecurity among the students.





Schools having unsafe buildings

On this being pointed out, it was stated by the DEOs that the matter would be taken up with the PWD authorities. The DGSE stated (October 2010) that the Department of School Education had made reference to the Public Works Department (B&R) to give their opinion on the condition of these buildings and on their report, these school buildings shall be taken up either for repair or for the construction of new buildings in a phased manner.

Programme Management

Non-achievement of targets of vocational education

2.2.15 Keeping in view the National Policy of Education (1986), the Government of India launched (1987-88) a centrally sponsored scheme of Vocationalisation of Education on sharing basis (75:25) between the Government of India and State Government. The main objective of the scheme was diversification of education opportunities so as to provide individual employability, to reduce mismatch between demand and supply of skilled manpower and to provide an alternative for those pursuing for higher education. The National Policy of Education stipulated that 25 *per cent* of

[42] **Amritsar:8, Gurdaspur:105 and Mansa:37.**

students enrolled at secondary (11th and 12th) level classes, were to be diverted to different vocational courses such as Horticulture, Textile designing, Food preservation etc. The GoI stopped financial assistance from the session 1997-98 and thereafter the scheme was being run by the State Government.

Shortfall of 80 *per cent* in achievement of targets of vocational education

The details of total number of students required to be trained, actually trained and the shortfall during the period 2005-10 is given in **Table 2.24.**

Table 2.24: Shortfall in vocational training

Year	Total number of 11th &12th class students in the State	Number of students to be trained	Number of students trained	Shortfall	Percentage of shortfall
2005-06	327976	81994	16924	65070	79.36
2006-07	344666	86166	15681	70485	81.80
2007-08	343450	85862	15681	70181	81.74
2008-09	377973	94493	21281	73212	77.48
2009-10	421912	105478	21138	84340	80.00
Total	**1815977**	**453993**	**90705**	**363288**	**80.00**

Source: Statistical abstracts of Punjab, DPI (SE) & DGSE

Against the target of 453993 students to be trained in vocational trades during the period 2005-10, only 90705 students were trained resulting in shortfall of 363288 students (80 *per cent*). Thus, the objective of vocational training which is essentially skill development was broadly not achieved.

On this being pointed out (October 2010), no reply was furnished by the DPI (SE) (October 2010).

Non-disbursement of stipend to the students

2.2.16 To encourage the students for enrollment in government schools, various types of scholarships are given to them. The funds are released by the Director, Welfare of Scheduled Castes and Backward Classes to DPI (SE). Position with regard to the budget allotment and expenditure thereagainst during 2008-10 is given in **Table 2.25.**

Table 2.25: Budget allotment, expenditure and coverage of students under various schemes

(₹ in crore)

Sr. No.	Name of the scheme	Year	Demand	Budget Allotment	Expenditure	Excess(+) Saving(-)	No. of Students to be covered	No.of Students actually covered	Percent-age of coverage
1	Special grant to SC	2008-09	0.30	0.24	0.03	(-)0.21	7534	1092	14.49
		2009-10	0.47	0.24	0.16	(-)0.08	15134	8735	57.72
2.	SC Brilliant Students	2008-09	1.09	0.15	0.04	(-)0.11	2569	382	14.87
		2009-10	0.32	0.15	0.10	(-)0.05	9066	2074	22.88
3.	Post matric exam fee	2008-09	1.00	1.00	0.80	(-)0.20	36890	28376	76.92
		2009-10	7.42	1.00	0.84	(-)0.16	59359	37978	63.98
4.	Raj Vidayak Bhalai scheme	2008-09	21.09	10.50	10.50	Nil	996174	403732	40.53
		2009-10	22.09	10.50	10.45	(-)0.05	602562	379490	62.98
5	Post matric stipend Scheme OBC	2008-09	3.50	0.50	0.16	(-)0.34	23406	4525	19.33
		2009-10	2.57	0.50	0.43	(-)0.07	26381	3161	11.98
6.	Stipend to denotified castes	2008-09	0.21	0.21	0.004	(-)0.21	2273	163	7.17
		2009-10	0.23	0.03	0.02	(-)0.01	1492	796	53.35
		Total	**60.29**	**25.02**	**23.53**	**(-)1.49**	**1782840**	**870504**	**48.83**

Source: DPI (SE), Punjab

Short release of funds under various stipend schemes resulted in denial of assistance to students

Scrutiny of records revealed that against the total demand of ₹ 60.29 crore in respect of all the schemes for the period 2008-10, only ₹ 25.02 crore (41 *per cent*) was allotted resulting in short allotment of ₹ 35.27 crore. Out of ₹ 25.02 crore, the DPI (SE) could utilize ₹ 23.53 crore resulting in saving of ₹ 1.49 crore. From the above data, it is further evident that in the case of schemes at serial numbers 1, 2, 5 and 6 the coverage of students in the year 2008-09 was very low ranging from 7.17 to 19.33 *per cent* only resulting in denial of incentives to the needy students inspite of availability of funds with the department. On being pointed out (July 2010), the DPI (SE) stated (July 2010) that the expenditure was incurred less during 2008-09 and 2009-10 due to non-passing of bills by the treasuries on account of imposition of ban by the Government of Punjab. The reply is not acceptable as copy of the Government orders imposing ban, if any, was not produced to Audit.

Denial of benefits to the SC girl students for pursuing 10+2 education

2.2.17 In order to check the high drop out rate, to encourage higher education and increase literacy amongst the Scheduled Caste girl students at the Senior Secondary level, a scheme for providing encouragement award to the SC girl students who take admission in 11th class was framed (2007-08) by the Government of Punjab, Department of Welfare of Scheduled Castes and Backward Classes. Under the scheme, each SC girl of 11th class was to be provided a lump sum amount of ₹ 3000 every year. Apart from this, all SC girl students studying in 11th and 12th class would be provided bicycles free of cost if the facility of higher education is not available in their villages. The position of funds allocated/received and spent vis-à-vis the number of students covered is given in **Table 2.26.**

Table 2.26: Funds received, spent and coverage of students

(₹ in crore)

Name of the scheme	Year	Approved outlay	Funds received	Funds utilized	No. of students to be covered	No. of students actually covered
Encouragement Award to S.C. girls for pursuing 10+2 education	2007-08	1.00	Nil	Nil	2500	Nil
	2008-09	1.00	0.50	0.38*	2500	2500
	2009-10	1.00	1.00	Nil	2500	Nil

@* ₹ 1500 per student

Non-release/short release of funds and non-passing of bills by the treasuries resulted in denial of the envisaged benefits to the SC girl students.

Scrutiny revealed that:

(i) in the year 2007-08, though an outlay of ₹ one crore was approved by the Planning Department , no funds were released by the State Finance Department;

(ii) in 2008-09, against the approved outlay of ₹ one crore, an amount of ₹ 0.50 crore was released. Out of which ₹ 0.38 crore were utilized by giving ₹ 1500 instead of ₹ 3000 per student resulting in denial of the balance benefit of ₹ 1500 to each student. The facility of bicycle to the students was also not provided due to non-passing of bills by the treasuries for ₹ 0.12 crore and

(iii) in 2009-10, despite a budget provision of ₹ one crore, the intended benefit was not provided as treasuries had not passed the bills.

The reasons for non-release/short release of funds were called for from the Finance Department (September 2010) and Director, Welfare of Scheduled Castes and Backward Classes (September 2010). Reply was awaited (November 2010).

Denial of benefit of free text books to the SC girl students

2.2.18 Under the scheme of free text books launched in 2003-04, free text books were to be given to the SC girl students studying in 11th and 12th classes and belonging to the below poverty line category so as to relieve the parents/guardians of these students from the financial burden. The position of funds allocated/received and spent during 2005-10 is given in **Table 2.27**.

Table 2.27: Utilization of funds under the free text book scheme

(₹ in lakh)

Name of the Scheme	Year	Approved outlay	Revised Outlay	Funds released	Funds utilized
Free text books to S.C. students studying in +1 & +2 classes (S.C. girl students living below poverty line)	2005-06	30.00	--	Nil	Nil
	2006-07	50.00	0.10	Nil	Nil
	2007-08	80.00	--	12.50	4.29
	2008-09	80.00	55.18	Nil	Nil
	2009-10	80.00	56.53	56.53	Nil
	Total	**320.00**	**111.81**	**69.03**	**4.29**

Source: Director, Welfare of Scheduled Castes and Backward Classes

The data in **Table 2.27** reveals that:

Non/short release of funds and non-passing of bills by treasuries resulted in depriving the facility of free books to SC girl students

(i) in the years 2005-06, 2006-07 and 2008-09, no funds were released by the Finance Department despite budget allocation;

(ii) in the year 2007-08, against the approved outlay of ₹ 80 lakh, only ₹ 12.50 lakh (16 *per cent*) were released. Out of which ₹ 4.29 lakh (34 *per cent*) only were spent and the balance amount of ₹ 8.21 lakh was not cleared by the Finance Department and

(iii) in 2009-10, the Finance Department released ₹ 56.53 lakh (71 *per cent)* out of the approved outlay of ₹ 80.00 lakh, which could not be utilized as the bills were not cleared by the treasuries.

Thus, it is evident that out of the approved outlay of ₹ 3.20 crore, funds of ₹ 4.29 lakh (one *per cent*) only were actually utilized during 2005-10 thereby depriving SC girl students of the facility and defeating the very purpose of the scheme.

The reasons for non-release/short release and non-utilization of funds were called for from the Finance Department and the Director, Welfare of Scheduled Castes and Backward Classes, their replies were awaited (November 2010).

Non-utilization of grant due to non-appointment of Hindi and Urdu teachers

2.2.19 The Centrally Sponsored Scheme of "Appointment of Language Teachers" provided for appointment of Hindi teachers in non-Hindi speaking states, Urdu teachers in the schools of those districts which have a significant minority population and Modern Indian Language teachers to teach a third language in the schools of Hindi Speaking States/UTs.

Non-appointment of Hindi and Urdu teachers under the scheme led to non-utilisation of GoI grant

Scrutiny of records in the office of DGSE (August 2010) revealed that GoI sanctioned (November 2009) ₹ 7.47 crore for appointment of 1168 Hindi teachers and ₹ 10.38 lakh for appointment of 42 Urdu teachers in the State and the grant was to be utilized by 31 March, 2010. The amount was drawn by the DGSE, Punjab during February and March 2010 and kept in the bank un-utilized (July 2010).

On being pointed out (August 2010), the DGSE stated (October 2010) that appointment of 455 Hindi teachers had been done in July 2010. However, the fact remains that there would be still 713 vacancies in the cadre of Hindi teachers and no appointment has been made against the 42 vacancies of the Urdu teachers.

Other points of interest

Keeping of Government money outside the Government Account

2.2.20 Rule 2.10(b)(v) of the Punjab Financial Rules, Volume I provides that no money should be drawn from the treasury unless it is required for immediate disbursement.

Scrutiny of records revealed that an amount of ₹ 84.46 lakh was released to the Land Acquisition Officer (LAO) in April 2005 by DPI (SE) towards the award announced by the LAO for the land acquired for Government Girls Senior Secondary School, Putlighar, Amritsar. ₹ 49.72 lakh were disbursed by the LAO to the land owners and the balance amount of ₹ 34.74 lakh was returned by the LAO (December 2005) to the DEO (SE), Amritsar with whom the funds are still lying (October 2010) in the form of demand draft on the plea that court case was pending for enhancement of the compensation amount. Drawal of money and keeping in the form of demand draft outside the government account was against the Financial Rules.

On being pointed out (December 2009) it was stated by DPI (SE) that the court case was pending for enhancement of compensation and the amount would be utilized as per orders of the court. Reply is not tenable as ₹ 34.74 lakh was kept in the form of demand draft out of Government accounts. The financial rules clearly stated that no money should be drawn from the treasury unless it is required for immediate disbursement.

Non-disposal of unserviceable store articles

2.2.21 Rule 15.3 of the Punjab Financial Rules, Volume I provides that unserviceable articles should be disposed of immediately to avoid further deterioration of the articles and the revenue earned should be credited into the government account.

Unserviceable store articles valuing ₹ 6.10 lakh were awaiting disposal since 1988 in 23[43] out of the 148 test-checked schools in the six districts. Non-disposal of the unserviceable store articles pending for a long period would result in further deterioration of the articles.

On this being pointed out (October 2009 to May 2010), the school heads stated (October 2009 to May 2010) that necessary action would be taken and the amount would be deposited into the government account.


GSSS Wadala Granthian in Gurdaspur district is one of the schools, where unserviceable articles remain undisposed

Failure to conduct physical verification of store/stock

2.2.22 Rule 15.16 of the Punjab Financial Rules, Volume I provides that physical verification of all store and stock should be made at least once in a year.

In 60[44] out of the 148 test-checked schools in six districts, physical verification of store/stock was not conducted since 1998. In the absence of physical verification, the correctness of the store and stock could not be ascertained.

On this being pointed out in audit (January 2010 to May 2010), the school authorities admitted (October 2009 to May 2010) the omission and promised to make compliance.

Non-reconciliation of deposits and withdrawals

2.2.23 Rules 2.2(v) and 2.31(a) of the Punjab Financial Rules, Volume I provide that every DDO should reconcile the figures of deposits and withdrawals with treasury every month. Audit observed that no reconciliation of deposits of ₹ 70.67 lakh by 71 schools during 2005-10 was done and withdrawals of ₹ 291.84 crore by 88 schools since 2005-06 in the six test checked districts was carried out. On being pointed out (October 2009 to

43 **Amritsar:3, Fatehgarh Sahib:3, Gurdaspur:5, Ludhiana:7, Mansa:1 and Ropar:4.**

44 **Amritsar:8, Fatehgarh Sahib:1, Gurdaspur:20, Ludhiana:14, Mansa:6 and Ropar:11.**

May 2010), the heads of schools stated (October 2009 to May 2010) that reconciliation would be done. These deficiencies have the risk of misappropriation of government money.

Monitoring and Evaluation

2.2.24 As per the Punjab Education Policy 2002, there will be a 'Jan Sampark Abhiyan' every year for one week when all officers of the State and district education administration will visit schools/villages for on the spot evaluation of existing facilities, redressal of students/teachers problems and to meet community leaders for their assessment of school education and their suggestions. The Directorate will prepare a comprehensive report on the outcome of 'Jan Sampark Abhiyan' each year incorporating the assessment, suggestions received and action taken in this regard.

Scrutiny of records of DPI (SE) revealed that no such Abhiyan was held by the department during 2005-10.

Conclusion

2.2.25 The Performance Audit of secondary education in the State disclosed that funds released for various schemes during 2005-10 were far below the budgetary provisions and were grossly under utilised. The State Government also did not utilize ₹ 124.58 crore of Government of India funds released during the said period. The short release and under utilization of the released funds adversely affected the programmes.

Twenty two *per cent* of the schools in the six test-checked districts had shortage of desks and 27 *per cent* of the schools did not have enough class rooms besides the other basic requirements such as play grounds, toilets etc. The objective of imparting vocational training to the students of classes 11th and 12th was broadly not achieved.

The pass percentage in the 12th class was stagnating during 2005-10 implying scope for improvement in the standard of education. On account of large number of vacancies of teachers, irrational deployment of the available staff, shortage of basic educational infrastructure and lack of appropriate learning environment, decrease in enrollment at the secondary school level in some schools cannot be ruled out.

Schemes formulated for the students of Scheduled Castes and Other Backward Classes in the form of cash incentive, encouragement award and distribution of free text books were not properly implemented resulting in denial of benefits to these classes.

Recommendations

The State Government needs to:

- ensure full and timely release of funds and utilization of the same for effective and timely implementation of the various schemes;
- fill up the vacancies of the teaching staff and rationalize deployment of the available staff on need basis;
- overtake gaps in basic infrastructure such as class rooms, furnitures, toilets, safe buildings etc. to modernize the schools and
- identify the chronically poor performing schools and take measures to improve them and strengthen vocational training to the students as envisaged in the scheme.

The matter was referred to the Government in July 2010; reply has not been received (November 2010).

CHAPTER 3
COMPLIANCE AUDIT

3.1 Non-compliance with rules and regulations

For sound financial administration and control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authorities. This helps in maintaining financial discipline and prevents irregularities, misappropriation and frauds. Audit of the departments of the Government, their field formations as well as the autonomous bodies brought out several instances of lapses in management of resources and failures in adherence to the norms of regularity, propriety and economy. Some of the audit findings on non-compliance with rules and regulations are as under:

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1.1 Fraudulent disbursement of financial assistance

Fictitious project proposals and inspection reports for contractual farming of medicinal plants resulted in fraudulent disbursement of financial assistance of ₹ 86.23 lakh

The National Medicinal Plants Board (NMPB) under the Ministry of Health and Family Welfare, Government of India formulated (November 2000) a Centrally Sponsored Scheme of contractual farming of medicinal plants. As per guidelines of the scheme, applicants desirous of availing financial assistance (subsidy) were required to submit the project proposals alongwith Memorandum of Understanding (MoU) with the buyer of the produce of medicinal plants, bank appraisal report of the projects, land documents duly verified by the Revenue Department and Registration Certificate obtained from the State Medicinal Plants Board (SMPB)/State Government. Financial assistance to the tune of 30 *per cent* of the project expenditure or upto a maximum of ₹ nine lakh was to be paid to the selected farmers through Financial Institution[45] (FI) in two equal installments. Fifty *per cent* of the assistance was to be released to the FI after 50 *per cent* of its term loan for the projects was disbursed to the farmer. The remaining 50 *per cent* of the assistance was to be released to the Term Loan Account of the concerned borrower, on disbursement of the second installment of term loan. Before releasing the financial assistance, the officials of NMPB or in their absence officials of the SMPB were to inspect the project area and submit inspection report of satisfactory progress or otherwise of the project.

[45] **The Financial Institutions shall include NABARD, IDBI, SIDBI, ICICI, State Financial Corporations, State Industrial Development Corporations, Financial and Development Corporation, other RBI designated loaning institutions of the States/UTs, Commercial/Cooperative Banks etc.**

Scrutiny of records (October 2009) of the Director, Ayurveda, Punjab and Member Secretary, SMPB, (Director) and information collected subsequently (March 2010) revealed that the proposals for financial assistance to 14 beneficiary farmers submitted to the NMPB were defective to the extent that:

- the documents relating to the land reported to have been owned by the farmers were not authenticated by the Revenue Authorities of the State Government. These were certified by the beneficiaries themselves;
- there were no bank appraisal notes in the prescribed format. Only a letter from the State Bank of Patiala, Phase-7, Mohali (which did not bear reference number and date) promising to sanction term loans to the beneficiaries was attached to the proposals; and
- documents supporting registration of the beneficiary farmers with SMPB/State Government were not furnished with the proposals.

Despite these deficiencies in the project proposals, NMPB released (May 2005) the first installment of financial assistances of ₹ 43.35 lakh (in the form of 14 bank drafts) to the Director. The Director was directed to disburse the amount to the beneficiary farmers after obtaining letter from the bank regarding release of the first instalment of term loan and physical verification report. On the ground that none of the cultivators could be contacted, the Director reportedly returned (September 2005) the bank drafts to NMPB. Subsequently, the Director who is reported to have returned the first instalment to NMPB, without ascertaining the facts from the State Bank of Patiala, about release of terms loans to the beneficiaries submitted (January 2007) the inspection reports and utilization certificates in respect of the first installment to NMPB. On the basis of the inspection reports and utilization certificates, NMPB released (March 2007) the second installment of assistance of ₹ 42.88 lakh to the Director for disbursement to the beneficiaries through their term loan accounts in the bank.

Audit scrutiny revealed that the inspection reports of progress of the projects submitted by the Director to NMPB were fictitious, as no medicinal plants were cultivated in the village Dargah Khalid-Bin-Walid stated in the proposals.

Further enquiry from NMPB revealed that the drafts for the first instalment were not received back in that office. Cross verification with the Bank of Baroda, Chandigarh on whom the drafts were drawn by NMPB disclosed that both the installments of financial assistance required to be credited to the term loan accounts of the beneficiary farmers were actually credited to the saving bank account of the respective beneficiaries in the branches of State bank of Patiala and immediately thereafter the amounts were transferred to the bank account of the society[46] with whom MoUs were signed by the beneficiaries for the sale of produce (raw herbs) of the medicinal plants. No term loan was sanctioned by the State bank of Patiala to any of the beneficiary farmers. The crediting of both the installments of financial assistance in the saving bank account (instead of term loan account) of the beneficiaries in two branches of the State Bank of Patiala, (Chuni Kalan branch and sector 34, Chandigarh branch) other than the branch (Mohali) which originally furnished the letter promising sanction of term loans, shows the possible involvement of the banks, which needs to be investigated.

Thus, failure of the Director to ensure (a) correctness of the project proposals and the inspection reports and (b) crediting of the bank drafts in the term loan account of the beneficiaries and forwarding the utilization certificates for the first instalment (reportedly returned the drafts of the instalment to NMPB) facilitated fraudulent disbursement of financial assistance of ₹ 86.23 lakh.

On being pointed out, the Director stated (December 2009) that 14 bank drafts towards the first installment of the financial assistance were returned to NMPB who might have forwarded them to the bank accounts of the beneficiaries. He further stated that on receipt of the second installment of subsidy, the amount was paid to the cultivators through bank drafts, but there was no proof of this in the records of his office. The reply is not acceptable as (i) the bank drafts reported to have been retuned to NMPB never reached the NMPB and on the contrary these were encashed in the banks and (ii) the Director had sent the inspection reports on cultivation of medicinal plants and the utilization certificates to NMPB to get the second installment, without ascertaining the position regarding disbursement of the first installment of assistance and term loan and without checking genuineness of the inspection reports etc. These failures facilitated the fraud. The whole issue needs to be investigated and appropriate action should be taken against the persons responsible for the lapses.

The matter was referred to the Government in March 2010; reply has not been received (November 2010).

CIVIL AVIATION DEPARTMENT

3.1.2 Loss of interest

Non-fixing of time schedule for payment led to loss of interest of ₹5.15 crore

An international civil air terminal at Mohali was to be set up as a Joint Venture (JV) by the Airports Authority of India (AAI) and the Government of Punjab (GoP). As per the original plan (January 2008), GoP was to contribute the cost of land and other allied infrastructure towards 49 *per cent* of the equity share in the JV Company. A Memorandum of Understanding (MoU) to this effect was to be signed (January 2008) between AAI and the Greater

46 **M/s Panchshseel Cooperative Collective Farming Society Ltd. 41, Phase 2, Mohali, the buyer of the produce of medicinal plants.**

Mohali Area Development Authority (GMADA) on behalf of GoP. However, GoP agreed (January 2008) to the request of the Government of Haryana (GoH) for equal sharing of the cost of land and allied infrastructure required for the terminal. Accordingly, the MoU was signed (January 2008) by AAI, GMADA and GoH.

Scrutiny of records (April 2009) of the Director, Civil Aviation, Punjab (DCA) revealed that the Council of Ministers of GoP accorded (February 2008) expost facto approval to the MoU and decided that initial investment be made by GoP in order to get the project implemented as per schedule. It was further decided that GoH would be given the details of their share of cost asking them to deposit the same immediately. In case of delay in payment, the share would be recovered with interest. But neither the MoU contained the schedule for payment by GoH nor the decision of Council of Ministers to get interest in case of delayed payment by GoH was got agreed upon from GoH by an addendum/corrigendum to the MoU. GoP spent ₹ 460.88 crore by April 2008 towards the cost of land for the terminal, whereas GoH was informed of its share of ₹ 230.44 crore on 23 July 2008, which was recouped on 7 November 2008 i.e. after a delay of about three months. When GoP took up (October 2009) the matter with GoH for payment of interest for the delayed payment, GoH refused to pay interest on the plea that there was no time limit fixed in the agreement for making payment of its share.

Thus, failure of DCA to fix time schedule for payment of its share by the GoH and also to inform and get consent of GoH for payment of interest in case of delayed payment, led to loss of interest of ₹ 5.15 crore[47] during the period 1 August 2008 to 6 November 2008. On being pointed out, DCA stated (April 2009) that action taken would be shown at the time of next audit.

The matter was referred to the Government (November 2009); reply has not been received (November 2010).

IRRIGATION AND POWER DEPARTMENT

3.1.3 Avoidable payment of interest

Avoidable delay in finalization of the land acquisition award resulted in payment of interest of ₹3.46 crore to the land owners

Section 11-A of the Land Acquisition Act, 1894 (Act) provides that if an award of compensation for the land under acquisition is not announced within two years from the date of publication of the declaration, under Section 6 that the acquisition is for public purpose, the entire proceedings of acquisition would lapse. The market value of land is determined as on the date of publication of the preliminary notification under Section 4 of the Act, and if the compensation amount so determined is not paid before assuming possession of the land, the amount due is to be given with interest from the

[47] **Calculated at an average rate of interest on Government borrowing for the year 2008-09 @ 8.32% on ₹ 230.44 crore for 98 days from 01.08.2008 to 06.11.2008.**

date of taking possession of the land till payment is made to the land owners under the provision of section 34 of the Act.

Scrutiny of records (April 2007 and May 2010) of the Executive Engineer, Drainage Division, Patiala (EE) revealed that to acquire 237.85 acres of land required for the Miranpur Choe[48] in the District Patiala, the Department of Irrigation issued preliminary notification under Section 4 and declaration under Section 6 of the Act in January 2002 and January 2003 respectively. The possession of land was taken in June 2003 and the work of choe was completed in January 2007 at an expenditure of ₹ 1.30 crore. The Land Acquisition Officer, Drainage Circle, Patiala (LAO) was required to announce the award within two years from the date of declaration of notification under Sections 6 of the Act, but the LAO submitted the draft award to the District Collector, Patiala (DC) in February 2005 i.e. after the lapse of the acquisition proceedings on the plea that there were 22 villages under the scheme and it took two years for preparation of files. The DC submitted the draft award to the Government in April 2005 for approval. The matter remained under protracted correspondence (April 2005 to May 2006) between the Government and the DC and ultimately, the State Government rejected the proposed draft award in May 2006 on the ground that it was time barred. After a year, the said award of ₹ 8.74 crore was, however, approved (May 2007) by the Government on the advice of the Advocate General Punjab who suggested that as possession of the land had already been taken, the Government was required to approve the draft award at the earliest. However, the funds were provided by the Irrigation Department to the LAO in March 2009 and September 2009 after two years of the approval of the award. The payments of the compensation amount of ₹ 12.20 crore (including interest) to the land owners were made between November 2009 and July 2010.

Thus, the payment of compensation was delayed as the LAO submitted the draft award after expiry of the stipulated period of two years. The Government took two years to reject and approve the same draft award and thereafter delayed the release of funds by two years which resulted in avoidable payment of interest of ₹ 3.46 crore to the land owners. These delays were administrative in nature and were avoidable.

The matter was reported to the Government (July 2010); reply has not been received (November 2010).

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48 **Choe is a rivulet in which water flows seasonally**

RURAL DEVELOPMENT AND PANCHAYATS DEPARTMENT AND LOCAL GOVERNMENT DEPARTMENT

3.1.4 Avoidable payment of interest

Delayed transfer of the grants to the Local Bodies and Panchayati Raj Institutions resulted in avoidable payment of interest of ₹ 73.09 lakh

While implementing the recommendations of Twelfth Finance Commission (TFC) for supplementing the resources of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), the Government of India (GoI) directed the States to transfer the grants given by it to the PRIs and the ULBs, within 15 days of the same being credited to the States' account. In case of delayed transfer, the State Government shall transfer to the PRIs/ULBs an amount of interest at the rate equal to the Reserve Bank of India bank rate along with the delayed transfer of grants.

Scrutiny of the sanctions and information collected (March 2008 to December 2009) from the Rural Development and Panchayats Department, (DRDP), Local Government Department and Finance Department (FD) revealed that the GoI released (27 September 2007 and 27 January 2009) grants of ₹ 17.10 crore and ₹ 64.80 crore to the Government of Punjab for supplementing the resources of the ULBs and PRIs respectively. As per the above mentioned directions of the GoI, the grants were to be transferred by 12 October 2007 to the ULBs and 11 February 2009 to the PRIs. The Director, Local Bodies submitted the bill to the treasury for drawal of the grants for ULBs on 9 October 2007, whereas the treasury issued cheque on 26 November 2007. Consequently, the grant was transferred to the ULBs on 30 November 2007 i.e. after a delay of 48 days. As regards the grants meant for PRIs, the FD gave concurrence for release of the grants after 13 days of its credit to the State's account and the DRDP took 10 days to give approval for release of the grants and the treasury took 15 days to clear the bill. Thereafter, the grants could not be transferred due to imposition of model code of conduct for elections w.e.f. 2 March 2009. Approval of the Election Commission of India to transfer the grants during imposition of the model code of conduct was received on 28 March, 2009 and the grants were transferred to the PRIs on 29 April 2009 i.e. after a delay of 76 days in all. Due to these delays, the Government had to pay interest of ₹ 16.95 lakh to the ULBs and ₹ 56.14[49] lakh to the PRIs out of its own resources.

Thus, non-adherence to the time schedule fixed by the GoI for transfer of the grants recommended by TFC resulted in avoidable payment of interest of ₹ 73.09 lakh.

[49] **Total interest paid (₹ 82.02 lakh) minus interest earned (₹ 25.88 lakh) by keeping the amount in bank account of the Director, Rural Development and Panchayats after drawal from treasury for the period from 23 March 2009 to 28 April 2009 =₹ 56.14 lakh.**

On being pointed out (December 2009), the Deputy Controller (F&A) in the Directorate of Local Government, Punjab attributed the delay in transfer of grants to the ULBs to late passing of the bill by the treasury, whereas the Treasury Officer (TO) stated that the bill could not be passed in time because the Director, Local Government had neither mentioned any urgency nor approached the treasury for clearing the bill. The Deputy Controller (F&A) in the Directorate of Local Government in turn stated that no urgency clause was inserted in the financial sanction as advice from the FD did not contain any such clause. The replies are not acceptable as similar irregularity was pointed out in para 2.2.2 of the Report of the C&AG for the year ended 31 March 2009 and the concerned departmental authorities were not only supposed to be well conversant with applicable instructions regarding transfer of GoI grants but were also to ensure inter-departmental co-ordination to avoid delay in transfer of the grants. As regards the delay in transfer of the grants to the PRIs, the Director, Rural Development and Panchayats did not reply.

The matter was referred to the Government in March 2010, reply has not been received (November 2010).

IRRIGATION AND POWER DEPARTMENT

3.1.5 Drawal of funds in advance of requirement

Drawal of funds without immediate requirement resulted in loss of interest of ₹ 63.62 lakh

Financial Rules[50] provide that no money should be withdrawn from the treasury unless it is required for immediate disbursement. Further, it is not permissible to draw advances from the treasury for execution of works the completion of which is likely to take considerable time.

The Government of Punjab (Department of Irrigation) accorded sanction (March 2007) to deposit ₹ 12.44 crore with Power Grid Corporation Limited (Corporation) for execution of the works of re-routing of 800 KV Kishenpur-Moga and 220 KV Kishenpur-Sarna transmission lines from the construction area of Shahpurkandi (SPK) Dam Project. In March 2007 the Chief Engineer, SPK Dam project (CE), sanctioned the estimate of these works for ₹ 12.44 crore. The SPK Dam Project Authority released (April 2007) an advance payment of ₹ 6.50 crore to the Corporation for early commencement of the work. As per release order, the balance payment was to be made in phased manner as per requirement of the works and the Corporation was to submit the requirement of funds in advance so that the funds could be released promptly for smooth execution of the works. The Corporation was also required to submit monthly utilization certificate for adjustment of the advances given.

[50] **Rule 2.10 (b) (5) of the Punjab Financial Rules, Volume I.**

Scrutiny of records (February 2009) revealed that the Financial Advisor and Chief Accounts Officer (FA&CAO), SPK Dam Project, without ascertaining the requirement of funds from the Corporation, withdrew ₹ 5.94 crore from the treasury on 24 March 2008 on the plea of anticipated demand from the Corporation and made a Demand Draft (DD) for the said amount in the name of the Corporation. But the DD was not issued as no demand for fund was received from the Corporation and utilisation certificate for the advance of ₹ 6.50 crore paid in April 2007 was also not received from the Corporation. Subsequently on the request of the Corporation, the Department released an amount of ₹ four crore and ₹ 1.69 crore to the Corporation on 19 March 2009 and 23 February 2010 respectively. The remaining amount of ₹ 24.16[51] lakh was still lying with the department (May 2010).

Thus, imprudent action of the department in drawing funds of ₹ 5.94 crore from the treasury without any requirement for immediate disbursement and keeping the amount outside the Government account in the form of DD for a period of 12 to 23 months, defeated the spirit of the rules and resulted in loss of interest of ₹ 63.62 lakh[52] to the State Government.

On being pointed out (February 2009), the CE stated (July 2009) that the DD for ₹ 5.94 crore was prepared in anticipation that the work might have been completed and the utilization certificate for the advance payment of ₹ 6.50 crore would be furnished by the Corporation. The reply is untenable as funds were drawn without getting the demand from the Corporation. Drawal of such a huge amount and keeping the same outside the Government account for long periods militate against the concept of financial prudence.

The matter was referred to the Government in March 2009 and July 2010; reply has not been received (November 2010).

PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS BANCH)

3.1.6 Excess payment

Excess payment of ₹ 60 lakh made to the contractors due to non-enforcement of price adjustment on account of fall in the price of bitumen

The Public Works Department (Buildings and Roads branch) award contracts for laying of bituminous surfaces on the roads in Punjab on 'through rate basis'. The contractor makes his own arrangement for procurement of bitumen from the public sector oil companies. Agreements executed between the department and the contractors provide for price adjustment i.e. addition or deduction from the contract price in the event of rise or fall in the cost of bitumen procured for the work. The price so required to be adjusted is the difference between the base price ruling on the date of receipt of tender and

51 **₹ 12,43,59,000 minus ₹ 12,19,42,866 = ₹ 24,16,134.**

52 **Calculated at the borrowing rate of interest of Government for the year 2008-09 i.e. 8.32 per cent.**

the price mentioned in the actual invoice produced by the contractor from time to time. The elements of carriage to the site of work, 10 *per cent* contractor's profit and all taxes are included in arriving at the cost. The price adjustments on this account are required to be made by the Engineer-in-Charge at the time of making payment to the contractors.

Scrutiny of records (May 2010) of the Executive Engineer, Central Works Division No. I, Amritsar (EE) revealed that in respect of four works[53] executed during February 2009 and February 2010, though the price of bitumen at the time of execution of the works was lower than the base price, the Engineer-in-Charge had not made deductions on account of reduction in the price from the running/final bills of the contractors. Thus, non-enforcement of the price adjustment by the EE resulted in excess payment of ₹ 60 lakh to the contractors during February 2009 to February 2010.

When pointed (May 2010) by Audit, the EE replied that the works were in progress and difference in price of bitumen would be recovered from the final bills. The reply is not acceptable as the amount of price adjustment was to be recovered from the running bills. It was also noticed (May 2010) that recovery on account of price adjustment (₹ 14.71 lakh) was not made by the EE even when the final bill for the work was paid (February 2010) to the contractor in the case of one work[54].

The matter was referred to the Government in June 2010; reply has not been received (November 2010)

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.1.7 Avoidable payment due to non-availing of rebates

Superintendents of Central Jail, Patiala and District Jail, Sangrur failed to avail the rebates on electricity consumption resulting in avoidable payment of ₹57.44 lakh

The Punjab State Electricity Board, (PSEB) decided (December 2002)[55] to provide single point bulk electricity supply to Government hospitals and certain other residential colonies with 11 KV metering facility under the tariff applicable for Domestic Supply. According to the circular dated 30 December 2002 of PSEB, under the 11 KV metering facility, rebates at the rate of 10 *per cent* for distribution losses and at three *per cent* for transformation losses were to be allowed on the recorded consumption of

53 (1) Renewal coat/special repair on Amritsar Bhikhiwind Khemkaran road (SH 21) in Km 7 (.745), 8, 9, 10, 11 and 14=5.745 Kms (Group No.1). (2) In Km 15, 16, 17 (.250) 18, 19, 20, 21(.940) and 22 (.940)=7.130 Kms (Group-2). (3) In Km 28, 29, 30, 31, 32 and 33 (.900)=5900 Kms (Group No.3). (4) In Km 59, 60, 61, 62, 63, 64, 65(.350) and 66 (.580)=6930 Kms (Group No.4).

54 Renewal coat/special repair on Amritsar Bhikhiwind Khemkaran road (SH 21) in Km 7 (745), 8, 9, 10, 11 & 14=5.745 Kms (Group No.1).

55 Commercial Circular No. 66/2002 dated 30 December, 2002 of PSEB.

energy. Further on the billed amount of sale of power, a five *per cent* rebate was also to be given towards handling/service charges.

Scrutiny of records (September 2009) of the Superintendent, Central Jail, Patiala revealed that a single point 11 KV metering facility was availed by the Jail in November 2004. However, while paying the electricity bills for the period from November 2004 to March 2010, neither the Sub-Divisional Engineer of PSEB allowed the prescribed rebates nor the Jail Superintendent claimed the rebates at any stage.

Similarly, test check of records (November 2009) of the Superintendent, District Jail, Sangrur revealed that a single point 11 KV metering facility was availed by the Jail in February 2005. While PSEB allowed the prescribed rebate of 18 per cent upto April 2006, the rebate of 5 *per cent* towards handling/services charges was discontinued from the billing month of May 2006 without assigning any reason. Thereafter, upto March 2010 in some of the electricity consumption bills the rebate was either allowed at the rate of 13 *per cent* only or was not allowed at all. The Superintendent, District Jail, Sangrur did not take up the matter with PSEB authorities for allowing the rebates in accordance with the PSEB's circular.

Thus, failure of the Superintendents to avail the prescribed rebates on electricity consumption resulted in avoidable payment of ₹ 57.44 lakh[56] ***(Appendices 3.1 and 3.2)*** during the period mentioned above.

On being pointed out, the Superintendents stated (September 2009 and November 2009) that the matter would be taken up with the PSEB. Further reply was awaited (July 2010).

The matter was referred to the Government in December 2009 and January 2010; reply has not been received (November 2010).

AGRICULTURE DEPARTMENT

3.1.8 Undue favour to the contractors

Labour cess of ₹ 55.64 lakh was not deducted from the contractors' bills

The Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 regulate the employment and conditions of service of the building and other construction workers and provides for their safety, health and welfare measures.

As a part of implementation of the above stated Rules, the Government vide notification dated 11 November 2008 decided that in case of building or other construction work that has been or is being carried out through contractors, all Government departments, corporations, and local authorities etc., shall deduct a cess at source at the rate of one *per cent* of the amount of cost approved as per the tender notification from the bills of the contractors at the time of making payments. The amount so deducted was to be remitted to the Punjab

[56] **Patiala:₹ 44.20 lakh and Sangrur: ₹ 13.24 lakh.**

Construction Workers Welfare Board on or before 10th day of the succeeding month, after deducting the cost of collection, if any, not exceeding one per cent of the amount so collected.

Scrutiny of records (July 2009 to June 2010) revealed that cess amounting to ₹ 1.13 crore[57] at the rate of one *per cent* of the total payments of ₹ 113 crore made to the contractors during November 2008 to July 2009 was not deducted by 11 divisions from the contractors bills. Further, an amount of ₹ 57.41 lakh[58] was recovered at the instance of audit leaving ₹ 55.64 lakh[59] still recoverable. Thus, failure to deduct the cess of ₹ 55.64 lakh by seven divisions, amounted to undue favour to the contractors.

On this being pointed out, two divisions (Faridkot and Jalandhar) stated that deductions were started after receipt of the notification. Two[60] divisions stated that necessary action would be taken and three[61] divisions stated that the matter was under consideration. The replies of Faridkot and Jalandhar divisions are not acceptable because recovery of the cess was to be made effective from the date of issue of the notification irrespective of the date of receipt of the notification.

The matter was referred to the Government in March 2010; reply has not been received (November 2010).

3.2 Failure of oversight/governance

Government has an obligation to improve the quality of the life of the people in the area of health, education, development and upgradation of infrastructure, public services etc. Audit noticed instances where the funds released by the Government for creating public assets remained unutilized/blocked or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Some important audit findings about failure of oversight/governance are as follows:

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57 **Executive Engineers, Punjab Mandi Board, Bathinda:₹ 12.51 lakh, Chandigarh (Civil):₹ 3.43 lakh, Chandigarh (Electrical):₹ 3.29 lakh, Faridkot: ₹ 2.85 lakh, Ferozepur:₹ 0.99 lakh, Gurdaspur:₹ 10.35 lakh, Jalandhar: ₹ 2.67 lakh, Ludhiana (Civil):₹ 22.43 lakh, Ludhiana (Public Health): ₹ 6.33 lakh, Muktsar:₹ 29.32 lakh and Sangrur:₹ 18.88 lakh.**

58 **Bathinda:₹ 12.51 lakh, Chandigarh (Civil):₹ 3.43 lakh, Chandigarh (Electrical): ₹ 3.29 lakh, Ludhiana (Civil):₹ 22.43 lakh and Sangrur: ₹ 15.75 lakh.**

59 **Faridkot:₹ 2.85 lakh, Ferozepur:₹ 0.99 lakh, Gurdaspur:₹ 10.35 lakh, Jalandhar: ₹ 2.67 lakh, Muktsar:₹ 29.32 lakh, Ludhiana (Public Health):₹ 6.33 lakh and Sangrur:₹ 3.13 lakh.**

60 **Gurdaspur and Ferozepur.**

61 **Sangrur, Muktsar and Ludhiana.**

IRRIGATION AND POWER DEPARTMENT

3.2.1 Loss due to defective designing of a canal syphon

Construction of a canal* syphon *designed on the basis of incorrect data led to loss of ₹2.79 crore

The Director, Kandi Canal Design Directorate, Chandigarh (Director) conveyed (November 2002) approval of the design for construction of a canal syphon at the junction of Nasrala Choe (a rivulet in which water flows seasonally) and Kandi Canal at RD 64.108 Km to the Superintending Engineer, Kandi Canal Circle, Hoshiarpur (SE). For the purpose of designing the syphon, the flood discharge at this point was estimated as 22284 cusecs by the Director on the basis of field data given by the SE. The discharge estimated by adopting the Dicken's formula was to be compared with the observed field data of flood discharge and to be reported to the Directorate for review of discharge calculation, if required. In addition, the guidelines of the Accelerated Irrigation Benefit Programme (AIBP) launched in 1996-97 by the Government of India for implementation of major and multipurpose irrigation projects provided that while preparing the detailed project reports relating to irrigation/flood control works, peak flood data of at least 25 years was to be taken into consideration. The Nasrala Choe recorded the highest flood discharge of 53620 cusecs on 26 September 1988.

The Chief Engineer Irrigation, Punjab (CE) accorded (January 2006) technical sanction for construction of the said canal syphon under the AIBP at an estimated cost of ₹ 2.55 crore (revised to ₹ 2.83 crore in August 2006). The Executive Engineer, Investigation (J) Division, Hoshiarpur (EE) allotted the work to a contractor in February 2006, which was completed in July 2006 at an aggregate cost of ₹ 2.79 crore.

Scrutiny of records (October 2008) of the EE and information collected subsequently (January 2009 and March 2009) revealed that despite the instructions of the Design Directorate and guidelines of AIBP, the SE/EE did not compare the estimated discharge of 22284 cusecs with the actual peak discharge data of 53620 cusecs of the choe. As a result, when the Choe recorded discharge of 45371 cusecs on 13 August 2008, the syphon was completely damaged resulting in loss of ₹ 2.79 crore. An inquiry committee set up under the chairmanship of Special Secretary Irrigation to investigate the issue inter-alia attributed (November 2008) the damage of syphon to the increase in velocity of water which in turn damaged the down stream protection works and eroded the bed material.

On being pointed out, the EE stated (February 2009) that the design of the syphon was approved by the Director, Design Directorate. The Director intimated (July 2009) that the flood discharge of the choe required for designing of the syphon as supplied by the SE was 16983 cusecs, which was again confirmed by the EE. In reply, the CE informed (May 2010) that for reconstruction of the damaged syphon, the design has been finalized by taking the discharge data of 54000 cusecs confirming the audit observation. Thus, furnishing of incorrect data by the EE and SE and construction of the canal syphon designed on the basis of incorrect data resulted in loss of ₹ 2.79 crore.

The matter was referred to the Government in July 2010; reply has not been received (November 2010).

LOCAL GOVERNMENT DEPARTMENT

3.2.2 Blocking of funds

Release of funds to the Cantonment Boards without any demand resulted in blocking of funds of ₹2.42 crore

In December 2008, the Department of Finance, Government of Punjab, sanctioned release of ₹ 213.68 crore to the local bodies i.e. Municipal Corporations, Councils and Nagar Panchayats in the State for the purpose of developmental works.

Scrutiny of records (September 2009) in the office of Director, Local Government, Punjab, revealed that out of the total amount of ₹ 213.68 crore released, ₹ two crore each were released to the Chief Executive Officers of the Cantonment Boards at Ferozepur and Jalandhar between December 2008 and February 2009 without any demand. Further scrutiny disclosed that out of the total funds of ₹ four crore released, an expenditure of ₹ 87.17 lakh (Ferozepur) and ₹ 70.67 lakh (Jalandhar) only had been incurred till March 2010 and the balance amount of ₹ 2.42 crore remained unutilized with the Boards.

Thus, the release of ₹ four crore to the Cantonment boards, without any demand resulted in blocking of funds of ₹ 2.42 crore from February 2009 to March 2010.

The matter was referred to the Government in March 2010; reply has not been received (November 2010).

IRRIGATION AND POWER DEPARTMENT

3.2.3 Blocking of funds

Boundary pillars and distance marks costing ₹1.10 crore remained unused for the last four years

Financial Rules[62] stipulate that purchases shall be made in the most economical manner and in accordance with definite requirement of the public service.

Scrutiny of records (November 2008) of the Executive Engineer (EE), Gurdaspur Division Upper Bari Doab Canal (UBDC), Gurdaspur revealed that the Chief Engineer, Canals, Department of Irrigation sanctioned (July 2005) the estimates for ₹ one crore (revised to ₹ 1.10 crore in February 2006) for

[62] **Rule 15.2 (b) of the Punjab Financial Rules Vol. I.**

procurement of boundary pillars and distance marks[63] required for fixing along the channels of UBDC system with the provision that the material would be fixed departmentally. The EE procured 12,377 boundary pillars and 5,138 distance marks costing ₹ 1.10 crore. The EE intimated (March 2009) that after retaining 1328 boundary pillars and 668 distance marks with him, the remaining material was distributed (between April 2006 and August 2006) to three other divisions[64] of the circle. Whereas the EEs of these divisions intimated (March 2010 and August 2010) that neither any boundary pillars nor distance marks had been issued to the divisions through any indent by the EE, UBDC, Gurdaspur nor received by these divisions. However, some boundary pillars and distance marks had been dumped in the rest houses and they were not taken on stock.

In August 2007, the Superintending Engineer, Upper Bari Doab Canal Circle, Amritsar (SE) referring to his earlier instructions of October 2006 directed the EEs of the four divisions to execute the work immediately as per codal provisions. The EEs did not comply with the directions of the SE and the SE also did not pursue the matter after August 2007.

On being pointed out, the EEs[65] stated (August 2010) that instructions (October 2006) of the SE, UBDC circle, Amritsar were endorsed (November 2006) to all the Sub-Divisional Officers, but boundary pillars and distance marks had still not been fixed. The EE, UBDC Gurdaspur stated (August 2010) that the estimates for fixing of the boundary pillars and distance marks submitted (November 2006) to the Superintending Engineer were not sanctioned due to non-availability of funds. The reply is acceptance of audit finding.

Thus, lack of proper coordination between SE/EEs, and lack of concrete efforts on their part resulted not only in blocking of government funds of ₹ 1.10 crore for the last four years, but also exposed the material to the risk of theft and deterioration with the passage of time.

The matter was referred to the Government in July 2010; reply has not been received (November 2010).

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63 **Boundary pillars and distance marks are used to prevent encroachment of the Government land and to know the exact location of various structures/exact length of the canal respectively.**

64

Sr No.	Name of division	Boundary Pillars	Distance Marks
1.	Jandiala Division UBDC	4088	1972
2.	Madhopur Division UBDC	2830	384
3.	Majitha Division UBDC	4131	2114
	Total	11049	4470

65 **EE, Jandiala UBDC Division, Amritsar; and EE, Majitha UBDC Division, Amritsar.**

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2.4 Inordinate delay in procurement of equipment

Inordinate delay of 10 years on the part of department to procure the medical equipment

The Employees State Insurance Corporation Act, 1948 aims to accomplish the task of protecting the employees against the hazards of sickness, maternity, disablement and death due to employment injury and to provide medical care to the insured persons and their families. Under the scheme, the expenditure on medical care is shared between the Employees State Insurance Corporation (ESIC) and the State Government in the ratio of 7:1.

Scrutiny of records (October 2006) in the Office of the Director Health Services (SI), Punjab, (Director) revealed that under the Action Plan 1998-99, ESIC accorded (January 2000) approval to purchase 42[66] numbers of essential equipment for seven ESI hospitals[67] in the State at an estimated cost of ₹ 2.17 crore and released (January 2001) ₹ 1.90 crore as its share in advance to the Director for the purpose. Tenders invited for purchase of the equipment in April 2000 and October 2000 were rejected by the Purchase Committee on the ground of failure of the participating firms to fulfil the terms and conditions such as furnishing of the registration certificate, balance sheet, details of the equipment supplied by the firm in the past etc.

Thereafter, the Director accorded (June 2001) approval for purchase of four[68] equipment as per specifications mentioned in the tenders of Punjab Health System Corporation (PHSC). The Government also granted approval to the department (October 2001) to procure the equipment through the Controller of Stores, Punjab (CoS) on the basis of specifications prescribed by PHSC. However, the purchase could not be effected during 2001-02 due to late release of funds in February by the Finance Department. Subsequently, during 2002-03 to 2006-07, tenders could not be finalized due to non-fulfilment of technical specifications and terms and conditions of the tenders such as furnishing of the registration certificate, balance sheet, details of the equipment supplied by the firm in the past etc. In 2007-08, when the tenders were in process (February 2008), it was decided in a meeting held between the Director General (ESI) and Chief Secretary, Punjab that equipment would be purchased at PHSC tenders because the firms did not participate in the tenders due to less quantity of purchase. However, the Purchase Committee observed that PHSC had floated tenders for hydraulic dental unit, whereas the requirement was for electronic dental unit and accordingly the committee did not give its consent to purchase the dental unit. The tender floated by the

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66 **(1) Cardio Monitor with Defibrillator:7 (2) Dental Unit:7 (3) Pulse Oximeter:7 (4) Resuscitation equipment:7 (5) Semi Auto Analyzer :7 and (6) Ultra Sound Machine:7.**

67 **Amritsar, Hoshiarpur, Jalandhar, Ludhiana, Mohali, Phagwara and Rajpura.**

68 **(1) Emergency Resuscitation Kits (2) Pulse Oximeters (3) Chair Mounted Dental Units and (4) Ultra-Sound Machines.**

department in 2009-10 for procurement of the dental unit was also rejected by the Director on the plea of higher rates quoted by the tenderers.

Thus, the department failed to procure the requisite equipment except a few[69] for up-gradation of the hospitals, even after a lapse of 10 years due to one or the other reasons.

On being pointed out, the Director stated (January 2010) that purchase of the dental unit and ultra sound machine could not be effected due to non-finalisation of the tenders and non-compliance of technical specifications by the firms and efforts were being made to purchase these items during 2010 on the basis of PHSC tender. But the fact remained that the department could neither evolve any set purchase system of its own nor did it adopt that of the PHSC. This resulted in inordinate delay in the purchase of various equipment and non-procurement of the dental units and ultra sound machines, in spite of the availability of funds and Government approval as early as in October 2001 to procure the equipment through the CoS with PHSC specifications.

The matter was referred to the Government in December 2009; reply has not been received (November 2010).

3.3 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when prevalent in the entire system. Recurrence of irregularity, despite being pointed out in earlier audits, is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Some important audit findings of persistant irregularity is as under:

INDUSTRIES AND COMMERCE DEPARTMENT

3.3.1 Inadmissible payment of investment incentive

Payments of investment incentive of ₹ 2.64 crore to ineligible industrial units

With a view to attract industrial investment in the State, the Government of Punjab, introduced a package of incentives under the Punjab Industrial Incentive Codes 1992 (code 1992) and 1996 (code 1996) according to which new industrial units that started commercial production on or after 1 October 1992 and 1 April 1996 respectively in the specified areas were eligible for investment incentive at the rate of 30 *per cent* or 20 *per cent* of their fixed capital investment subject to the maximum of ₹ 50 lakh or

[69] **Emergency Resuscitation Kits valuing ₹ 4.67 lakh were purchased in 2005-06. Cardiac Monitor with Defibrillator, Pulse Oxymeter and Semi auto analyzer valuing ₹ 21.33 lakh were purchased in 2008-09.**

₹ 30 lakh depending upon the area in which the units were located. Few instances of payment of inadmissible investment incentive are given below:

(a) Rule 5.2 of the code 1996 provided that in respect of the industrial units which did not have their own land and building, incentive would be allowed, if they had lease/rent deed for land/building occupied by them for a period of ten years.

Incorrect payment of investment incentive (capital subsidy) made to units which neither had land in their name nor any lease deed executed in their favour, in contravention of the provisions of the industrial policy was pointed out in paragraph 3.1 (c) (i) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. On examination of this paragraph, the Public Accounts Committee observed (March 2004) that the investment incentive had been given incorrectly and desired to know the person responsible for not scrutinizing the papers thoroughly before sanctioning the incentive.

Audit scrutinized (September and October 2009) records of 254 industrial units to which investment incentives were released during the year 2008-09 by the Director of Industries and Commerce, Punjab (Director). Audit scrutiny disclosed that investment incentives of ₹ 1.39 crore were released in February 2009 to 11 industrial units ***(Appendix 3.3),*** which had neither land and building in the name of the units nor had any lease deed in their favour for the prescribed period of 10 years. Thus, payment of investment incentives of ₹ 1.39 crore was made to ineligible industrial units.

On this being pointed out in January 2010, the Director stated (March and April 2010) that the land if brought into the stock and balance sheet of the unit could be considered the property of the firm. In respect of one case, the Director stated that the partners gave affidavit to the effect that they had transferred the land in the name of the unit and thus the land was sole property of the unit and the subsidy was granted on that basis. The reply is not acceptable because as per decision of the Hon'ble Supreme Court[70], "in the absence of an agreement to the Contrary, property exclusively belonging to a person, on his entering into partnership with others, does not become a property of the partnership merely because it is used for the business of the partnership. Such property will become property of the partnership only if there is an agreement-express or implied-that the property was, under the agreement of the partnership, to be treated as the property of the partnership". In the 11 cases mentioned above, no agreements were executed by the partners. Even in the cases where affidavits were executed by the partners stating that the land stood transferred in the name of the units, the affidavits can not be considered as valid agreements unless the transfer of land is carried out by registering the transfer deed in favour of the unit. Hence, the payment of incentive to the 11 units was inadmissible.

[70] **In the case of Arm Group Enterprises Limited Vs. Waladorf Restaurant and others {(2003) 6 Supreme Court cases 423}.**

(b) As per Rules 3, 5 and 6 of the code 1996, only small scale industrial units were eligible for investment incentive. Rule 2.18 of the code 1996 defines small scale unit as an industrial unit falling within the definition of such unit as given by the Central Government and registered as such with the Department of Industries, Punjab. As per the Government of India, Ministry of Commerce and Industry (GoI) notification dated 24 December 1999, an industrial unit having plant and machinery worth ₹ one crore was to be treated as Small Scale Industry (SSI).

Scrutiny (October 2009) of records for the year 2008-09 of the Director revealed that an industrial unit[71] in Amritsar falling in category 'A' area and another unit[72] at Samana falling in category 'B' area had plant and machinery worth ₹ 1.57 crore and ₹ 2.67 crore respectively, which were higher than the prescribed limit of ₹ one crore for classifying the units as SSI. The units were erroneously registered as SSI on 12 October 2000 and 30 November 2000 respectively in violation of the instructions issued by GoI. With reference to this erroneous classification, both the units were allowed and paid maximum investment incentive of ₹ 80 lakh in February 2009 at the rate of 30/20 *per cent* of the fixed capital of ₹ 5.92 crore, which was inadmissible as the units were not SSI. Thus, failure to classify the units correctly resulted in inadmissible payment of investment incentive of ₹ 80 lakh to the two units.

On this being pointed out (October 2009), the Director did not furnish any reply.

(c) As per code 1992, commercial production means commencement of manufacture and sale of product for which the unit was set up. Scrutiny of records in the office of the Director of Industries, Punjab revealed (October 2009) that three[73] cold storage units were allowed investment incentive of ₹ 44.28 lakh in February 2009 on their fixed capital investment of ₹ 221.40 lakh, which was inadmissible as these units were not manufacturing/ production units and were only providing storage facilities for preserving the food articles. Thus, payment of incentive to these cold storage units was violative of the provisions of the industrial code and resulted in inadmissible payment of investment incentive of ₹ 44.28 lakh to the three industrial units.

On this being pointed out (October 2009), the department did not furnish any reply.

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71 **M/s Grover Knitters Pvt. Ltd. Amritsar.**

72 **M/s Shree Krishna Spintex Ltd. Samana.**

73 **M/s Central Cold Storage, Nanaksar (Jalandhar): Rs 18.54 lakh, M/s Guru Nanak Cold Stores & General Mills, V&PO Bajwa Kalan (Jalandhar): Rs 15.42 lakh and M/s Prabhakar Cold Storage, Bela (Ropar): Rs 10.32 lakh.**

The matter was referred to the Government in January, June and July 2010; replies have not been received (November 2010).

CHANDIGARH **(S. MURUGIAH)**
The **Pr. Accountant General (Audit), Punjab**

Countersigned

NEW DELHI **(VINOD RAI)**
The **Comptroller and Auditor General of India**

Appendix-1.1
(Refers to paragraph 1.8, page 7)

Year-wise details of Reviews /Paragraphs for which detailed notes have not been received upto 31 March 2010

Year of the Audit Report	Date on which presented to the State legislature	Pending Reviews	Pending Paragraphs	Pending	
				Reviews	Paragraphs
2003-04	31.3.2005	3.1, 3.3 and 5.1	4.2.1, 4.2.5, 4.2.7, 4.2.9, 4.2.10, 4.2.11, 4.3.2, 4.5.2, 4.5.3 and 4.6.1	3	10
2004-05	13.3.2006	3.1	4.2.1, 4.4.1, 4.4.2, 4.4.4 and 4.5.1	1	5
2005-06	29.3.2007	3.1 and 3.3	4.2.3, 4.2.5, 4.2.7, 4.3.4, 4.4.3, 4.5.2, 4.5.3 and 4.6.1	2	8
2006-07	12.3.2008	3.1, 3.4 and 3.5	4.2.1, 4.2.2, 4.2.3, 4.3.1, 4.3.3, 4.3.4, 4.3.6, 4.4.1, 4.4.2, 4.4.4, 4.4.5 and 4.6.1	3	12
2007-08	04.3.2009	3.1 and 5.1	4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.3.1, 4.3.3, 4.3.4, 4.4.1, 4.4.2, 4.4.3, 4.4.5, 4.4.6, 4.4.7, 4.4.8, 4.4.9, 4.4.10, 4.4.13, 4.4.14, 4.4.15, 4.4.16, 4.5.1, 4.5.2, 4.5.3 and 4.6.1	2	27
Total				**11**	**62**

Appendix-1.2
(Refers to paragraph 1.8, page 7)

Department-wise list of Reviews/Paragraphs for which detailed notes have not been received upto 31 March 2010

Sr. No.	Name of the Department	2003-04	2004-05	2005-06	2006-07	2007-08	Total
1	Agriculture	-	-	-	-	1*	-
2	Architecture	-	-	1	-	-	1
3	Cultural Affairs Archaeology and Museums	-	-	-	1	-	1
4	Finance	-	-	-	2	-	2
5	Fisheries	-	-	1	-	-	1
6	Home Affairs and Justice	-	-	-	-	2	2
7	General Para	1	-	1	1	1	4
8	General Admn. (Home Affairs and Justice; and Personnel and Administrative Reforms)	1	2	2	-	-	5
9	Health and Family Welfare	-	-	1	2	1	4
10	Housing and Urban Development	-	1	-	1	-	2
11	Industries and Commerce	-	-	-	-	1	1
12	Information and Technology	-	-	1	-	-	1
13	Irrigation and Power	-	-	-	4	3	7
14	Labour and Employment	1	-	-	-	-	1
15	Planning	1	-	-	-	-	1
16	Public Works Department (Buildings & Roads Branch)	4	1	-	2	9	16
17	Public Works Department (Public Health)	2	-	-	-	-	2
18	Research and Medical Education	-	-	-	-	2	2
19	Revenue	1	-	-	-	-	1
20	Rural Development and Panchayats	-	1	1	-	3	5
21	Social Security and Women & Child Development	-	-	-	1	-	1
22	Social Welfare	-	-	1	-	-	1
23	Soil and water Conservation	-	-	-	-	1	1
24	Sports and Youth Service	-	-	-	-	2	2
25	Tourism and Cultural Affairs	1		-	-	-	1
26	Transport	1	-	-	-	-	1
27	Water Supply and Sanitation (PH)	-	1	1	-	4	6
28	Water Supply and Sanitation, Science and Technology, Revenue.	-	-	-	1	-	1
	Total	**13**	**06**	**10**	**15**	**29**	**73**

* *The para is included in the Irrigation and Power Department being part-b of the same para and as such not counted separately.*

Appendix-1.3
(Refers to paragraph 1.9, page 7)

Details of Reviews/Paragraphs pending for discussion by the Public Accounts Committee as on 31 March 2010

Year	Pending Reviews	Pending Paras	Pending Reviews	Pending Paras
1993-94	-	4.14		1
1995-96	-	3.20		1
1996-97	-	3.24		1
1997-98	-	6.1		1
1999-2000	3.1	3.5, 3.8, 3.14, 3.15, 4.3 and 6.4	1	6
2000-01	-	3.8 and 6.5	-	2
2001-02	-	3.2, 3.3, 3.6, 3.8, 3.9, 3.10, 4.2 and 6.3	-	8
2002-03	3.7	4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.2.1, 4.4.2, 4.4.3 and 4.6.3	1	8
2003-04	3.1, 3.2, 3.3, 3.4 and 5.1	4.2.1, 4.2.5, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11,4.3.2, 4.4.2, 4.5.2, 4.5.3 and 4.6.1	5	12
2004-05	3.1	4.1.2, 4.2.1, 4.3.1, 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.5.1, 4.6.1, 4.7.1 and 4.7.2	1	11
2005-06	3.1, 3.3, 3.4 and 5.1	4.2.3, 4.2.5, 4.2.7, 4.3.4, 4.4.2, 4.4.3, 4.5.2, 4.5.3 and 4.6.1	4	9
2006-07	3.1, 3.2, 3.4 and 3.5	4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.7, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.1 and 4.6.1	4	19
2007-08	3.1 and 5.1	4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6, 4.4.7, 4.4.8, 4.4.9, 4.4.10, 4.4.11, 4.4.12, 4.4.13, 4.4.14, 4.4.15, 4.4.16, 4.5.1, 4.5.2, 4.5.3 and 4.6.1	2	32
Total	**18**	**111**	**18**	**111**

Appendix-2.1
(Refers to paragraph 2.1.2, page 10)

Office bearers of the Governing Body of the State Health Society

1.	Chief Secretary	Chairperson
2.	Principal Secretary/Secretary Department of Health and Family Welfare	Vice-Chairperson
3.	Principal Secretary/Secretary, Department of Rural Development and Panchayats	Member
4.	Principal Secretary/Secretary, Department of Finance	Member
5.	Principal Secretary/Secretary, Department of Water Supply and Sanitation	Member
6.	Principal Secretary/Secretary, Department of School Education	Member
7.	Principal Secretary/Secretary, Department of Planning	Member
8.	Principal Secretary/Secretary, Department of Medical Education and Research	Member
9.	Principal Secretary/Secretary, Department of Housing and Urban Development	Member
10.	Principal Secretary/Secretary, Department of Welfare of SCs/BCs	Member
11.	Principal Secretary/Secretary, Department of Social security and Women and Child Development	Member
12.	Principal Secretary/Secretary, Department of Local Bodies	Member
13.	Managing Director, Punjab Health Systems Corporation	Member
14.	Director, Health Services (Family Welfare)	Member
15.	Director, Health Services (Employee State Insurance)	Member
16.	Director, Research and Medical Education	Member
17.	Director, Ayurveda, Unani, Shindhi, Homeopathy (AYUSH)	Member
18.	Representative(s) of Government of India, Ministry of Health and Family Welfare	Member (s)
19.	Regional Director, Ministry of Health and Family Welfare, Government of India	Member
20.	Representative(s) of Development partners supporting the NRHM in the State	Member (s)
21.	Director, Post Graduate Institute of Medical Education and Research (PGIMER) Chandigarh	Member
22.	Representative of Society for service to voluntary agencies	Member
23.	Representative of Family Planning Association of India, Mohali Branch	Member
24.	Representative of State Branch of Indian Medical Association	Member
25.	Representation of the State Unit of Federation of Obsdric and Gynecological Societies of India	Member
26.	Director, Health and Family Welfare/Mission Director of the State Health Mission	Convener

Appendix-2.2

(Refers to paragraph 2.1.5, page 11)

Details of health centres test-checked

Sr. No.	District (5)	DH (5)	SDH (5)	CHC (15)	PHC (23)	Sub Centre (60)
1.	Amritsar	Amritsar	Baba Bakala	Lopoke	Brar	Boprai Kalan
						Padhri
						Bachiwind
						Lopoke
				Tarsika	Matewal	Chnanke
						Matewal
						Tangra
						Tarsika
				Jandiala at Manawala	Jandaiala	Devidaspura
						Manawala Khurd
					Verpal	Taragarh
						Thathian
2	Hoshiarpur	Hoshiarpur	Mukerian	Bhunga	Januri	Hussianpur
						Jamsher Chothiol
						Dondoh
						Neela Noloya
				Mand Mandhar	Badala	Bisso Chak
						Usman Shaheed
					Khunkhun Kalan	Bodal
						Gambowal
				Mahilpur	Barain Kalan	Bahowal
						Singhpur
					Paldi	Kharar Acharwal
						Pondori Ganga Singh
3.	Jalandhar	Jalandhar	Phillaur	Bara Pind	Bara Pind	Mansur pur
						Rai pur
					Dosanj Kalan	Birk
						Chak Dessai
				Shahkot	Rupewali	Baga
						Malsian
						Muridwal
						Lassuri
				Bundala	Jandiala	Dhani Pind
						Sarhali
					Rurka Kalan	Rurka Kalan
						Bopa Rai

Sr. No.	District (5)	DH (5)	SDH (5)	CHC (15)	PHC (23)	Sub Centre (60)
4.	Ludhiana	Ludhiana	Samrala	Gurusar Sudhar	Bassian	Bassian
						Burj Hari Singh
						Akalgarh
						Gurusar Sudhar
				Sidhwan Bet	Humbran	Balipur
						Talwara
					Swaddi Kalan	Swaddi Kalan
						Mandiani
				Maloudh	Ghawaddi	Ghawaddi
						Jaspal Banger
					Siahar	Bhikhi
						Siahar
5.	Patiala	Patiala	Rajpura	Kalomajra	Khera Gajju	Jungpura
						Jansui
						Manakpur
						Pabri
				Ganaur	Harpalpur	Chalheri
						Tepla
					Ajrour	Ram Nagar
						Baprour
				Bhadson	Ajnouda	Dittu Pur
						Kakrala
						Fatehpur
						Babarpur

Figures in bracket indicate the number of Districts/centres test checked

Appendix-2.3

(Refers to paragraph : 2.1.7, page 12)

Details of funds received, expenditure incurred and balances under each component of NRHM

(₹ in lakh)

	OB	Approved PIP			Funds released			Total Funds Available			Expenditure			Balance		
					Interest/ Misc. Receipts/Transfers											
Particulars	**as on 01.4.2005**	**2005-06**	**2006-07**	**2007-08**	**2005-06**	**2006-07**	**2007-08**	**2005-06**	**2006-07**	**2007-08**	**2005-06**	**2006-07**	**2007-08**	**2005-06**	**2006-07**	**2007-08**
Family welfare 2211 head	0	4561	5325	5510.72	4561.12	5325.2	5510.72	4561.12	5325.2	5510.72	4561.12	5325.2	5510.72	0	0	0
														0		
RCH Flexipool		2900	3612	3073	1742	2372.15	1389.3	1742	3616.64	3888.74	502.22	1117.2	1922.21	1239.8	2499.44	1966.53
						4.71								0		
Additionalities under NRHM		0	5109	6773.8	965.8	5109	3112	965.8	5879.39	8476.21	195.41	515.18	1877.11	770.39	5364.21	6599.1
														0		
Stg. of routine Immu Prog			136.33		156.33	136.33	83.86	156.33	192.64	158.15	97.23	118.35	139.75	59.1	74.29	18.4
						-2.79								0		
RNTCP	100.83	372.35	430.05	531.15	150	350	365	257.58	394.25	457.2	216.39	304.9	367.22	41.19	89.35	89.98
					6.75	3.06	2.85							0		
NLEP	23.58	81.67	101.31	97.15	38.32	46.06	20	62.09	82.47	65.71	26.02	37.67	52	36.07	44.8	13.71
					0.19	0.34	0.91							0		

NPCB	2.82		172	320	132.37	152.8	72	135.39	199.75	88.6	90.17	183.71	75.26	45.22	16.04	13.34
					0.2	1.73	0.56							0		
NVBDCP							11.16	0	0	11.16			7.1	0	0	4.06
								0						0		
IDSP			164	80		164	0	0	164	164			17.51	0	164	146.49
								0						0		
NIDDCP								0	0	0				0	0	0
														0		0
Pulse Polio Immunization	158.79		691.34		356	691.35	657.29	509.56	855.8	726.33	346.41	786.76	450.03	163.15	69.04	276.3
					-5.23	1.3								0		
IEC	16.76		127.2		133.24	127.2		150	136.7	13.95	139.84	122.65	13.07	10.16	14.05	0.88
						-0.66	-0.1	0						0		
Other grants						110.62		0	215.87	316.26		0.2	0.01	0	215.67	316.25
						105.25	100.59							0		
Total	**302.78**	**7915.02**	**15868.2**	**16385.8**	**8237.09**	**14697.7**	**11326.1**	**8539.87**	**17062.7**	**19877**	**6174.81**	**8511.82**	**10432**	**2365.1**	**8550.89**	**9445.04**

Particulars	OB	Approved PIP		Funds released				Total Funds Available				Expenditure				Balance	
				Interest/ Misc. Receipts/Transfers													
	as on	2008-09	2009-10	2008-09		2009-10		2008-09		2009-10		2008-09		2009-10		2008-09	2009-10
	01.4.2008			GOI	State	GOI	State	GOI	State	GOI	State	GOI	State	GOI	State		
Family welfare 2211 head	0	5934.12	5912	5934.12		6912.4		5934.12		6912.4		5934.12		6912.4		0	0
			5912													0	0
RCH Flexipool	1966.53	5695		5663		5981		7629.53		9371.45		4239.08		4653		3390.45	4718.45
																0	0
Additionalities under NRHM	6599.1	8613	11276	4865	2884	6423	1699	11354.52	2884	14159.89	1699	3617.63	2884	7677	956	7736.89	7225.89
				-109.58												0	0
Stg. of routine Immu Prog	18.4	226	280	112.34		286		130.74		305.01		111.73		206.64		19.01	98.37
																0	0
RNTCP	89.98	522.16	616	432		472		542.13		560.06		440.74		418		101.39	142.06
				20.15		-13.33										0	0
NLEP	13.71	76	130	121.45		66		135.97		111.8		90.17		73		45.8	38.8
				0.81												0	0

NPCB	13.34	637.5	350	138.3		286		152.69		348.18		91.97		83		60.72	265.18
				1.05		1.46										0	0
NVBDCP	4.06	212	107	39.74		239		43.8		259.9		22.9		20		20.9	239.9
																0	0
IDSP	146.49	80	142	30		127		179.44		207.8		98.64		76		80.8	131.8
				2.95												0	0
NIDDCP	0	20	20					0								0	0
																0	0
Pulse Polio Immunization	276.3	1008		543.84		1335		820.14		1399.87		755.27		1014.97		64.87	384.9
																0	0
IEC	0.88							0.88		0.42		0.46				0.42	0.42
																0	0
Other grants	316.25							427.76		196.93		230.83				196.93	196.93
				111.51												0	0
Total	**9445.04**	**23023.78**	**24745**	**17906.68**	**2884**	**22115.53**	**1699**	**27351.72**	**2884**	**33833.71**	**1699**	**15633.54**	**2884**	**21134.01**	**956**	**11718.18**	**13442.7**

Source: State Health Society

Appendix-2.4
(Refers to paragraph 2.1.17, page 20)

Position of manpower in the test-checked CHCs

(Number)

Sr. No.	Name of CHC	Doctor	Staff Nurse	Pharmacist	Laboratory Technician	Radiographer
	IPHS Norms	**(12)**	**(19)**	**(3)**	**(3)**	**(2)**
	Sanctioned posts	**(7)**	**(7)**	**(2)**	**(1)**	**(1)**
1.	Bara Pind	6	11	2	1	1
2.	Bhadson	6	2	2	2	1
3.	Bhunga	5	10	2	3	1
4.	Ghanaur	7	11	3	1	1
5.	Jandiala	10	7	2	1	1
6.	Kalo Majra	3	2	1	1	1
7.	Lopoke	4	5	1	1	1
8.	Mahalpur	7	0	1	0	0
9.	Malaudh	5	14	1	1	1
10.	Manawala	7	13	1	3	2
11.	Mand Mandher	4	9	3	3	1
12.	Shahkot	5	4	1	1	1
13.	Sidhwanbet	8	11	3	1	1
14.	Sudhar	5	11	2	2	1
15.	Tarsika	5	7	6	3	1
Total Available		**87**	**117**	**31**	**24**	**15**
Total requirement as per IPHS Norms		**180**	**285**	**45**	**45**	**30**
Total requirement as per Sanctioned posts		**105**	**105**	**30**	**15**	**15**

Source : Test checked units

Appendix-2.5
(Refers to paragraph 2.1.18, page 21)

Position of manpower in the test-checked PHCs

(Number)

Sr. No.	Name of PHC	Doctor	Staff Nurse	Pharmacist	Laboratory Technician
	IPHS Norms	**(3)**	**(5)**	**(2)**	**(2)**
	Sanctioned posts	**(3)**	**(1)**	**(1)**	**(1)**
1.	Ajnouda	2	3	1	1
2.	Ajrour	1	0	1	0
3.	Badla	1	3	1	1
4.	Bara Pind	2	2	3	1
5.	Barian Kalan	1	1	1	0
6.	Bassian	0	0	1	0
7.	Brar	1	0	1	1
8.	Dosanj Kalan	1	2	1	1
9.	Gajju Khera	1	0	0	2
10.	Gawaddi	1	2	2	0
11.	Harpalpur	0	4	1	0
12.	Humbran	2	3	2	1
13.	Janauri	1	3	1	0
14.	Jandiala	2	3	1	2
15.	Jandiala Guru	0	4	0	1
16.	Khunkhun Kalan	1	1	1	1
17.	Matewal	2	1	1	1
18.	Paldi	2	2	4	1
19.	Rupewali	1	1	1	0
20.	Rurka Kalan	2	2	1	1
21.	Sihar	1	0	1	0
22.	Swaddi Kalan	0	0	1	0
23.	Verpal	1	3	1	1
Total Available		**26**	**40**	**28**	**16**
Total requirement as per IPHS Norms		**69**	**115**	**46**	**46**
Total requirement as per Sanctioned posts		**69**	**23**	**23**	**23**

Source : Test checked units

Appendix-2.6
(Refers to paragraph 2.1.19, page 21)

Position of manpower in the test-checked SCs

(Number)

Sr. No.	Name of SC	ANM (Female)	MPHW (Male)	Sr. No.	Name of SC	ANM (Female)	MPHW (Male)
	IPHS Norms	**(2)**	**(1)**		**IPHS Norms**	**(2)**	**(1)**
	Sanctioned posts	**(1)**	**(1)**		**State Norms**	**(1)**	**(1)**
1.	Akalgarh	1	0	31.	Jaspal Banger	1	1
2.	Babarpur	1	0	32.	Kakrala	1	0
3.	Bachiwind	1	0	33.	Kharar Acharwal	0	0
4.	Baga	1	1	34.	Lassuri	1	0
5.	Bahowal	1	0	35	Lopoke	1	0
6.	Balipur	1	0	36	Malsian	1	1
7.	Baprour	1	1	37.	Manakpur	1	1
8.	Bassian	1	0	38.	Manawala Khurd	1	0
9.	Bhikhi	1	1	39.	Mandiani	1	1
10	Birk	1	1	40.	Mansurpur	1	0
11	Bisso Chak	1	1	41.	Matewal	1	1
12	Bodal	1	1	42.	Muridwal	1	1
13	Boparai	1	1	43.	Neela Naloya	1	1
14	Boparai Kalan	1	0	44.	Pabri	1	1
15	Burj Hari Singh	1	0	45.	Padri	1	1
16	Chak Dosanj	1	1	46.	Pandori Ganga Singh	1	0
17	Chalheri	1	1	47.	Raipur	1	1
18	Chananke	1	1	48.	Ram Nagar	1	1
19	Devidaspura	1	1	49.	Rurka kalan	1	1
20	Dhani Pind	1	1	50.	Sarhali	1	1
21	Dittu Pur	1	0	51.	Siahar	1	1
22	Dondoh	1	1	52.	Singhpur	1	0
23	Fatehpur	1	1	53.	Swaddi Kalan	1	0
24	Gambowal	1	1	54.	Talwara	1	0
25	Ghawaddi	1	1	55.	Tangra	1	1
26	Gurusar Sudhar	1	1	56.	Taragarh	1	1
27	Hussainpur	1	1	57.	Tarsika	1	0
28	Jamsher Chothiol	1	0	58.	Tepla	1	1
29	Jangpura	1	1	59.	Thathian	1	0
30	Jansui	1	1	60.	Usman Shaheed	1	1
	Total Available					**59**	**38**
	Total requirement as per IPHS Norms					**120**	**60**
	Total requirement as per Sanctioned posts					**60**	**60**

Source : Test checked units

Appendix-2.7
(Refers to paragraph 2.1.29, page 29)

Targets and achievements under Family Planning

(a) Terminal methods

(Number)

Year	Eligible couples in the State	Vasectomy		Tubectomy and Laparoscopy		Total Sterilization	
		T	A	T	A	T	A
2005-06	3707773	4091	15762	101412	91828	105503 (2.8)	107591 (2.9)
2006-07	3726266	11591	5615	94195	88143	105786 (2.8)	93758 (2.5)
2007-08	3746759	8009	13110	94215	90798	102224 (2.7)	103908 (2.8)
2008-09	3748312	14269	12760	90993	84879	105262 (2.8)	97639 (2.6)
2009-10	3776786	14521	12551	91165	81802	105686 (2.8)	94353 (2.5)
Total	**18705896**	**52481**	**59798**	**471980**	**437450**	**524461**	**497249**

(b) Spacing methods

(Number)

Year	Eligible couples	Total couple Sterilized by terminal methods	Balance number of couples to be covered under spacing methods	No. of couples on IUD insertions	No. of couples on oral pills	No. of couples on CC	Total couples covered under spacing methods	Uncovered eligible couples under family planning
2005-06	3707773	107591 (3)	3600182	341365 (9)	117152 (3)	104785 (3)	563302 (15)	3036880 (82)
2006-07	3726266	93758 (3)	3632508	335263 (9)	119316 (3)	107214 (3)	561793 (15)	3070715 (82)
2007-08	3746759	103908 (3)	3642851	313453 (8)	114770 (3)	106631 (3)	534854 (14)	3107997 (83)
2008-09	3748312	97639 (3)	3650673	297182 (8)	117206 (3)	448304 (11)	862692 (23)	2787981 (74)
2009-10	3776786	94353 (2.5)	3682433	297167 (8)	109762 (3)	446960 (12)	853889 (23)	2828544 ((75)
Total	**18705896**	**497249 (3)**	**18208647**	**1584430 (8)**	**578206 (3)**	**1213894 (7)**	**3376530 (18)**	**14832117 (79)**

Source : State Health Society

T indicates Target
A indicates Achievement
Figures in brackets indicate percentages with reference to the eligible couples in the State

Appendix-2.8
(Refers to paragraph 2.2.6, pages 36 & 37)

List of schemes implemented in the State relating to Secondary Education

I	**State Plan Schemes**
1	Strengthening of science education renamed as Strengthening of science labs in High and Sr. Secondary Schools
2	Infrastructural Development in Government Schools (Edu cess)
3	Creation of staff for new districts (Salary component)
4	Popularisation of Science Education
5	Opening of Adarsh School in each block of State
6	Subsidy to students from Government Schools visiting the Science City Kapurthala
7	Vocational Education Programme
8	Infrastructural development in Schools (Rural areas) of the State under NABARD Project
9	Information and Communication Technology (ICT) Project
10	Education through Satellite (EDUSAT) Project
II	**Centrally Sponsored Schemes (100 *per cent*)**
1	Taking over of National Fitness Corps (NFC)
2	Integrated Education for Disabled Children (IEDC)
3	Incentives to Girls Students of Secondary Education
4	Assistance for Appointment of Hindi Teachers
5	Assistance for Appointment of Urdu Teachers
III	**Schemes shared by Government of India and the State**
1	Inforamtion and Communication Technology(ICT) Project (75:25)
2	Rashtriya Madhyamic Shiksha Abhiyan(RMSA) (75:25)
3	Construction and Running of Girls Hostels of Secondary and Higher Secondary Schools (90:10)
4	Setting up of Model Schools at block level in educationally backward blocks (75:25)
IV	**State Non Plan Schemes**
1	Non Plan expenditure mainly related to the salary component of Secondary Education and other office expenses etc
2	Re-imbursement to Transport department/PRTC in lieu of free/concessional travel facilities to students
3	Scholarships to Sainik School/other rural areas talented students etc. Aid to Non Government Schools

Appendix-2.9
(Refers to paragraph **2.2.13**, *page 43)*

Position of infrastructure in test-checked schools

Sr. No.	Name of District	No. of schools having shortage of desks	No. of students	Shortage of desks	No. of schools having shortage of classroom	Shortage of classrooms	No. of schools having unsafe buildings	No. of unsafe classrooms
1.	Amritsar	7	3671	1955	4	12	5	29
2.	Fatehgarh Sahib	9	5343	1150	--	--	--	--
3.	Gurdaspur	24	11107	9329	15	61	7	22
4.	Ludhiana	3	1581	714	5	8	3	16
5.	Mansa	13	6662	4393	8	31	2	4
6.	Ropar	11	5833	3576	5	14	3	14
	Total	**67**	**34197**	**21117**	**37**	**126**	**20**	**85**

Appendix-3.1
(Refers to paragraph 3.1.7, page 62)

Details of rebate admissible to Central Jail, Patiala on electricity consumption

Sr. No	Period	Total consumption	Consumption charges billed	Units to be billed after allowing 13 *per cent* rebate on consumption	Consumption charges to be billed (proportionate)	Excess billed amount	Rebate admissible @ 5 *per cent* for handling/service charges of	Total admissible rebate
		(Units)	(₹)	*(Units)*	(₹)	(₹)	(₹)	(₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (7+8)
1	Nov-04	127220	478347	110681	416162	62185	20808	82993
2	Dec-04	86850	300501	75560	261436	39065	13072	52137
3	Jan-05	93890	324859	81684	282627	42232	14131	56363
4	Feb-05	91980	318251	80023	276878	41373	13844	55217
5	Mar-05	80520	278599	70052	242381	36218	12119	48337
6	Apr-05	101170	350048	88018	304542	45506	15227	60733
7	May-05	98920	342263	86060	297769	44494	14888	59383
8	Jun-05	101000	385820	87870	335663	50157	16783	66940
9	Jul-05	96000	366720	83520	319046	47674	15952	63626
10	Aug-05	112000	427840	97440	372221	55619	18611	74230
11	Sep-05	100000	382000	87000	332340	49660	16617	66277
12	Oct-05	99000	378180	86130	329017	49163	16451	65614
13	Nov-05	105000	401100	91350	348957	52143	17448	69591
14	Dec-05	92000	351440	80040	305753	45687	15288	60975
15	Jan-06	110000	420200	95700	365574	54626	18279	72905
16	Feb-06	87000	332340	75690	289136	43204	14457	57661
17	Mar-06	**Not available**						
18	Apr-06	107000	408740	93090	355604	53136	17780	70916
19	May-06	115000	439300	100050	382191	57109	19110	76219
20	Jun-06	121000	462220	105270	402131	60089	20107	80195
21	Jul-06	**Not available**						

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (7+8)
22	Aug-06	120000	458400	104400	398808	59592	19940	79532
23	Sep-06	119000	454580	103530	395485	59095	19774	78870
24	Oct-06	107000	408740	93090	355604	53136	17780	70916
25	Nov-06	106000	404920	92220	352280	52640	17614	70254
26	Dec-06	102000	389640	88740	338987	50653	16949	67603
27	Jan-07	122000	466040	106140	405455	60585	20273	80858
28	Feb-07	93000	355260	80910	309076	46184	15454	61638
29	Mar-07	**Not available**						
30	Apr-07	110000	420200	95700	365574	54626	18279	72905
31	May-07	128000	488960	111360	425395	63565	21270	84835
32	Jun-07	**Not available**						
33	Jul-07	147000	561540	127890	488540	73000	24427	97427
34	Aug-07	141000	538620	122670	468599	70021	23430	93451
35	Sep-07	134000	511880	116580	445336	66544	22267	88811
36	Oct-07	113000	462170	98310	402088	60082	20104	80186
37	Nov-07	101000	413090	87870	359388	53702	17969	71671
38	Dec-07	100000	409000	87000	355830	53170	17792	70962
39	Jan-08	116000	474440	100920	412763	61677	20638	82315
40	Feb-08	**Not available**						
41	Mar-08	106000	433540	92220	377180	56360	18859	75219
42	Apr-08	103000	411036	89610	357601	53435	17880	71315
43	May-08	104000	413920	90480	360110	53810	18006	71815
44	Jun-08	108000	429840	93960	373961	55879	18698	74577
45	Jul-08	112000	445780	97440	387829	57951	19391	77343
46	Aug-08	125000	497500	108750	432825	64675	21641	86316
47	Sep-08	101000	401980	87870	349723	52257	17486	69744
48	Oct-08	109000	433820	94830	377423	56397	18871	75268
49	Nov-08	85000	338300	73950	294321	43979	14716	58695
50	Dec-08	89000	354220	77430	308171	46049	15409	61457
51	Jan-09	90000	358200	78300	311634	46566	15582	62148
52	Feb-09	91000	362180	79170	315097	47083	15755	62838

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (7+8)
53	Mar-09	84000	334320	73080	290858	43462	14543	58005
54	Apr-09	90000	358200	78300	311634	46566	15582	62148
55	May-09	124000	493520	107880	429362	64158	21468	85626
56	Jun-09	144000	573120	125280	498614	74506	24931	99436
57	Jul-09	135000	537300	117450	467451	69849	23373	93222
58	Aug-09	143000	569140	124410	495152	73988	24758	98746
59	Sep-09	123000	536280	107010	466564	69716	23328	93045
60	Oct-09	122000	531920	106140	462770	69150	23139	92288
61	Nov-09	98000	427280	85260	371734	55546	18587	74133
62	Dec-09	106000	462160	92220	402079	60081	20104	80185
63	Jan-10	110000	479600	95700	417252	62348	20863	83211
64	Feb-10	99000	431640	86130	375527	56113	18776	74890
65	Mar-10	114000	497040	99180	432425	64615	21621	86236
	Total							**4420448**

Appendix-3.2
(Refers to paragraph 3.1.7, page 62)

Details of rebate admissible to District Jail, Sangrur on electricity consumption

Sr. No	Period	Total consumption	Consumption charges billed	Units to be billed after allowing 13 *per cent* rebate on consumption	Consumption charges to be billed (proportionate)	Excess billed amount	Rebate admissible @ 5 *per cent* for handling/service charge.	Total admissible rebate	Remarks
		(Units)	*(₹)*	*(Units)*	*(₹)*	*(₹)*	*(₹.)*	*(₹.)*	
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9) (7+8)**	**(10)**
1	May-06			0	152425	0	7621	7621	Rebate allowed at the rate of 13 *per cent* only
2	Jun-06			0	195432	0	9772	9772	Rebate allowed at the rate of 13 *per cent* only
3	July-06	67404	243685	58641	212006	31679	10600	42279	Rebate not allowed at all
4	Aug-06	53300	186340	46371	162116	24224	8106	32330	Rebate not allowed at all
5	Sep-06			0	183432	0	9172	9172	Rebate allowed at the rate of 13 *per cent* only
6	Oct-06			0	182924	0	9146	9146	Rebate allowed at the rate of 13 *per cent* only
7	Nov-06	**Not available**							
8	Dec-06			0	164808	0	8240	8240	Rebate allowed at the rate of 13 *per cent* only
9	Jan-07			0	163975	0	8199	8199	Rebate allowed at the rate of 13 *per cent* only
10	Feb-07	44767	156509	38947	136163	20346	6808	27154	Rebate not allowed at all
11	Mar-07	56337	196959	49013	171354	25605	8568	34172	Rebate not allowed at all
12	Apr-07	45730	159876	39785	139092	20784	6955	27738	Rebate not allowed at all
13	May-07	49167	171895	42775	149549	22346	7477	29824	Rebate not allowed at all
14	Jun-07			0	195400	0	9770	9770	Rebate allowed at the rate of 13 *per cent* only
15	July-07			0	211036	0	10552	10552	Rebate allowed at the rate of 13 *per cent* only
16	Aug-07	64812	226592	56386	197135	29457	9857	39314	Rebate not allowed at all
17	Sep-07			0	218859	0	10943	10943	Rebate allowed at the rate of 13 *per cent* only
18	Oct-07	66348	231960	57723	201805	30155	10090	40245	Rebate not allowed at all
19	Nov-07	47963	179577	41728	156232	23345	7812	31157	Rebate not allowed at all

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
20	Dec-07	57793	216380	50280	188251	28129	9413	37542	Rebate not allowed at all
21	Jan-08	45934	171980	39963	149623	22357	7481	29839	Rebate not allowed at all
22	Feb-08	51801	193745	45067	168558	25187	8428	33615	Rebate not allowed at all
23	Mar-08	56634	212042	49272	184477	27565	9224	36789	Rebate not allowed at all
24	Apr-08			0	180507	0	9025	9025	Rebate allowed at the rate of 13 *per cent* only
25	May-08	46139	172747	40141	150290	22457	7514	29972	Rebate not allowed at all
26	Jun-08	54769	228099	47649	198446	29653	9922	39575	Rebate not allowed at all
27	July-08	43053	179886	37456	156501	23385	7825	31210	Rebate not allowed at all
28	Aug-08			0	217617	0	10881	10881	Rebate allowed at the rate of 13 *per cent* only
29	Sep-08	52794	195918	45931	170449	25469	8522	33992	Rebate not allowed at all
30	Oct-08	54567	203238	47473	176817	26421	8841	35262	Rebate not allowed at all
31	Nov-08	47248	175338	41106	152544	22794	7627	30421	Rebate not allowed at all
32	Dec-08	42488	157666	36965	137169	20497	6858	27355	Rebate not allowed at all
33	Jan-09	40339	149699	35095	130238	19461	6512	25973	Rebate not allowed at all
34	Feb-09	44048	163463	38322	142213	21250	7111	28361	Rebate not allowed at all
35	Mar-09	31735	135366	27609	117768	17598	5888	23486	Rebate not allowed at all
36	Apr-09	46582	138987	40526	120919	18068	6046	24114	Rebate not allowed at all
37	May-09	51474	191017	44782	166185	24832	8309	33141	Rebate not allowed at all
38	Jun-09		208872	0	181719	27153	9086	36239	Rebate not allowed at all
39	July-09	60852	225748	52941	196401	29347	9820	39167	Rebate not allowed at all
40	Aug-09	61535	228350	53535	198665	29686	9933	39619	Rebate not allowed at all
41	Sep-09	57592	213723	50105	185939	27784	9297	37081	Rebate not allowed at all
42	Oct-09	41498	168407	36103	146514	21893	7326	29219	Rebate not allowed at all
43	Nov-09	36785	149278	32003	129872	19406	6494	25900	Rebate not allowed at all
44	Dec-09	34730	140938	30215	122616	18322	6131	24453	Rebate not allowed at all
45	Jan-10	43655	177158	37980	154127	23031	7706	30737	Rebate not allowed at all
46	Feb-10	0	0	26059	121555	0	6078	6078	Rebate allowed at the rate of 13 *per cent* only
47	Mar-10	39655	160925	34500	140005	20920	7000	27920	Rebate not allowed at all
					Total			**1324012**	

Appendix-3.3
(Refers to paragraph 3.3.1 (a), page 69)

Details of industrial units to which investment incentive was granted

Sr. No	Name of the Unit	Amount (₹ in lakh)
1.	M/S Janta Cold Store, VPO. Bhadour, Distt. Sangrur	18.45
2	M/S Mittal Poultry Farm, V. Lehra Mohabbat, Distt. Bathinda	15.30
3	M/S Bright Industries, VPO. Sohian (Verka) Batala Road, Distt. Amritsar	7.88
4	M/S Ambika Auto Industries, Prince Estate, Jalandhar City	5.94
5	M/S Onkar Cold Storage, VPO Lidhran, Distt. Jalandhar	9.39
6	M/S Sri Ganpati Paper Products, V. Kang Sabu, Distt. Jalandhar	13.00
7	M/S Midha Textile Industries, V. Killian Wali, Distt. Mukatsar	11.27
8	M/s Kalsi Agro Industries, Bathinda Road, Rampura Phul	12.15
9	M/S Krishna Plastic Industries, V. Bhadak, Tehsil Rajpura, Distt. Patiala	8.50
10	M/S Om Milk Food, Vill Nagli, Fatehgarh Churian Road, Distt. Amritsar	18.81
11	M/S Golden view Hotel, Urban Estate, Phase -I, Jalandhar	18.72
	Total	**139.41**