

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

on

Social, General and Economic Sectors

(Non-Public Sector Undertakings)

for the year ended 31 March 2014

Government of Haryana

Report No. 2 of the year 2015

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PREFACE

This Report for the year ended 31 March 2014 has been prepared for submission to the Governor of the State of Haryana under Article 151 of the Constitution of India.

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

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2013-14 have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains three Performance Audits i.e. (i) Working of Secondary Education Department; (ii) National Rural Health Mission; and (iii) Development of Urban Estates and 23 paragraphs relating to excess, irregular, unfruitful expenditure, avoidable payment, loss to State Government, shortcomings in implementation of rules and programmes, etc; involving ₹ 1036.62 crore. Some major findings are mentioned below:

The total expenditure of the State increased by 49 *per cent* from ₹ 31,305 crore to ₹ 46,598 crore during 2009-14, the revenue expenditure of the State Government increased by 66 *per cent* from ₹ 25,257 crore in 2009-10 to ₹ 41,887 crore 2013-14 while capital expenditure decreased by 25 *per cent* from ₹ 5,218 crore to ₹ 3,935 crore during the period 2009-14.

PERFORMANCE AUDIT

A performance audit of “**Working of Secondary Education Department**” was conducted. Some major findings are given below:

- There were substantial savings ranging between ₹ 56.23 crore and ₹ 542.51 crore under Plan and between ₹ 67.50 crore and ₹ 606.40 crore under Non-Plan during 2009-14. Funds amounting to ₹ 8.87 crore were parked outside the Government Account.

(Paragraphs 2.1.7 and 2.1.7.1)

- Undue favour was extended to the service provider of maintenance of information and communication technology laboratories by making extra payment of ₹ 1.06 crore in violation of contract agreement. The functioning of ICT laboratories established by a service provider was rated as poor by 102 out of 123 schools from whom feedback was obtained.

(Paragraph 2.1.8.1)

- Vouchers in support of expenditure of ₹ 39.75 lakh as having been incurred were not available with District Education Officer, Kaithal and non-receipt of material for ₹ 4.99 lakh by DEO, Nuh which may amount to misappropriation/embezzlement of Government money.

(Paragraph 2.1.8.3)

- The pass percentage of students of Class XII and X had declined sharply from 89.33 to 71.16 and from 79.58 to 49.78 respectively. The fee structure of private recognised schools was not monitored by the department.

(Paragraphs 2.1.9.1 and 2.1.9.2)

- Out of 91 upgraded schools in test-checked districts, 55 schools were not fulfilling the prescribed norms of classrooms, number of students, area of the schools premises, etc. As against 37,236 sanctioned posts in the cadres of Principals, Headmasters and Lecturers, the actual strength was 10,979.

(Paragraphs 2.1.9.3 and 2.1.10.1)

A performance audit on “**National Rural Health Mission**” was conducted. Some major findings are given below:

- Baseline survey at village level and the facility survey of CHCs and PHCs was not conducted upto 2013-14 to facilitate preparation of perspective plan for the entire Mission period.

(Paragraph 2.2.6)

- Against the requirement of 125 Community Health Centres (CHCs), 501 Primary Health Centres (PHCs) and 3006 Sub-Centres (SCs), 112 CHCs, 485 PHCs and 2,630 SCs were available in the State besides shortage of medical and paramedical staff ranging between 7 and 30 per cent.

(Paragraphs 2.2.8.1 and 2.2.9)

- There was shortage of essential drugs in test-checked General Hospitals, CHCs and PHCs during 2010-14. Drug kits were not provided to 4,800 out of 16,800 Accredited Social Health Activists in the State. No guidelines were framed by the Department to deal with cases where a firm has been blacklisted by another Corporation/State.

(Paragraphs 2.2.10.1 to 2.2.10.3)

- A large number of registered pregnant women did not show up for antenatal check-ups at the time of first trimester. There were cases of substantial delays/non-payment of incentives under Janani Suraksha Yojna.

(Paragraph 2.2.11.1)

- As against the target of conducting 7.14 lakh cataract operations, 6.42 lakh cataract operations were performed during 2009-14. Against the detection of 1,22,966 student with refractive errors, only 44,320 students were provided spectacles.

(Paragraph 2.2.12)

A performance audit of “**Development of Urban Estates**” was conducted. Some major findings are given below:

- Planning of National Capital Region was not done in consonance with Regional Plan of National Capital Regional Planning Board.

(Paragraph 2.3.6.1)

- Delay in referring the cases of landowners to courts by Land Acquisition Officers resulted in extra payment of interest of ₹ 3.17 crore. Further, delay in making payment of land enhanced compensation led to extra payment of interest of ₹ 4.67 crore.

(Paragraphs 2.3.7.1 and 2.3.7.2)

- A sum of ₹ 2.46 crore on development of auto market in Gurgaon, ₹ 19.52 crore on execution of five sewer and storm water drains, and ₹ 1.90 crore on execution of four road works was rendered infructuous/ remained blocked due to poor implementation of works.

(Paragraphs 2.3.8.1, 2.3.8.5 and 2.3.8.7)

- 2,563 houses constructed at a cost of ₹ 93.88 crore without proper survey under 'Ashiana Scheme' for economically weaker sections remained unallotted due to non-availability of eligible persons.

(Paragraph 2.3.9.1)

- Lack of transparency and consistency in development of Commercial areas by colonizers was noticed in processing applications of colonizers, deciding the compactness of the area to be developed, development of internal roads, fixing area norms for setting up commercial colonies, assessing financial adequacy, interpretation of Development Plan, and transfer of licenses etc. Resultantly, the possibility of extending undue benefit to particular applicants cannot be ruled out. Five developers earned profit of ₹ 215.21 crore over cost of ₹ 52.26 crore on sale of land without completing the projects.

(Paragraph 2.3.10.1)

- Inadequate monitoring by the Department over advertisement of colonizers for floating housing schemes led to an unauthorized collection from applicants of ₹ 55 crore by a colonizer.

(Paragraph 2.3.10.2)

COMPLIANCE AUDIT

An amount of ₹ 28.96 crore as cost of 73 acre land and ₹ 12.35 crore as interest on this amount remained to be recovered from Haryana State Co-operative Supply and Marketing Federation Limited (HAFED).

(Paragraph 3.1)

Construction of 28 institutional toilets had not started or remained incomplete in 22 Gram Panchayats. Solid and Liquid Waste Management projects were not started. Against the target of 196 community toilets, only 113 toilets were constructed, incentive of ₹ 3.46 lakh was given to 133 beneficiaries without ensuring construction of toilets and double payment of incentive amounting to ₹ 3.10 lakh was made.

(Paragraph 3.2)

Purchase of dual desks at higher rates resulted in avoidable extra expenditure of ₹ 7.61 crore.

(Paragraph 3.3)

The Haryana State Pollution Control Board and Health Department did not enforce the Bio-Medical Waste (Management and Handling) Rules, 1998 as bio-medical waste (BMW) generating establishments were not identified and authorised Health Care Establishments were not inspected. BMW was not being segregated in colour coded containers nor disposed off properly.

(Paragraph 3.5)

Various Government Departments did not recover interest of ₹ 20.21 crore on unutilised funds from Haryana State Roads and Bridges Development Corporation (HSRDC).

(Paragraph 3.7)

An expenditure of ₹ 3.40 crore incurred on construction of Drug Testing Laboratory and State Ayurvedic Pharmacy was rendered unfruitful due to non-availability of manpower.

(Paragraph 3.9)

Despite shortage of officers and operational police force, police personnel were posted in excess of sanctioned strength in some offices. Shortage in forensic science laboratory was to the extent of 50 *per cent* resulting in increase in pendency of samples. Crime ratio in the state was very high in comparison to neighbouring States.

(Paragraph 3.11)

Under the Organic Farming scheme, four service providers diverted ₹ 1.58 crore for staff salary which were meant for farm inputs. Survival rate of plants was very low in New Garden Scheme. 237 community tanks were incomplete and Plant Health Clinics were not utilised for requisite purpose.

(Paragraph 3.12)

Non observance of programme guidelines regarding operation of Saving Bank Accounts by Water Supply and Sanitation Board resulted in loss of interest of ₹ 5.51 crore.

(Paragraph 3.15)

GOI grant of ₹ 1.24 crore could not be availed due to non-obtaining written consent from beneficiary department and an excess expenditure of ₹ 3.78 crore was incurred on procurement of 8,691 street lights with old specifications with lesser working life. Beneficiary share of ₹ 2.96 crore was recoverable and undue favour was given to an agency.

(Paragraph 3.17)

Appointment of conductors without the availability of buses resulted in avoidable expenditure of ₹ 9.93 crore.

(Paragraph 3.21)

Delay of five to 32 months was observed in release of Vivah Shagun to 1,082 claimants. ₹ 10.95 crore were paid to 5,153 beneficiaries under the Ladli Social Security Allowance Scheme without proper verification. 4,000 girl students were deprived of yoga classes and self defence training. The sex ratio of girl child had decreased in Jind and Hisar during the period 2009-14.

(Paragraph 3.23)

Chapter 1

Introduction

CHAPTER 1

INTRODUCTION

1.1 Budget profile

There are 56 departments and 29 autonomous bodies in the State. The position of budget estimates and actuals thereagainst by the State Government during 2009-14 is given in **Table 1.1**.

Table 1.1: Budget and actual expenditure of the State during 2009-14
(₹ in crore)

Expenditure	2009-10		2010-11		2011-12		2012-13		2013-14	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
General Services	7,876	7,755	8,916	9,328	10,684	10,220	12,331	11,897	14,481	13,597
Social Services	9,783	9,902	11,349	10,904	13,969	12,642	15,935	14,516	18,563	15,414
Economic Services	8,072	7,530	8,142	7,997	9,923	9,054	11,348	11,557	13,000	12,740
Grants-in-aid and Contributions	90	70	76	81	103	99	170	102	179	136
Total (1)	25,821	25,257	28,483	28,310	34,679	32,015	39,784	38,072	46,223	41,887
Capital Outlay	3,973	5,218	3,516	4,031	4,641	5,372	4,661	5,762	5,766	3,935
Loans and Advances Disbursed	1,483	830	1,602	722	957	627	874	522	1,084	776
Repayment of Public Debt	3,686	2,746	5,954	3,971	6,666	4,037	9,221	5,951	13,105	7,968
Contingency Fund	-	-	-	190	-	168	-	-	-	-
Public Accounts disbursements	52,628	14,320	66,505	15,324	73,595	17,051	75,894	21,074	94,863	24,560
Closing Cash balance	-	493	-	377	-	2,162	-	2,697	-	6,007
Total (2)	61,770	23,607	77,577	24,615	85,859	29,417	90,650	36,006	1,14,818	43,246
Grand Total (1+2)	87,591	48,864	106,060	52,925	120,538	61,432	130,434	74,078	1,61,041	85,133

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

1.2 Application of resources of the State Government

As against the total budget outlay of ₹ 1,61,041 crore, actual was ₹ 85,133 crore during 2013-14. The total expenditure of the State increased by 49 *per cent* from ₹ 31,305 crore to ₹ 46,598 crore during 2009-14 and the revenue expenditure of the State Government increased by 66 *per cent* from ₹ 25,257 crore to ₹ 41,887 crore during 2009-14. Non-Plan revenue expenditure increased by 62 *per cent* from ₹ 19,542 crore to ₹ 31,735 crore and capital expenditure decreased by 25 *per cent* from ₹ 5,218 crore to ₹ 3,935 crore during the period 2009-14. The revenue expenditure constituted 81 to 90 *per cent* of the total expenditure during the years 2009-14 and capital expenditure 8 to 17 *per cent*.

During this period, total expenditure increased at an annual average rate of 13 *per cent*, whereas revenue receipts grew at an annual average growth rate of 16 *per cent* during 2009-14.

1.3 Persistent savings

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

Table 1.2: List of grants with persistent savings during 2009-14

(₹ in crore)

Sr. No.	Number and name of the grant	Percentage of savings to total provision (Amount of savings)				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue (Voted)						
1.	04-Revenue	33 (179.31)	22 (273.17)	47 (421.74)	39 (358.99)	33 (325.49)
2.	24-Irrigation	09 (366.75)	27 (311.48)	30 (409.81)	27 (375.55)	25 (382.54)
Capital (Voted)						
3.	45-Loans and Advances by State Government	44 (653.58)	55 (880.53)	46 (532.72)	41 (366.19)	29 (313.67)
Capital (Charged)						
4.	Public Debt	43 (2,032.39)	41 (3,226.08)	37 (2,944.26)	40 (4,250.68)	38 (5,027.64)

(Source: Appropriation Accounts of concerned years)

1.4 Funds transferred directly to the State implementing agencies

During 2013-14, GOI directly transferred ₹ 2,308 crore to various State implementing agencies (Para 1.2.2 of Audit Report of Comptroller and Auditor General of India on State Finances for the year ended 31 March 2014 refers) without routing through the State budget. There is no single agency in the State to monitor the funds directly transferred by the GOI to the implementing agencies and no data readily available as to how much money has actually been spent in a particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funds transferred directly by the GOI.

1.5 Grants-in-aid from Government of India

The Grants-in-aid received from the GOI during the years 2009-10 to 2013-14 have been given in Table 1.3.

Table 1.3: Grants-in-aid from GOI

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-Plan Grants	1,617.34	1,765.98	1,246.51	851.62	2,256.17
Grants for State Plan Schemes	920.37	749.74	674.54	727.75	856.66
Grants for Central Plan Schemes	50.87	87.79	50.79	44.32	62.99
Grants for Centrally Sponsored Schemes	668.72	447.11	783.09	715.56	951.36
Total	3,257.30	3,050.62	2,754.93	2,339.25	4,127.18

(Source: Finance Accounts of concerned years)

1.6 Planning and conduct of audit

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

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

During 2013-14, compliance audit of 1,097 drawing and disbursing officers of the State and 29 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Haryana. Besides, three performance audits¹ were also conducted.

1.7 Significant audit observations and response of Government to audit

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

As per the provision of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their responses to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India, to be placed before the Haryana Legislature, it would be desirable to include their comments in the matter. These draft reports and paragraphs proposed for inclusion in the Report were also forwarded to the Additional Chief Secretaries/ Principal Secretaries/Secretaries concerned for seeking their replies. This Audit Report contains three Performance Audits and 23 compliance audit paragraphs which were forwarded to concerned Administrative Secretaries. The replies have been received for all the three performance audits

¹ (i) Working of Secondary Education Department, (ii) National Rural Health Mission and (iii) Development of Urban Estates

and seven compliance audit paragraphs and suitably incorporated in the Audit Report.

1.8 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice in the course of test audit of accounts of Government Departments were referred to the various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit. An amount of ₹ 5.36 crore was recovered in 20 cases during 2013-14 by various departments after being pointed out by the Audit through Inspection Reports.

1.9 Lack of responsiveness of Government to Audit

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

A review of IRs issued up to March 2014 relating to 56 Division Offices and 16 Circle Offices of Public Health Engineering Department revealed that 658 paragraphs of 238 IRs with money value of ₹ 1,644.73 crore remained outstanding at the end of June 2014 as indicated in the **Table 1.4**.

Table 1.4 : Year-wise breakup of outstanding Inspection Reports and Paragraphs

Year	Number of Inspection Reports	Number of Paragraphs	Amount (₹ in crore)
1993-94 to 2008-09	61	73	43.69
2009-10	24	37	93.21
2010-11	33	51	54.40
2011-12	36	82	184.47
2012-13	39	133	365.06
2013-14	45	282	903.90
Total	238	658	1,644.73

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

Category-wise details of irregularities pointed out through these IRs which had not been settled as of 30 June 2014 are indicated in **Appendix 1.1**.

The Administrative Secretary of the Department, who was informed of the position through half-yearly reports, has not ensured prompt and timely action on the audit observations.

1.10 Follow-up on Audit Reports

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

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs up to the period ended 31 March 2014 revealed that the ARs for the period 2009-10, 2010-11 and 2011-12 were presented² to the State Legislature. 52 paragraphs and performance audits of 19 administrative departments included in these ARs were yet to be discussed in Public Accounts Committee (**Appendix 1.2**). Action taken notes (ATNs) on 15 paragraphs and performance audits in case of 12 administrative departments were not submitted as per details given in **Appendix 1.3**. Ten administrative departments had not taken any action to recover the amount of ₹ 235 crore in respect of 20 paragraphs and performance audits as per details given in the **Appendix 1.4**.

Further, the response of the administrative departments towards the recommendations of the Public Accounts Committee was not encouraging as 426 recommendations relating to Audit Reports for the period from 1971-72 to 2008-09 were still awaiting final action by the concerned administrative departments as per details given in **Appendix 1.5**.

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

Several autonomous bodies have been set up by the Government in the field of Urban Development, Housing, Labour Welfare, Agriculture, etc. The audit of accounts of 28 bodies in the State has been entrusted to the CAG. (Para 3.3 of Audit Report of Comptroller and Auditor General of India on State Finances for the year ended 31 March 2014 refers). The frequency distribution of autonomous bodies according to the delays in submission of accounts to audit and placement of SARs in the Legislature is summarised in **Table 1.5**.

² Audit Report 2009-10 : March 2011 and Audit Report 2010-11: February 2012: Audit Report 2011-12: March 2013.

Table 1.5: Delays in submission of accounts and tabling of Separate Audit Reports

Delays in submission of accounts (in years)	Number of autonomous bodies	Reasons for delay	Delays in submission of SARs in Legislature (in years)	Number of autonomous bodies	Reasons for delay
1 – 2	6	Accounts had not been prepared by autonomous bodies.	1 - 2		Reasons for delay not intimated by departments.
2 – 3	5		2 - 3	2	
3 – 4	1		3 - 4		
4 – 5	1		4 - 5		
5 and above	8		5 and above	22	
Total	21			24	

It was further observed that 6³ autonomous bodies had not submitted their annual accounts for the last 17 years (1996-97 and onwards).

1.12 Year-wise details of performance audits and paragraphs appeared in Audit Report

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years alongwith their money is given in **Table 1.6**.

Table 1.6: Details regarding reviews and paragraphs appeared in Audit Report during 2012-13

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2011-12	5	1,958.20	25	490.61	5	22
2012-13	5	1,166.63	21	786.57	2	10

During 2013-14, three Performance Audits involving money of ₹ 887.81 crore and 23 paragraphs involving ₹ 148.81 crore have been included in this Report. The Government replies have been received for three Performance Audits and seven paragraphs which were suitably incorporated in the Audit Report.

³ District Legal Services Authority: Gurgaon, Jhajjar, Panchkula, Rewari, Rohtak and Sonipat.

Chapter-2

Performance Audit

CHAPTER 2

PERFORMANCE AUDIT

Secondary Education Department

2.1 Working of Secondary Education Department

Secondary Education is a crucial stage in the educational hierarchy as it prepares the students for higher education and also for gainful employment later. The main objective of the Secondary Education Department is to provide quality education at secondary level.

Some of the significant findings are enumerated below:

There were substantial savings ranging between ₹ 56.23 crore and ₹ 542.51 crore under Plan and between ₹ 67.50 crore and ₹ 606.40 crore under Non-Plan during 2009-14. Funds amounting to ₹ 8.87 crore were parked outside the Government Account.

(Paragraphs 2.1.7 and 2.1.7.1)

Undue favour was extended to the service provider of maintenance of information and communication technology laboratories by making extra payment of ₹ 1.06 crore in violation of contract agreement. The functioning of ICT laboratories established by a service provider was rated as poor by 102 out of 123 schools from whom feedback was obtained.

(Paragraph 2.1.8.1)

Vouchers in support of expenditure of ₹ 39.75 lakh as having been incurred were not available with District Education Officer, Kaithal and non-receipt of material for ₹ 4.99 lakh by DEO, Nuh which may amount to misappropriation/embezzlement of Government money.

(Paragraph 2.1.8.3)

The pass percentage of students of Class XII and X had declined sharply from 89.33 to 71.16 and from 79.58 to 49.78 respectively. The fee structure of private recognised schools was not monitored by the department.

(Paragraphs 2.1.9.1 and 2.1.9.2)

Out of 91 upgraded schools in test-checked districts, 55 schools were not fulfilling the prescribed norms of classrooms, number of students, area of the schools premises, etc. As against 37,236 sanctioned posts in the cadres of Principals, Headmasters and Lecturers, the actual strength was 10,979.

(Paragraphs 2.1.9.3 and 2.1.10.1)

2.1.1 Introduction

Secondary Education is a crucial stage in the educational hierarchy as it prepares the students for higher education. With the rapid changes in scientific and technological world, it had become essential that schools leavers acquire a higher level of knowledge and skills than what they were provided in the eight years of elementary education. The main objective of Secondary Education Department was to provide quality education at secondary level.

2.1.2 Organisational set-up

The Additional Chief Secretary to Government of Haryana (ACS), Education Department is the administrative head of the Department and responsible for implementation of education policy and discharging administrative functions of the Department. The Director General (DG), Secondary Education Department is the head of the department. There are 21 District Education Officers (DEOs) in the State. As of December 2013, there were 1,444 High schools¹ and 1,729 Senior Secondary Schools² in the State. State Council of Education Research and Training (SCERT), Gurgaon and 27 District Institutes of Educational Training (DIET)/Government Elementary Teachers Training Institute (GETTI) are providing training to teachers.

2.1.3 Audit objectives

The main objectives of audit were to assess whether:

- effective planning and programme management to fulfill the objectives of the department exists;
- financial management of the department was carried out efficiently;
- schemes for improving the educational standards of students were implemented properly;
- manpower management was efficient; and
- an effective internal control system was in place.

¹ Boys: 872, Girls: 201, Co-education: 371

² Boys: 1048, Girls: 292, Co-education: 389

2.1.4 Scope of Audit and methodology

Records relating to the functioning of the department for the years 2009-14 were test-checked in the office of the DG, Secondary Education Department and field offices of seven³ out of 21 districts during February-July 2014. The districts were selected using Probability Proportionate to Size Without Replacement (PPSWOR) method. An entry conference was held with the Additional Chief Secretary, Education Department in March 2014 wherein the audit objectives, audit criteria and scope of audit were discussed.

The audit findings were discussed in the 'Exit Conference' held in November 2014 with the Director and Additional Secretary (D&AS), Department of Secondary Education (DSE). The replies of the Department and deliberations of the 'Exit Conference' have been suitably incorporated in the report.

2.1.5 Audit criteria

Audit criteria were derived from the following sources:

- Punjab Budget Manual, Punjab Financial Rules and Punjab Treasury Rules.
- Guidelines of various schemes and instructions issued by Government from time to time.
- Annual Action Plans including targets fixed for various activities.
- Procedures prescribed for monitoring at various levels.

2.1.6 Planning

In order to develop human resources at the secondary school stage, the Department planned its activities with reference to Eleventh and Twelfth Five Year Plans for achievement of its goal and objectives. The department had been releasing huge funds for construction of buildings in the schools, providing science laboratories without looking into the actual demand of the institutions as funds were lying unutilised in the institutions due to non-availability of space as discussed in paragraph 2.1.7.1. Further, schools were upgraded without verifying the prescribed norms for their upgradation as discussed in paragraph 2.1.9.3. Thus, the planning of the Department was not done after getting feedback from field offices and demand of the society.

The D&AS, DSE while admitting the facts stated (November 2014) that feedback was obtained from field offices in some areas and it was very difficult to obtain

³ (i) Hisar, (ii) Kaithal, (iii) Karnal, (iv) Kurukshetra, (v) Mewat, (vi) Rohtak and (vii) Yamuna Nager

feedback/conduct survey from all the schools and assured that in future efforts would be made to make the planning process more comprehensive and participative.

2.1.7 Financial management and budgetary control

Funds are provided to the department under major Head 2202 General Education (Plan and Non-Plan) for implementation of Centrally Sponsored and State Schemes. The position of funds received and utilisation thereagainst during the last five years was as under:

(₹ in crore)

Year	Original Budget Estimate		Revised Estimate		Expenditure		Savings (-) w.r.t Original Budget Estimate (percentage)	
	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan
2009-10	331.64	1485.65	337.65	1339.74	275.41	1307.30	(-) 56.23 (16.96)	(-) 178.35 (12.00)
2010-11	411.57	1591.09	503.74	1590.84	326.01	1514.83	(-) 85.56 (20.79)	(-) 76.26 (4.79)
2011-12	887.30	1574.95	560.48	1571.46	344.79	1507.45	(-) 542.51 (61.14)	(-) 67.50 (4.29)
2012-13	741.76	1667.70	497.27	1166.76	324.51	1061.30	(-) 417.25 (56.25)	(-) 606.40 (36.36)
2013-14	834.16	1336.29	814.10	1126.55	504.67	1062.77	(-) 329.49 (39.50)	(-) 273.52 (20.47)
Total	3206.43	7655.68	2713.24	6795.35	1775.39	6453.65		

Source: Detailed Appropriation Accounts.

As is evident from above, there were substantial savings during 2009-14 with reference to original budget. Scrutiny of the records disclosed that savings were mainly due to non-implementation of schemes, less/non-release of funds by Government of India (GOI), non-finalisation of supply orders, sanction of funds at the fag end of the year, remaining the posts vacant, etc. It was further observed that budget proposals were made at directorate level without obtaining feedback from all the field offices. Thus, the budget was not prepared on realistic basis and implementation of schemes, purchase of material, etc. was not done properly.

The D&AS, DSE while admitting the facts stated (November 2014) that savings were mainly due to non-implementation of schemes, non-release of funds by GOI, non-finalisation of supply orders and sanction of funds issued by Finance Department at the end of the year, delayed receipt of Central share from GOI.

2.1.7.1 Funds lying unutilised

Paragraph 2.10 (b) (5) of the Punjab Financial Rules, as applicable to Haryana, provides that no money should be withdrawn from the treasury unless it is required for immediate disbursement. Further, the Finance Department had banned (March 2011) drawing of money from the Consolidated Fund and keeping the same outside the Government Account in any shape. Test-check of records showed that the funds were drawn from the treasury without immediate requirement and were kept in bank accounts as discussed below:

- District Education Officers in the test-checked districts had drawn funds from the treasury in advance of requirement and kept the same in bank accounts. Funds amounting to ₹ 8.87 crore including interest were lying in bank accounts as on 31 March 2014. It was also observed that out of these, four accounts which had ₹ 1.32 crore were current accounts and no interest was being earned on these accounts.
- Funds of ₹ 10 crore were placed (2008-09) at the disposal of the Department under head 2204-Sports and Youth Welfare for purchase of sports material (₹ 4.20 crore) and development of play grounds (₹ 5.80 crore). As there was ban for withdrawal of money after 15 March, the Finance Department allowed (March 2009) to withdraw money subject to the condition that the amount would be drawn only against supply orders already placed. Supply orders were placed for ₹ 4.20 crore in March 2009 and the amount was also drawn from the treasury (March 2009). The Directorate issued sanctions also for the balance amount of ₹ 5.80 crore to the DEOs with the directions that guidelines to utilise the money would be sent later on. This was in violation of the Finance Department instruction (March 2009). Thereafter, the DSE issued (May 2010) instructions to the field offices to refund the money to directorate. Out of ₹ 5.80 crore, a sum of ₹ 4.35 crore was drawn by 15 DEOs. Of which only ₹ 0.62 crore was spent by seven DEOs, ₹ 3.51 crore was refunded between May 2010 and November 2013 and ₹ 0.22 crore was still lying with DEOs.
- The DSE released (March 2011) ₹ three crore to the field offices for the development and promotion of sports with the directions that the funds would be equally distributed among 174 Senior Secondary/High Schools where block level Rajiv Gandhi Sports Complexes had been completed or were being constructed. Out of ₹ three crore released to field offices, an amount of ₹ 2.63 crore was spent on sports activities and a sum of ₹ 0.37⁴ crore was still lying with DEOs, Ambala, Gurgaon, Hisar, Sirsa and Yamuna Nagar.
- Funds of ₹ 26.93 lakh released for construction of classrooms were lying with three⁵ schools as there was no space for construction of classrooms.

The D&AS, DSE while admitting the facts stated (November 2014) that the steps would be taken by the Department to avoid such type of irregularities in future.

⁴ Ambala: ₹ 8.62 lakh, Gurgaon: ₹ 2.17 lakh, Hisar: ₹ 18.97 lakh, Sirsa: ₹ 1.72 lakh and Yamuna Nagar: ₹ 5.17 lakh

⁵ GSSS, Barsat (Karnal): ₹ 7.41 lakh, GHS, Sukhpura (Rohtak): ₹ 9.35 lakh and GHS, Kansala (Rohtak): ₹ 10.17 lakh

2.1.8 Implementation of schemes

The Department is implementing 46 plan and 13 non-plan schemes (*Appendix 2.1*) relating to Information and Communication Technology, e-Governance and Computerisation of Secondary Education, Computer Literacy and Studies in Schools, Research and Training, Scholarship schemes, Assistance to Non-Government Schools, etc. The Department incurred total expenditure of ₹ 8,229.04 crore for the period 2009-14. Thirty four (8 Plan and 26 Non-Plan) schemes involving an expenditure of ₹ 7032.05 crore were test-checked. The important audit points are discussed below:

2.1.8.1 Information and Communication Technology

Information and Communication Technology (ICT) in schools was launched in December 2004 and revised in 2010 to provide opportunities to secondary stage students to build their capacity on ICT skills and make them learn through computer aided learning process. As against the budget provision of ₹ 162.59⁶ crore, an expenditure of ₹ 125.16⁷ crore was incurred on the implementation of the scheme during 2009-14.

Irregularities in agreement for providing computer education services

- **Establishment and maintenance of information and communication technology laboratories**

Comprehensive Computer Education Project (CCEP) envisaged the appointment of a private partner on build own operate/build own operate transfer basis for supply, installation and maintenance of IT infrastructure including laboratory supporting staff in 213 Government Senior Secondary Schools across the State.

The DSE issued (May 2009) Request for Proposal (RFP) which subsequently became the integral part of the agreement. Letter of intent was issued (April 2010) by the DSE for entering into Memorandum of Understanding for implementation of CCEP. Accordingly, an agreement was made (May 2010) between the Government and the successful bidder i.e. Everon Education Limited, Chennai. Scrutiny of records showed the following:

➤ As per clause 1 of schedule 1 of the agreement, no payment was to be made before commissioning of 90 *per cent* of laboratories. It was observed that the Department started making payment from 24 September 2010, although 90 *per cent* of the laboratories were made functional only on 2 December 2010 as 90 *per cent* laboratory attendants were provided by this date. As such, the service provider was eligible for payment from 2 December 2010 only. The payment

⁶ Information and Communication Technology (ICT): ₹ 8 crore and Computer literacy and Studies in School: ₹ 154.59 crore

⁷ Information and Communication Technology (ICT): ₹ 5.58 crore and Computer literacy and Studies in School: ₹ 119.58 crore

made to the service provider of ₹ 1.06⁸ crore from 24 September 2010 to 1 December 2010 was, thus, irregular as 90 *per cent* of the laboratory attendants were provided only by 2 December 2010. The Department extended undue favour to the service provider.

➤ As per clause 2 (b) (iv) of Section 1 of RFP, the Department was to engage an agency for verification and monitoring the project, conducting project impact assessment and organising stakeholder interactions during project implementation. It was observed that the Department had not engaged any agency for monitoring, impact assessment, etc. of the project. As such, proper monitoring as envisaged in the project was not done to ensure successful implementation of the project.

The D&AS, DSE stated (November 2014) that the department was monitoring the project itself and did not consider to engage outside agency for the purpose. The reply was not convincing as no records in support of reply was produced to audit. Further, the functioning of the ICT laboratories was very poor/unsatisfactory as discussed in succeeding paragraph. Had the department engaged the monitoring agency, functioning of ICT laboratories could have been improved.

• ***Poor/unsatisfactory functioning of ICT laboratories***

Feedback from the schools was obtained by Audit on random basis regarding functioning of ICT laboratories and quality of services provided. The details of feedback from 32 out of 72 schools in respect of Everon Education Limited and 123 out of 847 schools in respect of Core Project and Technologies Limited in test-checked districts are given in **Appendix 2.2**. Briefly the position is as under:

- The services provided by Everon Education Limited were rated as poor by three schools and average by 14 schools out of 32 test-checked.
- The services provided by Core Project and Technologies Limited were poor in 102 of the 123 test-checked schools.
- Laboratory apparatus were not in working condition in 84 schools where services were provided by Core Project and Technologies Limited out of 123 test-checked.
- Consumables were not provided in 121 schools and internet connections were not working in 107 schools where services were provided by Core Project and Technologies Limited out of 123 test-checked.

The D&AS, DSE while admitting the facts stated (November 2014) that suitable instructions had been issued to the service providers pointing out the deficiencies in the services and failure to discharge the contractual liabilities with the directions to take remedial measures.

⁸ Total payment released for the period from 24 September 2010 to 23 December 2010 (91 days): ₹ 1.40 crore. Amount due (2 December 2010 to 23 December 2010): ₹ 0.34 crore and excess payment for the period from 24 September 2010 to 1 December 2010 (69 days): ₹ 1.06 crore

- **Non-provision of IT laboratories in Government Schools**

There were 1,444 Government High Schools (GHS) and 1,729 Government Senior Secondary Schools (GSSS) in the State. The computer facility was to be provided in all the GHSs and GSSSs in the State. The Government had established 3,330 laboratories in 3,104 High Schools and Senior Secondary Schools in the State between November 2009 and September 2011. It was noticed that though the work of establishment of IT laboratories had been completed in October 2011 in the State, this facility had not since been provided in 69 schools. The Department had not made any plan to provide the facility in these schools. Thus, the students of these schools were deprived of the facility of computer education.

The D&AS, DSE stated (November 2014) that these schools were upgraded subsequently during 2011-13 from Government Middle Schools to Government High Schools/Senior Secondary Schools and facility of computer education could not be provided due to non-approval by GOI and State Government. However, it was assured that suitable action would be taken for providing facility of computer education in future. The fact, however, remains that the students of these schools were deprived of the facility of computer education.

2.1.8.2 Opening of Government Model Schools

Opening of Government Model Schools scheme aims to provide quality education to talented rural children through setting up model schools at block level. In Haryana, 213 Government Senior Secondary Schools were upgraded as Model Schools. Under the scheme, the grants were provided for creation of infrastructure, development of stadiums, providing fans/duel desks, etc. The information regarding release of funds and expenditure thereagainst for the implementation of schemes was not available with the Directorate. A sum of ₹ 19.67 crore was sanctioned for development of infrastructure, construction of stadiums and purchase of fans and desks in test-checked districts. Scrutiny of records of schools in test-checked districts showed the following shortcomings:

➤ In 20 schools, funds amounting to ₹ 2.91 crore provided for creation of infrastructure were lying unutilised. It was observed that neither the schools refunded the unspent grants nor the Department monitored the utilisation of funds. As a result of this, the funds remained blocked with the schools.

The D&AS, DSE while admitting the facts stated (November 2014) that the reasons for non-utilisation of funds would be investigated.

➤ Against the sanction of ₹ 1.32 crore for stadium, a sum of ₹ 0.87 crore was released as first installment to test-checked DEOs. It was observed that none of the schools had constructed stadiums. It was further observed that DEO, Yamuna Nagar spent the entire amount of ₹ 0.12 crore on purchase of sports material instead of spending on construction of stadium which was against the sanction orders.

➤ Records relating to grants of ₹ 57.40 lakh for creation of infrastructure were neither available with the concerned schools nor with the concerned DEOs. As such, it could not be verified as to whether the payments were actually made

and expenditure was incurred by the DDOs. The details are given below:

(₹ in lakh)

Name of the DDO	Particulars	Amount	Remarks
GSSS, Ladwa (Kurukshetra)	Muster rolls for construction works	6.35	Not found attached with the records
GSSS, Kurukshetra	Muster roll for the work done in the month of August 2011, September 2011, January 2012 and February 2012.	0.69	Not found attached with the records
GGSSS, Rohtak	Grant for infrastructure	8.00	Principal stated that records were taken away by the State vigilance Department
GMSSS, Tauru (Mewat)	Construction of Room, Laboratory, Library, DTH Room etc.	42.36	Records not available in the school
Total		57.40	

Source: Information provided by Department

The D&AS, DSE while admitting the facts stated (November 2014) that non-availability of records with concerned schools/DEOs was a serious irregularity and explanation had been called for from the concerned DEOs/Principals. The department should take immediate action to find out the facts and take appropriate action.

2.1.8.3 Scheme for establishment of Government Model Sanskriti Schools

The State Government declared 20 schools in the State as Model Sanskriti Schools. These schools were basically on the lines of Model Schools with better facilities to be run on society mode. Lump-sum-grant of ₹ 50 lakh for providing infrastructure and ₹ five lakh for providing Science Museum was released by the Government in March 2007. The grants were received by DEOs and kept in the bank accounts. The purchases were made on the recommendations of District Purchase Committees headed by the Additional Deputy Commissioners (ADCs). Test check of records in the selected districts showed the following points:

➤ DEO, Kurukshetra placed (September 2007) purchase order for supply of material for GMSSS, Ismailabad for ₹ 10.42 lakh. The material was inspected by the ADC, Kurukshetra along with other members of the committee and reported (October 2007) to DSE that the material was purchased without giving any detailed specification, size, make, etc. and the material was of sub-standard quality. The DEO was asked (January 2008) to explain his position and the Principal was asked for not using the material till further orders. Inquiry report was finalised in June 2012. The DSE ordered (January 2013) that no disciplinary action can be taken against the DEO at such a belated stage and ordered that the material may be inspected and if the same were found satisfactory, payment may be released to the firm. The department released the payment (May 2014) to the agency in settlement of the claim petition filed by the agency in the District Court, Ambala. Audit observed that the department took a long time of seven years in inquiring the matter and the delay became the rationale for not taking disciplinary action. Further, entire material remained in store and had got damaged with the passage of time and vagaries of weather. Had the department followed up on the inspection report of October 2007, the loss could have been avoided and accountability fixed.

The D&AS, DSE while admitting the facts stated (November 2014) that delay in inquiry was a lapse on the part of the department and preventive measures would be taken to avoid such an eventuality in future.

➤ **Suspected embezzlement**

DEO, Kaithal was provided funds to the extent of ₹ 3.75 crore as grant for science material, development of Model Schools and Model Sanskriti Schools during 2007-09. The funds were kept in two bank accounts (HDFC and Axis Bank). A sum of ₹ 3.90 crore including interest and other deposits was available in these bank accounts. A cash book regarding transactions of HDFC Bank was maintained but no cash book was maintained for transactions of Axis Bank.

Scrutiny of the records and entries of bank statements of these two banks accounts showed that vouchers in support of expenditure of ₹ 39.75 lakh as having been incurred were not available with the DEO office. Further, scrutiny of records disclosed that entries made in the cash book were not verified by the competent authority. Out of this amount, an amount of ₹ 21.86 lakh was drawn from HDFC bank. However, it was observed that no entries for these withdrawals were made in the cash book. This may tantamount to misappropriation of funds of ₹ 39.75 lakh.

On this being pointed out, a sum of ₹ 39.05 lakh was deposited in Bank Accounts but no action had been taken by the department for recovery of balance amount. The D&AS, DSE while admitting the facts stated (November 2014) that an inquiry had been initiated in the matter and outcome thereof would be intimated to Audit.

Similarly, a sum of ₹ five lakh was drawn by DEO, Nuh in December 2007 for setting up of science Museum at Government Model Senior Secondary School (GMSSS), Saroli (Nuh) and deposited the same in Syndicate Bank. A bank draft was prepared by the DEO, Nuh on 11 January 2010 for ₹ 4.99 lakh in favour of Shri Shyam Enterprises, Panchkula for supply of floor darries of superfine quality. Scrutiny of the records showed that three bills amounting to ₹ 4.99 lakh were neither passed for payment by the DDO nor approved by any of the members of the purchase committee. No stock entries were made in the stock register of DEO, Nuh. Further, Principal of the school also confirmed (July 2014) that no material was received from Shri Shyam Enterprises, Panchkula. This may tantamount to suspected embezzlement of ₹ five lakh.

The D&AS, DSE while admitting the facts stated (November 2014) that explanation had been called for from the concerned DEO and outcome thereof would be intimated to Audit.

2.1.8.4 Scheme of Aarohi Schools

Aarohi schools were established in 2010 under the Centrally sponsored scheme in 36 educationally backward blocks in the State. The aim of the scheme was to develop students who are aware, socially responsible, creative, clear thinking and capable of contributing positively to the society. The schools had been established

in society mode under Haryana Prathamik Shiksha Pariyojna Parshad (HPSPP). For construction work, the funds had been placed at the disposal of the HPSPP. The schools were made functional in the buildings of Government Schools. An expenditure of ₹ 53.52 crore was incurred on establishment of these schools during 2010-14. Scrutiny of records of schools showed as under:

- Out of 36 school buildings, as of October 2014 only 10 had been completed and made functional and nine school buildings had also been completed but yet to be made functional for want of water and electricity connections, boundary wall, etc. Construction work of 17 school buildings was in progress, of which the work of 10 was behind the scheduled date of completion by two to 30 months.
- Shortage of teachers was noticed in Aarohi Schools at Mundheta and Nagina where only one (Hindi PGT) and two (one Principal and one Biology PGT) posts had been filled up against the sanctioned strength of 20 and 17 respectively.
- DEO, Mewat drew (December 2012) an amount of ₹ 17.87 lakh for procurement of furniture and sent the draft (January 2013) to Forest Development Corporation, Kurukshetra instead of Forest Department, Jagadhri. The Corporation returned (January 2013) the same as the amount did not pertain to his office. Thereafter, the department requested (13 February 2013) to the bank to deposit the amount in Forest Department's account but due to quoting of wrong account number the amount could not be transferred in Forest Department's account. Since then the funds were lying in bank account and no purchases had been made (October 2014).

The D&AS, DSE while admitting the facts stated (November 2014) that the problem of shortage of teachers would be sorted out very soon and DEO, Mewat had been directed to utilise the allocated fund for purchase of furniture immediately.

2.1.8.5 Implementation of State Policy on safety measures in schools

The State Policy on Safety measures in Government, private (aided and unaided) schools was framed in December 2009. As a part of the policy, the Department took an initiative to remove the High Tension (HT) lines crossing over the Government schools in the State. In the meeting chaired by the Chief Minister (March 2013), the electricity companies were ordered to remove the HT Lines crossing over 158 schools at their own cost. Scrutiny of records of test-checked districts showed that HT lines were removed only from five⁹ schools out of 13¹⁰ schools where the HT lines were crossing over the schools. Information regarding removal of HT lines over the schools was not available in respect of rest of the test-checked districts although HT lines were crossing over 36¹¹ schools in

⁹ Hisar: 2 schools and Kurukshetra: 3 schools

¹⁰ Hisar: 7 schools and Kurukshetra: 6 schools

¹¹ Kaithal: 19 schools, Karnal: 6 schools, Rohtak: 4 schools and Yamuna nagar: 7 schools

these districts. Thus, the DSE and concerned DEOs had not monitored the removal of HT lines over the schools to ensure safety in schools.

The D&AS, DSE while admitting the facts assured (November 2014) that the high tension wire running over the schools would be removed on priority basis.

2.1.8.6 Establishment of Satya Bharti Schools

Bharti Foundation, New Delhi approached (June 2007 to January 2009) Panchayat Department for allotment of Panchayat land for establishment of Satya Bharti Schools in 83 villages¹². The foundation was committed to provide employment to the local inhabitants on whose land the schools were situated; free education, free uniform, free books, free mid-day meal, etc., to the children. The land was allotted by Government for opening of schools in 83 villages. The foundation set up schools at 46 places¹³ and the land allotted for 37 schools was surrendered by the foundation. These schools were not fulfilling the conditions of recognition and were functioning on the basis of provisional recognition.

Haryana School Education Rules 2003 provided for the norms for proper facilities such as classrooms, library, laboratory for computers, toilets, etc in schools. Out of 46 schools, 32 were inspected by the committees constituted under District Elementary Education Officers. The committee pointed out (March 2014) that the classrooms were less than the norms in all the 32 schools. There was lack of provision in 32 schools for library, laboratory for computers, etc. Toilets were not built in all the 32 schools inspected by the committees as per norms. Further, whether the staff appointed was adequately qualified or not was not on record in respect of three schools. As such, the objective of establishing Satya Bharti Schools was not fully achieved.

The D&AS, DSE stated (November 2014) that provisional recognition of 15 schools had been granted subject to the condition that school management would construct boundary wall by March 2015 and in the remaining 31 schools, additional classrooms were under construction as committed to the Government by the management. The fact remains that monitoring to ensure compliance of Haryana School Education Rules 2003 for establishment of schools was not ensured.

2.1.9 Academic activities

2.1.9.1 Declining pass percentage of students

The pass percentage of students in the Government Senior Secondary Schools and Government High Schools had declined sharply during 2009-14 (*Appendix 2.3*). Analysis of data of the appendix showed that pass percentage of students in Government Senior Secondary Schools and Government High Schools had declined sharply in the State from 89.33 to 71.16 and from 79.58 to

¹² Ambala:6, Jhajjar:11, Kaithal:25, Kurukshetra:17, Mohindergarh:10 and Rewari:14

¹³ Jhajjar:3, Kaithal:14, Kurukshetra:11, Mohindergarh:10 and Rewari:8

49.78 respectively. The result of Faridabad district was lowest i.e. 38.09 *per cent* in 2013 in Senior Secondary Schools. Similarly, among the High Schools, result of Faridabad district was also lowest i.e 25.89 *per cent* in 2013.

Poor pass percentage indicates poor quality of education in Senior Secondary Schools and High Schools.

The DEOs of five¹⁴ districts attributed (June-July 2014) the low pass percentage to assigning of duties to teachers other than teaching, shortage of teachers, policy of the Government of not retaining the students up-to class VIII. Thus, there is a need to look into these problems to improve the standard of education in Government Schools. The D&AS, DSE stated (November 2014) that various initiatives for improvement of quality of education was being taken to improve the pass percentage and better outcome would be achieved in next one-two years.

2.1.9.2 Fees charged by the private schools

Haryana School Education Rules 2003 (Rule 158) provide that the fees and funds to be charged from the pupils shall be notified by every recognised school. Further, the Manager of every recognised school shall submit the details of minimum facilities being provided and the maximum fee charged in form VI. He shall before the commencement of each academic session, file with the Education Department a full statement of fees and all types of funds levied by such school with justification during the ensuing academic session.

Scrutiny of the records of the Directorate for the period 2009-14 showed that neither the management of the private recognised schools were submitting the required information to the Department nor the Directorate was insisting on the submission of information in this regard. As such, the Department was not monitoring the fees structure of private recognised schools and it could not be ensured in audit that these schools were charging fees as per norms.

The D&AS, DSE stated during the exit conference (November 2014) that a fee committee headed by a retired judge of Punjab and Haryana High Court had been constituted in this regard.

2.1.9.3 Up-gradation of schools

According to the criteria prescribed in Education Rules 2003 for upgrading Middle School to High School and High School to Senior Secondary School, at least 150 students should be on roll in classes VI to VIII and IX to X classes respectively. Two acre land for High school and Senior Secondary School was required. 10 and 12 rooms for upgradation of Middle to High school and High to Senior Secondary Schools respectively were also required. The State Government

¹⁴ (i) Hisar, (ii) Kaithal, (iii) Karnal, (iv) Kurukshetra and (v) Mewat

upgraded 282¹⁵ schools to High Schools and Senior Secondary Schools during the years 2009-14.

Scrutiny of infrastructure data in the test checked districts showed that 55 schools out of 91 upgraded schools were not fulfilling the prescribed norms but the Department had up-graded the schools (*Appendix 2.4*).

The D&AS, DSE while admitting the facts stated (November 2014) that corrective action would be taken very soon.

2.1.10 Human resource development

2.1.10.1 Vacancies in teaching cadres

As against 37,236 sanctioned posts in the cadre of Principals, Headmasters and Lecturers, the actual strength as on March 2014 was 10,979 while 26,257 (70.52 per cent) posts were lying vacant as detailed below:

Teaching cadre	Sanctioned	Filled in	Vacant	Percentage
Principals	1755	1466	289	16.47
Head Masters	1500	426	1074	71.60
Lecturers	33981	9087	24894	73.26
Total	37236	10979	26257	

Source: Data generated from Education Department website

Though 2,981 guest lecturer were appointed and 176 Principals/Headmasters/lecturers had been re-employed, there was still a gap of 23,100 posts.

The D&AS, DSE while admitting the facts stated (November 2014) that promotion process and direct recruitment process in various cadres of teachers was in progress to fill up the vacancies.

2.1.10.2 Delay in issuing posting orders resulted in the idle wages

A large number of appointments of lecturers to the different streams were made by the Government in 2013-14. The appointment letters were issued to the candidates between 14 December 2013 and 18 January 2014 through website of the Department and in compliance to the same, the newly appointed lecturers joined in the office of the DEOs concerned. It was noticed during test check that the posting orders of these lecturers in schools concerned were issued only on 27 January 2014 though there were existing vacancies in the cadre. Accordingly, the duties were actually undertaken by them after a gap of 9 to 44 days and during this period the lectures remained idle resulting in payment of salary amounting to ₹ 16.02 crore to 3,586 lecturers without any work (*Appendix 2.5*).

¹⁵ Middle to High Schools: 43 (2009-10: 3, 2011-12: 28, 2013-14: 12), Middle to Senior Secondary School: 26 (2012-13: 4, 2013-14: 22); High to Senior Secondary: 213 (2009-10: 27, 2011-12: 5, 2012-13: 87, 2013-14: 94)

The D&AS, DSE stated (November 2014) that necessary instructions in this regard had been issued. It was also assured during the exit conference that the compliance would be ensured in future.

2.1.10.3 Teachers training

The SCERT, Gurgaon established in 1979 was providing in-service training to teachers. The institute was established to bring about overall qualitative improvement in different echelons of school education. The institution aims to acquaint teachers with innovations brought out in the sphere of school education through continuous training sessions, workshops and other measures. District Institutes of Education Training (DIET) were established for imparting training to teachers.

Test check of records of DIETs in the selected districts showed as under:

- Hostel of DIET, Kaithal was being used as office premises for the DEO/BEO office. Thus, the purpose of constructing hostel was not served.
- Hostel of DIET, Palwal (District Kurukshetra) was not functional as there was no occupant. The Principal intimated that the institute was situated in remote areas as such there were no occupants.

2.1.11 Internal control

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control in the department was inadequate for implementation of the schemes, monitoring of construction works, etc.

- Though there was an audit cell comprising of a Chief Accounts Officer, two Accounts Officers, two Section Officers, two Junior Auditors and one Section officer in each district but audit staff was mainly engaged with the routine work of the Department. Internal audit was not being conducted.
- Rule 15.16 of Punjab Financial Rules as applicable to Haryana provided that a physical verification of all stores should be done at least once in every year by the Head of the Department or any other officer authorised by him/her. In computer branch of the DSE, it was noticed that the stock registers prior to September 2009 were not available with the Directorate. Computer hardware and allied items prior to September 2009 had not been carried forward in new stock register. Physical verification of computer hardware and other allied items had not been conducted since April 2009.
- The DG, as head of the department, was responsible for monitoring the implementation of programmes, schemes and other activities of the Department. Monthly progress reports from the institutions were required to be called and consolidated for being used as management tool and remedial measures were required to be taken where there was deficiency. It was observed that monitoring system was not in existence.

The D&AS, DSE while admitting the facts stated (November 2014) that effective internal control system, internal audit system and monitoring system would be established in the Department in future.

2.1.12 Conclusion

There was inadequate budgetary control leading to deficient implementation of schemes. The Department extended undue favour to a service provider by making payment in violation of contract agreement. The functioning of ICT laboratories was poor. Vouchers in support of expenditure as having been incurred were not available with District Education Officer, Kaithal, which may be a case of embezzlement of Government money. The pass percentage had declined sharply. The management of human resources was inadequate. The Department was not monitoring the fee structure of private recognised schools. Schools were upgraded without verifying the prescribed norms for their upgradation. There was substantial shortage in the cadres of Principals, Headmasters and Lecturers. Internal control in the department was inadequate.

2.1.13 Recommendations

The Government may consider:

- (i) to put a system in place to ensure that the funds are not drawn from treasury without requirement;
- (ii) taking adequate steps to ensure that payments were made to service providers strictly as per terms and conditions of agreement;
- (iii) detailed investigation of suspected embezzlement and take follow up action;
- (iv) filling up the vacant posts of Principals, Headmasters, Lecturers, etc and avoiding assignment of duties to teachers other than teaching
- (v) strengthening of internal control system - internal audit, physical verification of stores, monitoring implementation of programmes, schemes, etc.

Health Department

2.2 National Rural Health Mission

The National Rural Health Mission (NRHM) was launched in April 2005 with a view to provide accessible, affordable and quality health care to the rural population especially to the poor and vulnerable sections of the population. The strategy of the NRHM is to bridge gaps in healthcare facilities and facilitate de-centralised planning in the health sector. Some of the significant findings are enumerated below:

Baseline survey at village level and the facility survey of CHCs and PHCs was not conducted upto 2013-14 to facilitate preparation of perspective plan for the entire Mission period.

(Paragraph 2.2.6)

Against the requirement of 125 Community Health Centres (CHCs), 501 Primary Health Centres (PHCs) and 3006 Sub-Centres (SCs), 112 CHCs, 485 PHCs and 2,630 SCs were available in the State besides shortage of medical and paramedical staff ranging between 7 and 30 per cent.

(Paragraphs 2.2.8.1 and 2.2.9)

There was shortage of essential drugs in test-checked General Hospitals, CHCs and PHCs during 2010-14. Drug kits were not provided to 4,800 out of 16,800 Accredited Social Health Activists in the State. No guidelines were framed by the Department to deal with cases where a firm has been blacklisted by another Corporation/State.

(Paragraphs 2.2.10.1 to 2.2.10.3)

A large number of registered pregnant women did not show up for antenatal check-ups at the time of first trimester. There were cases of substantial delays/non-payment of incentives under Janani Suraksha Yojna.

(Paragraph 2.2.11.1)

As against the target of conducting 7.14 lakh cataract operations, 6.42 lakh cataract operations were performed during 2009-14. Against the detection of 1,22,966 students with refractive errors, only 44,320 students were provided spectacles.

(Paragraph 2.2.12)

2.2.1 Introduction

The National Rural Health Mission (NRHM) was launched in April 2005 with a view to provide accessible, affordable and quality health care to the rural

population especially to poor and the vulnerable sections of the population. The strategy of the NRHM is to bridge the gaps in healthcare facilities, facilitate decentralised planning in the health sector, provide an overarching umbrella to the existing programmes of health and family welfare.

2.2.2 Organisational set-up

The NRHM functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The activities under the Mission are carried out through the State Health Society (SHS). The governing body of the society is headed by the Chief Secretary of the State. Its Executive Committee is headed by the Additional Chief Secretary to Government of Haryana, Health Department. A State Programme Management Support Unit (SPMSU) headed by Mission Director acts as the Secretariat to SHS.

At the district level, every district has a District Health and Family Welfare Society (DHFWS) headed by the Deputy Commissioner and its Executive Committee is headed by the Civil Surgeon. Sub-Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) deliver health services in rural areas.

2.2.3 Audit objectives

The main objectives of the performance audit were to ascertain whether:

- planning, monitoring and evaluation procedures of the Mission were adequate;
- financial management was effective;
- the Mission achieved the targets for providing physical infrastructure, upgradation of facilities to Indian Public Health Standards and increasing availability of manpower at different levels;
- the systems of procurement of equipment, drugs and services were cost effective and efficient; and
- targets fixed in respect of reproductive and child healthcare, immunization and disease control programmes were achieved and internal control structure was adequate.

2.2.4 Audit scope and methodology

The performance audit was conducted during October 2013 to June 2014 covering the period 2009-14 by test check of the records of State Health Society (SHS), District Health and Family Welfare Societies including those of CHCs, PHCs and

Sub-Centres (SCs) of eight districts¹. The selection of seven out of 21 districts was made by using Probability Proportionate to Size Without Replacement (PPSWOR) method. Mewat district was selected on the suggestion of the Department as it was a backward district. Physical verification of health centres was conducted during audit and deficiencies noticed have also been brought out in the Report. The scheme was reviewed earlier also and incorporated in the Report of Comptroller and Auditor General of India for the year ended 31 March 2009 (Civil) Government of Haryana and was discussed by Public Accounts Committee during 2013-14. The findings of the Report were kept in view while conducting the audit.

An entry conference was held on 25 April 2014 with the Additional Chief Secretary to Government of Haryana (ACS), Health Department wherein audit objectives, audit criteria and scope of audit were discussed. The audit findings were discussed in the 'Exit Conference' held in November 2014 with the ACS, Health Department. The replies of the Department and deliberations of the 'Exit Conference' have been suitably incorporated in the report.

2.2.5 Audit criteria

Provisions of the following documents were used as audit criteria:

- GOI guidelines on the scheme and instructions issued from time to time.
- Indian Public Health Standards (IPHS).
- State Programme Implementation Plans (PIP) approved by GOI.
- Punjab Financial Rules and Punjab Treasury Rules as applicable to Haryana.

Audit findings

2.2.6 Planning

As per Mission guidelines, NRHM was to conduct a base line survey of households and health facilities by 2008 for preparation of perspective plan for the period 2005-14 and also to prepare Village Health Action Plans (VHAPs) and Block Health Action Plans (BHAPs) for further consolidation into District Health Action Plan (DHAP). Five *per cent* of total layout of NRHM was required to be provided to voluntary organizations and NGOs for involvement in Mission activities.

¹ (i) Yamuna Nagar, (ii) Sirsa, (iii) Fatehabad, (iv) Bhiwani, (v) Narnaul, (vi) Palwal, (vii) Ambala and (viii) Mewat

During audit, it was noticed that no baseline and health facilities survey was conducted. DHAPs were prepared without preparation of VHAPs and BHAPs. It was further noticed that in six out of eight test-checked districts, involvement of NGOs for implementation of NRHM was confined to the activities relating to the National Programme for Control of Blindness. Allotment of funds to NGOs was less than five *per cent* (ranging between Nil and 3.82 *per cent*) in test-checked districts.

Further, the Mission envisaged an inter-sectoral convergence approach to health care by seeking to synergise women and child development, hygiene and sanitation, public works and panchayati raj institutions in planning and execution. No inputs from other social sectors e.g. women and child development, education, hygiene and sanitation were ever obtained. During joint physical verification, it was noticed that approach road to six² SCs in Narnaul District was in a very bad condition. No approach road was even available in respect of two³ SCs. This problem could have been resolved with proper interaction and convergence with concerned departments.

The ACS during the exit conference stated that the data of National Family Health Survey was used for planning. The fact remains that no survey was conducted.

As regards non-preparation of VHAPs and BHAPs, it was stated that there was no budget provision for this purpose but DAPs were prepared in consultation with field functionaries. The ACS during the exit conference stated that involvement of village level and block level functionaries was not practically possible. The fact remains that VHAPs and BHAPs were not prepared.

As regards convergence with other social sectors, it was stated that Ministers of other departments i.e. women and child development department, education, panchyati raj, rural department, etc. were on board of State Health Mission where their valuable inputs were taken in detail. Despite the concerned Ministers being on the Board of the Mission, ground level convergence and co-ordination leading to effective implementation of the scheme/ activities was not evident as brought out subsequently in paragraphs 2.2.8.3 and 2.2.8.5.

2.2.7 Financial management

NRHM funds were to be shared between the Centre and State Government in the ratio of 85:15 and 75:25 during 2009-12 and 2012-14 respectively.

The position of opening balance, funds received from GOI, expenditure incurred thereagainst and closing balance for the period 2009-14 is given in Table 2.2.1.

² (i) Nava, (ii) Jerpur, (iii) Nangal Dargu, (iv) Ganwari Jat, (v) Chek malikpur and (vi) Dhani Bhathoti

³ (i) Meghot Kalan and (ii) Bhungraka

Table 2.2.1: Details showing availability of funds and expenditure thereagainst
(₹ in crore)

Year	Opening balance	Funds received from GOI	State share	Total	Expenditure incurred	Closing balance	Percentage of closing balance to total availability of funds
2009-10	156.16	135.68*	25.15	316.99	274.19	42.80	14
2010-11	42.80	219.69	32.14	294.63	293.55	1.08	Nil
2011-12	1.08	297.35	42.56	340.99	294.21	46.78	14
2012-13	46.78	292.22**	96.38	435.38	367.99	67.39	15
2013-14	67.39	314.41**	101.64	483.44	468.27	15.17	03

Note: *: Apart from above, ₹ 70.49 crore received from GOI for infrastructure maintenance in 2009-10 was also spent.

****:** Grant of ₹ 6.05 crore and ₹ 1.53 crore were also received as grants in kind during 2012-13 and 2013-14 respectively.

As may be seen, there were closing balances at the close of each year (except 2010-11) which indicated that implementation of the scheme was slow. Due to slow implementation of schemes, there were shortage of CHCs, PHCs and SCs, lack of infrastructural facilities in CHCs and PHCs as discussed in paragraph 2.2.8.

The Mission Director stated (November 2014) that closing balance of each financial year was used in the first quarter of the next financial year for ongoing activities as the funds were received in June every year. Thus, a proper system needs to be evolved for obtaining funds at the beginning of each year for speedy implementation of scheme.

Further, scrutiny of the records showed that the State Government had short released its share by ₹ 28.44 crore during 2009-14. The Mission Director stated (November 2014) that State Finance Department had been requested for release of arrear of State share during the financial year 2014-15.

2.2.7.1 Non-receipt of Utilisation Certificates

- Village Health Sanitation Nutrition Committee (VHSNC) gets an untied grant of upto Rs. 10,000 on annual basis. An amount of ₹ 15.29 crore was booked as expenditure during 2009-13 without getting any UCs from VHSNC. It was observed that Mission Director, NRHM had issued (April 2009) instructions to book the amount released to VHSNC as expenditure without getting any utilisation certificates or necessary documents from them. The instructions of Mission Director, NRHM were in contravention of the guidelines. It was further observed that no control mechanism was evolved to ensure that untied grants were being utilised on the envisaged activities. In the absence of this, the chances of misutilisation of funds cannot be ruled out.

The ACS stated during the exit conference that the practice of booking of the expenditure without getting UCs had been stopped from 2011-12. On being

pointed out by Audit that the practice had not been stopped, the ACS assured that the instructions would be reiterated.

- To address the gender inequity and promote awareness against female feticide, best performing village having either highest sex ratio or greater percentage of increase in sex ratio was to be given award of ₹ one lakh and ₹ five lakh for best performing village in the State. Award of ₹ 25,000 was also introduced for the second best village in the district from 2012-13. The money was to be spent on further Information, Education and Communication (IEC) for Pre Natal Diagnostic Technique (PNDT) activities.

An amount of ₹ 17.75 lakh was given as award by DHFWS to 16 Panchayats under the scheme during 2010-13 in seven test-checked districts. No utilisation certificates (UCs) were available with the concerned DHFWSs. The department had also not evolved any system to ensure that expenditure was incurred by the concerned Sarpanches on the IEC for PNDT activities.

The Mission Director stated (November 2014) that UCs for ₹ 5.25 lakh have been obtained and for balance amount UCs were being collected. The fact remains that proper utilisation of the award money for a substantial amount could not be ensured.

2.2.8 Infrastructure

NRHM aimed to bridge gaps in the existing capacity of the rural health infrastructure by establishing functional health facilities through revitalisation of existing physical infrastructure such as health centre buildings and fresh construction or renovation wherever required. The Mission also sought to upgrade available facilities to Indian Public Health Standards (IPHS) for different levels of health centres.

2.2.8.1 Shortage of CHCs, PHCs and SCs

As per IPHS for every 80,000 to 1,20,000 population, there should be a CHC, for a population of 20,000 to 30,000 there should be a PHC and for population of every 5,000, there should be one Sub-centre.

Scrutiny of the records of the Mission Directorate showed that there was shortage of infrastructure in terms of CHCs, PHCs and SCs as per details given in Table 2.2.2.

Table 2.2.2: Details of shortage of CHCs, PHCs and SCs

Category	Requirement	Available	Shortage	Percentage of shortage
CHC	125	112	13	10
PHC	501	485	16	3
SC	3006	2630	376	13

Source: Programme implementation plan 2012-13

As is evident from the above, there was shortage of CHCs to the extent of 10 *per cent*, PHCs to the extent of three *per cent* and SCs to the extent of 13 *per cent*.

The ACS stated during exit conference that IPHS norms were inspirational and served as guiding standards and further stated that the Department had been making continuous endeavors to achieve the goals laid down in IPHS.

2.2.8.2 Construction of CHCs, PHCs and SCs

To bridge the gap, the NRHM had set a target of construction of 22 new CHCs, 78 new PHCs and 282 new SCs in the State targeted to be completed during 2013-14. It was observed that the targets of construction of these centres had not been achieved (November 2014) as per details given in Table 2.2.3.

Table 2.2.3: Details of target and achievement of construction of CHCs, PHCs and SCs

Category	Target	Achievement	Percentage	In progress	Works not started
	(In numbers)				
CHC	22	19	86	03	0
PHC	78	71	91	06	1
SC	282 ⁴	202	82	32	11 ⁵
Total	382	292		41	12

Source: Information provided by SHS

The Public Works Department (Buildings and Roads) was the executing agency for the execution of works of Health Department. As per information available with the Mission Director, NRHM, as against the administrative approvals of ₹ 332.66 crore, the total expenditure was ₹ 170 crore upto October 2013. Scrutiny of the records indicated the following:

- Though the target date of completion of works was indicated, the actual date of completion was not specified in any of the cases. In the absence of this, it was not possible to ascertain the time overrun. From the available data in the test checked districts, audit observed that nine⁶ works were completed at a cost of ₹ 9.76 crore as against the estimated cost of ₹ 8.15 crore resulting in cost overrun of ₹ 1.61 crore i.e. increase by 20 *per cent*. In case of PHC, Haodali, cost overrun was to the extent of 64 *per cent*. There was no evidence on record to indicate monitoring or analysis by the Health Department of the time and cost overruns by the executing agencies.
- Though the administrative approval for construction of CHC, Mulana was accorded in September 2011, tendering process for allotment of work had not yet been started (January 2014). The administrative approvals for construction of PHC, Bama (Kurukshetra district) and PHC, Guryani (Rewari District) were

⁴ Out of these, 37 withdrawn.

⁵ Out of these 9 SC were not required to be constructed as buildings were existing in District Kurukshetra.

⁶ (i) CHC, Beri, (ii) PHCs, Haodali and (iii) Bidhlan, (iv) SCs, Landa, (v) Chang, (vi) Nangal, (vii) Karewari, (viii) Rohna and (ix) Bhandri

accorded August 2009 and September 2008 respectively but the construction could not be started due to non-availability of land/ dispute of land. Similarly, buildings of SCs could not be started due to land disputes and non-availability of land. The department had not made any efforts to get the alternate sites.

The Mission Director stated (November 2014) that construction of CHC, Mulana could not be taken up due to cost escalation from ₹ 1.71 crore to ₹ 6.58 crore. As regards PHC, Bama, it was stated that the land for construction of PHC had now been released by the Director, Development and Panchayat Department and permission of the construction of PHC, Guryani had been obtained from Environment and Forest Ministry, GOI to remove trees. The fact, however, remains that there were substantial delays in getting the land released.

2.2.8.3 Improper-functioning of PHCs/Sub-Centres

A total of 29 SCs were completed between September 2009 and April 2012 at a cost of ₹ 3.99 crore in Fatehabad and Sirsa districts but these SCs were not functioning properly (January 2014) as only one Auxiliary Nurse Midwife (ANM) was provided against the norm of three ANMs. It was further observed that the manpower was not sanctioned by the Director General, Health Services (DGHS). Similarly, buildings of two⁷ PHCs in Bhiwani district were completed in July 2013 at a cost of ₹ 2.20 crore but these had not been handed over to the Health Department for want of various facilities i.e. doors, windows, water supply, boundary walls, etc (October 2014).

During joint physical verification, it was noticed (August 2014) that staff quarters and doctors' residences of PHCs, Rohi and Badopur in Fatehabad and SC, Natar under CHC, Madhosinghana in Sirsa district were in bad condition and were lying abandoned. The boundary wall of PHC, Sehlang was also in broken condition.

The ACS stated during the exit conference that the matter would be looked into and corrective steps would be taken soon.

2.2.8.4 Lack of infrastructural facilities in CHCs and PHCs

As per IPHS, the CHCs and PHCs should have services e.g. waiting room, labour room, operation theatre, clinic room, emergency services, separate units for male and females etc. During audit it was noticed that there was inadequate infrastructure in CHCs and PHCs in test-checked districts as per details given in *Appendix 2.6*. Major inadequacy was in respect of operation theatres, emergency/casualty services and separate units for male and female in PHCs as out of 129 PHCs, these facilities were not available in 93 (72 per cent), 69 (53 per cent) and 40 (31 per cent) PHCs respectively.

The ACS stated during the exit conference that the data of infrastructure in CHC/PHC had been prepared as per the norms which were idealistic and did not

⁷

Balkara and Santhokhpura

reflect the requirement at ground level. Thus, the fact remains that funds were released on the basis of prescribed norms.

2.2.8.5 Lack of basic amenities in Sub-Centres

During physical inspection of SCs in selected districts, it was noticed that the SCs as per details given in Table 2.2.4 were functioning without basic amenities like water, electricity, toilets, etc.

Table 2.2.4: Details of SCs functioning without basic amenities

Name of the district	Number of sub-centres functioning without basic amenities				
	Water supply	Water storage	Electricity	Availability of bathroom, toilet	Condemned/poor condition of buildings
Narnaul	20	17	24	6	6
Palwal	12	10	8	7	4

Source: Data provided by DHFWS concerned

The ACS took a serious note of the issue of lack of basic facilities in SCs during the exit conference and directed the departmental officers to take immediate steps to resolve the problems.

2.2.8.6 Non-availability of health services

As per IPHS, the basic health care services such as blood storage, new born care, inpatient, X-rays, ultra sound, etc., required to be provided in the health centres, were not available in CHCs and PHCs test-checked as per details given in **Appendix 2.7**. Major shortage was in CHCs in respect of blood storage (89 per cent), X-rays (41 per cent), ultra sound (100 per cent), ECG (52 per cent), internal examination of gynecology (55 per cent) and pediatric services (75 per cent). Similarly, there was shortage of services in PHCs in respect of blood storage (89 per cent), X-rays (92 per cent), ultra sound (100 per cent), ECG (95 per cent), obstetric services (75 per cent), emergency services (66 per cent), tubectomy/vasecotomy (90 per cent), internal gynecological examination (76 per cent) and pediatric services (83 per cent).

The ACS stated during the exit conference that the Department was continuously striving towards the goal of providing these facilities.

2.2.8.7 Lack of proper planning for dental treatment

Programme Implementation Plans envisaged that dental doctors along with dental equipments and dental units should be made available in all CHCs and PHCs in the State. Records of test checked districts showed that in three PHCs, doctors were available but dental chairs were not available. In five CHCs and 15 PHCs, dental chairs were available but doctors were not available. In one CHC and 12 PHCs, neither doctors nor dental chairs were available.

Apart from above, dental X-Ray machines were not available in any of the CHCs/PHCs in test-checked districts. Thus, the rural population was deprived of facilities of dental treatment.

The Mission Director stated (November 2014) that doctors would be posted against vacancies and tender for purchase of new X-ray machines has already been floated by the Director, Supplies and Disposal.

2.2.9 Human resource

The Mission aimed to increase the availability of manpower as the quality and efficiency of medical care largely depends upon the availability of human resources. As such, the Health Department was to fill up the existing vacancies. It was observed that there was overall 14 *per cent* shortage of medical/paramedical staff. Further, the shortage of SMOs, MOs and Lady Medical Officers was 10, 22 and 84 *per cent* respectively whereas shortage of para-medical staff ranged between 7 and 30 *per cent*.

The matter regarding shortage of medical/para-medical staff was also brought out in the Report of Comptroller and Auditor General of India for the year ended 31 March 2009 (Civil) Government of Haryana and the Public Accounts Committee recommended that recruitment of the para medical staff be made as early as possible. Despite PAC's recommendations, the position remained the same as is evident from above.

The Mission Director stated (November 2014) that there was shortage of medical staff and para-medical staff and that this was ongoing process and efforts were being made to mitigate the shortage.

2.2.9.1 Accredited Social Health Activists

The community based health workers, Accredited Social Health Activist (ASHA) have pivotal role for health related demands for vulnerable sections of the population especially women and children who find it difficult to access public health services. It was envisaged by the State that these health linked health workers and community mobilizers would be indentified in a phased manner. It was noticed that target of identification of ASHA workers was not achieved as achievement of targets fluctuated between 86 and 98 *per cent* during 2009-14. In 2013-14, it was 93 *per cent*.

Shortage of ASHAs deprived the community of the information on determinants of health such as nutrition, basic sanitation and hygienic practices apart from counselling to women on birth preparedness, importance of safe delivery, breast-feeding, etc.

The Mission Director stated (November 2014) that enrollment of ASHAs was a continuous process and that there was significant improvement in the enrollment of ASHA i.e 96 *per cent* of targets in 2014-15. The fact, however, remains that shortage of ASHAs deprived the community of services in earlier years and was yet to be fully achieved.

2.2.9.2 Non-payment of incentives to para-medical staff in difficult areas

It was considered important in the Project Implementation Plans to ensure that right number of manpower in a right mix are available at the right place at the right time with the right skills with motivation to deliver the desired level of services to the patients. With a view to provide appropriate manpower in Mewat area (difficult area), a strategy to increase salary by giving incentives to doctors and paramedical staff was adopted under NRHM.

It was noticed that special incentive to doctors was given but this incentive was not provided to para medical staff during 2012-14. It was observed that Civil Surgeon, Mewat had requested the Mission Director in June 2013 and 2014 for providing budget of ₹ 48 lakh for making payment of incentive money to para-medical staff but the Mission Director had not provided the budget so far (June 2014).

Thus, the strategy adopted to attract staff to work in difficult areas had not been implemented properly with the result that there remained acute shortage of para medical staff as there were only 67 para-medical staff in position as against the sanctioned strength of 314 in Mewat District.

The ACS stated (November 2014) during exit conference that the incentive to paramedical staff was not given on the apprehension of raising of similar demand from other staff. The reply was not tenable as incentive was to be given to para-medical staff as a part of strategy to provide appropriate manpower in Mewat area, a difficult area.

2.2.9.3 Non-deduction Employee's State Insurance Contributions

Section 1(5) of the Employee's State Insurance Act, 1948 provides that any establishment employing 20 or more persons were covered under the Act. An employee covered under the scheme has to contribute 1.75 *per cent* of the wages whereas the employer's contribution is 4.75 *per cent* of the wages payable to an employee. Scrutiny of records of the State Health Society (SHS) and test-checked District Health and Family Welfare Societies (DHFWSs) showed that though the societies were established in April 2005 and covered under Section 1(5) of the Employee's State Insurance Act, 1948, their employees had not been covered under the scheme.

The Mission Director stated (November 2014) that a clarification had been sought about the applicability of ESI Act on NRHM from ESI Commissioner, New Delhi. Further developments were awaited (January 2015).

2.2.10 Procurement system

2.2.10.1 Partial availability of essential drugs

Under the scheme, concept of Essential Medicines List (EML) was started in an organized manner in 2009 by the Health Department for providing a guide for the procurement of medicines and to promote their rational use. The EML was

revised in 2010 for GH, CHC and PHC which contained 627, 246 and 186 medicines respectively. The drug policy was revised in July 2013 and implemented from July 2013 under which 703, 251 and 178 medicines for GH, CHC and PHC respectively were considered essential.

In test-checked districts, record regarding availability of essential drugs in General Hospitals, 35 CHCs and 94 PHCs was checked. It was observed that there was shortage of essential drugs in all the GHs, CHCs and PHCs during 2010-14 as per details given in **Appendix 2.8**. The availability of essential drugs was partial i.e. between 13 and 96 *per cent* and thus the policy to supply essential medicines to all was not fully implemented.

The ACS stated during the exit conference that a new centralised procurement policy had been implemented w.e.f 1 July 2013 and a procurement corporation (Haryana Medical Services Corporation) had been set up to carry out the procurement of medicines for NRHM and the problem of short supply of essential drugs would be addressed.

2.2.10.2 Provision of drug kits for ASHAs

Each ASHA is supposed to be provided with a primary medical care for minor ailments. A provision was made to provide a drug kit containing generic AYUSH and allopathic formulations for common ailments. Provisions were made for the procurement of 19,000 drug kits in Programme Implementation Plans during 2010-13.

Test check of the records showed that no drug kit was purchased up to 31 March 2012. Only 12000 ASHA Kits were procured in 2012-13. Thus, drug kits were not provided to ASHAs during 2009-12. There were 16,800 ASHAs in the State during 2013-14, against which 12,000 kits were provided. Thus, 4,800 ASHAs were working without drug kits. Although budget provision of ₹ 55 lakh was made in 2013-14, only ₹ 1.82 lakh (3.3 *per cent*) was spent. As a result of this, effective services to rural population through ASHAs could not be provided to the rural population.

The Mission Director stated (November 2014) that 10,000 drug kits would be procured to meet the shortfall.

2.2.10.3 Procurement of Absorbent Cotton Wool from a black listed firm

Drugs and Cosmetics Act, 1940 and the rules made thereunder provides that regular and random testing of drugs will be undertaken from Government/ Government approved laboratories at the time of supply and at any time during the shelf life or whenever any defect is noticed. If a major defect is found in the standard of a medicine/ medicines, use of that medicine is required to be stopped immediately and the firm which had supplied substandard medicine should be blacklisted/ debarred.

Scrutiny of records of SHS showed that M/s Jind Surgical, Hansi Road, Jind a supplier of Absorbent Cotton Wool was blacklisted by the Tamil Nadu Medical Services Corporation on 13 October 2011 for the period from 9 November 2011 to 8 November 2016. However, scrutiny of records of SHS and test-checked DHFWSs showed that Absorbent Cotton wool worth ₹ 1.08 crore was purchased between November 2011 and May 2013 from this supplier i.e. after the date of blacklisting of the firm. No guidelines were framed to deal with cases where a firm has been blacklisted by another Corporation/State.

The Mission Director stated (November 2014) that the purchases were made on rate contract basis entered into by Director General, Supplies and Disposal. The reply was not convincing as the Health Department should have framed guidelines to deal with cases where a firm has been blacklisted by another Corporation/State. The ACS assured during the exit conference that a system of obtaining affidavit from suppliers about their non-blacklisting would be introduced.

2.2.10.4 Dispensing adulterated/spurious medicines to the patients

Medicines worth ₹ 10.21 lakh procured between March 2010 and September 2013 by the DHFWSs, Bhiwani, Ambala, Mewat, Narnaul and SHS Panchkula were declared adulterated/spurious by Government Analyst. Out of these, adulterated/spurious medicines worth ₹ 6.57 lakh were dispensed to the patients and ₹ 3.64 lakh worth were lying abandoned in a warehouse at Ambala (August 2014).

On further scrutiny of the stock of the medicines, it was noticed (August 2014) that report of sample was received by DHFWS, Mewat and Central Store, Ambala after a period ranging between 305 and 575 days of drawal of samples. Thus, there were substantial delays in conveying results of samples in districts. Had the results of tests been conveyed earlier, dispensing of spurious/adulterated medicines could have been avoided. Further, as per terms and conditions of supply orders, the firm is bound to replace the entire batch of such medicines or make full payment of entire batch, even if the entire or part of supply has been consumed but neither the medicines had been replaced nor recovery of amount of the entire batch had been made.

The Mission Director stated (November 2014) that the firm was directed to replace the supply of the medicine in question as per terms and conditions of rate contract.

2.2.11 Family Welfare, Reproductive and Child Health

The Mission objectives included reduction in child and maternal mortality, population stabilisation, gender and demographic balance, universal access to public services for food and nutrition, sanitation and hygiene, public health care services with emphasis on women's and children's health and universal immunisation. Physical targets in respect of family planning, routine immunisation, pulse polio immunisation, etc. were fixed.

2.2.11.1 Maternal health

➤ **Registration and check-up**

Early detection of complications during pregnancy by antenatal check-ups is important for preventing maternal mortality and morbidity. Registration of pregnant women in first trimester, quality check-up, identification of high risk cases and their timely referral to higher facilities and follow-up is very important for maternal health. The status of total number of pregnant women registered and total number of pregnant women registered at the time of first trimester is given in **Appendix 2.9**. Analysis of the data showed that only 44 to 51 *per cent* pregnant women were registered at the time of first trimester.

The Mission Director stated (November 2014) that the registration at the level of first trimester was increasing though at slow pace and to accelerate this department had started identification, referral and management of high risk pregnant cases.

➤ **Iron Folic Acid administration**

Anaemia is considered as leading cause of maternal mortality and is an aggravating factor to haemorrhage, sepsis, toxemia, etc. Prophylaxis against nutritional anaemia in a pregnant woman requires a daily dose of Iron Folic Acid (IFA) tablets for a period of 100 days. Scrutiny of the records showed that the percentage of pregnant women given tetanus toxoid dosage was between 87 and 88 while 65 to 88 *per cent* pregnant women were provided IFA tablets for prophylaxis against nutritional anaemia during 2009-14.

The Mission Director stated (November 2014) that corrective action was being taken for the improvement in anemia in pregnant women and significant improvement in anemia in pregnant ladies was expected by the end of 2014.

➤ **Institutional delivery care**

To encourage institutional delivery, the Janani Suraksha Yojana provided all rural BPL pregnant women a cash assistance of ₹ 700. The target of institutional deliveries of 70 *per cent* during 2009-10 and 80 *per cent* during 2010-14 of the total deliveries was achieved as it was 70 *per cent* in 2009-10 and 82 to 85 *per cent* during 2010-14.

➤ **Delayed/non-payment under Janani Suraksha Yojna**

The Janani Suraksh Yojna (JSY) launched in April 2005 aims at reducing maternal and neo-natal mortality by encouraging and increasing institutional deliveries. Under the scheme, assistance to BPL women of all categories for deliveries at home or institutions is given. The scheme is also applicable for non-BPL, SC/ST women but only for child births at a Government Institution or accredited private institutions. Cash incentive is given to the mother during her post-partum period in order to ensure her a good diet and care. An incentive of

₹ 600 in urban areas and ₹ 700 in rural areas for institutional deliveries were to be provided while the incentive of ₹ 500 was to be provided for home deliveries both in urban and rural areas.

As per scheme guidelines, the amount of incentive was required to be paid within five days of the delivery date. Test-check of records of 7,027 JSY beneficiaries in selected districts showed that an amount of ₹ 30.80 lakh was paid to the 4,632 beneficiaries after a delay ranging between 38 and 2,721 days and an amount of ₹ 16.38 lakh was yet to be paid to the 2,395 beneficiaries even after lapse of time ranging between 49 and 1,309 days during 2011-12 to 2013-14.

The scheme was intended for health benefit for the mother at the time of delivery. Making payment after years of delivery defeated the very purpose of the scheme.

The Mission Director stated (November 2014) that this was mainly because of delay in the documentation process and non-opening of bank accounts by the beneficiaries as money is paid through cheque. Further, the incentive money was very less and process of documentation was cumbersome. The ACS stated during the exit conference that process of documentation would be completed during the ante-natal period by service providers in future to ensure timely payment of incentives.

2.2.11.2 Performance of various family planning methods

To reduce Total Fertility Rate, an increased access to utilisation of family planning services is one of the objectives of the NRHM. Targets and achievements of various components of family welfare planning for the period 2009-14 are given in *Appendix 2.10*.

An analysis of the data of appendix showed that the achievements of targets in respect of all the methods had decreased during 2009-13. It decreased in respect of vasectomy from 39 to 27 *per cent*, tubectomy from 81 to 79 *per cent*, IUD from 81 to 73 *per cent*, CC Users from 77 to 62 *per cent* and OP Users from 108 to 96 *per cent*.

The Mission Director stated (November 2014) that percentage achievement was not a parameter to see the progress and improvement of family planning programme. As regards achievements of OP Users and CC Pieces, it was stated that supply of the oral contraceptives and condom pieces by GOI was irregular and in insufficient quantity. The reply was not tenable as the targets were fixed by the department itself and the supply of contraceptives should be ensured to achieve the targets.

2.2.11.3 Immunization and child Health

The immunization of children against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles has been the corner stone of routine immunization not only under Universal Immunization Programme but also under NRHM. It was noticed that there was shortfall in

achievement of targets of immunization of Measles (6 to 17 *per cent*), DPT (8 to 93 *per cent*), OPV (9 to 28 *per cent*) and F1⁶ (6 to 17 *per cent*) during 2011-14.

For secondary immunisation, children in age group of 5 to 6 years were required to be administered DT (Diphtheria and Tetanus) and two doses of Tetanus Toxiod (TT) at the age of 10 and 16 years respectively. The shortfall in targets in the secondary immunisation ranged from 9 to 43 *per cent* for DT, 8 to 48 *per cent* for TT (10) and 25 to 57 *per cent* for TT (16).

The Mission Director stated (November 2014) that ANMs and ASHAs were being motivated to mobilize every unvaccinated child to provide them timely immunization services.

2.2.12 National Disease Control Programme

- ***National Vector Borne Disease Control Programme***

National Vector Borne Disease Control Programme (NVBDGP) aims to control vector borne diseases by reducing mortality and morbidity due to malaria, dengue, chikungunia and Japanese encephalitis, etc. in endemic areas. Audit noticed that dengue cases increased from 125 in 2009 to 1770 in 2013.

- ***Revised National Tuberculosis Control Programme***

The year-wise target for sputum examination is fixed under Revised National Tuberculosis Control Programme (RNTCP).

Audit observed that although the overall target of treatment of New Sputum Cases was achieved, the achievements of target of sputum examination ranged between 90 and 99 *per cent* and cases of new smear positive cases increased from 13,387 in 2010 to 14,170 in 2013.

- ***National Leprosy Elimination Programme***

The National Leprosy Elimination programme (NLEP) aimed to eliminate leprosy by the end of Eleventh plan i.e. by 2005. The State had achieved the target i.e. less than one case per 10,000 population. However, number of people affected with leprosy in the State had increased from 365 in 2009-10 to 561 in 2013-14.

- ***National Programme for Control of Blindness***

The National Programme for Control of Blindness (NPCB) aimed to reduce prevalence of blindness cases to 0.3 *per cent* by 2020 through increased cataract surgery, school eye screening and free distribution of spectacles.

- ***Cataract operation performance***

As per guidelines, the ratio of cataract operation in Government and private sectors was required to be maintained in the ratio of 1:1.

It was noticed that against the target of conducting 7.14 lakh cataract operations, 6.42 lakh cataract operations were performed during 2009-14. Out of these 28 *per cent* were performed in Government sectors, 27 *per cent* by NGOs while 45 *per cent* were performed by private practitioners. The operation by private practitioners and NGOs were predominantly carried out in camps, where data on the rate of success and follow up was not available.

The Mission Director stated (November 2014) that training was provided to Government Eye Surgeons for advanced eye care facilities and as a result of this, there was improvement in conducting cataract surgery in Government Sector.

➤ ***Refractive error and free distribution of spectacles***

The programme envisaged free distribution of spectacles to the students having refractive errors. During 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, 14,992, 9,233, 9,487, 7,476 and 3,231 spectacles were issued respectively against the total detection of 29,097, 20,652, 15,037, 43,414 and 14,766 cases of refractive errors. Thus, spectacles were provided to 44,320 students against the detection of 1,22,966 students with refractive errors. Thus, only 36 *per cent* of students with refractive error were provided spectacles.

In three⁸ test-checked districts, 5,072 students were identified with refractive error during 2011-14 but free spectacles were not provided. Only 138 students were provided free spectacles, out of 644 students detected with refractive errors in Palwal district during 2011-14.

The Mission Director stated (November 2014) that spectacles would be provided free of cost to all the students having refractive error in future.

2.2.13 Impact assessment

As per Mission Guidelines, high infant mortality rate, maternal mortality rate and total fertility rate were to be checked. The achievement of these key health indicators to assess the performance of the health services at the start of 2009-10 and up to the end of the year 2013-14 are given in Table 2.2.5.

Table 2.2.5: Details of achievement of health indicators

Name of health indicator	Position for the year 2009-10	Position for the year 2013-14	GOI Target for 2011-12	GOI Target for 2012-17
Infant Mortality Ratio (per 1000 live births)	48	42	30	25
Maternal Mortality Ratio (per one lakh live births)	153	146	100	100
Total Fertility Rate	2.3	2.3	2.1	2.1

Source: Data supplied by SHS.

⁸ (i) Sirsa, (ii) Fatehabad and (iii) Mewat

Although, there was improvement in key health indicators from 2009-10 to the 2013-14, the achievement of the State was far behind the targets set by GOI. Audit observed that it was due to lack of infrastructure, shortage of staff, etc as discussed in the Paragraphs 2.2.8 and 2.2.9.

2.2.14 Internal control

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control in the department was inadequate as utilization certificates were not obtained from VHSNCs. There was lack of monitoring over the construction activities, health services, facility of dental treatment, etc. The department had also not monitored the availability of essential drugs in health centres as also the provisioning of drug kits for ASHAs. Weak internal controls were also evident in delays in conveying test results of drugs, leading to dispensing of adulterated/spurious medicines.

2.2.15 Conclusion

Household survey at village level and facility survey of CHCs and PHCs was not conducted. Non-conducting of household survey and facility survey impaired the planning process of the mission as the health care needs of the rural population and deficiencies in the facilities in the health institutions could not be identified and addressed in the planning process. State Government's release of its share was short. The number of CHCs, PHCs and SCs was less than the norms. There was shortage of Medical Officers, para-medical staff, essential drugs and drug kits for ASHAs. No guidelines were framed by the Department to deal with cases where a firm has been blacklisted by another Corporation/State. A large number of registered pregnant women did not show up for antenatal check-ups. There were cases of substantial delays/non-payment of incentives under Janani Suraksha Yojna. Target of conducting cataract operations were not achieved. Only 36 per cent of students with refractive errors were provided spectacles. The State was behind in achievement of GOI targets with regard to infant mortality rate and maternal mortality rate. The internal control mechanism in the department was weak.

2.2.16 Recommendations

The Government may consider:

- (i) preparation of perspective plan of each district after conducting household and facility survey;
- (ii) establishment of new CHCs, PHCs and SCs as per IPHS norms and providing of proper health facilities at all the health centres as per IPHS;

- (iii) filling up of post of doctors and para-medical staff as per IPHS;
- (iv) framing guidelines to deal with the case where the vendor is a blacklisted firm; and
- (v) strengthening of internal control system for obtaining utilisation certificates, watching construction activities, providing facilities, conveying test results of drugs, etc.

**Town and Country Planning and Urban Estates Departments
(Haryana Urban Development Authority)**

2.3 Development of Urban Estates

The State Legislature enacted the Haryana Urban Development Authority Act 1977 to promote and secure development of urban areas in a systematic and planned way with the power to acquire, sell and dispose of property, both movable and immovable. Performance audit of the Development of Urban Estates brought out the following significant deficiencies:

Planning of National Capital Region was not done in consonance with Regional Plan of National Capital Regional Planning Board.

(Paragraph 2.3.6.1)

Delay in referring the cases of landowners to courts by Land Acquisition Officers resulted in extra payment of interest of ₹ 3.17 crore. Further, delay in making payment of land enhanced compensation led to extra payment of interest of ₹ 4.67 crore.

(Paragraphs 2.3.7.1 and 2.3.7.2)

A sum of ₹ 2.46 crore on development of auto market in Gurgaon, ₹ 19.52 crore on execution of five sewer and storm water drains and ₹ 1.90 crore on execution of four road works was rendered infructuous/ remained blocked due to poor implementation of works.

(Paragraph 2.3.8.1, Paragraph 2.3.8.5 and Paragraph 2.3.8.7)

2,563 houses constructed at a cost of ₹ 93.88 crore without proper survey under 'Ashiana Scheme' for economically weaker sections remained unallotted due to non-availability of eligible persons.

(Paragraph 2.3.9.1)

Lack of transparency and consistency in development of Commercial areas by colonizers was noticed in processing applications of colonizers, deciding the compactness of the area to be developed, development of internal roads, fixing area norms for setting up commercial colonies, assessing financial adequacy, interpretation of Development Plan, and transfer of licenses etc. Resultantly, the possibility of extending undue benefit to particular applicants cannot be ruled out. Five developers earned profit of ₹ 215.21 crore over cost of ₹ 52.26 crore on sale of land without completing the projects.

(Paragraph 2.3.10.1)

Inadequate monitoring by the Department over advertisement of colonizers for floating housing schemes led to an unauthorized collection of ₹ 55 crore from applicants by a colonizer.

(Paragraph 2.3.10.2)

2.3.1 Introduction

The State Legislature enacted the Haryana Urban Development Authority Act 1977 and gave mandate to the Haryana Urban Development Authority (HUDA) to promote and secure development of urban areas in a systematic and planned way with the power to acquire, sell and dispose of property, both movable and immovable. For this purpose, land is acquired in accordance with the provisions of the Land Acquisition (LA) Act 1894.

As the resources of HUDA had reduced and development of sectors had become costly and time consuming due to litigation, the State Government decided (March 2000) to assign a greater role to the private sector also for urban development. The Director General (DG), Town and Country Planning Department (TCPD) grants licences in terms of Section 3 of the Haryana Development and Regulation of Urban Areas Act 1975 and Rules made thereunder.

2.3.2. Organisational set-up

The Additional Chief Secretary to Government of Haryana, Town and Country Planning and Urban Estates Departments is the administrative head at the Government level. The Urban Estates Department (UED) is responsible for acquisition of land for HUDA. The DG, TCPD is the nodal officer for integrated planned urban development in the State. There are five¹ Land Acquisition Officers (LAOs) and 18 Estate Offices in the State.

In order to meet the requirement of different users, TCPD was granting licences to private developers to develop residential and commercial colonies in urban areas under the provisions of the Haryana Development and Regulations of Urban Areas Act, 1975. Private land is purchased by the developers themselves directly from the landowners. If such land falls in the HUDA Sectors then HUDA is responsible for external development works such as sewerage, roads, electricity etc. after obtaining External Development Charges (EDC) from such developers. All the development activities within the licenced area of private land are carried out by the developers themselves.

¹ Faridabad, Gurgaon, Hisar, Panchkula and Rohtak.

2.3.3 Audit objectives

Audit was taken up to ascertain whether:

- planning for carrying out various developmental activities was effective;
- the acquisition of land was done in an economic and effective manner;
- developmental and maintenance activities were carried out in an economic, effective and efficient manner;
- policy for allotment of plots and buildings was strictly adhered to;
- licences were granted to developers in a proper manner and developers were discharging their statutory obligations; and
- internal control mechanism was in place.

2.3.4. Audit scope and methodology

Performance audit was conducted during February-July 2014 covering the period 2009-14. Three² circles of HUDA, three³ out of five Land Acquisition Officers (LAO's), six⁴ out of 18 Estate offices along with Directorates of Urban Estates and TCPD were selected by adopting Probability Proportional to Size with Replacement method (PPSWR) for conducting audit. An entry conference was held on 22 April 2014 with the Additional Chief Secretary to Government of Haryana (ACS), TCPD in which audit scope, audit objectives and methodology were discussed. The audit findings were discussed in the 'Exit Conference' held in February 2015 with the Additional Chief Secretary to Government of Haryana, TCPD. Replies of the Government have also been received (except Paragraph 2.3.10.1). Replies of the Department and deliberations of Exit Conference have been suitably factored in the Report.

2.3.5 Audit criteria

The audit criteria were drawn from the following sources;

- Master Development Plans of various towns and cities.
- Land Acquisition Act, 1894 and standing orders of Revenue Department.
- Provisions of HUDA Act 1977.
- Allotment and lease policies of HUDA.
- Haryana Development and Regulations of Urban Area Act 1975 and Rules made thereunder.

² Rohtak, Faridabad and Gurgaon

³ Rohtak, Faridabad and Gurgaon

⁴ Estate Offices, 1 and 2, Gurgaon, Bahadurgarh, Rohtak, Faridabad and Rewari

Audit findings

2.3.6 Planning

2.3.6.1 *Planning not done in consonance with the Regional Plan of NCRPB*

For development of the National Capital Region (NCR) in a planned manner, National Capital Region Planning Board (NCRPB) Act 1985 was enacted. As per Section 17 of the Act, each participating State had to prepare a Sub-Regional Plan for the sub-region within that State. Further, as per Section 19 of the Act, each participating State had to refer such Plan to the Board to enable the Board to ensure that such Plan was in conformity with the Regional Plan. The State was required to finalize the Sub-Regional Plan after ensuring that it was in conformity with the Regional Plan.

Regional Plan 2021 for NCR was notified by NCRPB in September 2005. Audit noticed that the Sub Regional Plan for Haryana had been notified only in May 2014 without addressing the issues relating to land use, inclusion of Master Development Plan of some towns not falling in the NCR, Geo Referenced district forest mapping, delineation of Natural Conservation Zone (NCZ) etc. raised by NCRPB and Ministry of Environment, Forests and Climate Change.

During Exit Conference, the ACS stated that a meeting was held on 30 January 2015 where observations of NCRPB, Ministry of Environment, Forests and Climate Change were discussed and concerns of the NCRPB and MoEFC were addressed. However, from the minutes of the meeting held in January 2015 it is evident that though issues relating to NCZ have been addressed but its implementation within the time frame specified by State Government needs to be watched. The Government has committed that till such time the NCZ is delineated, no licenses/change of land use would be granted in the area falling within NCZ as shown in Regional Plan 2021 notified in 2005.

2.3.6.2 *Non-assessment of achievement of urbanisation*

As per Section 5(7) and 25(2) (b) of Punjab Scheduled Roads and Controlled Area Restrictions of Unregulated Development Act 1963 as applicable to Haryana, periodic Final Development Plans of each major city were being prepared by TCPD wherein specific area proposed to be urbanized was being mentioned in order to cater to the projected population of the city.

Scrutiny of records showed that a macro picture of the State showing total land to be urbanized /developed and actually developed by the colonizers during 2009-14 in consonance with Final Development Plan was not available with TCPD to assess the achievements.

Audit is of the opinion that the Department should properly monitor the development plans of the State showing total land to be urbanized and land

actually developed on a regular/periodic basis which would facilitate mid course corrections whenever required.

During Exit Conference, the ACS accepted the audit recommendation.

2.3.7 Land acquisition

Land is acquired in the State for urban development by UED. After the acquisition of land, it is handed over to HUDA for further development into urban estates. During the period 2009-14, 14504 acres was acquired by UED for HUDA and compensation of ₹ 9388 crore was paid.

Cases of extra expenditure incurred in land acquisition are discussed below:

2.3.7.1 Extra payment of interest due to delay in referring the cases to Courts

Section 18 of the Land Acquisition (LA) Act 1894 envisages that any person who has not accepted the award may give a written application to the Collector. The Collector is required to refer the matter to the Court for resolving the dispute. Undue delay in making reference to Courts results in payment of interest at 15 *per cent* per annum to the landowners on the enhancement awarded by the Reference Courts for the delayed period also.

In the review meeting held by DG, TCPD in August 2010, it was observed that in a large⁵ number of cases (2857), references filed by landowners were not being sent to the courts in time with the result that the State exchequer had to bear heavy financial loss. It was decided that financial loss caused to the State exchequer should be recovered from the delinquent officers.

CA, HUDA directed (August 2010) all the HUDA Administrators to depute a team of two officers to calculate the financial loss caused to the State exchequer in respect of all the references which were pending for more than 3 years and recover it from the LAOs and Assistant District Attorneys who had been posted since pendency of these references. However, no action was taken by LAOs against the delinquent officials despite instructions of UED. This was only a one time exercise which was not even followed properly. No database regarding the cases where there was dispute indicating nature of dispute and making references to the Court was maintained by LAOs. As such, the control mechanism was very weak. Scrutiny of records further showed as under:

- While according sanction during July 2012 to September 2013 for payment of ₹ 79.88 crore for enhancement compensation in five awards, the Administrator intimated LAO, Panchkula, that HUDA had paid extra interest of ₹ 2.46 crore due to delay in making reference to courts. No action was, however, taken against the delinquent officials by HUDA (January 2015).

⁵ Faridabad: 345; Gurgaon: 250; Hisar: 438 and Rohtak: 1824

- In LAO, Gurgaon, 48 out of 57 reference petitions involved in award No. 66 dated 23 December 2009 were test checked. Delay in sending the references to reference Courts ranged between 77 and 306 days resulting in loss of ₹ 70.84 lakh to the State exchequer.

During Exit Conference, the ACS agreed with the audit observations. He, however, stated that there were certain staff constraints in monitoring these cases but they would certainly take action, wherever required.

2.3.7.2 Delay in payment of enhanced land compensation

As per Section 28 of the Act, the LAO was required to pay interest on the enhanced compensation awarded by the Courts at the rate of 9 *per cent* for the first year and 15 *per cent* per annum for the subsequent years, from the date on which the Collector had taken possession of the land to the date of payment.

There was inordinate delay in making payments of enhanced land compensation awarded by Courts. In LAOs, Faridabad and Gurgaon, there was delay ranging between 3 and 31 months in making payments after the decision of Court. This resulted in extra payment of interest of ₹ 4.67 crore.

Audit observed that the delay in making payment to land owners was mainly due to delay in working out the amount by LAO offices and forwarding the demand for funds to HUDA.

During Exit Conference, the ACS agreed with the audit observations. He, however, stated that there were certain staff constraints in monitoring these cases but they would certainly take action, wherever required.

2.3.8. Development of Urban Estates by HUDA

For the development of urban estates, HUDA undertakes the execution of works relating to construction of roads, buildings, water supply, sewerage system, storm water drainage system and development of parks, providing street lights, etc. HUDA incurred an expenditure of ₹ 4360.42 crore on development works as against the budget provision of ₹ 4280 crore during 2009-13. Position of land acquired since inception, land developed/land utilized and land lying undeveloped as on 31 March 2014 was as given in Table 2.3.2.

Table 2.3.2: Position of land acquired since inception and land developed/land utilized

Name of Zone	Total land acquired	Total land utilized/ planned	Total land unutilized/ Unplanned
	(In acres)		
Faridabad	15463.72	15463.72	Nil
Gurgaon	18165.74	15966.63	2199.11
Hisar	10145.96	8149.49	1996.47
Panchkula	18362.09	14646.55	3715.54
Rohtak	18901.70	16493.55	2408.15
Total	81039.21	70719.94	10319.27

Source: Figures provided by the Department

It was observed that after preparation of layout plans, the land was shown as developed whereas it should be considered as developed only when essential services such as water supply, sewerage, roads, amenities, etc. are provided. As is evident from the above table, total land unutilised under Faridabad had been shown as nil whereas 9.31 acre land was under encroachment in Faridabad Town. Thus, the information supplied by HUDA was not showing the correct picture. There was no monitoring mechanism to assess that land was actually developed as per layout plan within the prescribed time schedule.

During Exit Conference, the ACS stated that HUDA treats the land as developed when the basic amenities, such as internal water supply, approach road, electrification and street light are provided in the particular area. He, however, noted the audit observation and agreed that there was need to segregate and maintain the data in a form which lends itself to proper monitoring.

Scrutiny of records showed the following deficiencies in development activities:

2.3.8.1 Infertuous expenditure on development of auto market

In order to avoid haphazard growth of auto shops, an auto market was planned on 39.85 acre land in Sector 10, Gurgaon. Rough cost estimate of ₹ 2.70 crore for construction of roads and development of parking place in auto market was approved (August 2002) by the CA, HUDA.



Area of auto market used as dumping ground

A sum of ₹ 2.46 crore was spent on disposal of garbage, earth work, providing water supply, sewerage facilities, etc. in the auto market upto September 2006. The auto market had not been made functional. During physical verification by audit along with staff of HUDA, it was observed that the site was not in use and had been used as a dumping ground by the people. No time schedule was fixed for development of land after acquisition. As a result of this, entire expenditure incurred on development of auto market was rendered infertuous.

During Exit Conference, the ACS noted the audit observations and stated that instructions had been issued that where land had been acquired and developed partially or fully, allotment should be done on priority and action was being taken for allotment of shops, etc.

2.3.8.2 Non development of acquired land

For the development of Transport Nagar in the revenue estate of village Umri (Kurukshetra), land measuring 69.55 acres was acquired in October 2005. Audit observed that even after nine years of acquisition of land, the Transport Nagar had

not been developed due to resistance of local people (February 2015). As such, the objective of acquisition of the land had not been achieved. Physical verification by Audit showed that the site was encroached upon by squatters.

The Department stated (January 2015) that land owners whose land had been acquired have been forcibly preventing HUDA from taking up developmental activities. Even police force had to be used for evacuation of unauthorized occupants in 2007 and 2013. FIR had been lodged against the encroachers in October, 2013. The Department further contended that CWPs have been filed in the year 2013 by some of the land owners. The status quo has been granted by Hon'ble Punjab and Haryana High Court in July 2014. The fact remains that the Department had lodged the FIR as late as 2013 although intensity of problem was clearly evident by 2007 and the acquired land could not be developed (February 2015) for the intended purpose.



Encroached Land of Transport Nagar

2.3.8.3 Abnormal rates allowed to a contractor

There were abnormal variation in rates in allotment of similar works relating to construction of roads in Rohtak between June 2009 and May 2011. In the case of allotment of a work relating to 60 metre wide road in Sector 7 and 37, Rohtak at 17.28 *per cent* above ceiling rates (CR), the CA, HUDA observed (February 2009) that the rates were on a higher side and possibility of pooling by contractors cannot be ruled out. The Chief Engineer directed (March 2009) the Superintending Engineer, HUDA Circle, Rohtak to re-invite tenders and also to intimate all the registered contractors of CPWD based at Delhi and DDA about the tenders to explore the possibility of lower rates.

The tender notice was sent by the Executive Engineer, Division 1 Rohtak to District Public Relation Officer for publication but the Chief Electoral officer advised (March 2009) the deferring of the publication due to elections. Though financial implication in the allotment work was to the extent of ₹ 4 crore and the work was not of urgent nature, the publication of tender was not deferred and the work was allotted (June 2009) at 17.28 *per cent* above CR.

Audit observed that after allotment of this work, a consolidated tender for ₹ 38.64 crore relating to similar works of construction of sector roads in Rohtak was invited and work was allotted (August 2009) at 10.11 *per cent* below CR. Thus, allotment of work in June 2009 at 17.28 *per cent* above CR to M/s Mahashiv Promotors Private Limited without exploring the possibility of lower rates was not prudent and resulted in extra expenditure of ₹ 4.18 crore.

During Exit Conference, the Chief Engineer HUDA reiterated that retendering was not done due to imposition of Code of Conduct linked to the elections. He further stated that the rates were competitive and were approved by the competent

authority. The fact remains that despite negotiations, rates were on the higher side which is corroborated by the observations of CA, HUDA made in February 2009 and subsequent allotment of similar works in August 2009 at 10.11 *per cent* below CR.

2.3.8.4 Execution of works not in the ambit of HUDA

As per the HUDA Act, amenities like roads, water supply, street lighting, sewerage, drainage, parks, open spaces, play fields, landscaping and clubs are to be provided to the plot holders in the sectors developed by HUDA. Scrutiny of records of selected divisions showed that certain works were executed by HUDA from its own fund in the areas falling under the jurisdiction of Municipal Committees/Corporations. Instances of such cases are tabulated below:

Sr. No.	Name of Work	Expenditure (₹ in lakh)	Nature of Irregularity
1	Construction of Town Park, Jhajjar Road, Rohtak	93.85	The Park was not situated in the areas developed by HUDA hence it was not a fit charge on the funds of HUDA.
2	Development of Dushera Ground Park at Mall Godam Road, Palwal	54.48	The title of the land was not clear as the land at which park was to be developed was a Shamilat land. The Shamshan Bhoomi Sudhar Samiti filed a writ petition in High Court. The Hon'ble High Court ordered (22 April 2009) to maintain status quo of the land. The work had been lying abandoned for the past five years.
3	Development of Deen Bandhu Chhotu Ram Smarak Parisar, Garhi Sampla, Rohtak	874.15	Smarak Parisar was not situated in the areas developed by HUDA hence it was not a fit charge on the funds of HUDA.
Total		1022.48	

The Department stated (January 2015) that expenditure on the parks was done out of interest income as per decision taken in 99th meeting of Authority held on 4 June 2007. Regarding Sir Chotu Ram Samarak, it was stated that decision to construct the Samarak by HUDA at its own cost was taken in a meeting held under the Chairmanship of the CM in October 2004.

During Exit Conference, the ACS noted the audit observation and stated that action would be taken to streamline the procedure relating to invocation of Section 21 (2) (d) of the HUDA Act to ensure that discretionary power vested with the State Government was not misused.

2.3.8.5 Sewer and storm water drainage works

Sewer and storm water drainage works in the Sectors falling under the jurisdiction of HUDA are executed by HUDA. Analysis of these works in the test checked districts revealed as under:

• **Execution of works without proper survey/clear title of land**

Para 15.1.4 of PWD code provides that the land/site on which construction is to take place should be in the possession of the Department concerned or must have received permission of the Department in charge of land. Further, Para 15.2.1 provides that execution of works may require certain clearances, relocation of the utilities and securing of permits. Audit observed that in five cases, ₹ 19.52 crore spent on sewer works were rendered infructuous due to non-adherence of codal provisions as detailed below:

Urban Estate	Date of allotment/ Scheduled date of completion	Expenditure (₹ in lakh)	Remarks
Construction of storm water drainage in residential Sector 1, Pataudi	30 March 2011/ 31 December 2011	132.09	A portion of land in which a drain was to be laid belonged to Nagar Parishad, Pataudi. The Nagar Parishad did not allow the laying of the sewer and storm drainage because houses were in the alignment of sewer. The scheme was formulated without proper survey and obtaining clearance from Nagar Parishad.
Providing Master Sewerage, Leg No V, Gurgaon	30 March 2012/ 30 September 2012	1130.69	The agency has laid sewer pipe line in 90 <i>per cent</i> area. But it could not be laid in remaining portion as permission from GOI for crossing the IOC pipeline had not been obtained which was pre-requisite for starting the work. Thus, the work was started without proper survey and sorting out land disputes.
Providing Master Sewer, Part V, Sonapat	16 August 2012/ 15 January 2013	204.98	The sewers have been laid in some stretches and were lying incomplete due to litigations and local hindrances. The land for Sewage Treatment Plant and 24 metre wide strip along drain No 8 for laying sewer from Sector to STP was not acquired. As such, the scheme was formulated without proper survey about the availability of land.
Providing Sewerage in Rajiv Gandhi Education City, Phase I, Sonapat	27 February 2009/ 26 February 2010	253.16	The sewer had not been made functional as there were hindrances i.e. crossing of IOC pipeline, panchayat land, stay granted by Courts in a stretch of 1.03 km. Further, STP had not been constructed to connect the sewer lines.
Augmentation of existing Master Sewerage System, Leg No. III, Gurgaon	15 February 2011/ 14 August 2011	231.00	After laying 1550 metre sewer, it was observed that laying of sewer in 570 metre length was not possible due to non-availability of space along Hingiri Public School and Electric sub-station near Pataudi on Sector 10 A/37 Road in a length of 475 metre. This situation was not envisaged while preparing the DNIT. It was proposed that remaining work would be executed by method of Cured in Placed Pipe Technology (CIPP) which did not require excavation. In Principle approval was granted by Administrator on 24 October 2011 but tenders for work were opened in May 2014. Further, developments were awaited. Thus, works were started without proper survey.
	Total	1951.92	

The Department stated (January 2015) that certain omissions did take place and taking cognizance of these ACS, TCPD had directed to take action against delinquent officials. Efforts were being made to complete these works.

- **Loss of agreement documents**

Work of providing, lowering, cutting and jointing of SW pipe, construction of RCC manholes and other works contingent thereto in Sector 2-10, Sonapat was allotted (December 2007) to a contractor. The estimated cost of the work was ₹ 3.80 crore and was to be completed within eight months from the date of allotment.

The firm did not start the work till 29 January 2008. Penalty of ₹ 34.18 lakh was imposed (March 2008) due to delay in executing the work. Thereafter, risk and cost proceedings were also initiated (17 April 2008). Tenders were invited (18 July 2008) and work was allotted to another contractor. A sum of ₹ 2.19 crore was recoverable as risk and cost from the contractor. The case was sent to the Chief Engineer along with original agreements. However, the agreements were lost in the office of Chief Engineer with the result that division was not able to present its case before the Arbitrator. No action had been taken against the officials in whose custody these agreements were lost.

The Department stated (January 2015) that disciplinary action was being taken against the person responsible for the custody of these agreements.

- **Defective execution of sewer work in Faridabad**

To cater to the requirements of sectors 75 to 89, Faridabad, plan for laying Master sewerage system was framed (November 1991) with an estimated cost of ₹ 56 crore to be set up near village Badshahpur. Since the area was being developed by private developers, the internal sewer was to be laid by developers and Master sewer joining all the internal sewers was to be laid by HUDA.

Tenders for the work along with defect liability period of three years after completion of work were invited and the work was allotted (March 2012) to M/s KK Spun with the estimated cost of ₹ 38.95 crore to be completed within 18 months. It was observed that there was lack of co-ordination between DTP and HUDA. While giving NOC to the developers, DTP neither enquired from the concerned division regarding depth of Master sewer being laid by HUDA nor ensured that the developers were maintaining levels of internal sewers in their areas in conformity with the level of Master sewer being laid by HUDA.

After start of the work, in a meeting held with the representatives of a private developer, it was observed that invert level of the internal sewer laid by the developer did not join the HUDA sewer by gravity due to mismatch between the levels of sewers of developers and HUDA. Since it was not feasible to adjust the invert levels of master sewer being laid by HUDA at that stage, it was decided that sewerage planning for Sector 75-77 may be separated from that of Sector 80-89. Depth of sewer was changed for sectors 75 to 77 and a separate STP was proposed for these sectors. Further, there were hindrances on 2,615 metre of land on which sewer was to be laid. Due to lack of co-ordination, not only did the project get delayed but the expenditure also increased.

As of August 2014, expenditure of ₹ 30.83 crore had been incurred. The work scheduled to be completed by September 2013 was still incomplete (January 2015).

During Exit Conference, the CA, HUDA stated that it would be ensured that cost of two STPs was within the cost of a single STP. However, this needs to be watched till final completion of work and final booking of expenditure.

2.3.8.6 Water supply works in Gurgaon

With a view to augment water supply in Gurgaon, a rough cost estimate of ₹ 140.92 crore was prepared by HUDA Division 3, Gurgaon for works at Chandu Budhera. The project included construction of raw water collection system, water treatment plant/clear water collection and transmission system, permanent dewatering system, supply and erection of transformer, designing and supplying and erection of complete Supervisory Control and Data Acquisition (SCADA) System and telemetry system for entire water works.

The work was allotted (4 December 2009) to M/S Pratibha-SMC JV at an estimated cost of ₹ 132 crore to be completed within 24 months. As per DNIT, storage and sedimentary tank (S&S tank) of the size of 335Mx280M was to be constructed. The tank was not constructed properly with the result that the capacity of the tank stood reduced by 69825 KLs. The Chief Engineer-I directed (31 October 2011 and 31 May 2013) SE-1 to fix responsibility of defaulting officers and initiate action for recovery of financial losses caused to HUDA due to reduced capacity of tank. It was observed that even after three years, action had neither been taken against the contractor nor against the officials/officers responsible for construction of undersize tank. Even the loss had not been worked out.

It was observed that the work of SCADA system and erection of 66 KVA transformers scheduled to be completed by 4 December 2011 was not completed as on date. Meanwhile, the plant is being run at 50 *per cent* capacity even after an expenditure of ₹ 134.46 crore as of March 2014 resulting in supply of less water.

During Exit Conference, the CA, HUDA stated that penalty of ₹ 2.75 crore has been recovered from the contractor. CA further stated that though the plant was running at 50 *per cent* capacity, it was sufficient to meet the present requirement. The fact remains that the objective for which this huge investment has been made should be monitored to ensure its logical conclusion with complete return on the investment made.

2.3.8.7 Development of roads

- **Non-adherence of codal provision**

The PWD code and instructions issued from time to time by the Chief Administrator, HUDA *inter-alia* envisage that no tender was to be invited unless the site of the work was clear from all encumbrances. Further, Ministry of

Environment, Government of India directed that where forest land falls in the alignment of any development work, the same should not be started unless prior approval of the Ministry/Forest Department was obtained. Test check of records showed that funds invested in the development of roads by HUDA were lying blocked as either the title of land on full stretch was not with HUDA or permissions from other Departments were not obtained. Some of such cases are discussed below:

Urban Estate	Date of allotment/ scheduled date of completion	Expenditure (₹ in crore)	Remarks
Construction of Northern Peripheral Road from Dwarka to Kherki Daula (NH 8), Gurgaon	April 2011/ March 2012	62.63	Out of 18 km stretch, clear land in possession of HUDA was only for 15.602 KM. The road could not be completed as land falling in alignment was in the possession of residents of unauthorised colonies which was not acquired. HUDA has not framed any policy to rehabilitate such persons so far. Further, at various stretches, road was lying incomplete due to non acquisition of land, non-shifting of transmission lines and non-obtaining of approval from Ministry of Environment/ Forest Department.
Seven works for construction of 75 metre and 60 metre wide master road between Sector 81 to 95 and outer road, Gurgaon	Between March 2011 and April 2012/ Between June 2011 to January 2013	112.74	The roads were lying incomplete as the site was not clear and title of land on which these roads were to be constructed was not with HUDA. As per Physical progress report, out of 38.61 KM, 8.95 KM road was still to be constructed (August 2014).
Construction of 45 metre wide outer road of Sector 60 and 64, Sonapat	6 January 2011/ 5 September 2011	7.27	Out of 3.07 Kms of road, contractor had not constructed 0.56 Kms of road as the area on which road was to be constructed was lying in the area for which licence for developing the land had been granted by TCPD to TDI.
Construction of 30 metre wide Master road between Sector 59/60, 64/59 and 60, Sonapat	24 October 2011/ 23 June 2012	7.31	Out of 3.87 Km of road, contractor would not be able to construct 1.30 Km of road as a stretch of 1.23 Km on which road was to be constructed was lying in the area for which licence for developing the land had been granted by TCPD to TDI. Further, area in which 70 metre road was to be constructed had not been acquired.
Total		189.95	

The Department stated (January 2015) that certain omissions did take place and taking cognizance of these, ACS, TCPD had directed to take action against delinquent officials and that efforts were being made to complete these works.

• **Loss due to wrong demarcation of land for road**

Sector 57 Part-1, Gurgaon was floated by HUDA in March 2004. Demarcation plan of this sector was approved by the CA in October 2004. The internal development work was allotted in June 2007 to M/s Larsen and Toubro Limited to be completed at a cost of ₹ 45.90 crore within 18 months.

While executing development works, road in front of plot no 1093 to 1103 was laid wrongly as a result of which, the depth of above mentioned plots was reduced to 13 metres from 18 metres which resulted in revision of demarcation plan in this block. The SE, HUDA circle 1 stated (19 February 2013) that there would be huge loss to the Department by dismantling and re-laying already laid services and could also invite litigation. Thus, eleven plots (no 1093 to 1103) remained abandoned due to wrong demarcation of land of the area, resulting in loss of

₹ 3.35⁶ crore. Audit observed that survey of the site was not properly done before allotment of work to contractor resulting in preparation of incorrect drawing and lay out plan.

The Administrator directed (February 2013) to fix the responsibility of erring official for wrong laying of the road but no action had been initiated so far (August 2014).

During Exit Conference, CA, HUDA stated that this issue would need to be revisited to determine whether the problem was due to encroachment or due to wrong demarcation and action would be taken thereafter.

2.3.8.8 Non-development of land for commercial complexes

HUDA constructed new buildings for development of Commercial Complexes on behalf of Government at some places from its resources. To meet such expenditure, Government provided land free of cost on which old buildings existed. Scrutiny of records in test-checked cases showed that sites were not developed as commercial complexes as discussed below:

➤ In the High Powered meeting held on 13 September 1996, it was decided to shift District Jail, Gurgaon to village Bhondsi. The construction cost was to be borne by HUDA and in return HUDA was allowed to plan and develop the existing site of District Jail into a commercial complex.



Site of Old Jail Complex being used as dumping ground

Scrutiny of records showed that the construction work of the Modern Jail in village Bhondsi was completed in 2003 at a cost of ₹ 33.33 crore and the jail had started functioning.

It was observed that HUDA had developed open space of the Jail area under phase I but area of built up jail after shifting of inmates to New Jail Complex under phase II had not been developed into commercial complex. The site was being used as dumping ground by the Municipal Corporation.

During Exit Conference, CA, HUDA stated that auctioning of sites had commenced and that remaining sites would be auctioned in a phased manner. The fact remains that site of old Jail complex acquired under phase II had not been developed into commercial complex even after 12 years of shifting of inmates of Jail to New Complex.

➤ An area of 18 acre 5 kanal and 15 marla of old ITI building, Rohtak was transferred (July 2007) to HUDA for development of commercial complex in lieu

⁶ 11 plots X 167.22 sq. mtr X at the rate ₹ 18200 per sq. mtr = ₹ 3.35 crore

of expenditure to be incurred on the construction of new ITI building. The work of construction of ITI building was completed in 2012 at a cost of ₹ 65.81 crore.

The drawing of shopping centre at old ITI was approved by CA in August 2012 and foundation stone was laid in March 2013. The land had not been developed with the result that revenue could not be earned as of November 2014.

The Department stated (January 2015) that out of 18 acre 5 kanal and 15 marla land transferred in July 2007, physical possession of 11 acre 3 kanal land was given in March 2013 and possession of the remaining 7 acres of land had not been given to HUDA so far and that the development works of the area were in progress. The fact remains that the site of old ITI Building had not been developed into commercial complex though the new ITI building was completed in 2012.

During Exit Conference, CA, HUDA stated that planning of this work has commenced and their aim would be to ensure that there was good return from the investment.

2.3.9. Allotment of plots by HUDA

2.3.9.1 Allotment of flats for EWS category under Ashiana Scheme

With a view to provide hygienic living space with basic amenities to slum dwellers, HUDA approved (December 2006) the Ashiana project under the 'Integrated Housing and Slum Dwellers Programme (IHSDP)'. Under the scheme, HUDA was to construct low cost dwelling units in various urban estates. Preference was to be given to encroachers of Government/ HUDA land who had approached the courts for regularization of long existing *jhuggi/jhopri* colonies and providing alternative shelter before eviction. The Chief Engineer, HUDA issued instructions in September 2009 to all the Administrators of HUDA to identify the beneficiaries in consultation with District Urban Development Authority under the scheme in their jurisdiction.

Scrutiny of the records of Faridabad and Gurgaon Urban Estates showed that the eligible persons were not identified before starting the construction work with the result that 2563 units remained unallotted though the construction of these houses was completed between October and November 2010, as detailed in **Table 2.3.3**.

Table 2.3.3: Details of constructions of houses

Name of Urban Estate	Cost of construction (₹ in crore)	Number of units constructed	Scheduled date of completion	Actual date of completion	Number of units remained unallotted	Amount blocked (₹ in crore)
Faridabad	112.60	3080	November 2009	November 2010	2003	73.23
Gurgaon	20.65	560	October 2009	October 2010	560	20.65
Total	133.25	3640			2563	93.88

Source: Data supplied by divisions concerned

Apart from above, 528 more houses were constructed in Gurgaon under the scheme at a cost of ₹ 18.78 crore. But the contingent work (9 *per cent*) remained incomplete due to dispute between HUDA and landowners.

In Faridabad, survey was conducted for 4,189 persons but only 1,077 were found eligible. Similarly, in respect of Gurgaon, 204 applications were received but none of the applicants were found to be eligible. Thus, the dwelling units were constructed without proper survey and assessment of eligible persons as per criteria fixed by HUDA in February 2010.

During Exit Conference, the ACS expressed his concern about the issue and stated they were making efforts to ensure that there was proper utilisation of these flats within GOI guidelines so that money spent on these houses is not wasted. The fact remains that the eligible persons were not properly identified before starting the construction work.

2.3.9.2 Irregularities in allotment of plots under reserve categories

In order to ensure allotment opportunity for affordable houses to different strata of society including persons belonging to under privileged sections of Society, a reservation policy was formulated (January 1987) by HUDA. Terms and Conditions governing the allotment of plots under reserve categories *inter alia* lay down that the allottee shall submit an affidavit certifying that he had never been allotted a plot under reserved category in any urban estate in Haryana in his own name or in the name of his spouse or in the name of his dependent family members.

The CA, HUDA constituted (October 2013) a committee headed by Administrator, HUDA (Headquarters) to scrutinize allotment under reserved category. By cross linking the centralized digitized data pertaining to allottees, it was found out that 402 allottees had obtained allotment of more than one plot under various reserved categories by submitting false affidavits. HUDA had lodged FIRs against these allottees.

Apart from the above, scrutiny of records by Audit (August 2014) showed that 32 allottees of reserved categories, under Estate Office-II, Gurgaon and EO-Panchkula had availed of the benefit of the reservation more than once by submitting false affidavits which were not detected by the concerned Estate Offices. The fraud committed by allottees by giving false affidavits remained unnoticed because despite having centralised database, no mechanism had been evolved to scrutinize the applications at Head office and photographs of the allottees were not appended in the allottee files though this was the requirement.

The Department stated (January 2015) that action against 32 cases pointed out by audit have been initiated. As audit has detected these cases manually on test-check basis, the Department should do a complete check of all cases using the digitized data available with it to rule out any other possibility of double allotment.

During Exit Conference, the ACS agreed with the audit observations and also the recommendations of audit to do a complete check of all the cases so as to rule out any other possibility of double allotment.

2.3.10. Issues related to private colonizers

In order to avoid haphazard development around the cities, the Government under Section 4 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963, (as also applicable to Haryana), declares any area outside the limits of municipal town or any other area which in its opinion, has the potential for building, industrial, commercial, institutional or recreational activities, to be a controlled area. Thereafter, Development Plans for the areas declared as 'controlled area' indicating areas reserved for major land uses such as residential, industrial, commercial etc. are prepared under Rule 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Rules, 1965. For HUDA, land is acquired by State Government. The private developers purchase the land from the landowners and DG, TCPD grants licenses to them in terms of Section 3 of the Haryana Development and Regulation of Urban Areas Act, 1975. During the period 2006-14, the Department issued 1003⁷ licenses to colonizers in the State, of these 225⁸ license files were scrutinised.

In addition, as a test check of procedures relating to grant of licenses to developers in Sector 83 for developing commercial areas in the 50 *per cent* area earmarked for them were examined. The results are discussed in the succeeding paragraphs:

2.3.10.1 Development of Commercial areas by colonizers in Sector 83, Gurgaon

Development Plan of controlled areas of Gurgaon-Manesar was notified in February 2007. As per Sectoral plan of Sector 83 approved on 23 May 2007, Sector area⁹ was 518.20 acres, out of which, area under commercial belt was indicated as 126.80 acres. As per Para VII of Development Plan-2021, private developers were permitted to develop to the extent of 50 *per cent* of the commercial belt as per layout plan approved by competent authority, after obtaining licenses. Balance 50 *per cent* was to be developed exclusively by the Government or a Government undertaking or by public authority approved by the

⁷ 2006-07: 104, 2007-08: 197, 2008-09: 139, 2009-10: 112, 2010-11: 109, 2011-12: 119, 2012-13: 116 and 2013-14: 107

⁸ 2006-07: 39, 2007-08: 39, 2008-09: 28, 2009-10: 24, 2010-11: 21, 2011-12: 21, 2012-13: 30 and 2013-14: 23

⁹ Sector Area or Colony Area shall mean the area of the Sector or of Colony as bounded within the major road system shown on the drawing in the case of Sector and on the approved layout plan of the Colony in the case of colony excluding the land under major roads and their adjoining green belts, if any, and the area unfit for building development within the sector or the colony as the case may be.

Government. Nine firms had applied for 14 commercial licenses as of March 2008.

Procedures and policies to grant licenses to developers in the 50 *per cent* area earmarked for them were examined to ensure transparency in the process of grant of licenses and to safeguard the interest of the Government and its agencies. Important findings noticed are discussed in the succeeding paragraphs:

(i) Procedure for inviting applications from private developers

There was lack of transparency in entertaining applications from the developers for grant of licenses for commercial colonies. Presently, interested parties apply for licenses and these are examined on 'first come first serve basis' till the threshold limit of area earmarked for private developers is exhausted. It was observed that one of the firms M/s Piccadily Hotels Pvt Ltd applied for grant of license for developing commercial colony on 30 January 2007 whereas the development plan of Gurgaon-Manesar was notified on 5 February 2007. There was no laid down procedure for advertising the area in which licenses for commercial colonies would be granted to the private developers, last date for submission of applications, total area for which licenses are to be granted, etc. This information is not even hosted on the Web site of the Department. The information as to whether threshold limit for obtaining licenses by private developers had been exhausted or not, is not made available to public.

(ii) Compactness of the area to be developed

Government agencies were a major stakeholder in the development of 50 *per cent* area earmarked for them. It was observed that the manner in which Government agencies would be able to acquire their share of 50 *per cent* in a compact form were not envisaged. The developers had applied for licences at different locations in the commercial zone with result that the 50 *per cent* area earmarked for Government agencies and private developers was scattered. This concern was also expressed by the officers of the Department while appraising the applications of private developers but was not addressed. Under this situation, area might not be susceptible to being developed by the Government or its agencies in a planned manner.

(iii) Development of internal circulating and approach roads

Under Rule 5 and Rule 11 of Haryana Development and Regulation of Urban Area Rules, 1976, the private developer is responsible for metalling of roads, footpaths, street lighting in colonies and their maintenance for a period of five years from the date of issue of completion certificate. The external development works are carried out by Government or any other local authority.

It was observed that while granting licenses to developers in Sector 83, Gurgaon, area owned by developer but falling under 24 metre circulating road was also covered on the condition that the applicant would construct the circulating road passing through their site at their own cost and area under road shall be

transferred free of cost to the Government. The manner in which the alignment and continuity of such roads would be done has not been envisaged.

Further, as per existing practice, the commercial sites should be approachable through internal roads. In the case of M/s Skylight Hospitality Pvt Ltd, the site was not approachable. The Department, however, decided (March 2008) to waive off this condition on the ground that approach would be taken by licensee through the plotted colony of Onkareshwar Properties Pvt Ltd and Mark Buildtech Pvt Ltd in collaboration with Vatika Landbase Pvt Ltd.

DTP (HQ) brought out (17 March 2008) that Department had been considering approach road for existing colonies for grant of additional licenses and there were no precedents where approach was to be given through the plotted colony of another licensed colony. Though there were no specific guidelines or earlier precedents in this regard, permission was granted in the instant case.

(iv) Area norms for setting-up of commercial colony

Policy guidelines for area norms for setting up of commercial colonies were framed in December 2006. As per these guidelines, in Hyper Potential Zone, minimum area norm for setting up of commercial colony was two acres. Gurgaon has been declared as a Hyper Potential Zone. It was observed that projects were sanctioned in Sector 83, Gurgaon for area measuring less than 2 acres on the rationale that if applied land was contiguous with the already licensed area, then area of both the contiguous plots is to be taken into account. For example, A & D Estates Pvt Ltd applied for 1 acre land and the License (file no. 1866) was granted on the rationale that it was contiguous to the site for which application for grant of license had already been submitted.

Further, there were no clearly laid down norms regarding assessment of two acres and whether this was inclusive of roads and green belt. Thus, while appraising the license of M/s Skylight Hospitality Pvt Ltd, it was observed that out of 3.531 acre applied area, 0.83 acres fell in residential zone and 1.35 acres fell in the 24 metre internal circulation plan road. After excluding these areas, net area for commercial licence remained 1.351 acres. The colonizer was assessed to have fulfilled the minimum area requirement of 2 acres.

Further, as per Final Development Plan of Gurgaon- Manesar 2021, area falling under roads was not to be calculated towards net planned area and only benefit towards Floor Area Ratio (FAR) was to be given for transferring the land falling under roads. While this principle was applied in twelve¹⁰ cases, the net area indicated against each of these applicants was after deducting area under sector roads, etc., whole area including the area falling under roads has been indicated in

¹⁰ Piccadily Hotels Pvt Ltd (license file no 1260 and 1271), A&D Estates Pvt Ltd (License file no 1220, 1220-A, 1620, 1620-A), Uppal Housing Pvt Ltd (License file no 1643), S.V. Housing Pvt Ltd (License file no 1802), Trishul Industries (License file no 1841), Mark Buildtech Pvt Ltd (License file no 1869), Seriatim Land and Housing Pvt Ltd (License file no 1355 A) and DLF Universal Ltd (License file no 1708-B).

respect of M/s Skylight Hospitality Pvt Ltd. It was not clear as to why such a distinction had been made in respect of M/s Skylight Hospitality Pvt Ltd.

(v) Procedure for assessing financial adequacy

On receipt of application for grant of license from the developers, matters relating to title of the land, capacity to develop a colony, layout of colony, percentage of area available for commercial colony, seniority of the applicant, etc. had to be examined by TCPD. It was observed that there were no specific laid down parameters to ascertain the capital adequacy and robustness of the firms applying for licenses.

In respect of Sector 83, Gurgaon, 9 firms had applied for 14 commercial licenses as on March 2008. The financial capacity of applicants was assessed by TCPD on the basis of balance sheet of the company (3 cases)¹¹, on bank statements (1 case)¹², on promoter's turnover (1 case)¹³, on the basis of being an associate/subsidiary of another licence holder (5 cases)¹⁴, on the grant of an earlier license (2 cases)¹⁵, and on the assurance of financial and technical support from a company other than applicant firm (1 case)¹⁶. In one case¹⁷, it was mentioned that the applicant has not submitted any documents in respect of financial capacity except the name of the Director alone was mentioned.

It would be seen from the above that no uniform criteria/benchmarks were applied for assessment of financial adequacy with the result that appraisal was *ad hoc* and varied from case to case.

Lack of specific criteria for assessing the financial adequacy was partially addressed through instructions issued on 2 April 2012 specifying that at the time of submission of application for grant of license, the paid up capital of the company (collaborator or otherwise) should be equivalent to scrutiny fee plus conversion charges plus 25 *per cent* of license fee and IDC (rounded off to multiple of next one crore) of applied area. Remaining amount of 75 *per cent* of applicable license fee could be inducted as capital after grant of Letter of Intent under Rule 10 but, before the issuance of license. A more comprehensive and robust mechanism whereby financial adequacy of the licensees could be assessed through analysis of various financial statements of the companies needs to be evolved.

¹¹ M/s Picaddily Hotels Pvt Ltd (2 licenses), M/s Mark Buildtech Pvt Ltd (1 license)

¹² M/s Seriatim Land and Housing Pvt Ltd (1 license)

¹³ Trishul Industries (1 license)

¹⁴ M/s A & D Estates Private Limited (5 licenses)

¹⁵ M/s Sun star Builders Private Limited and M/s Witness Construction Private Limited in collaboration with M/s DLF Retail Developers Limited (1 license), M/s Botil Oil Tools India Private Limited in collaboration with M/s Uppal Housing Pvt Ltd (1 license)

¹⁶ S.V. Housing Pvt Ltd (1 license)

¹⁷ M/s Skylight Hospitality Pvt Ltd (1 license)

(vi) Inconsistencies and changes in the data pertaining to Sector 83

As per approval of drawing of sector 83 accorded on 23 May 2007, total sector area was 518.20 acres of which area under commercial belt was 126.80 acres. As per drawings approved on 31 December 2007, total sector area was 511.45 acres of which area under commercial belt was 124.98 acres. This drawing was superseded by drawing approved on 21 October 2008 in which total sector area was shown as 502.80 acres and under commercial belt was 126.90 acres. The application of M/s A&D Estates Pvt Ltd was appraised using drawing approved on 31 December 2007. The Application of M/s Skylight Hospitality Pvt Ltd was appraised using drawing approved on 21 October 2008 whereas the application had been received on 10 March 2008.

Audit could not find any evidence from records justifying the decrease in total sector area from 518.20 to 511.45 acres. The District Town Planner, Gurgaon informed (4 January 2008) the Director, TCPD that alignment of the NH-8 passing through the revenue estate of village Shikohpur and village Lakhnaula was factually incorrect and was proposed to be incorporated in the Sectoral Plan of 81-83, which led to revision of drawing in October 2008.

From the drawing of Sector 83, Gurgaon approved on 21 October 2008, it was noticed that though total sector area decreased from 518.20 acres to 502.80 acres as the area under commercial belt first decreased from 126.80 acres to 124.98 acres and then increased from 124.98 acres to 126.90 acres. Changes in area figures while assessing applications, casts doubts about the reliability of data and transparency in process.

(vii) Interpretation of provisions of Development Plan

Total commercial area of the sector 83, Gurgaon was 126.80 acres, out of which 63.40 acres was to be given to private developers. As of 31 March 2008, there were 14 applications of which M/s Skylight Hospitality Pvt Ltd was at Sr. No. 14.

Scrutiny of records showed that if the application of M/s Skylight Hospitality Pvt Ltd was to be considered, an area of 71.202 acres was to be given to private developers for commercial purposes, which was 8.712 acres in excess of permissible limit of 63.40 acres.

While appraising the case of M/s Skylight Hospitality Pvt Ltd, it was stated by DTP (HQ) that the application could not be considered by way of calculations being made to determine the area available for consideration of license. It was argued that out of applied area of 71.202 acres, an area measuring 9.223 acres comes under road and green belt. This area had not been counted towards commercial area for grant of license. Therefore, this area was required to be accounted for in the commercial area which would then become 72.623¹⁸ acres. Based on this, the application of M/S Skylight Hospitality Pvt Ltd was considered (March 2008) for grant of commercial license for 2.701 acres. It was further

¹⁸ 63.40+9.223 acres

stated by the Department that in case the application of M/s Skylight Hospitality Pvt Ltd was considered on the basis of this rationale, the same would be made applicable to all cases. Thus, M/s A&D Estates Pvt Ltd who had applied earlier also got the benefit of this rationale. Thereafter, two more firms viz. M/s Orris Infrastructure Pvt Ltd and M/s DLF Universal Ltd also applied on 22 September 2011 and 9 January 2012 respectively. M/s DLF Universal Ltd was granted the license on 6 September 2012, while the other application was under process.

As per Para 4 of the Development Plan, the area under green belt and sector road shall not be included under net planned area. Area under commercial belt and residential areas were, as such, inclusive of area under internal circulating roads and service roads. However, TCPD has again added back area under 24 metre circulating road and service roads while computing net area falling under commercial belt. The decision to add back area falling under internal circulating roads and green belt while considering the case of M/s Skylight Hospitality Pvt Ltd, although the 50 *per cent* limit, as per earlier method of computation had already been exhausted, was not as per existing practice. Thus, in the absence of clearly spelt out procedures for computing area availability, lack of clarity and consistency, the possibility of extending undue benefit to particular applicants cannot be ruled out.

(viii) Consolidation vis à vis urbanisation

Section 30 of the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948 inter alia lays down that during the pendency of the consolidation proceedings, no landowner or tenant shall have the power to transfer or otherwise deal with any portion of his original holding which affects the rights of any other landowner without the sanction of Consolidation Officer.

While declaring villages under Controlled Area for the purpose of urbanisation, TCPD did not ascertain that consolidation of the said area was in progress.

Consolidation of land measuring 2331 acres of village Shikohpur of Gurgaon District was notified in October 1985. The scheme was finally published on 27 November 2004. While the consolidation of land was in progress, TCPD notified (5 February 2007) this village as part of the urbanisable area. Following this, the consolidation of village Shikohpur was de-notified on 14 March 2008 on the grounds that the village was unfit for consolidation; the villagers were not co-operating as most of the area of the village had come under NCR.

Audit observed that despite the area being under consolidation, transactions of sale/transfer continued in village Shikohpur between 2004 and 2008 and a total of 1,117 mutations were sanctioned.

Based on an affidavit filed in Hon'ble Court in CWP No 13278 of 2008 by the Consolidation Department, the village of Shikohpur was again notified (August 2011) for consolidation. It was observed that the Court was never informed of the fact by the Consolidation Department that out of total 2333 acres

of land falling in village Shikohpur, 1954 acres had been declared urbanized as per Development Plan 2021 published by TCPD in February 2007. Further, it was observed that land transactions continued as 132 sale deeds and 359 mutations were sanctioned between 2011 and October 2012 in village Shikohpur.

It was observed that land was purchased by M/s Skylight Hospitality Pvt Ltd (12 February 2008) when the work of consolidation was in progress and was sold (18 September 2012) when consolidation was re-notified in August 2011.

As per decision of the Director General, Department of Consolidation, the mutation of land transaction between 'M/s Skylight Hospitality Pvt Ltd and M/s DLF Universal Ltd was cancelled (15 October 2012) as the permission of Consolidation officer under Section 30 of the Act was not taken (15 October 2012). However, following the report submitted (December 2012) by three member Committee constituted by the State Government to look into the cancellation order, the order of cancellation of mutation was not implemented.

Further, TCPD has written (February 2014) to Director General, Consolidation to confirm the ownership status of licensed land of M/s Skylight Hospitality Pvt Ltd so as to enable the Department to proceed with the renewal of license. The matter was taken up by audit with Department of Consolidation and TCPD for confirmation/clarification of facts and eliciting their comments; their reply was awaited.

It would be seen from the above that there were unresolved issues between TCPD and Department of Consolidation in the matter of land use. These issues need to be resolved.

(ix) Profits on sale of land

Licenses are granted to developers for development of colonies¹⁹. Invariably, after grant of license for setting up of commercial colony, the value of land increases. Rule 3 of Haryana Development and Regulation of Urban Areas Rules, 1976 (the then extant provisions), inter alia lays down that application for license can be made by owner of land. As per Rule 17 of the Haryana Development and Regulation of Urban Areas Rules, 1976 (the then extant provisions), the colonizer shall not transfer the license granted to him under Rule 12 to any other person without the prior approval of the Director.

As per the bilateral agreement, firms were required to set up commercial colonies on the land and derive maximum net profit of 15 *per cent* of the total project cost after making provisions of statutory taxes and net profit beyond 15 *per cent* was to be deposited with Government within two months of the completion of project period. The firms were also required to submit a certificate to the Director within thirty days of the full and final completion of the project from a Chartered Accountant that the overall net profits (after making provisions for the payment of

¹⁹ "Colony" means an area of land divided or proposed to be divided into plots or flats for residential, commercial, industrial, cyber city or cyber park purposes or for the construction of flats in the form of group housing or for the construction of integrated commercial complexes according to Section 2 of Haryana Development and Regulation of Urban Areas Act, 1975 (the then extant provisions).

taxes) have not exceeded 15 *per cent* of the total project cost of the scheme. Thus, as per the agreement, net profit beyond 15 *per cent* of the total cost has to be deposited with the Government in completed projects. To maintain consistency, this should have also been applied in the cases of sale of land by developers without completing the project.

Five²⁰ licensees sold the land for ₹ 267.47 crore which they had purchased for ₹ 52.26 crore and earned a profit of ₹ 215.21 crore in such transactions (*Appendix 2.11*), while the Government was deprived of its share of net profit. In two cases (M/s Sun Star Builders Pvt Ltd and M/s Witness Construction Pvt Ltd; and M/s Botil Oil Tools India Pvt Ltd, formerly known as M/s Baker Oil Tools (Bharat) Pvt Ltd.), the land was sold at 303 times and 880 times the original cost of the land respectively to their collaborators/developers within few months of grant of license. M/s Uppal Housing Pvt Ltd sold the land to its subsidiary company M/s Saumya Realtech Pvt Ltd at ₹ 69.50 crore in March 2013. In the case of M/s Skylight Hospitality Pvt Ltd, the land was sold to its collaborator (M/s DLF Universal Limited) at 7.73 times the original cost after the in-principle approval for transfer of license was granted (April 2012).

Thus, the department neither at the time of granting in-principle approval nor at the time of formal approval for transfer of licenses ensured that net profit beyond 15 *per cent* of the total cost accrues to public exchequer. This enabled the developers to earn huge profit merely by selling the land while the Government had to forgo sizeable amount.

In view of the above observations, Audit recommends that procedures for entertaining applications for developing commercial colonies, criteria for determining area norms, timelines for completion of projects, etc. need to be clearly spelt out. There is an urgent need to make the whole process more transparent and clear. Further, licenses should only be allotted to genuine developers after a careful and proper scrutiny of the applications. A proper mechanism needs to be placed to ensure that in cases where land has been sold without completion of the project, net profit beyond 15 *per cent* of the total cost on such sale should be deposited with the Government.

Other issues pertaining to Colonizers

Scrutiny of 225²¹ license files revealed as under:

2.3.10.2 Inadequate control over colonizers

A licence (No. 32) was granted (April 2012) to the M/s Identity Build-Tech Private Limited to develop Group Housing Colony on a land measuring 11.70 acres in Sector 103 Gurgaon. As per conditions of the licence, advertisement for

²⁰ (i) M/s Skylight Hospitality Pvt Ltd, (ii) M/s Sun Star Builders Pvt Ltd and M/s Witness Construction Pvt Ltd, (iii) M/s Botil Oil Tools India Private Limited, (iv) M/s Uppal Housing Pvt Ltd and (v) M/s Mark Buildtech Pvt Ltd.

²¹ 2006-07: 39, 2007-08: 39, 2008-09: 28, 2009-10: 24, 2010-11: 21, 2011-12: 21, 2012-13: 30 and 2013-14: 23

sale of plots/flats was not to be given before approval of the Building Plan. The DG, TCPD issued (May 2011) instructions to all Senior Town Planners in the State to check the advertisements regarding sale of plots/flats in licenced residential, commercial, industrial and I.T colonies as to whether those were being issued as per instructions of the Department. It was also mentioned that if any advertisement was given in contravention of the instructions of the Department, the cases of such defaulting colonizers may be brought to the notice of the Department for initiating action to suspend the operation of their licences. The colonizer pre-launched the project in April 2012 and issued receipts for booking of flats to about 400 customers by collecting ₹ 55 crore though the Building Plans were approved in April 2013. Share purchase agreement was executed on 18 December 2012 between Era Landmarks Ltd, Identity Build-Tech Pvt Ltd and Ansal Housing & Construction Pvt Ltd for purchase of 100 *per cent* shareholdings of Identity Build-Tech Private Limited. It was not disclosed by the Identity Build-Tech Private Limited that it had collected ₹ 55 crore from the prospective buyers. Neither the amount had been refunded nor had flats/plots been given to prospective buyers.

Audit observed that though the District Town Planner (DTP) was required to check regularly the advertisement regarding sale of plots/flats in licenced colonies, yet the DTP had not taken cognizance of the advertisement given by the colonizer in April 2012.

The Department stated (January 2015) that no advertisement published in any newspaper had come to the notice of the Department on which DTP (Enforcement), Gurgaon could have taken action against the colonizer. The ACS, TCPD had suo moto taken cognizance of the news item which appeared in Times of India on 4th July 2014 for taking action against the colonizer. It had also been stated that instructions of DG, TCPD issued in May 2011 were not related to pre-launching of the project or violation of terms and conditions of licence. The reply was not convincing because the instructions of DG, TCPD of May 2011 specifically stated that a regular check on such advertisements given by colonizers should be maintained and if these were not being issued as per instructions of the Department, then report of such defaulting colonizers may be sent to Headquarters for initiating action to suspend the operation of their licences. Hence, monitoring of such advertisements and taking prompt action on them, including the advertisement of April 2012 was the responsibility of the Department.

It was further stated that criminal proceedings had been launched and the colonizer had informed that they were offering plots to allottees or making refund to those who were seeking refund.

Audit is of the opinion that the Department should put in place a more effective system to avoid the occurrence of such irregularities such as advertising the sale without the approval of the building plans and transfer of share holding of the licensee company in favour of other companies without the permission of the Department, as provided under the rules.

During Exit Conference, DG, TCPD stated that the issue related to changes in shareholding pattern, transfer of rights, change in developers etc. was important. He stated that the Department had already finalized a policy in this regard which would also be put on their web site.

2.3.10.3 Grant of permission to develop housing colony on the acquired land

As per provision of the Haryana Development and Regulation of Urban Area Act, 1975, there should be clear title of the land in name of the owner who intends to set up a colony on that land.

M/s Parsavnath Developers Limited applied (May 2007) for licence to develop a group housing colony on land measuring 118.188 acre in the village Bohar Sector 33 and 33-A, Rohtak and the licence was granted in May 2010 which was valid upto May 2014. Out of this, land measuring 14.15 acres had already been acquired by the Government for setting up Industrial Model Town (IMT) vide award No.4 and 5 announced in July - August 2009 well before issuance of licence to M/s Parsavnath Developers Limited and possession of this land was handed over to Haryana State Industrial Development Corporation (HSIDC) on the date of announcement of awards.

The Department could not ascertain the ownership of the land and issued the licence even for the land which was under the possession of the HSIDC which put a stop to the development activities of M/s Parsavnath Developers Limited. The land remained undeveloped as neither the developer nor HSIDC was in a position to develop the land.

During Exit Conference, the DG, TCPD agreed with the audit observation and stated that 14.15 acre of land under HSIDC possession had been de-licensed.

2.3.10.4 Non-revalidation of bank guarantees

Rule 11 of the Haryana Development and Regulation of Urban Area Rules, 1976 provides that colonizers are required to furnish bank guarantees equivalent to 25 *per cent* of the estimated cost of development works. In the event of breach of any agreement by the colonizers, the DG may cancel the licences granted to them and the bank guarantees in that event are required to be forfeited.

Audit scrutiny of bank guarantee registers in the Directorate of TCPD showed that validity period of nine bank guarantees amounting to ₹10.54 crore though expired between December 2009 and June 2014, were not got revalidated from the colonizers (July 2014) as system to watch the re-validation of Bank Guarantees was not in place.

The Department stated (January 2015) that notices had been issued to the concerned colonizers for revalidation of Bank Guarantees and that fresh bank guarantees for ₹ 73.59 lakh had been submitted in October 2014 by Ansal Properties, Gurgaon. It was further stated that the licence of M/s Snow Temp

Engineering Company was cancelled on 6 February 2013 due to non-revalidation of bank guarantee.

Reply was not convincing as the whole purpose of taking bank guarantees was to safeguard the financial interest of the Government and the same should have been encashed in case of violation of any of the terms and conditions for which the bank guarantee was obtained. In the instant case, the bank guarantee was not encashed though the company had not deposited EDC/IDC despite repeated reminders and even though the license of the company had expired on 24 January 2010, the validity of the B.Gs was up to 25 December 2009 with a claim period up to 25 June 2010. Had the Department taken prompt action by encashing the bank guarantee, ₹ 4.60 crore could have been realized. Apart from this, Audit is of the opinion that proper system should be put in place to watch the validation of bank guarantees.

During Exit Conference, the ACS stated that they would make efforts to ensure that revalidations are done on a real time basis.

2.3.10.5 Non-completion of low cost/ affordable housing colonies

State Government made (May 2009) a policy to provide dwelling units, which were affordable to the people who belong to lower and middle income categories. As per policy, (amendment made in August 2009) the developer/ licensee would be given a maximum period of six months after the grant of licensee to get the building plan approved, failing which licence would be cancelled and licence fee forfeited. Further, the licensees under this scheme would be given a maximum time of three years for completion of the project and offer possession of units to the eligible applicants. The period was extendable by a maximum period of one year subject to the payment of penalty at the rate of five *per cent* of the external development charges.

Licence No 83 was issued in October 2010 to M/s DLF SEZ Holding Limited, Gurgaon for the construction of low cost/affordable housing projects for 10.056 acre area under Revenue Estate, Village Hayatpur, Sector 93, Gurgaon. It was noticed that the developer had neither got the building plans approved within six months of the grant of licence nor had started the work (July 2014) but the Department had not cancelled the licence nor forfeited the amount of licence fee so far.

The Department stated (January 2015) that it had initiated the process of delicensing on the request of the colonizer and after delicensing, licence fees along with conversion charges, IDC (along with interest) and interest on EDC would be forfeited.

2.3.10.6 Non-renewal of licences

Rule 13 of the Haryana Development and Regulation of Urban Area Rules, 1976 provides for renewal of licence in cases where the colonizer fails to complete the development work in the colonies. The colonizer is required to apply for renewal

along-with renewal fee at the rate of 10 *per cent* of the fee prescribed for issuance of licence in cases where completion certificates had not been issued and at 2.5 *per cent* of the prescribed fee in cases where part completion certificate had been issued.

A mention was made in Para 3.16 (v) regarding, “Non-renewal of licences” in the report of Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil)-Government of Haryana. This type of irregularity was pointed out vide Para No. 4.3.10 (a) in the report of Comptroller and Auditor General of India for the year ended 31 March, 2012. The Public Accounts Committee while discussing the Para in March 2007 recommended that the Department should have evolved its own effective and speedy system to know the date of renewal of licences and the amount to be recovered on this account.

Audit further noticed that licences of 20 colonizers in Gurgaon, Faridabad, Jhajjar, Sonipat, Panipat and Kaithal were not renewed between December 2006 and March 2014, though development works²² for colonies were incomplete. The delay in renewal ranged from 1 to 5 years. Due to non-renewal of these licences, renewal fee amounting to ₹ 19.28 crore remained unrecovered.

The Department stated (January 2015) that 13 colonizers had deposited the renewal licence fees amounting to ₹ 6.62 crore and for rest of the cases, notices had been issued and action had been initiated for cancelation of licensees. Further, Audit scrutiny showed that though the renewal licence fees had been deposited, formal orders of their renewal had not been issued. Moreover, Department has not evolved a system to keep a check about the date of renewal of licenses and the amount to be recovered on this account as per recommendation of the PAC in March 2007.

2.3.10.7 Short recovery of renewal licence fee

Rates of licence fee were revised vide notification dated 6 August 2013 and revised rates were effective from 1 June 2012. Scrutiny of records showed that in six cases of five developers, renewal fee was charged at pre-revised rates resulting in less charging of renewal fee amounting to ₹ 44.41 lakh.

During Exit Conference, the ACS stated that recovery has been effected in full along with interest. Audit is of the opinion that the Department should re-check all the cases of renewals of licence fees to ensure recovery of the correct amount.

²² Internal development work- Metalling of road and Paving of Footpaths, Turfing and Plantation with trees of open spaces, street lighting, adequate and wholesome water supply, sewers and drains.

External development works- Water supply, sewerage drains, sewage and storm water, roads, electrical work, solid waste management and disposal slaughter houses, colleges, hospitals stadium/ sports complex, fire stations, grid sub-station, etc.

2.3.10.8 Non-approval of building plans

In order to achieve the objectives of regulating the development of urbanised sector in a harmonious effective and speedy manner, Haryana Development and Regulation of Urban Area Act 1975 provides that basic amenities like sewer, road, water supply and electricity should be provided within two or four years as per terms and conditions specified in the licences.

Scrutiny of the records showed that in seven cases, building plans were not approved even after six to seven years of the issue of licences though the building plans were required to be got approved from the Department within three months. It was further observed that the colonizers had not even prepared the service plans/estimates and zoning plans. This shows that proper control mechanism was not put in place by the Department to watch the timely completion of projects by private colonizers.

The Department stated (January 2015) that building plan had not been approved due to outstanding dues against the licensees in five cases, court case was pending in one case and proceedings of cancellation of licence were under process in one case. The fact remains that the development activities in the urban sector were being delayed and the issues leading to this delay need to be addressed by the Department.

2.3.10.9 Time schedule for completion of projects as a whole

Rule 12 of Haryana Development and Regulation of Urban Area Rules, 1976 provides that the development works in the colonies should be completed within two years and a certificate of completion be obtained under Rule 16 from TCPD. No time frame has, however, been prescribed for completion of projects as whole and handing over to Government for maintenance.

Audit made an observation regarding non-completion of development works, in the Report of Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 vide Para 4.3.10 (c). Despite being pointed out by Audit, no timeframe for completion of projects as a whole has so far been prescribed in the rules. Developers were taking benefit of this gap in the rules and not discharging their liabilities relating to completion of projects in a timely manner.

2.3.10.10 Non-submission of accounts statements

Rule 27 *ibid* further provides that the colonizer shall intimate the account number and full particulars of the Scheduled Bank wherein thirty *per cent* of the amount realised by him from the plot holders for meeting the cost of internal development works in the colony had been deposited. Further, as per Rule 28, the colonizer shall intimate in form AC on the fifth day of each month the amount realised by him from each of plot holders and the amount deposited by him in the scheduled bank during the preceding month.

Scrutiny of the licence files of colonizers showed that in seven cases licensees did not deposit 30 *per cent* amount realised (₹ 81.85 crore) from plot holders in separate Bank Accounts in compliance of the Rule 27 *ibid*. It was noticed that the Department had not taken any action against the colonizers concerned for non-compliance of above mentioned Rules. As such, the Department was not monitoring this aspect to ensure utilisation of funds by colonizers on internal development works.

The Department stated (January 2015) that colonizers have opened their account in respective banks accounts but did not deposit the money collected from plot/flat holders in designated account, however, it has been established from the statements certified by the Chartered Accountant that more than 30 *per cent* expenditure had been incurred on Internal Development Works (IDW). The fact remains that there was a deviation from the laid down procedure. Further, apart from seven cases listed by Audit, the Department should examine all such cases to rule out the possibility of non-compliance of the condition of depositing 30 *per cent* of amount realized from plot holders in a separate bank account.

During Exit Conference, the ACS noted the audit concern of deviation from procedure and stated that they would take necessary measures to ensure that money recovered from plot users was spent towards internal development works.

2.3.10.11 Non-recovery of EDC/IDC

As per section 3 (3) of Haryana Development and Regulation of Urban Area Act, 1975 and Rule 11 (C) of Rules made thereunder, applicant shall undertake to pay proportionate EDCs. The charges should be paid within thirty days from the date of grant of licence or in eight equal quarterly installments along with interest. Section 3-A of the Act further provides that any colonizer to whom a licence has been given, shall deposit Infrastructure Development Charge (IDC) in two equal installments. The first installment shall be deposited within 60 days and second installment within six month from the date of grant of the licence.

Scrutiny of records showed that in seven cases, an amount of ₹ 373.86 crore on accounts of EDC and IDC was pending for recovery for three to six years.

The Department stated (January 2015) that notices had been issued for payment of EDC/IDC to the colonizers and action for revocation of bank guarantees/cancellation of licensees had been initiated.

2.3.11. Internal controls and monitoring

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. A review of internal control of HUDA showed that the internal control was not commensurate with the nature and magnitude of transactions. Comprehensive data bank or Assets Register showing details of land, date of planning, date of completion of development, date

of utilisation/allotment, date of final disposal of developed land was not maintained by the CA, HUDA in a centralized manner.

Test check showed that before commencement of all works, it was not ensured that land was free from encumbrances. Though most of the hindrances could have been anticipated by the engineering staff before start of the work, clearance from concerned Departments, wherever required, were not taken before commencing the work. Despite having centralised database, mechanism had not been evolved to scrutinise the cases to watch that benefit of reservation is not availed of more than once.

Similarly, in TCPD, bank guarantees furnished by the private developers were not being got revalidated after their expiry as a system to watch the revalidation of bank guarantees was not put in place. In the absence of any monitoring mechanism, though development works of the colonies were incomplete, the developers were carrying on their business without getting the licenses renewed.

2.3.12. Conclusion

Issues raised by National Capital Planning Board, especially relating to delineation of NCZ are yet to be fully implemented. Delays in referring cases to courts and in payment of enhanced land compensation resulted in extra payment. Non- functioning of the Auto market in Gurgaon rendered the investment on its development wasteful. Sewer and storm drainage works were executed by HUDA without proper survey or obtaining clear title of the land resulting in non completion of five works. Investment in the development of roads by HUDA without having title to land and requisite permissions was lying blocked. Expenditure on providing affordable housing under the Ashiana Scheme, without proper identification of eligible persons resulted in flats remaining unallotted to date. There were irregularities in allotment of plots under reserve categories. There was a lack of transparency and consistency in the procedures to grant licences to private colonizers. Five developers earned profit over cost on sale of land without completion of the projects. Internal Control system was inadequate as reflected in non revalidation of bank guarantees, non renewal of licences, and short recovery of renewal licence fees etc. as also in an unauthorized collection from applicants by a colonizer.

2.3.13. Recommendations

The Government may consider:

- (i) ensuring the consonance of Sub Regional Plan with the Regional Plan of National Capital Regional Planning Board, monitoring the development plans of the State on a regular basis and segregating data relating to planned land and utilized land;

- (ii) evolving a system for referring the cases of landowners to courts in a timely manner and making prompt payment of enhanced land compensation;
- (iii) ensuring that codal provisions are adhered to before execution of works for proper coordination between implementing agencies and timely completion of works;
- (iv) identifying beneficiaries correctly for affordable housing schemes and improving their system of plot allotment to reserve categories;
- (v) defining specific criteria for entertaining applications for developing commercial colonies, determining area norms, assessing financial capacity, timelines for completion of projects, etc. and putting in place suitable mechanism to collect net profit beyond 15 *per cent* of the total cost where sale of land has taken place without completing the project; and
- (vi) strengthening the control systems to enable proper monitoring of bank guarantees, renewals, short recoveries etc. and also to avoid cases of unauthorized collection from applicants and providing facilities in licensed areas in a time bound manner.

Chapter-3

Compliance Audit

CHAPTER 3

COMPLIANCE AUDIT

Agriculture Department (Haryana State Agricultural Marketing Board)

3.1 Non-recovery of cost of land

An amount of ₹ 28.96 crore as cost of 73 acre land and ₹ 12.35 crore as interest on this amount remained to be recovered from HAFED.

Rule 3 (2)(ii) of the Haryana State Agricultural Marketing Board (HSAMB) (Sale of immovable property) Rules, 2000 provides that a site may be allotted to public sector undertakings, Government societies and co-operative marketing societies of Haryana State Co-operative Supply and Marketing Federation Limited (HAFED) which are dealing in agricultural produce or input, at 35 *per cent* above the reserve price.

The Government decided (August 2009) to create additional storage capacity under HAFED by constructing food storage godowns/plinths by providing land from the HSAMB. The Chief Administrator (CA), HSAMB accorded sanction (November 2009) for transfer of tentative 95 acre land of 12¹ market committees (MCs) and directed the Executive Officers of concerned MCs to pass a resolution in this regard and hand over the possession of land immediately. Regarding cost of land, it was directed that it would be worked out as per Board's property rules/policy and would be conveyed later on. However, the land cost was to be deposited by the HAFED with the concerned MC within 15 days after receipt of demand from HSAMB and in case of non-depositing, an interest at the rate of 15 *per cent* was chargeable.

During audit (December 2012), it was noticed that 12 MCs had transferred 97 acre 2 kanal 4 marla land costing ₹ 33.57 crore to HAFED between September 2009 and February 2010 (*Appendix 3.1*). The HSAMB raised demand for only ₹ 31.30 crore for 76 acre 6 kanal 5 marla land belonging to 10 MCs between December 2009 and 2011, against which the HAFED deposited only ₹ 4.61 crore for 24 acre one kanal 3 marla land of two MCs². Demand had not been raised for ₹ 2.27 crore by two MCs³ on the plea that HSAMB head office had not fixed the rates of land and the bill was to be raised at head office level. Thus the cost of

¹ (i) Barwala (Barwala), (ii) Narnaund (Narnaund), (iii) Shahabad (Ajrana Kalan), (iv) Kalanwali (Bara Gudha), (v) Sonipat (Dipalpur), (vi) Sonipat (Punghthala), (vii) Ganuar (Ganuar), (viii) Behal (Behal), (ix) Thanesar (Kirmach), (x) Madlauda (Chhichhrana), (xi) Rania (Kharia), (xii) Dabwali (Chautala)

² Kharia: 8 acre 2 kanal 13 marla and Chautala : 15 acre 6 kanal 10 marla.

³ Kirmach : 10 acre 3 kanal 19 marla and Chhichhrana : 10 acre.

land measuring 73 acre 1 kanal and 1 marla amounting to ₹ 28.96 crore and ₹ 12.35 crore⁴ as interest accrued on this amount was recoverable from HAFED.

The Controller, Finance and Accounts, HSAMB intimated (June 2014) that the matter was continuously pursued by the respective MCs with the HAFED between March 2013 and May 2014 to deposit the cost of land alongwith interest as leivable under the HSAMB Rules. The reply was not convincing as even after lapse of four years from transfer of land an amount of ₹ 41.31 crore as the cost of land including interest was recoverable due to non taking prompt action by the HSAMB (January 2015).

The matter was referred (July 2014) to Additional Chief Secretary, Agriculture Department; the reply was awaited (January 2015).

Development and Panchayat Department

3.2 Total Sanitation Campaign/Nirmal Bharat Abhiyan

Construction of 28 institutional toilets had not started or remained incomplete in 22 Gram Panchayats. Solid and Liquid Waste Management projects were not started. Against the target of 196 community sanitary complexes, only 113 toilets were constructed, incentive of ₹ 3.46 lakh was given to 133 beneficiaries without ensuring construction of toilets and double payment of incentive amounting to ₹ 3.10 lakh was made.

Government of India (GOI) started the Central Rural Sanitation Programme (CRSP) in 1986 with the objective of improving the quality of life of the rural people through proper sanitation facilities and to provide privacy and dignity to women. The programme was modified in 1999 and renamed Total Sanitation Campaign (TSC) which was further renamed as Nirmal Bharat Abhiyan (NBA) from April 2012. Financial incentives were provided to Below Poverty Line (BPL) households for construction and usage of Individual Household Latrines (IHHLs). Assistance was also extended for construction of school toilets, *anganwadi* toilets and community sanitary complexes (CSC) apart from undertaking activities under Solid and Liquid Waste Management (SLWM). As against the availability of funds of ₹ 250.66 crore during 2009-14, an expenditure of ₹ 119.18 crore was incurred leaving an unspent balance of ₹ 131.48 crore, which adversely affected the scheme.

Records of State Water and Sanitation Mission and five⁵ selected District Water and Sanitation Missions located in the office of District Rural Development Agencies (DRDAs), 10 Block Resource Centres along with 96 Gram Panchayats (GPs) for the period 2009-14 were scrutinized during June 2014 to September

⁴ At the rate of 15 per cent upto May 2014.

⁵ (i) Karnal, (ii) Yamunanagar, (iii) Hisar, (iv) Fatehabad and (v) Sirsa.

2014. A total of 882 beneficiaries in the five test-checked districts were also selected for joint physical verification. The important findings are as under:

Audit findings

(i) Planning

Annual Implementation Plans were being prepared on the basis of the survey conducted in the year 2012 wherein households not having IHHLs were identified. However, there was no mechanism to include the additional households which came into existence after the survey and there was no strategy for maintenance of community toilets constructed under the scheme.

(ii) Community Sanitary Complexes

As per paragraph 5.7 of NBA guidelines, CSCs comprising an appropriate number of toilet seats, bathing cubicles, washing platforms, wash basins, etc can be set up in a place in the village acceptable and accessible to all. The maintenance cost of CSCs was to be met by the PRIs through appropriate mechanism like user charges. Out of five test checked districts, an expenditure of ₹ 2.26 crore was incurred on construction of 113⁶ sanitary complexes in four⁷ test checked districts during 2009-14 against the target of 196. As such, 83 CSCs could not be constructed.

The ACS, DPD stated (November 2014) that there was no provision of funds for operation and maintenance of community sanitary complexes and some of the GPs did not have their own funds for maintenance, therefore, they were not taking up the construction of CSCs. The reply was not tenable, as it was already mentioned in the guidelines that no funds were to be provided by GOI for maintenance and the maintenance cost of CSCs was to be met by the PRIs through user charges. Further, the rural population of 83 villages was deprived of the benefit of CSCs envisaged in the scheme.

(iii) Institutional Toilets (Schools/Anganwadis)

As per para 5.8 of NBA guidelines, toilets in all types of Government schools and Anganwadis situated in Government buildings should be constructed.

Grant of ₹ 27.15 lakh was paid to 45 GPs for construction of 85 School/Anganwadi toilets during 2009-14. During physical verification by the audit along with representative of districts and blocks, it was observed (June 2014 to September 2014) in 22 GPs that grant of ₹ 9.08 lakh was given for construction of 28 institutional toilets. However, the construction of 15 toilets had not

⁶ Yamuna Nagar : 15 against the target of 60; Hisar : 29 against the target of 40; Fatehabad : 19 against the target of 46; Sirsa : 50 against the target of 50.

⁷ Except Karnal where this component of the programme was not implemented.

commenced and 13 toilets remained incomplete. The ACS, DPD stated (November 2014) that concerned ADCs had been asked to check and report. Final action was awaited (January 2015) and the fact remains that the intended benefits could not be derived.

(iv) Solid and Liquid Waste Management

As per para 5.9 of NBA guidelines (July 2012), under this component, common and individual biogas plants, low cost drainage, soakage channels/pits, reuse of waste water and system for collection, segregation and disposal of household garbage etc can be taken up. In the test checked districts, SLWM projects were not planned (March 2014) i.e. about two years of the issue of NBA guidelines. In reply DRDA concerned stated (July 2014) that SLWM projects were under process which would be taken up during 2014-15. The fact remains that delay in planning the projects delayed providing of sanitation facilities to the rural population.

(v) Construction of Individual Household Latrines

As per para 5.4 of the NBA guidelines, the construction of household toilets should be undertaken by the household itself and on completion and use of the toilet, a cash incentive can be given to the household in recognition of its achievement.

During joint physical verification by audit, it was observed that incentive of ₹ 3.46 lakh was given to 133 beneficiaries who had not started construction (95 cases) or Construction of IHHLs were incomplete (38 cases) in 9 blocks⁸ of five districts during 2013-14. Thus, the concerned DRDA had not ensured that the toilets had been constructed before release of incentive to beneficiaries. The ACS, DPD stated (November 2014) that the matter had been taken with the District Administration and action would be taken after obtaining comments from the districts concerned.

Double payment of incentive amounting to ₹ 3.10 lakh was made during 2013-14 to 83 beneficiaries in Hisar, Yamunanagar and Sirsa districts due to non-maintenance of village-wise list of beneficiaries and inadequate scrutiny of cases before releasing incentives to households. The ACS, DPD stated (November 2014) that the matter had been taken with the District Administration and action would be taken after taking comments from the districts concerned. ADC, Hisar stated (November 2014) that the amount of ₹ 1,04,500/- had now been recovered.

Thus, an amount of ₹ 131.48 crore remained unspent out of total available funds of ₹ 250.66 crore during 2009-14. No strategy for maintenance of community toilets was formulated. Against the target of 196 CSCs in four districts, only

⁸ (i) Nissing, (ii) Indri, (iii) Jagadhri, (iv) Sadhaura, (v) Hisar-I, (vi) Fatehabad, (vii) Tohana, (viii) Rania and (ix) Ellenabad

113 complexes were constructed. During physical verification, 28 institutional toilets of 22 GPs were found incomplete. Double payment of incentives of ₹ 3.10 lakh to 83 beneficiaries was noticed.

Education Department

3.3 Avoidable expenditure on procurement of dual desks

Purchase of dual desks at higher rates resulted in avoidable extra expenditure of ₹ 7.61 crore.

Rule 2.10 (a) of the Punjab Financial Rules (PFR) Vol.-I, as applicable to the Haryana Government provides that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Rule 2.10 (a) (1) further provides that every Government employee is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Scrutiny of records (November 2013) of Director Elementary Education (DEE), Haryana, showed that the DEE sent a demand to Director, Supplies and Disposals (DS&D) Haryana for rate contract for purchase of dual desks for school students amounting to ₹ 40 crore. The DS&D invited tenders (February 2012) and five firms quoted their rates of which lowest rates offered by three firms were as given in **Table 3.1**.

Table 3.1 : Statement showing extra payment made due to excise duty

Name of the firm (M/s)	Gross rate offered by the firm (Including ED) (₹ per unit)	Rates offered after negotiation (without ED) (₹ per unit)	Excise duty payable (₹ per unit)	Number of Dual Desks supplied	Extra payment due to excise duty (₹ in lakh)
OK Play India Limited, Mewat	5,801.06	4,300	531.48	1,07,755	572.70
Spacewood Furnishers, Pvt. Ltd., Nagpur	5,880.00	4,300	531.48	35,448	188.40
Design Edge Interiors Pvt. Ltd, Baddi (situated in SEZ)	5,745.00	4,300	Nil	35,448	--
Total				1,78,651	761.10

(Source : Information derived from Departmental record)

Above table indicates that after negotiations, these three lowest firms quoted their rates ₹ 4,300 (without excise duty) per dual desk. On the recommendations of indenting department, High Power Purchase Committee (HPPC) approved (May 2012) the purchase of dual desks at the rate of ₹ 4,300 per dual desk plus

excise duty⁹ as applicable with the allocation of quantity in the ratio of 60:20:20 among the above said firms respectively.

It is also evident from above table that no excise duty was payable in case of M/s Design Edge Interiors Pvt. Ltd., Baddi being situated in Special Economic Zone (SEZ). But, while preparation of the comparative statement of rates offered by the three firms, ED had not been taken into account due to which the FOR rate/gross rate was much more in case of two firms namely M/s OK Play India Limited, Mewat and M/s Spacewood, Nagpur than the basic rate which was arrived at after doing negotiations. Thus, comparative statement of rates offered by all the three firms was not prepared correctly and the authorities had erred in taking the said decision based on a defective comparative statement of rates.

The Principal Secretary, School Education Department stated (December 2014) that there was no loss to the public exchequer because excise duty paid by the Department had gone in the account of Government of India and not in the account of any private party. Therefore, there is no 'net loss' to the public exchequer. The Department had placed the orders strictly in accordance with the decisions taken by the HPPC.

The reply was not tenable as decision of HPPC as well as indenting department to allocate purchase in the ratio of 60:20:20 from above three firms was not in order, as M/s Design Edge Interiors Pvt. Ltd., Baddi (HP) had not shown its inability to handle the complete supply order. M/s Design Edge Interiors Pvt. Ltd., Baddi (HP) was the lowest tenderer on FOR basis thus 100 *per cent* purchase order should have been allotted to it. The Director, Elementary Education and Secondary Education purchased 1,43,203¹⁰ dual desks from these two ineligible firms which resulted in avoidable extra expenditure of ₹ 7.61¹¹ crore. Had the department issued the entire supply order to the lowest eligible tenderer it could have saved the amount of ₹ 7.61 crore.

3.4 Extra expenditure due to de-centralized purchase of containers

Non-observance of financial rules and procurement policy and failure to analyze the rates resulted in an extra expenditure of ₹ 1.06 crore.

Rule 15.2 of Punjab Financial Rules, Volume I as adopted by State of Haryana provides that purchases should be made in most economical manner. Purchase orders should not be split up to avoid obtaining sanction from a higher authority. When stores are purchased from the open market, the system of open competitive

⁹ The prevailing excise duty was applicable at the rate of 12 *per cent* and 3 *per cent* education cess thereon.

¹⁰ M/s OK Play India Limited, Mewat: 1,07,755 dual desks and M/s Spacewood Furnishers, Pvt. Ltd., Nagpur: 35,448 dual desks

¹¹ Number of Dual Desks: 1,43,203 x ₹ 531.48 = ₹ 7.61 crore

tender should be adopted and purchase should be made from the lowest tenderer unless there are any special reasons to the contrary.

Scrutiny of the records (November 2013) of the office of the Director General, Elementary Education (EE), Haryana showed that the department made a proposal for purchase of containers for storage of food grains, two for each school in 5,285 primary schools and 3,875 upper primary schools under Mid Day Meal Scheme. The Director General, EE directed (June 2011) all the District Elementary Education Officers (DEEOs) of the State to send their requirements. On the basis of demand and quotations received from the field offices, department transferred (April 2013) an amount of ₹ 3.30 crore to the bank accounts of respective school heads for purchase of containers. Purchases were made at School level across the State.

Audit observed that instead of open tenders by giving advertisement in leading newspapers, quotations were obtained by all the DEEOs at the district level and forwarded to the Director General, EE, Haryana for obtaining approval. Scrutiny of the relevant papers showed the following:-

- No technical specifications were fixed before obtaining quotations and different specifications were quoted in the offers at district level and there was no uniformity in specifications of containers. Rates of 22 gauge containers for three districts (Palwal¹², Panchkula¹³ and Rohtak¹⁴), 20 gauge for Panipat¹⁵ district and 18 gauge for Kaithal¹⁶ District were approved by the Department.
- District wise rates were approved by the department. In twelve districts rates of 24 gauge containers having three quintal capacity varied between ₹ 1,100 and ₹ 1,900 in case of primary schools. There was a maximum difference of ₹ 800 in price per container for primary schools.
- In twelve districts rates of 24 gauge containers having five quintal capacity varied between ₹ 1,400 and ₹ 2,500 in case of upper primary schools. There was a maximum difference of ₹ 1,100 in price per container for upper primary schools.

Thus, the department purchased 18,320¹⁷ containers at a cost of ₹ 3.30 crore on higher rates resulted in extra expenditure of ₹ 1.06 crore (as detailed in **Appendix 3.2**), which could have been saved had the department opted for centralised purchase through DS&D, Haryana.

¹² 3 quintal: ₹ 1,584, 5 quintal: ₹ 2,150

¹³ 3 quintal: ₹ 1,867, 5 quintal: ₹ 2,499

¹⁴ 3 quintal: ₹ No demand, 5 quintal: ₹ 2,263

¹⁵ 3 quintal: ₹ 1,500, 5 quintal: ₹ 2,800

¹⁶ 3 quintal: ₹ 1,790, 5 quintal: ₹ 2,550

¹⁷ 10,570 containers for 5,285 primary schools and 7,750 containers for 3,875 upper primary schools.

Director, EE stated (November 2014) with the approval of the Additional Chief Secretary, School Education, Haryana that as per instructions of Government of India and the Chief Secretary to Government of Haryana, the containers were immediately required for the schools, the quotations from DEEOs were called for and lowest rates were approved by authorities and purchases were made at school level. But the reply was not acceptable as the process of purchase was initiated in June 2011 and purchases were made after lapse of two years.

The matter was referred to the Principal Secretary, School Education Department in July 2014; the reply was awaited (January 2015).

**Environment Department (Haryana State Pollution Control Board)
and Health Department**

3.5 Implementation of Bio Medical Waste Management Rules in Haryana

The Haryana State Pollution Control Board and Health Department did not enforce the Bio-Medical Waste (Management and Handling) Rules, 1998 as bio-medical waste (BMW) generating establishments were not identified and authorised Health Care Establishments were not inspected. BMW was not being segregated in colour coded containers nor disposed off properly.

For the protection of the environment and to prevent hazard to human beings, other living creatures, plants and property, the Parliament enacted the Environment (Protection) Act in 1986 (the Act). In exercise of the powers conferred by section 6, 8 and 25 of the Act, the Government of India (GOI) notified Bio-Medical Waste (Management and Handling) Rules, 1998 (the Rules) for the management and handling of Bio-Medical Waste¹⁸(BMW) generated from hospitals, clinics and other institutions. In the State, the Haryana State Pollution Control Board (HSPCB) was the prescribed authority for enforcement of the rules. As per annual reports submitted by HSPCB to Central Pollution Control Board (CPCB), there were 2,145 authorised (under Rule 8) Health Care Establishments (HCEs) in 2011 in the State which increased to 2,505¹⁹ as of March 2014.

Records in the offices of Chairman, HSPCB, Director General, Health Services and four²⁰ out of 12 Regional Offices (ROs) of HSPCB were test checked in January and February 2014 with a view to ascertain the extent of compliance to provisions of the Act and Rules. In addition, a joint inspection of premises along with HSPCB officials was also conducted (June and July 2014) of 80 HCEs and

¹⁸ Rule 3(5) provides that 'bio-medical waste' means any waste which is generated during the diagnosis, treatment or immunisation of human beings or animals or in research activities pertaining thereto or in the production or testing of biological.

¹⁹ Government HCEs : 471 and Private HCEs : 2,034.

²⁰ (i) Ballabgarh, (ii) Jind, (iii) Panipat and (iv) Yamunanagar.

three operators of Common Treatment Facility (CTF) by filling up a questionnaire duly signed by Audit team, HSPCB Official and HCE staff.

During audit following irregularities were noticed:-

(i) *Non-identification of bio-medical waste generating units*

Rule 6 of BMW Rules, 1998 provides that BMW should not be mixed up with other wastes and should be segregated into prescribed bags/containers at generation point, transported to disposal site in authorised motor vehicle for disposal within 48 hours of generation. Further, Rule 7 provides that State Pollution Control Board is the prescribed authority for enforcement of these rules. As per GOI instructions (November 2011), the Health Department was to ensure that all the HCEs functioning in the State were complying with the provisions of BMW Rules, 1998 and submitted timely status report on the same.

Audit observed that HSPCB had not identified the BMW generating units to ensure the enforcement of the BMW Rules and Health Department had not ensured that all the BMW generating HCEs obtain authorisation under the BMW Rules. It was also noticed that as of March 2014, all the 2,669 Government veterinary institutions in the State had not applied for authorisation under the Rules due to lack of directions from HSPCB. HSPCB intimated (September 2014) that due to shortage of staff, the veterinary institutions were not identified as bio-medical waste generating HCEs. The reply was not acceptable as the HSPCB, being the enforcement authority had the responsibility to identify every HCE which generates bio-medical waste and ensure the disposal of the bio-medical waste as per rules.

(ii) *Non-assessment of quantum of Bio-medical waste generated*

As per Rule 11 of the BMW Rules, 1998 every HCE was to maintain records relating to the generation, storage, treatment and disposal of BMW. Rule 10 also provides that the HSPCB was to send the information obtained from HCEs in compiled form to the CPCB.

It was found during the joint inspection that out of 80 HCEs 39 HCEs were not submitting annual reports to HSPCB and the annual reports for the years 2011, 2012 and 2013 were submitted to CPCB with a delay of three to seven months. The HSPCB was not compiling annual reports consisting details of bio-medical waste generated and disposed by each HCE which was in violation of Rule 10 of BMW Rules, 1998. Out of 80 HCEs, nine HCEs were not maintaining any record regarding generation, storage, treatment and disposal of BMW.

(iii) Non-inspection of HCEs

The Environment Department had directed (November 2009) that the HSPCB must carry out a monthly inspection of all the authorised HCEs particularly with regard to generation and removal of bio-medical waste.

In four²¹ tests checked regional offices, it was noticed that during the period 2009-14 HSPCB was required to conduct 40,788 monthly inspections of authorized HCEs against which only 1,403 inspections (three *per cent*) were conducted. HSPCB intimated (September 2014) that there was shortfall in inspections of HCEs due to shortage of staff. The reply was not maintainable as the shortfall was about 97 *per cent* and some HCEs were not even inspected once during the period of five years.

Irregularities noticed during joint inspection

In order to ascertain the safe disposal of BMW, joint inspection of 80 HCEs was conducted along with officials of HSPCB. Following major irregularities were noticed:-

(iv) Non-segregation of bio-medical waste in colour coded containers

As per Rule 6 of the BMW Rules, 1998, the BMW was to be segregated into appropriate colour coded containers/bags at the point of generation in the HCEs in accordance with the colour code scheme prior to its transportation, treatment and disposal. During joint inspection of 80 HCEs, it was found that –

- In 41 HCEs (51 *per cent*), bio-medical waste was not segregated at the source of generation i.e. wards/rooms/ operation theatres/laboratories etc.
- Nine HCEs (11 *per cent*) were not maintaining colour coded bins and in 14 HCEs (17 *per cent*) charts showing category-wise segregation were not pasted.

(v) Improper storage and collection of bio-medical waste

Rule 6 (1) of the BMW Rules, 1998 provides that Bio-medical waste shall not be mixed with other wastes and Rule 6(5) provides that no untreated waste shall be kept stored beyond the period of 48 hours. During joint inspection, it was found that -

- In 27 HCEs (34 *per cent*), provision of separate storage rooms was not made for keeping BMW category wise.
- In 24 HCEs (30 *per cent*), the service



Photograph dated 25 June 2014 showing open common collection point at ESI Hospital, Panipat

²¹

(i) Ballabgarh, (ii) Jind, (iii) Panipat and (iv) Yamunanagar.

providers were lifting BMW after stipulated period of 48 hours.

(vi) *Improper disposal of bio-medical waste*

As per rule 5 schedule I, the human anatomical waste and animal waste was to be incinerated or buried deep. The microbiological and bio-technological waste, waste sharps, solid waste were required to be treated through autoclave and autoclaved BMW in the form of plastic and waste sharps were required to be shredded and disposed of on the landfills. During joint inspection of 80 HCEs, it was found that

- In ten HCEs (13 *per cent*), untreated BMW such as human anatomical waste/needle syringe, blades, cotton soaked with blood, placenta etc. was being mixed with municipal waste.
- In nine HCEs (11 *per cent*), syringes, needles and small empty glass vials were being thrown away in open space.
- 29 HCEs (36 *per cent*) were selling/disposing the untreated red category of BMW in open market.
- In 47 HCEs (59 *per cent*), puncture proof polythene containers meant for safe collection, storage and transportation of needles, syringes, blades etc. were not being used.



Photograph dated 15 July 2014 showing syringes, needles and small empty glass vials thrown in open at General Hospital Palwal

On being pointed out, the HSPCB stated (December 2014) that show cause notices have been issued to 53 HCEs, of which 25 HCEs had replied that those were complying with the BMW Rules. The reply was not tenable as the HSPCB had not inspected these 25 HCEs to ensure compliance of Rules and audit findings were based on joint physical verification where one of the members was from HSPCB.

(vii) *Non-setting up of common-bio-medical waste disposal and treatment facility (CBMWDTF)*

In response to Audit Paragraph number 3.3.9 on 'Bio Medical Waste Management' appearing in Audit Report (Civil) for the year ended 31 March 2007, the Principal Secretary, Health Department assured (September 2012) the Public Accounts Committee that four common-bio-medical waste disposal and treatment facility would be established on PPP basis in four districts of the State. A decision had been taken by the State Government (August 2012) to set up common facilities in four districts i.e. Faridabad, Karnal, Hisar and Jhajjar. The Health Department was to take initiative and responsibility of installation of common facility on PPP basis. The Municipal Corporation or Local Bodies were

to provide land and the Environment Department/HSPCB was to provide financial and technical assistance.

Audit noticed that an amount of ₹ 0.97 crore released as grants-in-aid to HSPCB by the State Government during the period 2009-14 for establishment of CBMWDTF was lying unspent with the HSPCB. It was observed that the funds could not be utilised due to non-allotment of land by Urban Local Bodies Department and non-taking of initiative by Health Department.

(viii) Non-compliance by service providers

Following irregularities were noticed during joint inspection to the premises of three common treatment facility (CTF) operators:

- The State Government instructed (May 2012) to install web cameras at CTF. Though CCTV cameras were installed by three CTF operators at their premises, these were not connected with internet for monitoring of the activities by the HSPCB.
- As per Clause 29 of authorisation letter issued by HSPCB to CTF provides that the hazardous waste should be disposed off through the Treatment Storage and Disposal Facility (TSDF) at Pali, Faridabad. But the operator of TSDF intimated that five out of total ten CTF operators of the State had not entered into agreement for final disposal of ash generated from incinerators. The untreated incineration ash was lying at the premises of CTF operators.
- State Government orders (May 2012) provided that Civil Surgeon must ensure that GPS system must be installed in the vehicle carrying the waste and it has connectivity in the office of Civil Surgeon in order to see whether the vehicle was actually reaching the place of disposal or not. The GPS were installed in vehicles carrying the BMW from the HCEs by the CTF operators, yet in four test-checked ROs movement of vehicles was not monitored as required in Government orders.
- In 31 HCEs, the CTF operators were not supplying colour coded polythene bags according to the requirement at collection point.
- Two²² out of three CTF operators had not immunised their staff.

Thus, there was lapse in identification of BMW generating units, assessment of quantum of BMW generated and inspection of HCEs. Instances of non-segregation of BMW in colour coded containers and improper collection/disposal were noticed. Shortcomings were also noticed on the part of service providers in disposal of BMW. Further, common bio medical waste disposal and treatment facility was not established.

²² M/s Haat Supreme Wastech (P) Ltd, Karnal and M/s Maruti Bio-Medical Waste Management Co, Bhiwani

The above points were referred (August 2014) to Additional Chief Secretary, Health Department and Principal Secretary, Environment Department; the replies were awaited (January 2015).

3.6 Loss of interest due to blockade of funds

Rupees two crore was paid by HSPCB to HSAMB in January 2008 without finalising the layout plan for construction of dwelling units which resulted in blockade of funds of ₹ 1.90 crore and loss of interest of ₹ 80 lakh.

Rule 2.10 (a) of Punjab Financial Rules (PFR) Vol. 1 as adopted by the Government of Haryana provides that every Government employee while incurring or sanctioning expenditure should observe high standards of financial propriety and is responsible for enforcing financial order of strict economy at every step. Every Government Officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Further, Para 2.92 of the erstwhile PWD code provided that no work should be commenced on land which has not been duly made over by the responsible civil officers.

Haryana State Pollution Control Board (HSPCB) decided (July 2004) to construct a residential complex for its employees at Panchkula. On the request of the Chairman, HSPCB, the Haryana Urban Development Authority (HUDA) intimated (July 2004) that 1.5 acre land in sector 23 of Panchkula could be considered under Group Housing norms of HUDA which provided that out of total 90 proposed dwelling units, 82 would be of the size below 75 sq meters at the rate of ₹ 3,200 per sq meter and allotted (May 2005) Plot No. GH-5 in Sector 23, Panchkula measuring 6,012 meters on freehold basis, after receipt of full payment of ₹ 1.92 crore. The possession of the land was handed over in June 2008.

It was noticed in Audit (August 2013) that the HSPCB decided (December 2006) for construction of residential complex from Haryana State Agricultural Marketing Board (HSAMB) as a deposit work. The HSAMB submitted (October 2007) an estimate of ₹ 15.47 crore on the basis of categorising the houses in six categories²³ comprising only 18 houses with less than 75 sq meter area. The HSPCB paid (January 2008) ₹ two crore to HSAMB of which, ₹ 10.24 lakh was spent on boundary wall, etc. The HSPCB requested (February 2009) HUDA for approval of change in building plan and the HUDA granted the permission in October 2012 after the receipt of ₹ 78.36 lakh (November 2011) on account of difference of rates and fee prescribed for change in the size of dwelling units. But

²³ One for Chairman: 395 sq meters, one for Secretary: 385 sq meters, 10 houses Category I: 197.50 sq meters, 12 houses of Category II: 136.87 sq meters, 49 houses of Category III: 109.87 sq meters and 18 houses of Category IV: 50.38 sq meters.

a revised proposal of dwelling units has been submitted to HUDA (July 2014) for which approval was awaited (December 2014).

Thus, depositing the funds with HSAMB without taking the possession of land as well as without the approval of revised building plan resulted in blockade of ₹ 1.90 crore and loss of interest to the tune of ₹ 80 lakh (at the rate of seven *per cent* per annum). Further, the main objective of providing accommodation to the HSPCB employees was not achieved.

On being pointed out, the Board while admitting the facts stated (April 2014) that the work of residential complex could not be started due to non-approval of drawing by HUDA. It was further informed (June 2014) that the work of construction has been re-allotted to HSAMB on turnkey basis. Thus the fact remains that the funds were deposited with HSAMB without finalisation of layout plan which resulted in blockade of funds for six years.

The matter was referred (July 2014) to the Principal Secretary, Environment Department; the reply was awaited (January 2015).

Finance Department

3.7 Non-claiming of interest on unutilised funds

Various Government Departments did not recover interest of ₹ 20.21 crore on unutilised funds from HSRDC.

The Finance Department issued instructions in March 2011 that all Corporations/Boards/Societies to whom Government departments had provided funds for works/purchases would pay interest at the rate of six *per cent* per annum to these departments on half yearly basis on unutilised funds. The instructions further provided that the Administrative Departments were responsible for recovering the interest from such entities and depositing the same in receipt head of the Government. However, the State Government relaxed the policy, *ibid* (December 2011) for Haryana State Roads and Bridges Development Corporation (HSRDC) to the extent that the HSRDC would keep the funds in separate auto sweep flexi accounts for each Government Department and would pay the actual interest earned on these deposits on annual basis.

During audit of accounts of HSRDC (January 2013), it was noticed that various Government Departments²⁴ deposited funds with HSRDC for execution of works but neither these departments claimed nor HSRDC paid any interest on these

²⁴ Civil Aviation, Fisheries, Agriculture, Animal Husbandry, Education, Health, Technical Education, Transport, Sports, Law and Justice, Panchayat and Development, National Capital Region funds.

unutilised funds and for the period between April 2011 and March 2014 interest of ₹ 20.21 crore became recoverable from HSRDC.

On being pointed out by audit, HSRDC intimated (July 2014) that as the client department had never demanded, the payment for interest had not been made to any client department. Flexi accounts had been opened since February 2012 but interest accrued on actual basis was also not being paid to the client departments/bodies/boards. Reasons for not raising demand for interest on unutilised funds were called for (June 2014) from Government Departments, in reply to which Agriculture, Animal Husbandry, Health Departments and National Rural Health Mission intimated (June-July 2014) that no interest was received and the matter had been taken up with HSRDC. The reply was not acceptable as the Administrative Departments were required to recover the interest in compliance with the Government instructions. Replies from other Departments were awaited (January 2015).

Thus, the failure of Government Departments to claim interest on their unutilised funds deposited with HSRDC resulted in loss of ₹ 20.21 crore to the State exchequer.

The matter was referred (July 2014) to the Additional Chief Secretary, Finance Department; the reply was awaited (January 2015).

General Administration Department (Haryana Public Service Commission) and Technical Education Department

3.8 Withdrawal of posts from the purview of Haryana Public Service Commission

Continuation of adhoc appointments of 14 lecturers for ten years and their regularisation subsequently resulted in irregular expenditure of ₹ 8.43 crore on pay and allowances.

As per provisions of Exposition of Regulation 3 and 6 of the Haryana Public Service Commission (HPSC) (Limitation of Functions) Regulations, 1973, whenever an adhoc appointment is made against the direct recruitment quota of permanent/temporary post exceeding six months, the appointing authority is required to send a requisition complete in all respects on prescribed proforma to the HPSC and no adhoc appointment may be allowed to continue beyond the period of six months without their (HPSC's) approval. It was also emphasised

that against the direct recruitment quota posts, no adhoc appointments will be made till steps have already been taken to fill these posts by direct recruitment through open competitive examination by following a prescribed procedure. Besides this, the Supreme Court also deprecated²⁵ the Government for exercising the power under Article 320 of the Constitution and observed that the State Governments cannot bypass the Public Service Commission by issuing directions for regularisation of the services of the ad-hoc persons appointed through back door entry. Consequently, Haryana Government had withdrawn instructions to regularize adhoc employees (December 1997).

Test check of records (January and May 2014) of the HPSC and Technical Education Department (TED) showed that the TED had appointed 14 Lecturers during the year 1993 on adhoc basis and continued their services for 10 years without referring the matter to the HPSC for recruitment of these lecturers. In accordance with the Government's policy of regularisation of July 2011, the TED (January 2012) sent a proposal for withdrawing the posts of 14 lecturers appointed on adhoc basis, who had completed their adhoc service for 10 years in the department from the purview of the HPSC for regularising their services. The HPSC (February 2012) had allowed the process of regularisation of 14 lecturers appointed on adhoc basis without ensuring compliance of the HPSC (Limitation of Functions) Regulations 1973. The TED (March 2012) regularised the posts of these 14 lecturers appointed on adhoc basis on humanitarian grounds.

Thus continuation of adhoc appointments for ten years and subsequent regularisation of 14 adhoc lecturers was against the provisions of rules and an expenditure of ₹ 8.43 crore incurred on their pay and allowances from the year 1993-94 to June 2014 was irregular.

On being pointed out, the Secretary of the HPSC stated (May and September 2014) that due to non-preparation of recruitment rules, these posts were withdrawn from the purview of HPSC. He further added that withdrawal of posts and fixing mode of recruitment was the prerogative of the Government. The reply was not tenable as no adhoc appointment should be allowed to continue beyond six months without HPSC's approval.

The matter was referred to the Chief Secretary to Government of Haryana and Principal Secretary to Government of Haryana, Technical Education Department (July 2014) for comments. Reply had not been received despite repeated reminders (January 2015).

²⁵ Supreme Court of India judgment in the case of P. Ravindran & Ors vs Union Territory of Pondicherry

Health Department

3.9 Unfruitful expenditure on non-functional Drug Testing Laboratory and State Ayurvedic Pharmacy

An expenditure of ₹ 3.40 crore incurred on construction of Drug Testing Laboratory and State Ayurvedic Pharmacy was rendered unfruitful due to non-availability of manpower.

In order to provide financial assistance to the States with a view to strengthening Ayurveda, Sidha, Unani and Homeopathy (AYUSH) drug enforcement mechanism to the State, Government of India (GOI) introduced the Centrally Sponsored Scheme for Quality Control of AYUSH Drugs during 9th Five Year Plan. The main purpose of the scheme was to establish AYUSH manufacturing units and in-house quality control laboratories for batch to batch testing of raw materials and finished products for ensuring quality control of AYUSH medicines.

Scrutiny of records (May 2014) of the Director General, AYUSH, showed that GOI released grant-in-aid of ₹ three crore²⁶ under the Centrally Sponsored Scheme for quality control of AYUSH drugs for the establishment of State Drug Testing Laboratory (DTL) and State Ayurvedic Pharmacy (SAP) in the campus of Shri Krishna Government Ayurvedic College at Kurukshetra. The construction of both the buildings of SAP and DTL was completed between October 2008 and January 2009 at a cost of ₹ 1.94 crore and ₹ 0.94 crore, respectively. Machinery/equipments were also purchased at a cost of ₹ 0.52 crore during 2008-10. But even after more than five years of the completion of these buildings and availability of the funds of ₹ 20 lakh for manpower, the DTL and SAP had not been made functional due to not making arrangement of manpower. It was observed that the warranty period of one year of equipment/ machinery had expired. Thus, the expenditure amounting to ₹ 3.40 crore (construction of buildings: ₹ 2.88 crore and purchase of equipments: ₹ 0.52 crore) was lying unfruitful besides the objectives of the scheme remained unachieved (November 2014).

The Director General, AYUSH with the concurrence of Principal Secretary, Health Department stated (November 2014) that Finance Department had given approval (July 2014) for manpower for the DTL, rules were being framed for newly created posts and DTL would start functioning in near future. DG further added that procedural delays in getting electricity connection and non-availability of funds for transformer/electric connection were the reasons for delay in starting

²⁶ **Drug Testing Laboratory:** Construction of Building: ₹ 50 lakh, Procurement of machinery: ₹ 30 lakh and Manpower for running of DTL: ₹ 20 lakh and
State Ayurvedic Pharmacy: Construction of Building: ₹ 100 lakh, for procurement of machinery: ₹ 50 lakh, additional grant : ₹ 50 lakh

the SAP and it would start functioning soon. The fact, however, remains that DTL and SAP had not been made functional (November 2014) despite spending ₹ 3.40 crore.

Home Department

3.10 Unfruitful expenditure/blockade of Government funds

Non-procurement of required equipment for firing range by the Police Department resulted in blockade of GOI funds of ₹ 7.50 crore besides building constructed at a cost of ₹ 1.36 crore also remained unutilised.

Under the scheme of modernisation of State police force, Government of India (GOI) in July 2008 approved the scheme for construction of Indoor Firing Range at Haryana Police Academy (HPA) Madhuban, Karnal and sanctioned ₹ 7.50 crore for purchase of equipments. The construction work of building was completed at a cost of ₹ 1.36 crore in August 2009 with the State funds. The Director, HPA suggested (October 2008) that on the basis of survey M/s Meggitt Training System, USA, which had set-up similar projects for the premier security organisation, was the most suited to supply the equipments for the firing range.

The Principal Secretary, Home Department, Government of Haryana in February 2009 accorded sanction for ₹ 7.50 crore for commissioning and equipping Indoor Firing Range, through HARTRON²⁷. HARTRON informed the HPA (June 2009) that the Corporation had not procured such equipments earlier and did not have any requisite experience in taking up the said project. The matter was taken up with Director, Supply and Disposal (DS&D) Haryana, who in October 2009 informed that the item was of highly specialized nature and technical expertise was not available with them. The DS&D advised that the indenting department may get a special purchase committee constituted from the State Government and purchase this item at their level. Accordingly, a special purchase committee was constituted by the State Government (December 2009). The committee in its meeting held in June 2012 exempted the purchase through HARTRON and recommended that Police Department may take up the issue with State Government to make purchase from M/s Meggitt Training System directly being the premier firm. The Police Department, however, did not take any action on advice of the Special Purchase Committee and no final decision had been taken (November 2014).

It was noticed during audit that since the completion of building in August 2009, the issue of purchasing the necessary equipments, for making the firing range functional despite clear recommendations from the Director, HPA about the limited availability of the material, had not been decided and the funds amounting

²⁷ Haryana State Electronics Development Corporation Limited.

to ₹ 7.50 crore were lying unutilised with HARTRON. It was further noticed that the State Government had already submitted the Utilisation Certificate (UC) to the GOI, which was factually wrong as the equipment was yet to be purchased. On being pointed out in audit, the DGP Haryana (September 2014) intimated that the department had submitted proposal to the Government to purchase the material from M/s Meggitt Training, which was the sole agency for establishing Indoor firing range but the Government decided to make the purchase through HARTRON and also intimated that the building constructed for Indoor Firing Range was being used for accommodation of trainees.

Thus, due to failure of the department to procure the required equipment the firing range could not made functional and ₹ 7.50 crore GOI funds remained blocked besides the building constructed at a cost of ₹ 1.36 crore was not being utilised for the requisite purpose.

The matter was referred (July 2014) to Additional Chief Secretary, Home Department; the reply was awaited (January 2015).

3.11 Manpower Deployment in Police Department

Despite shortage of officers and operational police force, police personnel were posted in excess of sanctioned strength in some offices. Shortage in forensic science laboratory was to the extent of 50 per cent resulting in increase in pendency of samples. Crime ratio in the state was very high in comparison to neighbouring States.

The objective of the Police Department is to maintain law and order, prevention, detection, investigation of crimes and successful prosecution of criminals. There were 269 Police Stations and 323 police posts in the State as of January 2014. About 85 per cent of the total expenditure of ₹ 8365.43 crore of the Department was incurred on establishment during 2009-14. With a view to assess whether the norms for manpower requirements were realistic and the available manpower was utilised efficiently and effectively, the audit of the office of Director General of Police (DGP) and 13²⁸ out of 57 offices covering the period 2009-14 was conducted during January-August 2014.

²⁸ (i) Director General (Crime), Panchkula (ii) Additional Director General of Police (CID), Panchkula (iii) Inspector General of Police (Telecommunication), Panchkula (iv) Commissioner of Police, Gurgaon, (v) Deputy Commissioner of Police, Panchkula, (vi) Deputy Commissioner of Police (Urban), Ambala, (vii) Superintendent of Police, Nuh, (viii) Ist Batalian Haryana Armed Police, Ambala City, (ix) 5th Batalian Haryana Armed Police, Madhuban (x) Forensic Science Laboratory, Madhuban (xi) 4th Batalian Haryana Armed Police, Madhuban (xii) Superintendent of Police, Commando, Naval and (xiii) Superintendent of Police, Kaithal.

Manpower profile

- **Indian Police Service (IPS) and Haryana Police Service (HPS) Cadres**

The actual strength of IPS and HPS Officers vis-à-vis sanctioned strength during 2009-14 in the Department was as depicted in **Appendix 3.3**. The shortage of IPS officers was between 7 and 23 *per cent* and the shortage of HPS officers ranged between 2 and 35 *per cent*.

The DGP Haryana while admitting the facts stated (October 2014) that GOI had been requested for allocation of four IPS officers every year and that the selection of IPS officers from HPS officers could not be done due to pending Court cases.

- **Operational police force excluding IPS and HPS officers**

The shortage of operational police personnel (other than IPS/HPS) ranged between 21 and 26 *per cent* during 2009-14 which adversely affected the maintenance of law and order as the rate of crime was increasing in the State²⁹.

DGP Haryana while admitting the facts stated (October 2014) that no recruitment in the rank of ASI and SI had been made between 2009 and 2014. It was further stated that a proposal for direct recruitment of 67 Inspectors was sent (February 2012) to Government but approval was awaited (January 2015).

Scrutiny of records of the office of DGP further showed that in spite of overall shortage of staff, police personnel of different cadres ranging between 84 and 400 were posted in excess of the sanctioned strength in various offices during 2009-14 which further increased the shortage of manpower in other offices.

Police : population ratio has also not been prescribed by the Department. As per National Crime Record Bureau (NCRB) the police: population ratio was considerably low (i.e. 1:576) in the State in comparison to neighboring States i.e. in Jammu and Kashmir - 1:154, Punjab – 1:365, Chandigarh – 1:254 and Delhi – 1:251³⁰.

As per NCRB, Police : crime ratio was very high in Haryana i.e. 1:2.50 in comparison to neighbouring states in Punjab: 1:1.10, Jammu and Kashmir: 1:0.47, Chandigarh: 1:1.24 and Delhi: 1:1.49.

There was shortage of 13,637 operational staff as on 1 January 2010. The shortage further increased to 13,926 in 2012. Despite the shortage, only 1,111 male constables were recruited in 2014.

The State Government directed (April 2003) the Director General of Police for preparing restructuring plan of the department on the guidelines of Government of

²⁹ The registered crimes had increased from 79,379 in 2009 to 1,04,090 in 2013.

³⁰ Norms fixed by Ministry of Home Affairs were 1:150.

India which was submitted to Government in 2007. In spite of many meetings with Finance Department, the plan had not been approved. The department sent (March 2007) a proposal to Government to raise the police: population ratio to 1:300. This proposal had not been approved despite a lapse of seven years (January 2015).

(i) Operation of unsanctioned Police Posts

Section 12 of Haryana Police Act, 2007 provides that on the recommendation of the DGP, the State Government may create as many police stations with as many outposts, as may be necessary.

Scrutiny of records showed that there were 323 police posts in operation in the State out of which 252 were operating without the sanction of the Government. The DGP requested the Additional Chief Secretary, Home Department, to accord sanction for 55 un-sanctioned police posts during 2012-14. But the sanction has not been accorded by the Government (June 2014). These un-sanctioned police posts were kept operational. Scrutiny of the records of four SPs (Gurgaon, Nuh, Ambala and Panchkula) showed that 403 police personnel were posted in 44 un-sanctioned police posts in these districts. The operation of un-sanctioned police posts further aggravated the problem of shortage of operational police force in the State.

DGP Haryana while admitting the facts stated (October 2014) that all District Superintendent of police had been directed to send the proposals for regularisation of the remaining unsanctioned police posts. The fact remains that police posts were in operation without the sanction of the Government.

(ii) Temporary transfers

It was observed that 134 operational staff was diverted from different district police offices to DGP office on temporary basis for performing ministerial works. The staff was posted for the period ranging between six months and 12 years as of August 2014. However, the salary of these staff was being drawn from the concerned offices. DGP had not reviewed the justification for their continued retention for ministerial works at any stage though it had financial implication of ₹ 95.45 lakh for one year (2013-2014) due to difference of pay of ministerial staff and operational police staff. Scrutiny further showed that 108 class-IV employees out of 370 employees in six offices were posted out of their jurisdiction.

On being pointed the DGP Haryana stated (October 2014) that temporary transfers were made against the vacant posts of ministerial staff. The fact remains that operational staff was posted on ministerial work, as a result of which, the shortage of operational staff had increased and also put an extra burden on State exchequer due to difference in pay and allowances of operational and ministerial staff, besides payment of one month's salary which was not payable to ministerial staff.

(iii) Forensic Science Laboratory

Forensic science is a dynamic field comprising mainly the application of various branches of science to the administration of justice. Forensic science experts help the police officers in establishing the missing links between the crime and the suspects. Forensic Science Laboratory (FSL) located at Madhuban had 14 divisions where various evidences are analyzed to help the investigating officers to solve the crimes.

Scrutiny of the record of Director, FSL showed that there was shortage of 139 (50 *per cent*) posts against the sanctioned strength of 280. Due to shortage of staff, pendency in testing of samples has increased substantially from 1,325 (December 2009) to 3,504 (December 2013) (*Appendix 3.4*).

DGP Haryana while admitting the facts stated (October 2014) that pendency in testing of samples had increased due to acute shortage of reporting officers and allied staff as also receipts of higher number of samples.

(iv) Appointments of women police

Due to increase in incidents of crime against women and children and greater involvement of females in criminal activities, Ministry of Home Affairs stressed the need to review the strength of women police. The National Police Commission also recommended (November 1980) at least 10 *per cent* deployment of women police in the police stations.

The strength of women police in Haryana Police was negligible as against total strength of 42,753 personnel, only 2,444 (6 *per cent*) women police were in position in the State (January 2014).

DGP Haryana while admitting the facts stated (October 2014) that demand for recruitment of 344 women constables had already been sent to Haryana Police Recruitment Board but recruitment has not yet been made (January 2015).

(v) Non-establishment of women police station

DGP sent (May 2013) a proposal to Additional Chief Secretary to Government of Haryana (ACS) for establishment of four *Mahila* Police Stations at Gurgaon, Faridabad, Bahadurgarh (Jhajjar) and Panchkula, and sought sanction of 176 posts.

DGP Haryana while admitting the facts stated (October 2014) that proposal for establishment of four *Mahila* police stations had again been sent (August 2014), but sanction was awaited (January 2015).

(vi) Impact of shortage/mismanagement of manpower

Shortage of manpower in the police department has an adverse impact on law and order as police act as deterrence on the public for not committing crimes. Scrutiny of records of State Crime Branch showed that number of registered crimes had increased from 79,379 in 2009 to 1,04,090 in 2013.

From the above data, it can be concluded that more police person in position will reduce reaction time, prevention of increase in crime rate, improvement in detection and conviction rate and accelerate the service delivery.

The DGP Haryana stated (October 2014) that remedial measures such as organising public police *sammelans*, increase in establishment of *nakas*, installation of CCTV cameras, increase in police patrolling parties/PCR and issue of *Mahila* helpline number etc. were initiated by the Department. The fact remains that the shortage of manpower had impacted the law and order situation in the State.

Thus, there was shortage of IPS and HPS officers and operational police force; despite this, police personnel were posted in excess of sanctioned strength in various offices. Further, 252 Police Posts were in operation without sanction of the Government and 134 police personnel of field offices were diverted at DGP Office and there was shortage of staff in FSL to the extent of 50 *per cent* resulting in increase in pendency of samples.

The above points were referred (July 2014) to the Additional Chief Secretary, Home Department; the reply was awaited (January 2015).

Horticulture Department

3.12 Implementation of National Horticulture Mission in State

Under the Organic Farming scheme, four service providers diverted ₹ 1.58 crore for staff salary which were meant for farm inputs. Survival rate of plants was very low in New Garden Scheme. 237 community tanks were incomplete and Plant Health Clinics were not utilised for requisite purpose.

With a view to provide holistic growth of horticulture sector through differentiated strategies, enhance horticulture production, improve nutritional security and income support to farm households etc. Government of India (GOI), Ministry of Agriculture and Co-operation launched the National Horticulture Mission (NHM) during 2005-06. The funds were to be shared in the ratio of 85:15 between Centre and State Government. Major schemes under the mission were organic farming, horticulture mechanisation, creation of water resources, establishment of new gardens and protected cultivation. For implementation of the mission in the State, the Horticulture Department established Haryana State

Horticulture Development Agency (HSHDA) in December 2005 as a registered society under the Societies Registration Act, 1860. The records for the period 2009-10 to 2013-14 were test checked between April 2014 and June 2014 in the offices of Mission Director, HSHDA and five District Horticulture Officers³¹ by selecting them through probability proportionate to size without replacement method with the objective to assess whether the schemes under the mission had been implemented efficiently, economically and effectively. Major irregularities noticed during the audit were as under:

Financial Management

During the period 2009-10 to 2013-14, the HSHDA had incurred expenditure of ₹ 443.96 crore from available funds of ₹ 479.86 crore and in the five test-checked districts, an expenditure of ₹ 158.87 crore was incurred.

During test check, it was observed that utilisation certificates for ₹ 34.47 crore obtained from five Government agencies³² were not supported by the statements of audited accounts and the detail of assets created and vouchers were not available with the HSHDA as required in the scheme guidelines. In absence of necessary supporting documents, it could not be ensured that the funds were utilized in accordance with the scheme guidelines. The Mission Director, HSHDA stated (November 2014) that these agencies were Government agencies and the UCs were submitted after audit of their accounts, therefore, the statement of audited accounts were never asked for by the HSHDA. The reply was not acceptable as supporting documents were necessary to ensure that funds had been utilised as per scheme guidelines.

Implementation of Schemes

(i) Organic Farming

Organic farming was designed under the scheme mainly to enhance biological diversity, maintain long term soil fertility and to rely on renewable resources in locally organised system. During the period 2009-14, the HSHDA fixed a target of bringing 3,454 hectares under organic farming in the five test-checked districts against which actual achievement was only 923 hectares (27 *per cent*) and an expenditure of ₹ 2.40 crore was incurred. The shortfall was mainly in Yamunanagar, Fatehabad and Sirsa districts.

Reasons for shortfall attributed by DHO, Yamunanagar were non-participation of cultivators, flood prone area etc. and by the DHO, Fatehabad it was that the

³¹ District Horticulture Officers (i) Bhiwani, (ii) Fatehabad, (iii) Karnal, (iv) Yamunanagar and (v) Sirsa.

³² (i) Haryana Agriculture University, Hisar; (ii) Haryana Seed Development Corporation, Panchkula; (iii) Haryana Agro Industries Corporation, Panchkula; (iv) Haryana State Agriculture Marketing Board and (v) KVK (IARI) Gurgaon.

schemes were in starting phase and would become popular with the cultivators with passage of time. The replies were not tenable as the scheme should have been prepared keeping in view of weather conditions of area and interest of farmers.

Irregular expenditure on inadmissible items

As per scheme guidelines, an assistance of ₹ ten thousand³³ per hectare was to be given for farm inputs and assistance of ₹ five lakh³⁴ was to be provided for a group of farmers covering an area of 50 hectare for documentation, training, internal control and charges of the certification agency. As such, an assistance of ₹ 20,000/- per hectare was to be provided in equal ratio for inputs and certification. The GOI sanctioned ₹ 20.38 crore in January 2009 and October 2009 for implementation of the scheme on 10,181 hectare. The HSHDA allotted (January 2009 and February 2010) the work to seven agencies as service providers for adoption and certification of organic farming on 10,181 hectare area for ₹ 20.38 crore and covered 10,095 hectare area by incurring ₹ 19.99 crore upto 31 March 2014.

During audit it was noticed that ₹ 3.60 crore were paid to four service providers for providing farm inputs to the beneficiary farmers, but an expenditure of ₹ 1.58 crore³⁵ from this amount was made on inadmissible items viz. staff salary, TA/DA, etc by the service providers. The Mission Director, HSHDA stated (November 2014) that firms had negotiated with the accredited agencies and saved amounts on large scale certification which they used for resources. The scheme was also being monitored properly by conducting 50 inspections in three years' period. The reply was not acceptable as the funds were meant for farm inputs.

(ii) New Gardens Scheme

The NHM provided assistance for establishment of new gardens with the objective to bring new areas under horticultural crops like fruits, flowers, spices, aromatic plants and plantation crops like cashew and cocoa. Under the New Gardens Scheme, against the target of 10,223 hectare only 7,142 hectare area was covered in the test-checked five districts by incurring an expenditure of ₹ 8.29 crore. The DHO Sirsa stated (May 2014) that the survival was less due to extreme weather conditions, lack of canal water etc. DHO Yamunanagar and Karnal attributed the reasons to (May 2014) floods and winter frost for low survival.

³³ Spread over a period of three years i.e. ₹ four thousand in first year and ₹ three thousand in second and third years, respectively.

³⁴ Spread over a period of three years i.e. ₹ 1.50 lakh in first year, ₹ 1.50 lakh in second year and ₹ two lakh in third year.

³⁵ M/s Gulab Fruit and Vegetables : ₹ 8.20 lakh; M/s ICCOA Bangluru : ₹ 113.50 lakh; M/s IPL New Delhi: ₹ 13.66 lakh; and M/s K. N. Bio, Hyderabad : ₹ 22.50 lakh.

Low survival of plants

As per NHM guidelines, the assistance was to be released to the beneficiary in three annual instalments of 60:20:20. The second and third instalments were to be released only after ensuring the survival of the plants upto the stipulated level i.e. 75 *per cent* of total plantation in second year and 90 *per cent* of the second year plantation in third year.

Test check of progress reports of five districts showed that during 2009-10 to 2011-12, first instalment of assistance was released for establishment of fruit gardens on 5,338.85 hectare area. Second instalment was released for 3,854.21 hectare area and the third instalment of assistance was released for only 2,650.71 hectare area against the targeted area of 3,603 hectare³⁶. As such the survival rate of plantation was about fifty *per cent* only.

The Mission Director, HSHDA confirmed (November 2014) that there was less survivability of 2,650.71 hectare. Thus, the HSHDA failed to establish new gardens of suitable crops according to the weather conditions of the region.

(iii) Creation of Water Resources Scheme

With the objective to ensure irrigation to horticulture crops, the NHM provided assistance for creating water sources by construction of community tanks, farm ponds/reservoirs. As per scheme guidelines, assistance was to be provided to a community/farmer group having more than two beneficiary families only when all the integrated components had been completed. In case of violation of terms and conditions the assistance was to be recovered. The assistance for construction of these community tanks was to be given in four instalments³⁷. In the test-checked districts the assistance of ₹ 50.20 crore was released for 1,121 community tanks during 2009-14. During audit, it was noticed that:

- 237 community tanks for which assistance of ₹ 7.84 crore was released were incomplete and not utilised for horticulture purposes, as such the assistance provided for these community tanks was rendered unfruitful and objective of construction of community tanks could not be achieved. The Mission Director, HSHDA stated (November 2014) that efforts would be made to recover the released amount of first and second instalments. Final action was awaited (November 2014).
- The assistance was to be provided to groups having more than two beneficiary families. During the scrutiny of application forms and approval files,

³⁶ 67.5 *per cent* of total area 5,338.85 hectare area.

³⁷ First thirty *per cent* after excavation of tank and completion of brick lining, second thirty *per cent* after completion of cement concrete of floor and construction of inlet channel, third instalment of twenty *per cent* after installation of micro irrigation system and plantation of fruit crop and fourth instalment after completion of all integrated components.

it was noticed that an assistance of ₹ 36.72 crore was provided for 858 community tanks to groups with only two beneficiary families.

- A joint physical verification of 52 community tanks conducted with departmental officers showed that 19 community tanks were lying incomplete due to incomplete construction works, non-installation of micro irrigation system, etc. Moreover, no amount of assistance was recovered from the beneficiaries who had not completed the community tank and violated the terms and conditions of the scheme.

The Mission Director, HSHDA stated (November 2014) that fact that, the beneficiary farmer would not take up plantation or drip irrigation was not foreseeable. Thus, the HSHDA could not implement the scheme properly in accordance with scheme guidelines and had not initiated process for recovering the assistance already provided.

(iv) *Non-earmarking funds for weaker sections*

As per instructions of GOI (April 2007), 16 *per cent* funds were to be earmarked for farmers belonging to scheduled castes (SC) and at least 30 *per cent* of the budget allocation was to earmarked for women beneficiaries.

The HSHDA had not earmarked funds for the weaker sections of the society. The Mission Director, HSHDA stated (November 2014) that the land holdings in the name of women and SC farmers were negligible. Reply was not acceptable as in the State, 29,015 SC families were holding 43,425 hectare area as of September 2013³⁸. Further, the State Government had sought (October 2013) permission from GOI for reducing allocation to one *per cent* of the available funds for SC beneficiaries, but the permission had not been granted by GOI so far (November 2014). The HSHDA had not made efforts for identifying the women beneficiaries.

(v) *Misutilisation of plant health clinics*

For improvement of production and productivity, special focus was given for adoption of improved technologies which included the establishment of plant health clinics for testing of soil and water, bio-control lab, leaf/tissue analysis lab and pathology lab etc. The HSHDA constructed (February 2007 – January 2012) 14 plant health clinics at a cost of ₹ 2.88 crore in the State. However, these buildings were being utilised as the offices of respective DHOs instead of laboratories thereby defeating the objective of construction of these plant health clinics. No equipments were procured and no manpower was sanctioned for these PHCs. The Mission Director, HSHDA stated (November 2014) that PHCs were being utilised as office due to increase in staff. The fact remains that the PHCs were not utilised for the intended purposes.

³⁸ Source : Survey conducted by Agriculture Department, Haryana.

(vi) Loss due to non incorporation of risk and cost clause

The GOI introduced (April 2010) a scheme for importing planting material with a view to procure best quality horticulture planting material. The HSHDA made a provision in 2011-12 for plantation of gladiolus flowers and called tenders for the purchase of gladiolus bulbs (seed) in July 2011 against which eight agencies submitted their bids. The rates of two firms M/s Sheel of New Delhi and M/s OCCF of Kolkata were found reasonable and approved for ₹ 2.80 and ₹ 2.89 per bulb respectively. Accordingly, supply orders (August 2011) for the supply of 40.57 lakh bulbs to M/s Sheel, New Delhi and for 38.96 lakh bulbs to M/s OCCF Kolkata were placed with a time limit upto 30 September 2011. M/s Sheel New Delhi completed the supply but M/s OCCF Kolkata expressed its inability for importing bulbs from Holland. The HSHDA called fresh tenders in October 2011 wherein single bid was received and an order for the supply of 32.09 lakh bulbs was placed to M/s NERMAC in October 2011 at ₹ 3.50 per bulb. The new agency supplied 28.25 lakh bulbs. Thus, the HSHDA had to incur an extra expenditure of ₹ 17.23 lakh on purchase of 28.25 lakh bulbs. Audit observed that clause of risk and cost was not included in the DNIT/supply order with M/s OCCF Kolkata. Thus, due to non inclusion of risk and cost clause in tender the HSHDA suffered a loss of ₹ 17.23 lakh.

The HSHDA stated in its reply (November 2014) that cost variation had not been asked for from the firm and ensured that necessary clause would be inserted in the tender in future.

Thus, under the organic farming scheme four service providers incurred ₹ 1.58 crore on staff salary and TA/DA etc. which were meant for farm inputs. The plantation on only 2,651 hectare area survived under the new garden scheme against the target of 3,603 hectare area. 237 community tanks for which an assistance of ₹ 7.84 crore released were incomplete. ₹ 36.72 crore were provided for 858 community tanks to groups with only two beneficiary families and non-inclusion of risk and cost clause in the tender resulted in loss of ₹ 17.23 lakh.

The above points have been referred (August 2014) to the Additional Chief Secretary, Horticulture Department; the reply was awaited (January 2015).

Irrigation Department

3.13 Wasteful expenditure on Single Layer Brick (SLB) lining of escape channel

Non-ascertaining of position of sub soil water level while preparing estimate resulted in wasteful expenditure of ₹ 1.95 crore.

Para 2.22 of Haryana Public Works Department Code³⁹ provided that project of a work should consist of specification, a detailed statement of measurements, quantities and rates and a report stating in clear terms the object to be gained by the execution of work and explain any peculiarities which require elucidation. Further, para 2.41 (Appendix 9 (a)) specified that before submission of a project to higher authorities for approval, the preliminary operations, including the surveys both of alignment and soil should be completed.

A scheme for lining of escape channel from km 0.00 to km 4.700 off-taking at km 30.300-L of JLN Canal was approved for ₹ 1.87 crore in the 40th meeting of Haryana State Flood Control Board (HSFCB) held in February 2009 with the objective to create reservoir area within the limited land width and to take the escape canal water back into the JLN canal, when power was restored at pump house. Tenders for the work were invited by the Executive Engineer (EE), Water Services Division-2, Rewari in May 2009 and the work was awarded (November 2009) to an agency at agreement amount of ₹ 2.12 crore. The project cost was revised to ₹ 2.60 crore on the basis of quantities as per detailed estimate and again the cost of the project was increased (September 2010) to ₹ 3.01 crore due to providing for diversion and lowering sub soil water level (SSWL).

Scrutiny of records (June 2012) in the office of EE, Water Services Division No. 2, Rewari showed that due to continuous discharge of city effluent into the escape channel by Public Health Engineering Department (PHED), the SSWL increased and the agency did not execute the work of lining of about 1.105 km (km 1.915 to km 3.020) and work was lying abandoned since June 2011. An expenditure of ₹ 1.95 crore⁴⁰ had been incurred on the work. No further action had been taken by the department to complete the balance work as envisaged in the estimate. In the meantime, executed work was damaged due to pore water pressure⁴¹. Besides, no action was taken against the PHED in accordance with the Section 58 and 64 of Haryana Canal and Drainage Act, 1974 which prohibits the discharge of any treated/untreated trade effluent or sewage effluent into canal (July 2003 Notification).

³⁹ Old Haryana PWD Code applicable before November 2009

⁴⁰ Contractor payment of ₹ 1.92 crore (Final Bill of November 2012) and miscellaneous expenditure of ₹ 0.03 crore

⁴¹ Pore water pressure refers to the pressure of groundwater held within a soil or rock, in gaps between particles (pores).

On being pointed out (August 2013), Engineer-in-Chief, Irrigation Department intimated (March 2014) that when the scheme was prepared, being dry zone, sub-soil problem of the area was out of question and SSWL started rising due to continuous discharge of city sewerage. Reply of the department was not acceptable as at the time of survey (June 2009) for preparation of estimate, the water was standing/flowing in the channel and as the discharge of PHED was running continuously into the channel, the position of SSWL was required to be ascertained before the execution of work.

The Additional Chief Secretary, PHED, intimated (June 2014) that the work in respect of pipeline of 6.2 km length, to take the treated sewage upto Lal Bahadur Shastri (LBS) recharge channel was in progress. The Engineer-in-Chief, PHED informed (December 2014) that the work had been completed and the treated effluent was discharged in LBS recharge channel. However, the EE, Water Service Division No. 2 Rewari intimated (December 2014) that the sewage effluent was still being discharged in the escape channel and there was no change in status of lining of escape channel.

Thus, taking up of the work without proper planning, survey and sorting the issues of discharge with PHED and not adhering to the instructions issued by Government resulted in wasteful expenditure of ₹ 1.95 crore as the purpose of the project was not fulfilled. Further, the sewage was polluting the environment and sub soil water of the adjoining areas affecting the quality of ground water, hand pumps, tubewells, etc. The adjoining agricultural land was also turned uncultivable due to overflow of escape channel.

The matter was referred (May 2014) to the Principal Secretary, Irrigation Department; the reply was awaited (January 2015).

3.14 Working of Command Area Development Authority

The Command Area Development Authority did not achieve the targets of construction of water courses. Farmers' awareness campaigns were not organised. 438 completed water courses were not handed over to the WUAs, labour cess of ₹ 67.70 lakh was not recovered from contractors and security deposits of ₹ 38.56 lakh refunded before the expiry of defect liability period.

The Command Area Development Authority (CADA) was registered as a Society in 1974 under the Societies Registration Act, 1860. The main functions of CADA were to construct field channels (water courses), provide institutional support to Water Users' Association (WUA's) and hold awareness programmes for shareholders through demonstration plots. These projects were to be funded by Central and State Government in equal proportion. The Command Area Development programmes in the State were taken up through three different

projects⁴² covering different geographical areas of the State. During the period 2009-10 to 2013-14 total expenditure of the CADA was ₹ 522.74 crore on construction of water courses in the State.

The records pertaining to the period 2009-10 to 2013-14 were test-checked in the office of the Administrator, CADA, Panchkula and nine⁴³ out of twelve CAD divisions during September 2013 to January 2014 to analyse the programme implementation and achievements of CADA. The shortcomings noticed are discussed in succeeding paragraphs:

(i) Shortfall in achievement of physical targets

In the test-checked divisions, the CADA had incurred an expenditure of ₹ 376.59 crore on construction of 1,744 water courses, out of which 1,283 water courses were completed and work on 461 water courses was in progress (June 2014). Targets and achievements in terms of area covered under the three projects are given in the **Table 3.2**.

3.2 Targets and achievements of construction of water courses during 2009-14

	JLN-II		WJC-VI		BCC-II	
	State as a whole	CADA Division Jhajjar	State as a whole	Four test ⁴⁴ checked divisions	State as a whole	Six test ⁴⁵ checked divisions
Target (Ha)	60,000*	4,600**	70,000*	50,539**	1,70,000*	1,63,530**
Achievement (Ha)	5,484	3,091	80,689	46,301	1,73,785	1,76,300
Shortfall (-)/ Excess (+) (Ha)	(-)54,516	(-)1,509	(+)10,689	(-)4,238	(+)3,785	(+)12,770
Per cent Shortfall (-)/ Excess (+)	(-)91	(-)33	(+)15	(-)8	(+)2	(+)8
Funds utilized (₹ in crore)		2.60		93.78		280.21

*Targets as per Detailed Project Report **Targets set by the CADA for divisions

(Source : Information supplied by the CADA)

The Administrator, CADA stated (April 2014) that reasons for not achieving the targets under JLN Phase-II were incomplete consolidation work, lower benefit derived from agriculture, increasing real estate prices, commercial activities, etc. The reply was not convincing as the CADA had itself fixed the targets still the targets were not achieved.

⁴² (a) Bhakra Canal Command Phase-II (BCC-Ph-II) – 3.52 lakh hectare (2009-10 to 2019-20) (b) Western Jamuna Canal Command Phase VI (WJC-VI) – 2.06 lakh hectare (2007-08 to 2018-19) and (c) Jawahar Lal Nehru Canal Command Phase II (JLN Ph-II) – 0.99 lakh hectare (2007-08 to 2021-22)

⁴³ 1. Fatehabad, 2. Hisar, 3. Jhajjar, 4. Jind, 5. Kaithal, 6. Karnal, 7. Kurukshetra, 8. Panipat and 9. Sirsa

⁴⁴ (i) Hisar, (ii) Jind, (iii) Panipat and (iv) Jhajjar

⁴⁵ (i) Sirsa, (ii) Fatehabad, (iii) Hisar, (iv) Karnal, (v) Kaithal and (vi) Kurukshetra

(ii) *Irregular contribution of farmers' share from Haryana Rural Development Fund*

As per Government of India guidelines (July 2005), the recovery of 10 *per cent* of the total cost of construction of field channels from beneficiary farmers was mandatory to ensure involvement of beneficiary farmers in the construction and maintenance of field channels and imbibe in them a sense of ownership of assets created.

In test-checked nine CAD Divisions, out of total ₹ 51.01 crore beneficiary share only an amount of ₹ 4.53 crore was recovered from beneficiary farmers and balance ₹ 46.48 crore had been contributed from Haryana Rural Development Fund (HRDF) which was against the spirit of imbibing in the farmers a sense of ownership of the assets created.

(iii) *Non handing over of completed water courses to water users' associations*

As per provisions of para 4.4 of guiding principles issued by GOI, Ministry of Water Resources, handing over of water courses to Water Users' Association was mandatory to empower them to collect water charges and take up operation and maintenance of the water courses.

In the test-checked divisions, out of 1,283 completed lined water courses, 438 water courses constructed at a cost of ₹ 110.12 crore were not handed over to the WUA's (March 2014). Out of this, 114 water courses constructed before 31 March 2012 at the cost of ₹ 28.96 crore were still to be handed over (March 2014) due to non-release of functional grant to WUAs. It made the CADA liable for regular maintenance of the water courses till the date of handing over. The Administrator CADA stated (April 2014) that instructions had been issued to handover the completed lined water courses to WUAs at the earliest. Final action was awaited (January 2015)

(iv) *Non recovery of labour cess from contractors*

As per directions of the State Government (August 2007), labour cess at the rate of one *per cent* of the value of construction work was to be deducted from the contractor bills.

In nine CAD divisions during the period April 2008 to December 2010, Labour Cess of ₹ 67.70 lakh from the contractors bills of ₹ 67.70 crore was not deducted. The Administrator, CADA stated (April 2014) that the labour cess was not deducted due to non-receipt of instructions. Audit observed that the Administrator, CADA had circulated instructions in March 2009 instead of August 2007.

(v) Release of security money before expiry of defect liability period

As provided in the terms and conditions of DNIT, security deposits at the rate of 10 per cent of the bill amount till the cumulative amount of deductions reaches five per cent of the tendered value were to be deducted from contractor bills. 50 per cent of security deposits was to be refunded on completion of work and balance 50 per cent within 30 days of expiry of defect liability period of six months.

In test-checked CAD divisions, during the period 2009-14, security deposits of ₹ 38.56 lakh were refunded to the contractors in 91 cases before the expiry of defect liability period of six months in violation of conditions of DNIT. The Administrator CADA assured that in future security deposit would be released as per the DNIT conditions.

(vi) Irregular expenditure due to faulty implementation

As per guidelines issued by GOI, demonstration of farm development work right from preparation of fields and upto the marketing of produce i.e. land leveling, application of water, full doses of fertilizer, sowing of improved seed, plant protection measures, etc. were to be taken up by incurring ₹ 20,000 per plot.

During 2009-14, the test-checked nine divisions released an amount of ₹ 1.41 crore⁴⁶ to four departments/institutions for the establishment of demonstration plots for education of farmers of latest techniques for improvement in water management and crop husbandry. The amount was shown utilized but the information regarding demonstration plots established viz. the name of the lined water course, site plan of demonstration plot, status of the farmer, results of yield and details of component wise expenditure were not found in record. Further, it was observed that CADA was providing piecemeal inputs such as seeds, zinc sulphate, bio fertilizers and weedicides to farmers varying from ₹ 2,000 to ₹ 3,500, thereby defeating the objective of development of demonstration plots.

In another case, the Administrator, CADA released ₹ 52.65 lakh to Ch. Charan Singh Haryana Agriculture University (HAU), Hisar in March 2008 for procuring agriculture machinery for on-farm water management project with the condition that the machinery would be returned in working condition. It was noticed that no details of performance of the scheme and revenue earned was shared with CADA and machinery was also not returned to CADA so far (March 2014).

On being pointed out, the Administrator CADA stated (April 2014) that the works of demonstration plots were to be implemented through Agriculture and

⁴⁶ Agriculture Department : ₹ 1.24 crore; Haryana Agriculture University (HAU), Hisar : ₹ nine lakh; Krishi Vigyan Kendra, Kaithal : ₹ seven lakh and Horticulture department : ₹ 1.41 lakh.

Horticulture Departments. The utilisation certificates for the funds released were being collected from these departments and matter was being taken up with HAU for taking back the machinery. The reply was not convincing as the project details were not obtained from the implementing institutions as required under the project guidelines.

Thus, there was substantial shortfall in achievement of targets under JLN-II project. Farmers' share was irregularly contributed from HRDF defeating the objective of imbuing a sense of ownership of the assets in the farmers. 438 water courses constructed at a cost of ₹ 110.12 crore were yet to be handed over. Labour cess of ₹ 67.70 lakh not deducted from contractors and their security was released before the expiry of defect liability period.

The above points were referred (July 2014) to the Additional Chief Secretary, Irrigation Department; the reply was awaited (January 2015).

**Public Health Engineering Department
(Water Supply and Sanitation Board)**

3.15 Loss of interest due to non entering into agreement with the bank

Non observance of programme guidelines regarding operation of saving bank accounts by Water Supply and Sanitation Board resulted in loss of interest of ₹ 5.51 crore.

The Government of India (GOI), Ministry of Rural Development, Department of Drinking Water and Sanitation issued (April 2009) guidelines regarding allocation and keeping of funds under the National Rural Drinking Water Programme (NRDWP). The guidelines provided that central allocations would be released directly to programme implementing Statutory Bodies like Boards in the States. In Haryana, the programme was implemented by the Water Supply and Sanitation Board (WSSB). The WSSB was required to maintain two saving accounts namely Programme Account and Support Activities Account by signing a tripartite Memorandum of Understanding (MOU) among the Bank, WSSB and Director Drinking Water and Sanitation, GOI. The Apex Committee of the State Water and Sanitation Mission, Haryana in its meetings held on 30 November 2011, had decided to operate the two accounts namely Programme Account and Support Account through Engineer-in-Chief (EIC) and Director, State Water and Sanitation Support Organisation, respectively.

The draft MOU issued (September 2010) by GOI provided that the bank was to automatically invest the funds in excess of Rupees five crore as fixed deposits with maturity of one year in the units of ₹ 25 lakh and to automatically encash the securities last invested if the funds fall below Rupees five crore and to pay interest payable from the date of investment to the date of encashment, without deducting

any charge for early encashment. The rate of interest for fixed deposit was to be notified by the Head Quarter of the Bank and interest was payable on the balances in the saving bank account at the prevailing saving bank interest rates and accrued interest was to be credited to Programme Account.

Scrutiny of records (February 2014) WSSB showed that the WSSB opened (October 2009) two saving bank accounts namely Programme Account and Support account for receipt and expenditure of funds under NRDWP, but the tripartite MOU was not entered into with the bank despite several reminders issued by GOI between September 2010 and March 2012. It was noticed that GOI released ₹ 1,210.14 crore during the period from November 2009 to February 2014. There were huge balances in the Programme Account which were ranging between ₹ 7.48 crore to ₹ 153.97 crore during January 2010 and February 2014. Had the MOU been entered into, the balances in excess of Rupees five crore could have been invested as fixed deposits as envisaged in scheme guidelines. In the absence of tripartite MOU, the balances ranging between ₹ 2.48 crore and ₹ 148.97 crore in excess of Rupees five crore limit were not invested in the fixed deposits which resulted in loss of interest of ₹ 5.51 crore (excluding interest earned in saving account).

On being pointed out (February 2014), the Member Secretary, WSSB intimated (March 2014) that the saving bank account was opened as per mandate of GOI under the scheme guidelines. EIC, further stated (August 2014) that permission was sought from Government for entering into tripartite MOU among the State Bank of India, State Water and Sanitation Mission (SWSM) and Rajeev Gandhi Drinking Water Mission wherein the parties would agree to abide by the provisions of the guidelines. But the Government approved only one action i.e. permission for opening of saving bank account in SBI, Sector 10, Panchkula, in the name of SWSM, Panchkula. The Principal Secretary, Public Health Engineering Department, also confirmed (November 2014) the reply submitted by the EIC. The reply was not acceptable because in case no decision on tripartite agreement had been taken by the Government, the case should have been resubmitted as the execution of tripartite agreement was mandatory as per guidelines of GOI. Due to non-observing programme guidelines regarding operation of accounts resulted in a loss of ₹ 5.51 crore in form of interest which could have been utilised for fulfilling further objectives of the programme.

3.16 Wasteful expenditure on non-functional water supply scheme

Change in layout plan of inlet channel, without ensuring availability of land, resulted in wasteful expenditure of ₹ one crore on non-functional water supply scheme and further increased the cost of project by ₹ 1.09 crore.

Para 2.96 of Public Works Department Code provides that where important structural alterations are contemplated, though not necessarily involving an

increased outlay, the orders of the original sanctioning authority should be obtained by submitting a revised estimate. Further, para 10.1.3 of the Code provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including availability of land.

The Member Secretary, State Sanitary Board, Haryana approved (March 2007) a canal based independent water works to augment the water supply of Village Bishan in District Jhajjar for ₹ 1.16 crore under the NABARD Project – RIDF XII. As per the approved estimate, the canal water was to be obtained from JLN Feeder at RD 22300-R through a 2,900 metre long inlet channel of RCC pipe of 350 mm internal dia. The work of construction of water works⁴⁷ and inlet channel was allotted to an agency in November 2007 at an agreement amount of ₹ 93.52 lakh with a time limit of 12 months. During execution of work, the Executive Engineer (EE) changed the layout plan of the inlet channel by reducing the length to 2,115 metre through the private land and a village katcha path for better output and reduction in the cost of project by ₹ five lakh. The villagers objected the construction of inlet channel according to new layout as it would block/congest the passage to fields and filed a civil suit in the Lower Court (June 2010) against the department with injunction application. Though the Hon'ble Lower Court dismissed (September 2012) the injunction application of villagers, but on an appeal the Hon'ble District Court set aside (April 2014) the decision of Lower Court and allowed the interim injunction to the villagers. Final decision in the case was awaited (November 2014).

The agency had executed the work to the tune of ₹ 73.89 lakh (July 2011) and incurred an expenditure of ₹ 2.93 lakh on acquisition of 16 marla land for laying inlet channel in February 2012. Total expenditure of ₹ one crore⁴⁸ had been incurred on the scheme which was lying incomplete since July 2011 due to incomplete inlet channel (June 2014).

During audit of the records (June 2011) of the EE, Public Health Engineering Division No.1, Jhajjar, it was observed that the layout plan of the inlet channel was changed by the EE without the approval of competent authority i.e. Engineer-in-Chief, without ensuring availability of land and against the provisions of PWD code, which resulted in wasteful expenditure of ₹ one crore on non-functional water supply scheme. Further, the Engineer-in-Chief, PHED had approved (February 2014) an estimate for ₹ 1.09 crore for making the water works functional through an alternate source of canal water i.e. from Bishan Minor.

The Principal Secretary, Public Health Engineering Department stated (November 2014) that inlet channel was to be constructed from the source along

⁴⁷ One storage and sedimentation tank, two clear water tanks, pump chamber and all other works contingent thereto.

⁴⁸ ₹ 97.17 lakh on work including payment to contractor plus material and ₹ 2.93 lakh on acquisition of 16 marla land for laying inlet channel as per new layout plan.

the village path (common land of farmers). But the villagers stopped the work of construction of inlet channel. The work of construction of inlet channel from alternate route had been allotted in August 2014 and would be completed by March 2015. The reply was not convincing as the EE changed the layout without approval of the competent authority and without ensuring availability of land for laying pipeline, which was against the provisions of PWD Code and resulted in non-completion of the water supply scheme. It not only led to blockade of funds of ₹ one crore and further increase in cost of project by ₹ 1.09 crore, but also the residents were deprived of timely intended benefits of the scheme.

**Renewable Energy Department
(Haryana Renewable Energy Development Agency)**

3.17 Implementation of Solar Street Lighting Systems Programme

GOI grant of ₹ 1.24 crore could not be availed due to non-obtaining written consent from beneficiary department and an excess expenditure of ₹ 3.78 crore was incurred on procurement of 8,691 street lights with old specifications with lesser working life. Beneficiary share of ₹ 2.96 crore was recoverable and undue favour was given to an agency.

The Haryana Renewable Energy Development Agency (HAREDA) was implementing Street Lighting Systems under Solar Photovoltaic (SPV) Programme in the State for providing street light in the villages and hamlets (dhanies) since 1997 and in urban areas since 2006-07. These systems ensure minimum lighting to avoid power cut and security threat to the public and can also be used for lighting public gardens and lawns thereby helpful in conserving electricity. In order to promote their use the Government of India (GOI) as well as State Government provide subsidies.

During 2009-10 to 2013-14, HAREDA incurred an expenditure of ₹ 42.89 crore⁴⁹ on installation of 25,801 SPV street lighting systems in the State against the target of 27,091 systems. Records for the period 2009-10 to 2013-14 were test-checked in the offices of Director, HAREDA at Panchkula and five district project officers⁵⁰ out of 21 project officers by selecting randomly⁵¹ with the objective to assess the functionality of the project. In addition to this, SPV street light system installations were physically verified alongwith departmental officers in five villages of selected five districts from July to September 2014.

Following major irregularities were noticed during audit:

⁴⁹ GOI share : ₹ 9.41 crore, State share : ₹ 11.48 crore and Beneficiary share : ₹ 22 crore.

⁵⁰ (i) Bhiwani, (ii) Hisar, (iii) Jhajjar, (iv) Kurukshetra and (v) Panipat.

⁵¹ Selection was made using probability proportional to size without replacement method.

(i) *Non-availing of GOI grant*

With a view to provide lighting to the police stations and to create awareness among the public about the SPV technology, HAREDA prepared (March 2009) a special project for installation of 1290 SPV street lighting systems in 258 police stations (five in each police station) of Haryana with a total cost of ₹ 2.98 crore. For this project, ₹ 1.24 crore was to be provided by GOI and ₹ 1.74 crore was to be contributed by Haryana Police Department. The GOI sanctioned ₹ 1.24 crore (August 2009) as central financial assistance for this purpose with a time limit of one year from the issue of sanction. After receipt of sanction from the GOI, the HAREDA took up matter time and again (September 2009, October 2009, February 2010 and April 2010) with the Police Department for depositing beneficiary share but this did not materialise.

The Police Department had not responded to the requests made by the HAREDA instead desired to install SPV street lights at one police station in Sector 5, Panchkula on trial basis. Due to this, the sanction of ₹ 1.24 crore lapsed. Thus not getting written consent from the beneficiary and not obtaining beneficiary share prior to finalising the proposal led to non-availment of GOI grant of ₹ 1.24 crore. On being pointed out, the Director, HAREDA replied (November 2014) that the consent was given by the Police Department during a discussion. The reply was not convincing as no written consent was taken by HAREDA before seeking grant from GOI.

(ii) *Non- receipt of beneficiary share*

The HAREDA formulated (June 2009) a proposal for installation of 6,660 SPV street lights in all the 333 villages of district Sirsa (20 street lights in each village) for ₹ 12.65 crore. District administration conveyed its consent in March 2010 for this project and was sanctioned by GOI in July 2010. Out of ₹ 12.65 crore, ₹ 3.80 crore were to be provided by GOI and balance ₹ 8.85 crore were to be paid by the District Rural Development Agency (DRDA), Sirsa. Audit noticed that out of ₹ 8.85 crore, the HAREDA had received ₹ 5.94 crore from DRDA, Sirsa and balance amount of ₹ 2.91 crore has not been recovered (November 2014). Similarly, HAREDA installed 150 SPV street lights in municipal area of Karnal in 2009-10. Out of total beneficiary share of total ₹ 0.14 crore (₹ 9100 per street light), ₹ 0.05 crore, were recoverable from MC Karnal (November 2014).

This shows that HAREDA had carried out the work of installation of SPV street lights without getting beneficiary share in advance which resulted in blockade of HAREDA funds amounting to ₹ 2.96 crore with DRDA Sirsa and MC Karnal. During an exit conference (February 2015), the Additional Chief Secretary, Power and Renewable Energy Department intimated that the District Administration, Sirsa had committed to pay the amount before March 2015. Final action was awaited.

(iii) Irregular purchase of street lights

The HAREDA had invited tenders for rate contracts for the supply of 2,500 SPV street lights in December 2009 and finalised the rate contract through High Powered Purchase Committee of the State for a period of one year in March 2010 at ₹ 19,000 per street light. Subsequently, HAREDA had received the communication regarding the change in specifications⁵² of the street light in June 2010 applicable from 1 September 2010. HAREDA had also sought clarification on 13 August 2010 from the GOI about the purchase of street lights under the already finalised rate contract with earlier specifications, but without waiting for the response from the GOI, HAREDA placed the orders with three firms⁵³ for 6,660 street lights in Sirsa district at a rate of ₹ 19,000 on 30 August 2010 at a cost of ₹ 12.65 crore (one day before the enforcement of new specifications). Even after the coming into effect of the new specifications, HAREDA further placed orders of 2,031 street lights⁵⁴ as per the old specifications for ₹ 3.86 crore under this rate contract. Thus the HAREDA procured 8,691 street lights with old specifications with lesser working life. It was also observed that HAREDA had procured 42 SPV street lights with LED (Light Emitting Diode) luminaries in May and June 2010 at a cost of ₹ 14,650 per street light. By not purchasing the LED systems, the department made an excess expenditure of ₹ 3.78 crore⁵⁵ on purchase of 8,691 (6,660 + 2,031) street lighting systems and also deprived of the benefit of newer technology.

In reply the Director, HAREDA stated (November 2014) that the orders were placed in order to implement the programme within the limited timeframe and further stated (December 2014) that the rate contract of CFL was valid upto June 2011. The reply was not tenable as the HAREDA had not made objective assessment of the use of LED luminaries and continued on purchasing costly CFL based SPV street lights for more than one year. Further, the GOI had sanctioned the project of installation of 6,660 systems in July 2010 with a time limit upto 15 April 2011 while the specifications had been changed in June 2010 and 42 SPV street lights with LED luminaries were also installed in June 2010 and sufficient time of nine months (upto April 2011) was available with the HAREDA for switching over to newer and economical technology. The Additional Chief Secretary during exit conference directed (February 2015) the departmental officers to submit an explanation after conducting proper inquiry. Final action was awaited.

⁵² As per new specification PV panel life was to be 25 years against 15 years in old specification and guarantee period was 5 years against 2 years.

⁵³ M/s RGVP Energy Sources, Gandhi Nagar, M/s Central Electrical Limited, Sahibabad and M/s Su Solartech Systems Pvt Ltd Chandigarh

⁵⁴ October 2010 – 1986 street lights and June 2011-45 street lights

⁵⁵ ₹ 19,000 - ₹ 14,650 = ₹ 4,350; 8,691 * 4,350 = ₹ 3,78,05,850.

(iv) *Undue favour to contractor*

The Director, HAREDA issued (August 2010) a purchase order to a supplier⁵⁶ for purchase of 2,220 SPV street lights for Sirsa district for ₹ 4.22 crore. As per supply order, the equipment was to carry a warranty of two years and further comprehensive maintenance contract (CMC) of three years was to be provided to ensure that street lights may remain in working condition for a period of five years. The Project Officer, Sirsa intimated (September 2014) that 954 street lights costing ₹ 1.81 crore installed by the above mentioned supplier in 112 villages were not in working condition. It was also observed that in six villages all the 120 street lights installed were not working. The HAREDA neither initiated any action for immediate repair of street lights nor encashed the bank guarantee kept as security from the supplier for the maintenance period of five years.

The Additional Chief Secretary during the exit conference directed (February 2015) the departmental officials to assess the estimated cost of repair and get them repaired after revoking the bank guarantee of the vendor. Final action was awaited.

(v) *Non-formation of village energy committees*

In order to create awareness and to carry out the maintenance and monitor the functionality of SPV street lighting systems in villages, village energy committees (VECs) were to be constituted before start of project which was required to draw up plans/proposals for promotion of renewable energy technologies, maintenance of the systems and to designate an ITI passed technician to get training for the maintenance of the systems. Audit noticed that no such committees were formed due to which the intended objectives of promotion of renewable energy technologies and proper maintenance of the installed systems could not be ensured.

The Director, HAREDA stated (December 2014) that guidelines had already been issued for setting up VECs and district administration will ensure that these committees would be made functional before expiry of warranty and maintenance period. The reply is not acceptable as HAREDA being the nodal agency should have ensured the formation of the VEC before the commencement of the project to ensure ownership/responsibility of the assets by the beneficiaries.

(vi) *Shortcomings noticed during physical verification*

A joint physical verification was conducted by audit team and officers of concerned district administration. It was noticed that out of 256 SPV street lighting systems installed in five villages⁵⁷ selected randomly across five districts,

⁵⁶ M/s RGVP Energy Sources, Gandhinagar, Gujarat.

⁵⁷ (i) Mangali (Hisar), (ii) Yaara (Kurukshetra), (iii) Jattal (Panipat), (iv) Dujana (Jhajjar) and (v) Kunger (Bhiwani)

201 street lighting systems (79 per cent) were not found functional on the dates of visit⁵⁸. These 201 street lighting systems had been installed after incurring an expenditure of ₹ 33.82 lakh. The gram panchayats/ beneficiaries intimated that the systems were not functional due to non-maintenance of systems by the suppliers/department. This reflected lack of proper monitoring and safeguards by the department in the implementation of SPV street lighting programme.

The Director, HAREDA intimated (December 2014) that in Village Dujhana, District Jhajjar out of 127 non-functional street lights, 112 street lights had been made functional. Now, only 89 street lights were not working.

Thus, the HAREDA had not implemented the Solar Street Lighting System programme in the State efficiently as grant from GOI could not be utilised due to non-obtaining written consent from the beneficiary department, beneficiary share was remained unrecovered, excess expenditure was incurred on purchase of CFL street lights while LED street lights were available at lower rates and despite non-working of street lights, the bank guarantee of the contractor was not encashed.

The above points were referred (November 2014) to Principal Secretary, Renewable Energy Department; the reply was awaited (January 2015).

Revenue and Disaster Management Department and Health Department

3.18 Embezzlement due to inadequate financial control

Embezzlement of ₹ 4.58 lakh was noticed in Revenue and Disaster Management Department and of ₹ 1.69 lakh in Health Department due to non-observance of provisions of Financial Rules and inadequate financial control.

(a) Rule 2.21 of the Punjab Financial Rules (PFR) Vol. I as applicable to the Haryana Government provides that every voucher must bear a pay order, signed or initialed and dated by the disbursing officer, specifying the amount payable both in words and figures. Rule 2.22(5) further provides that all paid vouchers/sub vouchers must be stamped 'paid' or so cancelled that they cannot be used a second time. Scrutiny of the records (May 2013) of the office of Additional Chief Secretary (ACS), Revenue and Disaster Management Department for the years 2011-13 showed that drawing and disbursing officer (DDO) was not observing the above rule. Paid vouchers of petrol, oil and lubricants (POL) were not stamped 'paid' and cancelled by the DDO in 97 cases. This facilitated the official concerned to draw fraudulent claims of ₹ 2,69,595/- by re-submitting the unstamped and un-cancelled bills at the time of subsequent adjustment of advance bills.

⁵⁸ Kurukshetra : between 28 July 2014 to 1 August 2014; Hisar: 4 August 2014 to 8 August 2014; Panipat : 26 August 2014 to 29 August 2014; Jhajjar : 1 September 2014 to 3 September 2014; and Bhiwani : 4 September 2014 to 8 September 2014

Rule 8.5 of the PFR further provides that actual payees receipts (APRs) should be obtained from each payee in respect of payment made by him and DDO should ensure that payment is made to the actual payee. Government of Haryana, Finance Department clarified (August 2013) that as regards to DC bills of POL advances, there would be no change in existing time limit and the same need to be submitted within a period of one month from the date of passing of the corresponding AC bill. In contravention of the rules *ibid*, whole amount of the bills of POL was drawn without adjustment of the previous advance. In addition, fresh advances were drawn by the erstwhile Superintendent (Cash) in the adjustment vouchers and cash so drawn in lieu of fresh advances was retained by the then cashier without disbursing the same to the concerned drivers/actual payees. DDO did not ensure acknowledgement/adjustment of these advances. This resulted in misappropriation of ₹ 1,27,000 by the erstwhile Superintendent (Cash).

Rule 2.4 of the Punjab Financial Rules (PFR) Vol. I provides that at the close of the day while signing the cash book, the head of the office should see that the departmental receipts collected during the day, the utilisation of which towards expenditure is strictly prohibited under the Punjab Treasury Rules and are credited into the treasury on the same day or on the morning of the next day at the latest and that there is a corresponding entry on the payment side of the cash book. Rule 2.2(v) provides that when Government money in the custody of the Government officer are paid into the treasury or the bank, the head of the office making such payments should compare the Treasury Officer's or the Banks receipts on the challan or his pass book with the entry in the cash book before attesting it and satisfy himself that the amounts have been actually credited into the treasury or the bank.

Scrutiny of the records further showed that it was not ensured as to whether the money collected by the erstwhile Superintendent (Cash) through receipt books was deposited into the treasury/bank or not. An amount of ₹ 61,000 received by the erstwhile Superintendent (Cash) on account of sale of old vehicle on 8 June 2012 was shown as deposited into the treasury on payment side on 9 November 2012 and also gave a remark that the amount had been adjusted against the POL bills, but the amount was neither found deposited into the treasury nor adjusted against POL bills.

Lack of financial control and non-observance of provisions of Financial Rules facilitated the embezzlement of ₹ 4,57,595⁵⁹. On being pointed out in audit, the ACS while admitting the facts stated (October 2013) that ₹ 4,57,595 had been recovered from the concerned erstwhile Superintendent (Cash). ACS further stated (May 2014) that the disciplinary action against the concerned erstwhile Superintendent (Cash) was under process.

⁵⁹ ₹ 2,69,595 + ₹ 1,27,000 + ₹ 61,000 = ₹ 4,57,595

(b) Rule 2.2 of PFR provides that a DDO should satisfy himself that all the monetary transactions are entered in the cash book as soon as they occur and the same are attested by him. Rules 2.7 and 2.4 of Rules *ibid* further provide that if an employee, not in-charge of the cash book, receives money on behalf of the Government, is required to remit the same to the employee having a cash book or deposit the amount into the treasury/bank on the same day or in the morning of the next day. The head of the office is also required to verify all the entries including totals in the cash book or have this done by some responsible official other than the writer of the cash book and initials all entries as correct.

The Government of Haryana accorded (August 2003) sanction for retention of user fee collected from patients and raising of resources through Grants-in-aid, donations etc. by Swasthya Kalyan Samitis (SKS) in the Health Department of three⁶⁰ project districts which was extended subsequently (January 2004) to all the districts of State. Daily collection fee of the user charges are to be recorded in a cash book daily and the amount so collected is to be deposited in a saving account of nationalised bank of the SKS.

Scrutiny of records (between January and March 2013) in four⁶¹ General Hospitals (GHs) showed that user charges were being collected in cash on account of OPD fees, lab testing fees, etc. by various hospitals and the amount so collected was being deposited in the bank accounts of SKSs of each hospital as per Government orders of January 2004. Audit scrutiny of daily receipt books, cash collection register and cash books of these Samitis showed that an amount of ₹ 1.69 lakh was less deposited in the Samiti's accounts by the officials during the period between December 2010 and November 2012. This amounted to embezzlement of ₹ 1.69 lakh. It had happened due to non-accountal of receipts, totaling errors, less carrying forward the balances and entering amount in excess on payment side than actual deposits. It was facilitated due to non-checking of entries and totals of the cash collection register and cash book and non reconciliation of these receipt entries with receipt books at the level of the DDO.

On being pointed out in audit, the said amount of ₹ 1.69⁶² lakh was recovered from the concerned officials and deposited in the bank accounts of the respective SKSs during the period between January and March 2013. The Chief Medical Officers⁶³ stated (May 2014) that the defaulting officials had been removed from the seat of cash receipts and corrective measures had also been taken to prevent the recurrence of such irregularities. Inquiry had been initiated against the defaulting officials of GHs Rewari and Sonapat. Audit further observed that even

⁶⁰ (i) Ambala, (ii) Karnal and (iii) Yamunanagar

⁶¹ (i) Sonapat, (ii) Gurgaon, (iii) Rewari and (iv) Faridabad

⁶² GH, (i) Sonapat: ₹ 92,730 dated 21 January 2013, (ii) Gurgaon: ₹ 32,845 dated 31 January 2013, (iii) Rewari: ₹ 38,510 (₹ 16,010 dated 14 February 2013 & ₹ 22,500 on dated 19 February 2013) and (iv) Faridabad: ₹ 4,550 dated 14 March 2013

⁶³ Government Hospital (i) Sonapat, (ii) Gurgaon, (iii) Rewari and (iv) Faridabad

after lapse of more than one year, no disciplinary action against the defaulting officials had been taken so far (November 2014).

Thus, lack of financial control by the DDOs and not following the prescribed procedure for handling the cash had facilitated the embezzlement of Government departmental receipts.

The matter was referred (May 2014) to the Principal Secretary, Health Department for comments; the reply was awaited (January 2015).

Sports and Youth Affairs Department

3.19 Unfruitful expenditure on procurement of basketball poles

Unfruitful expenditure of ₹ 66.11 lakh incurred on installation of 85 basketball poles due to non-preparation of basketball grounds as per prescribed norms.

Government of India (GOI), Ministry of Youth Affairs and Sports implemented (May 2008) a scheme “Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA)” across the country on sharing basis of 75:25 between the Centre and the State Government. PYKKA aims to ensure sports development as an integral aspect of youth development by providing network of basic sports infrastructure and equipment at the Panchayat level, universal access to sports in rural areas and encouraging sports and games in rural areas through annual competitions at the block, district, state and national level. One time Capital Grant of ₹ 1 lakh for the development of sports infrastructure/facilities at Village Panchayat level was earmarked for villages having minimum population of 4600 and preference was to be given to schools for the creation of playfields/sports infrastructure at village and block Panchayats.

Scrutiny of records (March to May 2014) of the Sports and Youth Affairs Department, Government of Haryana for the period 2008-09 to 2013-14, showed that Haryana Government incurred an expenditure of ₹ 11.45 crore on purchase of 1450 sets of basketball poles under the scheme and subsequent erection of the same in 1450 PYKKA centres of the State. Further, scrutiny of records in the offices of District Sports and Youth Affairs Officers (DSYAO), Karnal, Kurukshetra and Ambala as well as physical survey conducted (April-May 2014) by an audit team alongwith coaches of Sports Department of 87 PYKKA centres out of 352 centres in these districts opened during the period 2008-09 to 2012-13 showed that 85 sets of basketball poles in 85 centres amounting to ₹ 66.11 lakh were lying unused due to the following reasons:

- Basketball courts were not prepared as per sports manual in these 85 PYKKA centres.

- In 11 PYKKA centres Basketball Poles were lying uprooted.
- In three PYKKA centres (Jatwar, Shahpur and Nanyola in Ambala district) trees were standing in between Basketball Courts.
- Poles were erected in water logged area in two centres at village Gheer in Karnal district and Tandwal in Ambala district.
- In one centre, Basketball poles were erected under high tension wires and there was also pavement in the ground.
- In 17 PYKKA centres, basketball poles were standing in between forestry plant and grass.
- In eight PYKKA centres, basketball poles were standing without board and ring and broken board
- In two centres, kho-kho pole and volleyball poles were standing in between basketball poles.

	
Basketball Poles in water logged area at Gheer in Karnal district (16 April 2014)	Basketball Poles lying uprooted at Kachhwa in Karnal district (23 April 2014)

- In 32 institutions⁶⁴, youth of villages in the area were not interested in playing the basket ball game and were interested to play games like volleyball, hockey, cricket, kabaddi etc.

As per instructions issued (August 2011) by the Director, Sports and Youth Affairs Department, Government of Haryana, all PYKKA centres were to be inspected by coaches every month and by the DSYAO concerned every quarter and report was to be sent by every 5th of the next month to the Director, Sports Department in order to ensure that the scheme was being implemented properly. It was observed in audit that neither coaches nor DSYAO of these districts had inspected any PYKKA centres. Resultantly, these centres were lying abandoned due to lack of care and monitoring.

Thus, installation of basketball poles where basketball grounds were not prepared as prescribed in the guidelines, without proper planning and follow up action rendered an expenditure of ₹ 66.11 lakh incurred on procurement of basketball poles for 85 PYKKA centres unfruitful.

⁶⁴ During physical survey, remarks were obtained from coaches/principals of schools where the basket ball poles were installed.

The Principal Secretary, Sports and Youth Affairs Department stated (September 2014) that only ₹ one lakh one time grant was received from the GOI for each village for block level infrastructure. This amount was not sufficient for R.C.C. ground. However, action would be taken against negligent officials for their negligence and instructions have been issued (June 2014) to all Deputy Directors for conducting inspections of PYYKA centres. Outcome of such inspections, if conducted had not been intimated to Audit (January 2015).

Town and Country Planning Department

3.20 Non-recovery of lease money and other charges

Non-encashment of bank guarantee by Estate Officer, HUDA, Panchkula within validity period led to non-recovery of lease money and other charges amounting to ₹ 84.64 lakh.

Estate officer, Haryana Urban Development Authority (HUDA), Panchkula leased out (October 2008) Inderdhanush Auditorium, Sector-5, Panchkula to International Trade and Exhibitions India, Private Limited, New Delhi (Firm) for running, operation, and maintenance for a period of three years. As per terms and conditions of lease agreement, the lessee was to pay lease money of ₹ 3,01,131 plus 2.1 *per cent* of the net turnover per month to HUDA for three years. The lessee was to furnish security deposit/bank guarantee for ₹ 60.23 lakh (i.e. equal to 20 times of the monthly lease money) which was to be paid in advance on or before the date of possession and was refundable on the completion of lease period and handing over of vacant possession of the auditorium and after payment of all the dues payable by the lessee. Besides, all service charges like electricity, water supply and sewerage etc. were to be borne by the lessee.

Scrutiny of the records (February 2012) of Estate officer, HUDA (EO), Panchkula showed that the lessee furnished (November 2008) a bank guarantee amounting to ₹ 60.23 lakh, which was valid up to 09 July 2010 instead of 02 December 2011 (i.e. expiry of lease period) which was in contravention of lease agreement. The possession of the auditorium was handed over to the firm on 03 December 2008. The firm paid lease money regularly for the first five months from December 2008 to April 2009. Thereafter, the firm stopped the payment of lease money to HUDA. The EO Panchkula, issued notices to the firm from time to time between December 2009 and April 2011 regarding non-deposit of lease money, non-submission of updated accounts of turnover and non-maintenance of building, furniture, fixture etc. Against total outstanding lease money of ₹ 76.39 lakh up to February 2011, firm paid only ₹ 16.44 lakh (₹ 13.80 lakh in December 2010 and ₹ 2.64 lakh in February 2011). Due to non-payment of lease money and violation of terms and conditions of the lease deed by the firm, the EO terminated the lease deed on 7 June 2011. The possession of the auditorium was taken back from the

firm on 14 June, 2011. Lease money and other charges amounting to ₹ 84.64⁶⁵ lakh as of 14 June 2011 were still recoverable from the firm (May 2014). As per the terms and conditions of the lease deed the firm was to submit the returns of its turnover to HUDA so that 2.1 *per cent* of turnover could be recovered by HUDA, but the turnover details were not submitted.

Audit observed that HUDA extended undue favour to the lessee by accepting bank guarantee valid up to 9th July 2010 instead of ensuring its validity for the entire lease period (i.e. up to 2nd December 2011) and firm had violated the terms and conditions of lease deed continuously since May 2009, but bank guarantee of ₹ 60.23 lakh was not encashed/ renewed before its expiry on 9th July 2010 by the EO Panchkula. Thus, the bank guarantee could not be encashed within its validity period resultantly an amount of ₹ 60.23 lakh from the firm out of total outstanding amount of ₹ 84.64 lakh could not be recovered. EO Panchkula stated (June 2014) that due to lack of knowledge, bank guarantee could not be encashed and the Administrator HUDA, Panchkula was requested to appoint an inquiry officer to identify the delinquent officials in this matter.

The matter was referred (May 2014) to the Principal Secretary, Town and Country Planning Department; the reply was awaited (January 2015).

Transport Department

3.21 Employment of bus conductors in excess of requirement

Appointment of conductors without the availability of buses resulted in avoidable expenditure of ₹ 9.93 crore.

The Reservation Policy (July 1995) of the State Government provides for 20 *per cent* reservation for Scheduled Castes (SCs) in direct recruitment to Class III and Class IV posts. Further, as per norms (August 2009), the department requires 1.4 bus conductors for operating an ordinary bus and requires 2.5 bus conductors for plying city bus service.

The department had the strength of 6,036 bus conductors for operating the fleet of 3,141 of buses in February 2009 when the Transport Commissioner sent a requisition to Haryana Staff Selection Commission (HSSC) for recruitment of 2,480 bus conductors by working out the vacancy position for proposed fleet of 3,870 buses. Another requisition for the recruitment of additional 1,357 bus conductors was sent in July 2009 against the vacancies to be generated by retirements (212), promotions (770) and proposal for purchase of additional 268 buses (375), making the total proposed fleet of 4,138 buses. The requisitions

⁶⁵ Lease money: ₹ 59.94 lakh + Electricity charges : ₹ 22.00 lakh + Expenditure on repair : ₹ 0.99 lakh + Maintenance : ₹ 1.71 lakh

were sent as per reservation policy and in accordance with the vacancies to be generated in each category.

The HSSC advertised for 3,837 posts of conductors in February and August 2009 and after completion of recruitment process, sent (February 2012) a list of 3,507 successful candidates to the Department in order of merit of all categories. The validity period of the list was one year from the date of issue of the letter by the HSSC. At that time (February 2012), the available vacancies were only 1,788 calculated on the basis of authorised fleet strength of 3,672 buses.

The Government decided (March 2012) to offer appointment to 1,788 candidates out of the list of 3,507 candidates in the order of merit and to appoint remaining candidates in accordance with actual availability of vacancies by holding counselling after every six months. Accordingly, 1,788 appointments were made in April 2012 for various depots, which included 173 SCs against the requisite number of 357 conductors (20 *per cent* of 1,788).

Various social organisations protested for not appointing appropriate number of SC candidates. Acting upon these representations, the Government appointed (June 2012) all the remaining 1,719 candidates and as per men in position statement the total strength of conductors became 7,754. By this, the number of conductors exceeded between 240 and 1,316 during the period May 2012 to December 2013 without availability of buses which resulted in avoidable expenditure of ₹ 9.93 crore⁶⁶ (*Appendix 3.5*) on salaries of these conductors.

The Director General, State Transport Department while accepting the facts stated (May 2014) that 1,788 bus conductors were appointed on seniority basis from the list of 3,507 selected candidates by HSSC. Thus, the appointment of conductors without the availability of buses resulted in avoidable expenditure of ₹ 9.93 crore upto December 2013 on account of salaries paid to conductors appointed in excess.

The matter was referred (May 2014) to Principal Secretary, Transport Department; the reply was awaited despite repeated reminders (January 2015).

3.22 Avoidable loss due to procurement of buses violating CMVR

The procurement of buses violating the provisions of CMVR, 1989 resulted in loss of ₹ 92.88 lakh on account of net revenue loss due to non-plying of buses, expenditure on replacement of side glasses and penalty paid.

Rule 100 (2) of Central Motor Vehicle Rules (CMVR), 1989 provided that the glass used for side windows of vehicles should be maintained in such a condition

⁶⁶ Monthly total of excess conductors (norm of conductor per bus = 1.4 & 2.5) during May 2012 to Dec. 2013 = 12,408; salary at the rate of ₹ 8,000/- per conductor per month = ₹ 9.93 crore.

that the visual transmission of light is not less than 50 *per cent* and conforms to Indian standards.

The Director General, State Transport (DGST) invited offers in October 2011 and with revised terms and conditions in November 2011, from Mercedes Benz India Private Limited, New Delhi and M/s Volvo Buses India Private Limited, New Delhi (M/s Volvo) for supply of 25 air-conditioned luxury buses for operation in Haryana Roadways without mentioning the above specification of window glasses. Both the manufacturers submitted their offers in November 2011, which *inter alia* stated that their buses would be meeting CMVR Rules, 1989.

A technical committee⁶⁷ of the department found (November 2011) the offers of both the manufacturers as per the requirement of the department. The High Power Purchase Committee headed by the Finance Minister approved (December 2011) the offer of M/s Volvo being the lowest. Accordingly, the DGST issued (December 2011) a supply order to M/s Volvo to supply 25 air conditioned luxury buses at a cost of ₹ 20 crore and Joint State Transport Controller (Technical) issued (January 2012) detailed specifications of bus body which included side glasses to be dark grey toughened glasses which was not in accordance with the Rule 100 (2) of the CMVR, 1989. The buses were inspected by General Manager (Technical), HREC, General Managers, Haryana Roadways, Karnal, Gurgaon and Chandigarh before taking the delivery and the delivery was taken between February and June 2012. As the buses were not complying with the provisions of Rule 100(2) of CMVR, 1989 and tinted glasses were beyond the permissible limit, Delhi Police challaned (December 2012 and January 2013) these buses during their operation in Delhi and the department paid a penalty of ₹ 1.14 lakh. As such, department had to put these buses off the road and an expenditure of ₹ 34.41 lakh was incurred for replacement of glasses. Department had also suffered a loss of revenue amounting to ₹ 57.33 lakh for keeping the buses off road.

On being pointed out the DGST stated (July 2013) that though the specification sheet included dark grey toughened side window glasses and requirement of quantum of visual light transmission within the permissible limit of CMVR, 1989 was not mentioned, the manufacturer, M/s Volvo Buses Pvt. Limited was expected to use items as per CMVR, 1989. It was further intimated (May 2014) that the department was seeking arbitration in this case. The reply was not acceptable as the department had procured buses not meeting the requirements of Rule 100 (2) of CMVR, 1989 which resulted in avoidable loss of ₹ 92.88 lakh⁶⁸.

⁶⁷ Comprising of Joint Transport Commissioner (JTC)- II, Joint State Transport Controller (JSTC) (Technical) and Chief Accounts Officer (Headquarter)

⁶⁸ Penalty : ₹ 1.14 lakh, Glasses replacement charges : ₹ 34.41 lakh and net revenue loss : ₹ 57.33 lakh

The matter was referred to Principal Secretary, Transport Department (May 2014); the reply was awaited despite repeated reminders (January 2015).

Women and Child Development, Health, Welfare of Scheduled Castes and Backward Classes, Social Justice and Empowerment and Education Departments

3.23 Deficiencies in implementation of the schemes for 'Welfare and Protection of Girl Child'

Delay of five to 32 months was observed in release of Vivah Shagun to 1,082 claimants. ₹ 10.95 crore were paid to 5,153 beneficiaries under the Ladli Social Security Allowance Scheme without proper verification. 4,000 girl students were deprived of yoga classes and self defence training. The sex ratio of girl child had decreased in Jind and Hisar during the period 2009-14.

The State Government was implementing eight schemes/programmes⁶⁹ with the objectives to improve the status of girl child in the family and society, to correct the demographic distortions in terms of decreasing sex ratio in the State and to meet the sociological and health needs of the girl child.

Records of four schemes⁷⁰ relating to girl child for the year 2009-14 was test checked in audit by covering three districts (Karnal, Hisar and Jind) during the months of May and June 2014. The important findings are as under:-

(i) Ladli scheme (Women and Child Development Department)

To combat the menace of female foeticide which has devastating demographic and social consequences and to restore the balance of demographic sex ratio, a scheme named 'Ladli' was introduced (August 2005). Under the scheme financial assistance of ₹ 5000/- per annum for five years per family from the birth of second girl child was to be provided which was to be invested with Life Insurance Corporation of India (LIC). The accumulated amount was to be paid to the second girl child at the time of attaining the age of 18 years subject to condition that she should be unmarried and alive. In case of death or marriage the department would cancel the enrollment and funds invested would be claimed back from the LIC with interest. Under the scheme, expenditure of ₹ 57.21 crore

⁶⁹ 1-Ladli (Women and Child Development) State Plan. 2-KSY (Women and Child Development) State Plan/Central Plan. 3-SABLA (Women and Child Development) State Plan/Central Plan. 4-Adolescent Girl Awards (Women and Child Development) State Plan. 5-PNDT ACT 1994 (Health Department) Central Plan. 6-Indira Gandhi Priyadarshini Vivah Shagun Scheme State Plan (SC/BC Welfare Department). 7-Ladli Social Security Allowance (Social Justice and empowerment department) State Plan. 8-Girl child to provide Yoga classes, to give self defence training and for excursion tours (Education Department) State/Central Share basis.

⁷⁰ 1- LADLI, 2- Indira Gandhi Priyadarshni Vivah Shagun Scheme (IGPVS), 3- Ladli Social Security Allowance (LASSA) and 4-Yoga classes Self Defense Training and excursion tours for Girls.

was incurred as financial assistance to 1,14,351 beneficiaries during 2009-14 against the target of 1,15,850. Following was observed in audit:-

- The District Programme Officers (DPOs) had not claimed refunds in 538 death cases (Jind: 306 cases, Karnal: 116 and Hisar: 116 cases) from the LIC. On being pointed out (July 2014), the DPOs, claimed and received refund of ₹ 37.12 lakh from LIC along with interest for 538 death cases.
- In 2,358 cases membership certificates supplied by the LIC to PO, Jind in November 2013, date of birth of the beneficiary was not mentioned, in absence of which it would be difficult to ensure when the beneficiary would attain the age of 18 years. The Director, Women and Child Development Department intimated (September 2014) that necessary instructions had been issued to LIC Chandigarh to issue fresh membership certificates by inserting date of birth along with amount. However, the fact remains that the Department accepted the membership certificates without mention of date of birth of beneficiaries and fresh membership certificates were yet to be obtained (January 2015).

(ii) Indira Gandhi Priyadarshini Vivah Shagun Scheme (SC/BC Welfare Department)

Indira Gandhi Priyadrashini Vivah Shagun (IGPVS) scheme provides financial assistance on the occasion of the marriage of the daughters of SC/BC and other sections of the society living below the poverty line (BPL). As per guidelines of the scheme, all efforts were to be made by the concerned authorities to ensure that the grant is disbursed on or before the date of marriage. Against Budget provision of ₹ 44.95 crore expenditure of ₹ 43.32 crore was incurred in the test checked districts during 2010-14.

In 1,082⁷¹ cases out of 2,232 the Vivah Shaguns (Kanyadan) were paid with a delay of 5 to 32 months from the receipt of applications of the claimants involving amount of ₹ 2.23 crore which defeated the objective of the scheme. The District Welfare Officers (DWOs) Karnal, Jind and Hisar stated (June 2014) that the reasons for delayed payments were shortage of staff, non availability of budget and non completion of application forms. The reply was not tenable as adequate budget was available under the scheme and payments were to be made before marriage of the girl.

Actual Payee's Receipts (APRs) worth ₹ 15.36 lakh in 109 cases relating to 2009-10 were not available in DWO, Jind, in the absence of which genuineness of payments to actual payees could not be verified in audit. The DWO, Jind stated (June 2014) that the concerned Assistant, who had been transferred from DWO,

⁷¹

Name of District	5 months – 10 months	11 months – 24 months	25 months – 32 months	Total
Karnal	89	260	0	349
Hisar	118	123	6	247
Jind	318	168	0	486
Total	525	551	6	1,082

Jind to DWO, Bhiwani in September 2012 did not hand over the full charge as such APRs could not be made available. The reply was not tenable as the DWO was responsible for retaining APRs in the office.

(iii) *Ladli Social Security Allowance (Social Justice and Empowerment Department)*

Under the scheme 'Ladli Social Security Allowance' an allowance of ₹ 500 per family having only girl child/children was to be given to persons from the age of 45 years to 60 years on the pattern of the old age allowance. Any such family irrespective of their caste, creed, race and religion having total annual income less than ₹ 1.44 lakh (subsequently enhanced to ₹ two lakh per annum in June 2011) was eligible to get the benefit under the scheme. A committee would be constituted by DSWO to identify the eligible beneficiaries. In the test checked districts the budget and expenditure for the period 2009-14 was ₹ 11.29 crore.

An amount of ₹ 10.95 crore was paid to 5,153 beneficiaries during 2011-14 in DSWO, Karnal, Hisar and Jind without proper verification. Further, the department had not identified and verified the eligibility of beneficiaries as per laid down criteria of income before releasing the payments.

The DSWOs Karnal and Jind stated (June 2014) that a survey of the existing beneficiaries under Ladli scheme would be got conducted. The reply was not tenable as the identification of a beneficiary was a precondition in order to establish the eligibility of the beneficiaries.

(iv) *Girl Child to provide yoga classes to give self defence training and for excursion tours (Education Department)*

Under Sarv Shiksha Abhiyan and Rashtriya Madhymik Shiksha Abhiyan (RMSA), yoga classes in schools are provided since 2011-12 to keep the girl students physically and mentally fit. Self defence training in schools is also given so that they may protect themselves in the hour of need. The girl students are taken on excursion tours by the schools to increase their confidence level and to enhance their knowledge and skills. Against the budget allotment of ₹ 81.76 lakh an expenditure of ₹ 64.31 lakh was incurred during 2011-14.

During 2011-14, 23,500 girl students from 470 schools i.e. 50 girls from each school were to be given self defence/yoga training and to be taken on excursion tours, of which 19,500 students from 390 schools were given the benefit. Thus, 4,000⁷² girl students from 80 schools were deprived of taking benefit of these activities/schemes in spite of the fact that fund/budget was available for these programmes.

(v) *Sex ratio of girl child*

The main objective of above schemes was to increase sex ratio of girl child (girls against 1000 boys). On the contrary, in Jind district, the sex ratio decreased from

⁷² Yoga Classes: 1500, Self Defence Training: 2200 and Excursion Tours: 300.

861 in 2009-10 to 831 in 2013-14 and in Hisar district, the sex ratio decreased from 883 in 2009-10 to 874 in 2013-14. Only in Karnal district, the sex ratio increased from 845 in 2009-10 to 881 in 2013-14, which was still below the national average of 943 as per 2011 census.

It may be seen from above that there was a delay of 5 to 32 months in release of Vivah Shagun to 1082 claimants involving ₹ 2.23 crore thereby defeating the very objective of the scheme. Under the Ladli Social Security Allowance Scheme, ₹ 10.95 crore were paid to 5,153 beneficiaries without proper verification. 4,000 girl students from 80 schools were deprived of taking benefit of yoga classes, self defence training, etc. despite availability of funds. The sex ratio of girl child had decreased in Jind and Hisar during the period 2009-14.

The above points were referred (August 2014) to Additional Chief Secretaries, Health Department and School Education Department and Principal Secretaries, Women & Child Development Department, Welfare of Scheduled Castes & Backward Classes Department and Social Justice & Empowerment Department; their replies were awaited (January 2015).

Chandigarh

Dated:

(Mahua Pal)

Principal Accountant General (Audit), Haryana

Countersigned

New Delhi

Dated:

(Shashi Kant Sharma)

Comptroller and Auditor General of India

Appendices

Appendix 1.1

(Reference: Paragraph 1.9; Page 4)

Detail of nature of irregularities pointed out through outstanding Inspection Reports

(₹ in crore)			
Sr. No.	Nature of irregularities	Number of Paragraphs	Amount
1	Loss due to the theft, misappropriation and embezzlement	8	0.04
2	Recoverable amount from contractors/agencies on account of excess payments, excess issue of material, cost of work done at the risk and cost and non-recovery of sales tax, income tax and liquidated charges	49	32.76
3	Recoverable amount on account of shortages/excess payments from government officials	10	0.31
4	Non-observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasuries maintenance of cash books and irregular utilization of departmental receipts and non observance of provisions of PWD Code	168	159.85
5	Extra and avoidable expenditure/excess expenditure incurred on deposit works, non-reimbursement of funds, liabilities of Government, irregular, unauthorized and infructuous expenditure	316	1,239.79
6	Irregular/Injudicious purchase	6	6.03
7	Undue financial aid to contractors	28	19.23
8	Execution of sub standard work	2	1.71
9	Blocking of funds	32	169.08
10	Non accounting/short receipts of material	16	14.29
11	Non-preparation of tools and plant (T&P) returns, non-checking of manufacturing accounts and under-utilisation of machinery	18	1.64
12	Unsanctioned estimates and loss of measurement books	5	0.00
	Total	658	1,644.73

(Source : Information derived from the data maintained in the office of PAG (Audit) Haryana)

Appendix 1.2

(Reference: Paragraph 1.10; Page 5)

List of outstanding paragraphs to be discussed in Public Accounts Committee for the years 2009-10, 2010-11 and 2011-12

Sr. No.	Name of Department	Period	Total paras	Para No.
1.	Agriculture	2010-11	1	3.2.5
		2011-12	1	4.3.7
2.	Animal Husbandry and Dairying	2010-11	1	4.1
3.	Education	2010-11	1	2.1
		2011-12	3	4.1.3, 4.3.1, 5.1
4.	Finance	2009-10	1	2.6.1
5.	Food and Supplies	2010-11	1	3.3.6
		2011-12	1	4.2.5
6.	Home (Police)	2009-10	1	2.2.6
		2010-11	1	3.2.6
		2011-12	1	3.4
7.	Health and Family Welfare	2011-12	1	4.1.1 (a)
8.	Social Justice and Empowerment	2009-10	2	2.1.1, 2.5.1
		2010-11	1	3.1.1
		2011-12	1	3.3
9.	Irrigation	2009-10	3	2.2.2, 2.2.3 and 2.2.4
		2010-11	4	3.1.2, 3.2.1, 3.3.1, 3.3.2
		2011-12	3	2.2, 2.3, 4.1.2
10.	Home (Jail)	2009-10		2.6.1.(m)
11.	Public Works (Buildings and Roads)	2011-12	2	4.2.3, 4.3.5
12.	Public Health Engineering	2010-11	2	3.3.3, 3.3.4
		2011-12	5	4.1.1 (b), 4.2.4, 4.3.2, 4.3.3, 4.3.4
13.	Revenue	2010-11	1	2.3
14.	Rural Development	2009-10	1	2.5.2
		2011-12	1	2.4
15.	Town and Country Planning (Haryana Urban Development Authority)	2010-11	1	3.3.5
		2011-12	5	3.2, 4.2.7, 4.3.8, 4.3.9, 4.3.10
16.	Transport	2011-12	2	4.2.6, 4.3.6
17.	Administration of Justice	2011-12	1	4.2.2
18.	Labour and Employment	2010-11	1	3.3.7
		2011-12	1	2.1
19.	Panchyat Department	2011-12	1	3.1
	Total		52	

(Source : Information derived from the data maintained by the Public Accounts Committee)

Appendix 1.3

(Reference: Paragraph 1.10; Page 5)

Details of Audit Report paragraphs for which action taken notes (ATNs) were awaited for the years 2009-10, 2010-11 and 2011-12 as on 31 August 2014

Sr. No.	Name of Department	CAG Audit Report	Paras	Para No.
1.	Agriculture	2011-12	1	4.3.7
2.	Finance	2009-10	1	2.6.1
3.	Home (Police and Jail)	2009-10	1	2.2.6
		2011-12	1	3.4
4.	Irrigation	2011-12	2	2.2, 2.3 (relating to Irrigation), 4.1.2
5.	Public Works (Buildings and Roads)	2011-12	1	4.2.3
6.	Revenue	2010-11	1	2.3
7.	Transport	2011-12	2	4.2.6, 4.3.6
8.	Town and Country Planning (Haryana Urban Development Authority)	2010-11	1	3.3.5
9.	Labour and Employment	2010-11	1	3.3.7
10.	Rural Development	2011-12	1	2.4
11.	Health and family welfare	2011-12	1	4.1.1(a)
12.	Administration of Justice Department	2011-12	1	4.2.2
	Total		15	

(Source : Information derived minutes of proceedings of the Public Accounts Committee)

Appendix 1.4

(Reference: Paragraph 1.10; Page 5)

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
1.	Agriculture	2000-01	6.3	40.45
			6.6	30.60
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	5.62
4.	Food and Supplies	2002-03	4.6.8	23.89
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		2003-04	4.5.1	273.00
		2011-12	2.4.10.2	2.60
6.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
		2011-12	2.3.10.8	167.00
			2.3.13.2	804.00
7.	Women and Child Development	2009-10	1.12.13.1	8.25
			1.12.13.3	4.09
8.	Social Justice and Empowerment (District Red Cross Society)	2010-11	3.11	1.53
		2011-12	3.3.5.1	1,572.00
			3.3.5.2	71.00
9.	PED (Irrigation)	2010-11	3.1.2	62.25
10.	Labour and Employment	2011-12	2.1. 9.4	79.95
Total			20	23,499.73

Say ₹ 235 crore

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

Appendix 1.5

(Reference: Paragraph 1.10; Page 5)

Details of outstanding recommendations of Public Accounts Committee on which the Government was yet to take final decision as on 31 August 2014

Sr. No	PAC Report	Year of Audit Report	Total number of outstanding recommendations
1	9 th	1971-72	1
2	14 th	1973-74	1
3	16 th	1975-76	1
4	18 th	1976-77	1
5	21 st	1978-79	1
6	22 nd	1979-80	2
7	23 rd	1979-80	1
8	25 th	1980-81	3
9	26 th	1981-82	2
10	28 th	1982-83	1
11	29 th	1983-84	2
12	32 nd	1984-85	5
13	34 th	1985-86	5
14	36 th	1986-87	7
15	38 th	1987-88	6
16	40 th	1988-89	8
17	42 nd	1989-90, 1990-91, 1991-92	4
18	44 th	1990-91, 1991-92, 1992-93	8
19	46 th	1993-94	7
20	48 th	1993-94, 1994-95	3
21	50 th	1993-94, 1994-95, 1995-96	33
22	52 nd	1996-97	15
23	54 th	1997-98	10
24	56 th	1998-99	14
25	58 th	1999-2000	40
26	60 th	2000-01	35
27	61 st	2001-02	12
28	62 nd	2002-03	20
29	63 rd	2005-06	25
30	64 th	2003-04	09
31	65 th	2004-05	21
32	67 th	2007-08	37
33	68 th	2006-07	58
34	70 th	2008-09	28
		Total	426

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

Appendix 2.1**(Reference: Paragraph 2.1.8; Page 12)****Details of schemes implemented by the Secondary Education Department**

Sr. No.	Major Head-Minor Head-Sub Head	Name of Scheme	State/ Centre	Total (2009-14) (₹ in lakh)	
				Budget Estimates	Expenditure
Non-Plan					
1	2202-02-001-[99]-(99)	Direction and Administration -Administrative staff-Head quarter Establishment	State	7332.65	8071.52
2	2202-02-001-[99]-(98)	D.E.O.'s Establishment	State	14225.34	9247.46
3	2202-02-004-[99]	Research and Training-Setting up of State Council of Research and Training, Gurgaon,	State	2748.63	2324.73
4	2202-02-053-[99]-(17)	Maintenance of Buildings-Addition and Alteration in Govt. School-Minor Works	State	7900.00	5751.45
5	2202-02-105-[98]	Teacher Training-Junior Basic training Institutions.	State	1314.95	677.01
6	2202-02-107	Scholarships	State	109.50	77.38
7	2202-02-109-[99]-(99)-88)	Govt. Secondary Schools-Teaching Staff including other Establishment-Information technology	State	4520.00	5396.06
8	2202-02-109-(98)	Govt. Secondary Schools-Teaching Staff including other Establishment-Establishment Expenses	State	683709.75	574191.09
9	2202-02-110-[98]-09)	Assistance to Non govt. Secondary schools-GIA to Non govt. Secondary Schools (Salary Grant)	State	32700.00	30193.08
10	2202-02-110-[96]-09)	Assistance to Non govt. Secondary schools-Introduction of pension scheme for Non-Govt aided Secondary Schools	State	10700.00	9259.42
11	2202-02-110-[95]-09)	GIA to Gurukuls/Sanskrit Pathshala	State	305.00	173.00
12	2202-02-800-[99]	Other Expenditure-Mock Parliament Competition	State	0.05	0.00
13	2202-02-800-[98]	Other Expenditure-GIA to Foundation of Teacher's Welfare	State	2.50	3.25
Total				765568.37	645365.44
Plan					
1	2202-02-99-99	Direction and Administration -Administrative staff-Head quarter Establishment	State	1455.74	826.17
2	2202-02-001-99-98	DEOs Establishment	State	1792.29	757.24
3	2202-02-001-99-97	Information Communication Technology(ICT)	State	800.00	557.69
4	2202-02-001-94-99	E-Governance and Computerisation of secondary education –Computerisation	State	150.00	151.20
5	2202-02-001-94-98	Establishment Expenses	State	381.00	257.50
6	2202-02-001-99-97	ICT (GIA)	State	6700.00	0.00
7	2202-02-001-99-96	Establishment of Haryana School Teachers Selection Board	State	713.16	567.45
8	2202-02-001-97	Computer literacy and Studies in School (Central plan Schemes- sharing basis)	State	9241.12	3625.00
			Centre	6218.00	8333.42
9	2202-02-004-98	Research and Training-Strengthening of SCERT	State	25.00	25.00
10	2202-02-004-96	Research and Training-Organisation of Science Exhibition/fair at District/State Level	State	110.00	108.76
11	2202-02-053-98	Maintenance of building-Construction/Extension of Building of High Secondary Schools	State	3000.00	2387.68
12	2202-02-105-97	Teachers Training -In Service Training to Teachers (Secondary)	State	520.00	415.83
13	2202-02-105-93	Setting up of an Autonomous State level Teacher Training Institute at Jhajjar	State	504.47	326.47
14	2202-02-105-92	Setting up of district Institute of Education and Training (DIETS)	State	1483.95	946.99
			Centre	4451.86	2840.97
15	2202-02-105-91	Setting up of Block Institute of Education and Training (BIETS)	State	163.08	65.32
			Centre	489.24	195.96

Sr. No.	Major Head-Minor Head-Sub Head	Name of Scheme	State/Centre	Total (2009-14) (₹ in lakh)	
				Budget Estimates	Expenditure
16	2202-02-105-90	Strengthening of SCERT Haryana Gurgaon	State	9.97	8.88
			Centre	29.91	26.64
17	2202-02-105-96	Setting up of DIET at Gurgaon, Sonapat, Mohra, Birhikala, Jccus, Dingh, Mohindergarh, Madina etc	Centre	13740.81	9820.22
18	2202-02-105-94-09	construction of Building at Pali & 7 New DIETs-GIA	Centre	200.00	0.00
19	2202-02-107-99-12	Scholarships-Scholarships(Secondary)-Scholarships and Stipends	State	1322.34	1144.36
20	2202-2-107-96	Book Bank –Purchase	State	311.50	0.00
21	2202-02-107-90	Student Safety Insurance Policy	State	125.00	82.80
22	2202-02-107-87	Monthly Stipend to BPL students in XI-XII	State	7528.00	5562.10
23	2202-02-107-86	Monthly Stipend to BC-A students in XI-XII	State	19653.70	19124.48
24	2202-02-107-85	Providing Free Text Book to Student General Category class 9th to 12th	State	200.00	0.00
25	2202-02-107-83-99	Book Bank Library-Purchase	State	1288.00	1033.00
26	2202-02-107-82	Monthly stipend for the welfare of grand son grand daughter of freedom fighter	State	32.34	43.45
27	2202-02-107-89	National Merits Scholarships	Centre	49.80	15.51
28	2202-02-108-99	National Talent Search Scholarships	State	47.72	39.70
29	2202-02-109-99-98	Establishment Expenses	State	28109.89	23020.05
30	2202-02-109-98	Expansion of the facilities classes ix-xi Institutional	State	9245.52	7317.69
31	2202-02-109-97	Implementation of +2 pattern	State	17630.63	17185.24
32	2202-02-109-91	Opening of Model Schools in the State	State	200.00	200.00
33	2202-02-109-90-86	Development of soft skills for students-Training	State	460.00	0.00
34	2202-02-109-89	Eduset Project in Secondary Education	State	1500.00	1200.00
35	2202-02-109-88	Sarv Shiksha Abhiyan/ Madhaymik Shiksha Pariyojna	State	4000.00	711.68
36	2202-02-109-87	Strengthening Govt. Sr. Sec School	State	600.00	505.15
37	2202-02-109-83	Continuous and Comprehensive Evaluation	State	3512.13	543.69
38	2202-02-109-86	Rashtriya Madhyamikh Shiksha Abhiyan (RMSA)	State	74000.00	14523.76
			Centre	0.00	0.00
39	2202-02-109-85	Opening of Model Schools in EBB	State	13242.58	3779.93
40	2202-02-109-84	Construction and running of girls Hostels for Student of secondary and higher secondary school in EBB(GIA)	State	1080.00	157.25
			Centre	9720.00	1415.20
41	2202-02-109-81	National Vocational Education Qualification Framework (NVEQF)	State	1156.89	1498.24
			Centre	8992.78	1746.12
42	2202-02-109-94	Area Incentive Programme for Educationally Backward minority (GIA)	Centre	3896.70	385.29
43	2202-02-109-82	Inclusive Education for Disabled at Secondary stage (IEDSS)	Centre	4326.31	917.82
44	2202-02-789-99	Providing Free bicycle to SC Student Class 9th & 11th(SCPS)	State	2014.00	157.42
45	2202-02-789-97	Cash Award Scheme for SC 9th to 12th (SCPS)	State	18058.30	14490.60
46	2202-02-789-96	Monthly stipend to all SC student in Classes 9th to 12th (SCPS)	State	36159.00	28493.35
Total				320642.73	177538.27

Source: Information compiled by audit party

Appendix 2.2

(Reference: Paragraph 2.1.8.1; Page 13)

Statements showing the details of feedback from Everon Education Limited and Core Project and Technologies Limited

Everon Education Limited

Name of district	Number of schools from where feedback obtained	Services rated by the schools				Reasons				
		Excellent	Very good	Good	Average	Poor	Laboratory apparatus in working condition	DG Set not in working condition	Consumable not supplied as per agreement	Broad-band connection not working
Hisar	7	0	1	2	4	0	1	2	6	0
Kaithal	5	0	0	3	2	0	1	2	0	1
Karnal	2	0	0	1	1	0	1	0	1	0
Kurukshetra	9	0	0	6	3	0	2	6	1	0
Mewat	3	0	0	0	1	2	2	2	2	0
Yamuna Nagar	6	0	1	1	3	1	2	4	0	1
Total	32	0	2	13	14	3	9	16	10	2

Source: Data compiled by audit party

Core Project and Technologies Limited

Name of district	Number of schools from where feedback obtained	Feed back				Reasons					
		Excellent	Very good	Good	Average	Poor	Lab apparatus not working condition	DG Set not in working condition	Apparatus theft or stolen	Consumable not supplied as per agreement	working Internet connection
Hisar	14	0	0	0	1	13	6	3	1	14	11
Kaithal	35*	0	0	0	2	33	30	27	1	34	32
Karnal	10	0	0	0	2	9	5	3	0	10	8
Kurukshetra	25	0	0	3	2	20	18	17	3	25	22
Mewat	13	0	0	1	4	8	7	7	1	13	12
Rohtak	11	0	0	0	3	8	9	8	4	11	10
Yamuna Nagar	15	0	1		3	11	9	8	0	14	12
Total	123	0	1	4	17	102	84	73	10	121	107

Source: Data compiled by audit party**Note:*** Three computer laboratories at GSSS Budhakhhera, Sanghan, Kasour were reported to be burnt.

Appendix 2.3

(Reference: Paragraph 2.1.9.1; Page 18)

Details of pass percentage of students in the Government Senior Secondary Schools and Government High Schools during 2009-14

Sr. No.	Name of District	Pass percentage													
		Senior Secondary (12th) Result							High School (10th) Result						
		2009	2010	2011	2012	2013	2014	2009	2010	2011	2012	2013	2014	2009	2014
1	Ambala	90.93	88.88	67.54	60.74	57.66	68.43	70.51	64.83	42.35	41.49	31.46	38.10		
2	Bhiwani	92.57	90.77	70.37	63.36	57.55	75.51	82.47	81.51	67.76	61.67	51.65	62.46		
3	Faridabad	87.88	87.69	64.09	55.89	38.09	63.62	80.13	69.80	45.60	37.98	25.89	33.87		
4	Fatehabad	89.20	84.66	66.83	58.09	49.51	69.18	77.21	72.63	60.54	52.14	33.45	43.13		
5	Gurgaon	93.38	93.19	75.27	69.54	60.89	71.29	82.21	80.54	62.03	61.60	50.37	60.22		
6	Hisar	89.98	89.83	68.27	62.74	53.25	70.94	83.03	82.23	67.63	62.61	41.28	53.77		
7	Jhajjar	94.87	95.06	79.82	78.21	73.39	82.93	84.56	86.67	76.64	77.36	61.58	65.89		
8	Jind	89.50	90.39	71.03	68.27	55.97	69.26	76.04	77.13	61.15	55.05	39.32	48.74		
9	Karnal	84.03	86.20	61.26	59.10	50.14	60.06	75.93	75.34	46.60	45.73	28.19	32.69		
10	Kaithal	90.36	91.20	74.24	61.92	55.52	71.22	80.54	73.51	55.75	47.37	30.38	44.14		
11	Kurukshetra	86.05	85.89	64.01	59.46	48.53	60.13	74.43	66.52	53.90	46.97	32.66	38.63		
12	Mohindergarh	90.72	93.40	72.89	67.94	65.99	78.61	85.54	91.16	70.47	66.22	51.71	63.22		
13	Panchkula	88.99	91.30	73.98	68.61	59.45	79.34	62.89	77.94	54.02	51.26	34.52	40.41		
14	Panipat	89.07	91.14	73.82	68.29	55.34	71.69	81.02	80.12	58.93	60.67	35.67	48.80		
15	Rewari	86.71	89.38	68.00	62.93	58.35	71.96	83.86	80.70	64.67	59.02	42.34	55.21		
16	Rohtak	91.16	94.67	79.07	75.37	71.69	80.89	84.34	82.62	69.15	65.97	58.44	64.80		
17	Sirsa	89.58	89.16	70.62	60.69	52.93	73.35	84.54	81.33	61.98	58.53	37.81	49.31		
18	Sonepat	94.69	95.91	81.20	83.62	77.46	84.52	89.54	87.49	72.19	77.85	65.80	73.25		
19	Yamuna Nagar	84.05	83.48	59.40	57.86	50.75	57.27	68.75	61.15	40.59	39.73	26.86	31.95		
20	Mewat	82.82	87.06	72.56	67.54	45.99	67.07	84.05	88.74	69.12	54.42	50.05	56.82		
21	Palwal	-	87.15	66.61	63.47	51.87	67.13	-	81.56	58.35	53.70	33.74	39.87		
	Average pass percentage	89.33	89.83	70.52	65.41	56.68	71.16	79.58	78.26	59.97	56.06	41.10	49.78		

Source: Data supplied by Education Board, Bhiwani

Appendix 2.4

(Reference: Paragraph 2.1.9.3; Page 20)

Details of upgraded schools which did not fulfill the prescribed norms

Name of District	No of schools information received	Total no. of Schools which not fulfill norms	Norm of students	Norm of class rooms	Norm of Area	Norm of Students classrooms	Norm of Students and Area	Norms of classrooms and area	Norm of students, Classrooms and area
Rohtak	GHS/GGHS-6	6	1	3	0	2	0	0	0
	GSSS/GGSSS-14	10	3	2	1	3	0	1	0
Mewat	GHS/GGHS-5	5	1	1	0	2	1	0	0
	GSSS/GGSSS-4	2	1	0	1	0	0	0	0
Hisar	GSSS/GGSSS-6	2	0	2	0	0	0	0	0
Kaithal	GSSS/GGSSS-7	5	0	4	0	1	0	0	0
Kurukshetra	GHS/GGHS-2	2	0	1	0	0	0	1	0
	GSSS/GGSSS-12	7	1	3	1	1	0	0	1
Yamuna Nagar	GHS/GGHS-8	5	0	1	0	3	0	1	0
	GSSS/GGSSS-7	3	1	1	0	0	1	0	0
Karnal	GHS/GGHS-5	3	0	1	0	1	0	1	0
	GSSS/GGSSS-15	5	1	3	0	1	0	0	0
	Total-91	55							

Source: Information provided by the up-graded schools

Appendix 2.5

(Reference: Paragraph 2.1.10.2; Page 20)

Details of candidates who were paid idle salary due to non issue of posting orders

Sr. No.	Subject	Number of candidates who get appointment					Number of candidates who get Place of Posting on 27 January 2014					Delay in days from date of appointment to date of posting				Idle wages				
		On 14 December 2013	On 08 January 2014	On 16 January 2014	On 18 January 2014	Total	Who had join on 14 December 2013	Who had join on 08 January 2014	Who had join on 16 January 2014	Who had join on 18 January 2014	Total	Who had join on 14 December 2013	Who had join on 08 January 2014	Who had join on 16 January 2014	Who had join on 18 January 2014	Who had join on 14 December 2013	Who had join on 08 January 2014	Who had join on 16 January 2014	Who had join on 18 January 2014	Total
1	Chemistry	703	5	25	1	734	623	4	25	1	653	44	19	11	9	30269639	85576	309650	10134	30674999
2	Commerce	390	2	7	1	400	385	2	7	0	394	44	19	11	9	18705957	42788	86702	0	18835447
3	Geography	262	0	63	2	327	243	0	63	1	307	44	19	11	9	11806617	0	780318	10134	12597069
4	History	194	5	29	1	229	191	5	29	1	226	44	19	11	9	9280098	106970	359194	10134	9756396
5	Mathematics	543	27	121	3	694	517	27	120	3	667	44	19	11	9	25119427	577638	1486320	30402	27213787
6	Home Science	68	0	3	2	73	68	0	3	2	73	44	19	11	9	3303909	0	37158	20268	3361335
7	Physics	390	1	71	1	463	363	0	70	1	434	44	19	11	9	17637045	0	867020	10134	18514199
8	Political Science	258	0	4	3	265	253	0	4	3	260	44	19	11	9	12292486	0	49544	30402	12372432
9	Psychology	177	0	4	0	181	170	0	4	0	174	44	19	11	9	8259773	0	49544	0	8309317
10	Punjabi	308	0	8	1	317	293	0	8	1	302	44	19	11	9	14235962	0	99088	10134	14345184
11	Sociology	89	0	13	0	102	85	0	11	0	96	44	19	11	9	4129887	0	136246	0	4266133
	Total	3382	40	348	15	3785	3191	38	344	13	3586					155040798	812972	4260784	131742	160246296

Basic Pay 12090+Grade pay, DA 90 per cent from 14 December 2013 to 31 December 2013 and 100 per cent from 01 January 2014 to 27 January 2014

Appendix 2.6
(Reference: Paragraph 2.2.8.4; Page 30)
Details of inadequate infrastructure in CHCs and PHCs

Name of the District	Total		Number of centres where services were not available												
	CHC	PHC	Waiting Room		Labour Room		Operation Theatre		Clinic Room		Emergency/ Casualty Services		Separate units for male and Female		
			CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	
Yamuna Nagar	6	12	0	0	0	7	0	7	0	0	0	0	0	0	0
Fatehabad	4	14	0	2	0	2	0	14	0	0	0	14	0	0	2
Sirsa	7	18	3	6	1	2	1	5	1	1	1	3	3	3	5
Ambala	4	14	1	4	0	0	0	0	0	0	0	0	0	0	14
Narnaul	7	17	0	0	0	0	4	17	0	0	3	17	3	3	17
Bhiwani	9	33	0	0	0	0	4	30	0	0	9	33	0	0	0
Palwal	4	9	0	2	0	0	4	9	0	0	0	0	0	0	0
Mewat	3	12	0	2	0	2	0	11	0	0	0	2	0	0	2
Total	44	129	4	16	1	13	13	93	1	1	13	69	6	40	40

Source: Data provided by DHFWS concerned.

Appendix 2.7
(Reference: Paragraph 2.2.8.6; Page 31)
Details of non-availability of health services in CHCs and PHCs

Particular	Number of centres in the selected district where health services were not available																				Total	
	Yamuna Nagar		Fatehabad		Sirsa		Bhiwani		Narnaul		Palwal		Mewat		Ambala							
	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC	CHC	PHC						
Total	6	12	4	14	14	7	18	9	33	7	17	4	9	3	12	4	14	44	129			
Blood storage	6	12	4	14	14	6	18	9	33	7	17	4	9	3	12	0	0	39	115			
New born care	0	0	0	4	4	0	1	0	0	0	14	0	0	0	7	0	0	0	26			
24×7 deliveries	0	7	0	4	4	0	1	0	0	0	14	0	2	0	4	0	1	0	33			
Inpatient	0	4	0	14	14	1	1	0	0	0	0	0	1	0	4	0	0	1	24			
X-rays	6	12	0	14	14	3	10	0	33	6	17	2	8	0	11	1	14	18	119			
Ultra Sound	6	12	4	14	14	7	18	9	33	7	17	4	9	3	12	4	14	44	129			
ECG	6	12	0	14	14	4	11	0	33	5	17	4	9	0	12	4	14	23	122			
Obstetric Services	0	7	0	0	0	5	12	0	33	7	17	0	2	2	12	4	14	18	97			
Emergency services	0	7	0	14	14	1	3	7	33	0	17	4	9	0	4	0	0	12	87			
Tubectomy and Vasectomy	0	11	0	14	14	1	10	4	30	0	17	4	9	0	11	4	14	13	116			
Internal Gynaecological examination	0	7	0	0	0	2	6	9	33	7	17	0	9	2	12	4	14		98			
Paediatric Services	0	0	0	4	4	6	18	9	33	7	17	4	9	3	12	4	14	33	107			

Source: Data provided by DHFWS concerned

Appendix 2.8

(Reference: Paragraph 2.2.10.1; Page 34)

Details showing availability of essential drugs

{Number of Medicines (Percentage)}

District	GH		CHC		PHC	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Yamuna Nagar	134 (19)	241 (38)	47 (19)	186 (76)	14 (8)	112 (60)
Fatehabad	165 (26)	275 (44)	39 (16)	186 (74)	22 (12)	78 (44)
Sirsa	187 (27)	220 (35)	96 (39)	198 (80)	34 (18)	134 (75)
Bhiwani	196 (28)	243 (35)	33 (13)	144 (57)	27 (15)	151 (85)
Narnaul	82 (13)	408 (58)	37 (15)	242 (96)	25 (14)	163 (92)
Ambala	207 (33)	373 (53)	85 (35)	218 (87)	62 (33)	155 (87)
Mewat	238 (34)	321 (51)	83 (34)	207 (84)	36 (19)	166 (93)
Palwal	221 (31)	271 (38)	52 (21)	170 (69)	56 (30)	136 (76)

Source: Data provided by DFWHS, CHCs and PHCs concerned

Note: The EML was revised in 2010 for GH, CHC and PHC which contained 627, 246 and 186 medicines respectively. The drug policy was revised in July 2013 and implemented from July 2013 under which 703, 251 and 178 medicines for GH, CHC and PHC respectively were considered essential.

Appendix 2.9
(Reference: Paragraph 2.2.11.1; Page 36)
Status of total number of pregnant women and their registration for first trimester

Year	Total number of pregnant women registered	Total number of pregnant women registered at the time of first trimester	Percentage of pregnant women registered at the time of first trimester
2009-10	6,54,276	2,91,148	44
2010-11	6,08,720	2,85,429	47
2011-12	6,01,074	3,06,650	51
2012-13	5,83,824	2,93,668	50
2013-14	5,35,739	2,66,672	50

Source: Data provided by SHS

Appendix 2.10

(Reference: Paragraph 2.2.11.2; Page 37)

Details of targets and achievements of various components of family welfare planning

Year	Vasectomy			Tubectomy		
	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
2009-10	24000	9294	39	96000	77957	81
2010-11	24000	6193	26	96000	71965	75
2011-12	22370	6527	29	89630	71819	80
2012-12	20000	5385	27	90000	70706	79
2013-14	10000	4065	41	72000	69803	97
Total		31464			362250	

Year	IUD			C.C. Users			OP Users		
	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
2009-10	230000	186686	81	394000	303608	77	79000	85296	108
2010-11	230000	182286	79	395000	210469	53	80000	67907	85
2011-12	240000	194541	81	395000	278382	70	80000	83795	105
2012-13	264000	192770	73	395000	244044	62	80000	76502	96
2013-14	264000	224824	85	395000	308004	78	80000	69565	87
Total		981107			1344507			383065	

Source: PIP 2014-15

Appendix 2.11

(Reference: Paragraph 2.3.10.1 (ix); Page 65)

Details of profit earned by developers on sale of land

Sr. No	Name of licensee	Date of Purchase of Land	Original Cost of land (₹ in crore)	Date of issue of license	Name of purchaser	Date of sale	Sale price of land	Profit on sale of land
(₹ in crore)								
I	II	III	IV	V	VI	VII	VIII	IX (VIII – IV)
1	M/S Skylight Hospitality Pvt Ltd ¹	28 January 2008	7.50	15 December 2008	DLF Universal Limited (applied for in principle approval ² for transfer of license on 18 January 2012. License not yet transferred ³)	18 September 2012	58.00	50.50
2	M/s Sun Star Builders Pvt Ltd, M/s Witness Construction Pvt Ltd ⁴	1 June 2005	0.31	6 September 2012	DLF Universal Limited (applied for transfer of license on 18 June 2013. License transferred on 30 July 2013)	20 May 2013	93.95	93.64
3	M/s Botil Oil Tools India Pvt Ltd ⁵	14/19 June 1984	0.05	14 March 2008	M/s Uppal Housing Limited (applied for transfer of license on 13 July 2009. License transferred on 11 September 2012)	16 May 2008	44.00	43.95
4	M/s Uppal Housing Pvt Limited	16 May 2008	44.00	11 September 2012	Saumya Realtech Pvt Limited (now changed to KLG Realtech Pvt Limited) applied for transfer on 17 April 2013. License transferred on 3 May 2013.	28 March 2013	69.50	25.50
5	M/s Mark Buildtech Pvt Ltd	6 July 2005	0.40	12 May 2008	Information TV Pvt Ltd (applied for transfer of license on 23 July 2013. License transferred on 14 August 2013)	7 July 2009	2.02	1.62
Total			52.26				267.47	215.21

¹ M/s Skylight Hospitality Pvt Ltd entered into a collaboration agreement with DLF Retail Developers Limited (now known as M/s DLF Universal Limited) on 5 August 2008.

² As per practice of the TCPD, in-principle approval has first to be taken by the applicant from the department for transfer of license. Thereafter, the applicant applies for the transfer of the license alongwith all related documentation including sale deed indicating ownership of land, bilateral agreement, Bank guarantees, etc.

³ - Applied for in-principle approval for transfer of license on 18 January, 2012
 - In-principle approval accorded on 3 April 2012
 - Show cause notice issued on 19 October 2012 for withdrawal of in-principle approval in view of cancellation of mutation order of 15 October 2012 in favour of DLF Universal Limited, by DG Consolidation.
 - Confirmation sought by DG, TCPD from DG, Consolidation regarding status of orders and ownership on 11 February 2014.
 - No progress since then.

⁴ M/s Sun Star Builders Pvt Ltd and M/s Witness Construction Pvt Ltd signed the bilateral agreement with State Government on 6 September 2012 where there is a mention of DLF Universal Limited as collaborator.

⁵ M/s Botil Oil Tools India Pvt Ltd. signed collaboration agreement with M/s Uppal Housing Ltd. on 15 June 2007 and the bilateral agreement with the State Government acting through their developer M/s Uppal Housing Ltd. on 14 March 2008.

Source: From the records made available of License files maintained by TCPD

Appendix 3.1

(Reference: Paragraph: 3.1; Page 75)

Statement showing the land transferred to HAFED but land cost not recovered

Sr. No.	Name of market committee	Name of Mandi	Land transferred to HAFED			Date of transfer	Cost of land (₹ in lakh)	Due date of deposit	Delay in months	Interest @ 15% p.a.
			Acre	Kanal	Marla					
1	Barwala	Barwala (Hisar)	7	2	17	September 2009	317.79	June 2011	34	135.06
2	Narnaund	Narnaund	5	0	0	November 2009	168.75	May 2011	35	73.83
3	Shahabad	Ajrana Kalan	5	2	6	December 2009	65.52	Dec 2009	53	43.41
4	Kalanwali	Bara Gudha	3	5	18	November 2009	112.14	Dec 2009	53	74.29
5	Sonipat	Dipalpur	8	6	19	November 2009	288.91	Mar 2011	37	133.62
6	Sonipat	Punthala	6	7	3	February 2010	130.29	June 2011	34	55.37
7	Ganaur	Ganaur	10	5	12	December 2009	1,038.87	Mar 2011	37	480.48
8	Behal	Behal	4	6	7	November 2009	546.21	May 2011	35	238.97
9	Thanesar	Kirmach	10	3	19	October 2009	97.11	Demand not raised. Cost of land calculated at collector rates.		
10	Madlauda	Chhichhrana	10	0	0	November 2009	130.00	Demand not raised. Cost of land given by Market Committee		
			68	36	101		2,895.59			1,235.03

or Say 73 1 1

Sr. No.	Name of market committee	Name of Mandi	Land transferred to HAFED			Date of transfer	Cost of land (₹ in lakh)	Amount received on
11	Rania	Kharia	8	2	13	November 2009	107.97	Amount Received on due date
12	Dabwali	Chautala	15	6	10	February 2010	353.14	Amount Received on due date
			23	8	23		461.11	

or Say 24 1 3

	Total		97	2	4		3,356.70	
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Total land transferred	Acre 97	Kanal 2	Marla 4	₹ 3,356.70 lakh
Demand not raised	20	3	19	₹ 227.11 lakh
Demand raised for	76	6	5	₹ 3,129.59 lakh

(Source : Information compiled by Audit Party)

Appendix 3.2
(Reference: Paragraph: 3.4; Page 81)

Details showing the extra expenditure for the purchase of containers

Sr. No.	District Name	Primary	Upper Primary	Aided Primary	Aided Upper Primary	Total	Specification (gauge)	Rate per container for primary (3Qntls)	Minimum rate per container of 24 gauge for primary	Difference for primary (no of schoolsx2)	Rate per container for upper primary (5 qntls)	Minimum rate per container of 24 gauge for upper primary	Difference for upper primary (number of schools x 2)	Total difference
1	Ambala	447	284	0	0	731	24	1,400	1,100	2,68,200	1,900	1,400	2,84,000	5,52,200
2	Bhiwani	705	466	0	0	1,171	24	1,900	1,100	11,28,000	2,500	1,400	10,25,200	2,153,200
3	Faridabad	0	0	0	0	0	0	0	1,100	0	0	1,400	0	0
4	Fatehabad	243	169	0	0	412	24	1,400	1,100	1,45,800	1,750	1,400	1,18,300	2,64,100
5	Gurgaon	0	0	0	0	0	0	0	1,100	0	0	1,400	0	0
6	Hisar	408	314	3	3	728	24	1,584	1,100	3,97,848	2,263	1,400	5,47,142	9,44,990
7	Jhajjar	324	227	0	0	551	24	1,560	1,100	2,98,080	1,976	1,400	2,61,504	5,59,584
8	Jind	96	260	0	0	356	24	1,100	1,100	0	1,500	1,400	52,000	52,000
9	Kaithal	394	223	0	0	617	18	1,790	1,100	5,43,720	2,550	1,400	5,12,900	10,56,620
10	Karnal	296	160	0	0	456	24	1,700	1,100	3,55,200	2,500	1,400	3,52,000	7,07,200
11	Kurukshetra	172	87	0	0	259	24	1,250	1,100	51,600	1,400	1,400	0	51,600
12	Mahendargarh	196	0	0	0	196	24	1,131	1,100	12,152	0	1,400	0	12,152
13	Mewat	551	340	0	0	891	0	1,500	1,100	4,40,800	1,800	1,400	2,72,000	7,12,800
14	Palwal	104	77	0	0	181	22	1,584	1,100	1,00,672	2,150	1,400	1,15,500	2,16,172
15	Panchkula	115	131	0	0	246	22	1,867	1,100	1,76,410	2,499	1,400	2,87,938	4,64,348
16	Panipat	252	169	0	0	421	20	1,500	1,100	2,01,600	2,800	1,400	4,73,200	6,74,800
17	Rewari	172	175	0	0	347	24	1,200	1,100	34,400	1,540	1,400	49,000	83,400
18	Rohtak	0	198	0	18	216	22	0	1,100	0	2,263	1,400	3,72,816	3,72,816
19	Sirsa	0	0	0	0	0	0	0	1,100	0	0	1,400	0	0
20	Sonapat	347	259	2	2	608	24	2,036	1,100	6,53,328	2,263	1,400	4,47,034	11,00,362
21	Yamuna Nagar	456	313	2	2	773	24	1,350	1,100	2,29,000	1,950	1,400	3,46,500	5,75,500
Total		5,278	3,852	7	23	9,160				50,36,810			55,17,034	1,05,53,844

Note: 1. In case of Mewat distirct, capacity of four quintals for primary schools. Specifications of gauge not mentioned.
2. In Palwal district, two quintals containers for primary schools and four quintals for upper primary schools.
3. In Panipat district, 2.5 quintals for primary schools and
4. In Sonapat districts, four quintals for primary schools.

(Source : Information compiled by Audit Party from the information collected from various districts)

Appendix 3.3

(Reference: Paragraph: 3.11; Page 94)

**Actual strength of IPS and HPS officers vis-à-vis sanctioned strength during
2009-14 in Police Department**

Year	IPS				HPS			
	Sanctioned	Posted	Vacant	Percentage of vacancy	Sanctioned	Posted	Vacant	Percentage of vacancy
2009-10	117	109	08	7	208	135	73	35
2010-11	137	110	27	20	207	176	31	15
2011-12	137	105	32	23	220	158	62	28
2012-13	137	107	30	22	220	178	42	19
2013-14	137	113	24	17	220	216	4	2

(Source : Information supplied by Police Department)

Appendix 3.4
(Reference: Paragraph: 3.11; Page 96)
Details showing pendency of testing of samples in Forensic Science
Laboratory

Year	Opening balance	Samples received	Total Samples	Samples reported	Pending samples	Percentage
2009	871	8,680	9,551	8,226	1,325	14
2010	1,325	8,948	10,273	8,713	1,560	15
2011	1,560	9,777	11,337	10,005	1,332	12
2012	1,332	9,610	10,942	9,443	1,499	14
2013	1,499	11,114	12,613	9,109	3,504	28

(Source : Information supplied by Police Department)

Appendix 3.5
(Reference: Paragraph: 3.21; Page 122)
Detail showing extra expenditure incurred during 2012-13 and 2013-14 on excess appointment of conductors

Month	Total Buses	Total of CNG+Low Floor	Other buses	Conductors 1:1.4 (Ord.) (Col 4 * 1.4)	Conductors 1:2.5 (CNG & LF) (Col 3 * 2.5)	Adda Conductors ¹	Total (Col 5+6 +7)	Actual No. of Conductors as per pay rolls	Excess (9-8)
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
May 12	3610	535	3075	4305	1338	750	6393	6653	260
June 12	3705	541	3164	4430	1353	750	6533	7754	1221
July 12	3633	526	3107	4350	1315	750	6415	7731	1316
August 12	3699	528	3171	4439	1320	750	6509	7761	1252
Sep 12	3745	538	3207	4490	1345	750	6585	7747	1162
October 12	3755	487	3268	4575	1218	750	6543	7601	1058
Nov 12	3829	502	3327	4658	1255	750	6663	7342	679
Dec 12	3843	556	3287	4602	1390	750	6742	7289	547
Jan 13	3769	565	3204	4486	1413	750	6649	7093	444
Feb 13	3820	560	3260	4564	1400	750	6714	7093	379
Mar 13	3844	557	3287	4602	1393	750	6745	7273	528
Apr 13	3812	553	3259	4563	1383	750	6696	7266	570
May 13	3827	553	3274	4584	1383	750	6717	7249	532
Jun 13	3828	551	3277	4588	1378	750	6716	7218	502
Jul 13	3828	551	3277	4588	1378	750	6716	7205	489
Aug 13	3882	627	3255	4557	1568	750	6875	7215	340
Sep 13	3883	627	3256	4558	1568	750	6876	7215	339
Oct 13	3870	654	3216	4502	1635	750	6887	7202	315
Nov 13	3888	696	3192	4469	1740	750	6959	7194	235
Dec 13	3883	696	3187	4462	1740	750	6952	7192	240
									12408

Extra expenditure on appointment of conductors in excess bus fleet = 12,408 x salary @ ₹ 8000 per month = ₹ 9,92,64,000
₹ 9.93 crore

(Source : Information supplied by Transport Department)

¹ Adda conductors are posted at bus stands for cutting tickets. These conductors were posted over and above the norms of 1.4 and 2.5.